

HOMELANDS - TRANSKEI ~~19~~ General

1988

JAN - FEBRUARY

Who's who in Kei graft probe

ROGER SMITH



□ **BLOOMBERG** ... handled the R3m cash transfer for the Transgames deal

THE commission of inquiry into the Transkei Department of Works and Energy has uncovered a payoff scandal with wide ramifications.

A who's who of some of the principal actors, and others whose names have cropped up in the investigation of this aspect of alleged corruption in Transkei government, is as follows:

□ **CHIEF GEORGE MATANZIMA**: former prime minister, toppled in a coup by Major-General Bantu Holomisa on September 24 last year, after a mounting scandal over corruption in his government uncovered by two commissions of inquiry. In the second and current one, evidence was that he received payments in January and February last year amounting to R344 000, plus R26 000 for a Mercedes-Benz car, from Ugie farmer G J Gouws, who had had R2m deposited in his account by Cape Town attorney David Bloomberg. Sun International (SI), which has denied knowledge of these transactions, had shortly before transferred R3m to Bloomberg in cash payment for the Transgames deal. According to Lexie Ceza, Chief George told her at a meeting about a month before the Transgames deal that if her company Joe-Lexie wanted the casino rights, they would have to pay R2m "lobola".

Received R50 000

□ **CHIEF KAISER MATANZIMA**: Paramount Chief and former president and prime minister, took Transkei into independence in 1976, and retired as prime minister in February 1986 in favour of his brother, Chief George. Evidence in the inquiry was that he was paid R50 000 by Chief George on the same day Chief George received a cheque for R100 000 from Gouws.

□ **STELLA SIGCAU**: former prime minister, took office after the fall of Chief George only to be toppled in Holomisa's second coup on December 30, after she was implicated in the payoffs probe. The inquiry was told a cash cheque from Gouws for R50 000 was deposited in her account on January 20 last year.

□ **T T LETLAKA**: former Minister of Commerce, Industry and Tourism. Evidence was he received a R50 000 cheque from Gouws on January 19 last year.

□ **KENNETH MAGIDIGIDI**: Umtata businessman mentioned in the first inquiry in connection with allegations regarding business incentive payments involving losses to the Transkei government of about R23m. According to Lexie Ceza, he was present at the "lobola" meeting with Chief George. Evidence was he received R30 000 from Gouws' account on January 26 last year.

□ **MTUTUZELI LUJABE**: former Foreign Affairs Minister, also said to have been present at the "lobola" meeting. Evidence was he received R50 000 from Gouws's account on January 29 last year.

□ **VULINDLELA MBOTOLI**: Butterworth businessman, MD Transkeian Jalc subsidiaries Temba Investments and Temba Construction. The present inquiry has involved investigation of all the Works and Energy Department's housing contracts, including contracts awarded to Temba and Jalc. Mbotoli was one of the vendors of the 55% shareholding in Transgames to SI, for which he received R574 626 in cash, 16,42% of the slot machine royalty and 7,46% of the issued shares of Newco.

□ **CHRIS VAN RENSBURG**: Jalc chairman,

Reif of ESL wholly-owned subsidiary Transkei Tattersalls in earlier negotiations with the Transkei government over gambling rights. Bloomberg handled the R3m SI paid for the Transgames deal. Evidence was he later deposited R1,5m in Gouws's account on December 15, 1986, and R500 000 on January 15, 1987, from which payments were made to various Ministers.

□ **G J GOUWS**: Ugie farmer and hotelier. His farm was said to be the scene of the "lobola" meeting. Evidence was he was to sell the farm to Chief George for R1,4m. After the deductions from his account for payments to various Ministers, the amount of R1,4m matches the balance of the R2m paid into it by Bloomberg. Gouws has denied responsibility for the payments.

□ **M M NTLOKO**: Transkei Development Corporation MD and a director of Transun. Involved in negotiations over the Umtata hotel and casino projects and the JSE listing of Transun. Said by Ceza to have offered her R300 000 on behalf of SI MD Sol Kerzner to drop her company's application for casino rights. Evidence was he was paid R50 000 from Gouws's account on December 23, 1986.

Written assurance

□ **LEXIE CEZA**: MD of Joe-Lexie. She was known to be on friendly terms with Chief Kaiser Matanzima. She applied for casino rights in the Umtata area some time before Transun did so. She received a written assurance from Chief George that it would be possible for her company to obtain the rights, and said she was told by him at a meeting at Gouws's Ugie farm in October 1986 they would have to pay R2m "lobola" for them. She said he also told her to include the names of various people, including his wife, Nowethu, and Cabinet Ministers Lujabe, Tetlaka and Sigcau, as company directors in her application, which was subsequently refused.

□ **JOHN TRICKEY**: Former Durban commercial branch policeman. Named as a financial backer of Joe-Lexie with another Durban businessman, A Del Veccio. He attended the "lobola" meeting.

□ **WALTER REIF**: Named in connection with negotiations for the concession of certain gambling rights to ESL subsidiary Transkei Tattersalls in 1978. He retired from business in SA to Locarno, Switzerland, in 1977, where he died in November, 1986.

□ **SOL KERZNER**: Sun International MD, involved in the negotiations for the Umtata hotel and casino project and the Transgames deal. Signed a letter to Bloomberg on December 10 on the conditions of the Transgames deal, and an agreement on the project and deal with Chief George on December 12.

residing in East London. He is said to be a personal friend of Chief George, as well as of senior members of the SA government. He holds a power of attorney for his brother, Fred, who was a vendor of the 55% shareholding in Transgames to SI. One of the other vendors, Mbotoli, is MD of Jalc subsidiary companies.

□ **LAURIE PAINTING**: Jalc financial director, named with Chris van Rensburg in the inquiry by counsel for the Auditor-General as among the people SI should disclose any dealings with.

□ **FRED VAN RENSBURG**: Queenstown businessman, brother of Chris van Rensburg, who holds a power of attorney for him. As a vendor in the Transgames deal, Fred van Rensburg received R387 873 in cash, 11,08% of the slot machine royalty and 5,04% of the issued shares of Newco.

□ **DAVID BLOOMBERG**: Former Cape Town mayor and attorney representing ESL, the mystery Lichtenstein-based company, who also handled negotiations for all the vendors in the Transgames deal. He also represented Walter

Kei strongman Holomisa's oath of vengeance

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15-2-11-88

A YEAR ago Major-General Bantu Holomisa lay dying in military detention in Umtata. He vowed that "heads would roll" if he lived. Today he is the self-appointed military ruler of Transkei.

Holomisa is the perfect model of a military man. He claims to have no political ambitions besides the promotion of non-racialism.

"I'm a soldier. I will address the questions of politics as and when I'm confronted with it practically."

And although he is in line to take up the chieftanship of his tribe, Holomisa said this had never been his aim.

He was detained on January 21 last year under orders from Major-General Ron Reid Daly, former leader of the Rhodesian Selous Scouts and chief advisor to the Transkei Defence Force.

His detention was sanctioned by the then prime minister, Chief George Matanzima.

Antagonism between Holomisa and the Scouts reached breaking point when he opposed their involvement in Ciskei/Transkei politics.

"I was meant to die in their hands," Holomisa said.

He alleged that while he was in detention the Scouts plotted to chain him up and throw him in the sea off Port St John or cause his death by denying him medical attention when he had pneumonia.

He was allegedly confined to a "small, wet cell".

Holomisa said the Scouts' contract was illegal, adding that they owed R4,7-million in taxes.

"They were very racist and specialised in killings and assassinations."

Some TDF regulars who had refused to take part in the Scout's conspiracies had testified before a board of inquiry about the alleged plans to "eliminate" him. Holomisa was released at the end of March after his wife, Tunyelwa Holomisa, challenged his detention in the Umtata Supreme Court.

At the same time troops and officers loyal to Holomisa deported the Scouts and installed him as the commander of the TDF.

During a commission of inquiry into government corruption Chief George fled Transkei and several cabinet ministers were removed from office in September last year.

It is alleged that during this time Holomisa collaborated with South African military intelligence.

By FRED KOCKETT

However, he claims that the military involved themselves because the "public had no-one else to turn to. "How does one act against your own people when they have reason to revolt?" he asked.

People had "become very unhappy" and "at the end of the day it would be the military who would have to shoulder the problem and quell the situation".

After the Matanzima regime ended, Stella Sigcau was elected prime minister but then deposed in a military coup. Holomisa set up a military council, which he chairs, to run Transkei.

While most people have accepted Holomisa as Transkei's honest broker, some critics still suspect that Holomisa is the South African government's pawn.

He received most of his military training in the South African Defence Force and was one of the first blacks to have undergone the South African Staff and Management course at the army college in Pretoria.

He became chief-of-staff of the TDF in 1985, nine years after embarking on his military career.

Holomisa said Transkei's status and future "depends on the voters".

Regarding the political situation in Transkei and South Africa he said: "Reforms are happening. They are a reality.

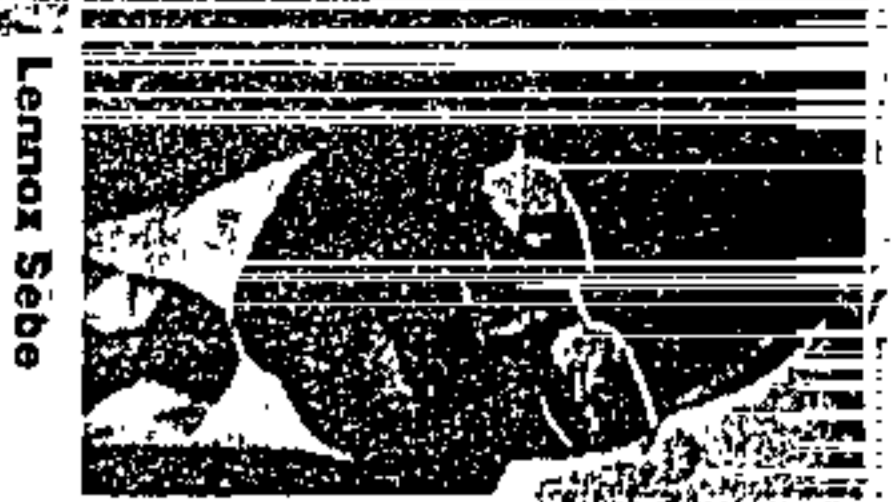
"South Africa ... needs everyone affected, from the African National Congress to the Conservatives, to sit together and come to a sound conclusion. At the end of the day this has to happen ... the sooner the better."

Asked when he believed this would occur, he said the South African government could answer that.

He matriculated in 1975 from Jongilizwe College in Tsolo, a school for the sons of chiefs and headmen. They looked at the viability of an independent Transkei.

"Although I was unaware of the political realities at that age, I realised self-sufficiency would be almost impossible to achieve ... for years the South African government had neglected this area — there were no agricultural developments and the infrastructure was poor. We knew we would be living off hand-outs from the South African government." — Concord

W/Mail



Lennor Sebe

Transkei is not the only black sheep in apartheid's fold

BY REVELATION NTUOLA

Places and names were changed, recently revealed reports of corruption in Transkei would probably hold true for any of the parthead-generated government structures in South Africa.

According to General Banu Holomisa, it was because of his hatred of corruption that he ousted two successive Transkei governments in three months. He has vowed to embark on a ruthless clean-up operation to rid his homeland of the plague.

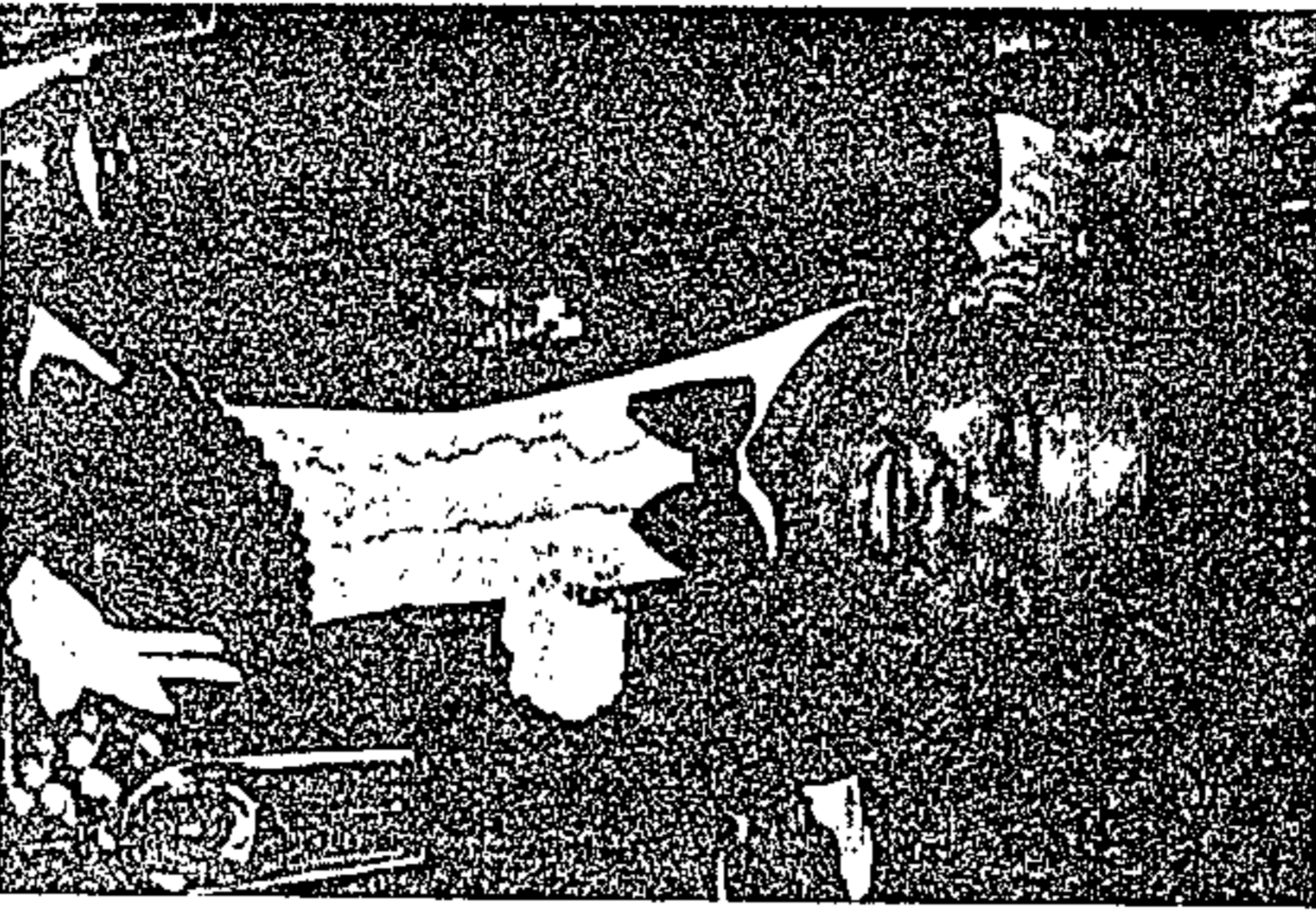
How other homeland governments and local authorities will get rid of the

Significantly, all the money allocated to the non-independent states. And on the local scene this year, the South African government gave the Transvaal Provincial Administration R126-million to pass on to the black councils under its jurisdiction. Ironically, R6-million of this was to be used to improve the image of the councils.

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Transkei's new boss, Bantu Holomisa.

HOLOMISA'S SHOWTIME

By SANDILE MADOLO

THE head of the Transkei Military Council, Major-General Bantu Holomisa, this week disclosed in detail the events which led to the toppling of the two previous governments in the homeland and laid down guidelines for a new Transkei.

Holomisa said during 1987 it came to the attention of the Transkei Defence Force that bribery and corruption was rife in government ranks.

Numerous instances of bribery and corruption involving Cabinet Ministers, as well as senior public servants, were brought to his notice just before October 1987.

"These generally had a negative effect on public thinking. The last straw came when the TDF got hold of convincing documentary evidence that the

head of the deposed government was also involved in acts of corruption. "In the light of the often stated stand which the TDF has taken against bribery and corruption in our country, the TDF felt compelled to take drastic action to put a stop to these practices.

All this is an attempt to rectify a sad state of affairs once and for all and to re-establish the mechanisms of good and sound government. "In adopting these measures, the TDF must not be regarded as a crusader itself but as a crusader against the exploitation of the country's limited resources by unscrupulous persons," said the 33-year-old soldier in a statement. The legislative and the executive functions are now under the direct control of the military council

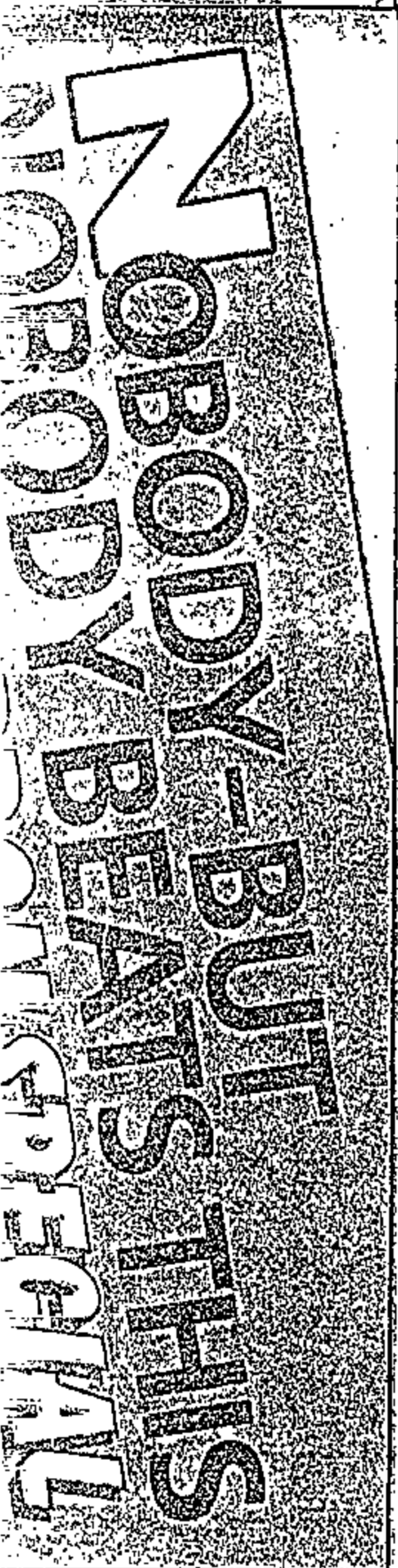
which has been constituted and will be chaired by Holomisa. "In respect of the State departments, the President may appoint not more than 18 persons to serve as Ministers by virtue of their knowledge and experience in the affairs of the State to administer the department of state presently existing. "These Ministers shall be members of a Council of Ministers presided over by myself. This council shall be accountable to the military council.

"The legislative power of the Republic of Transkei, formerly vested in the President and the National Assembly, shall henceforth be vested in the President and the military council which shall be the sovereign legislative authority of the republic and shall have full power to make laws for the peace, order

and government of the republic. Holomisa further went on to say the judiciary would continue to enjoy its autonomy in discharging its duties. All current commitments of Transkei that were entered into lawfully, including agreement and treaties previously entered into with other countries, would be respected. However, political parties would not be allowed to operate freely as in the past.

"No individual or organisation of any kind will be allowed to propagate any political ideology during the period the military council is in power. All organisations of whatever nature, which were banned before the military takeover, remain banned, added Holomisa. Nevertheless, the military government would continue to respect and recognise all traditional structures for leadership such as chiefs and headmen. "The statement continues: "Government departments have not been changed except for the Department of Education which is to look seriously into the affairs of the youth of our country. "The military government feels that since 1976, when we became a sovereign state, very little attention was paid to our youth. "Because of the problem of unemployment, recruiting and the financial implications thereof, the council has placed the Public Service Commission under one Minister. "The military council emphasises the fact that members of the Council of Ministers has been selected exclusively according to their experience, qualifications and expertise in matters relevant to the portfolios allocated to them. An appeal was also made to all civil servants to re-dedicate themselves to their work. "Heads of department will also draw up annual estimates of expenditure for their departments and submit these to the Department of Finance.

"He added that an ombudsman was to be appointed to assist the military government in combating corruption. A special appeal was also made to the citizens of Transkei to come forward without fear of victimisation by anyone and reveal instances of bribery or corrupt practices of which they knew. As if to squash speculations that former Prime Minister Stella Sigcau was toppled partly because of her conciliatory policy to neighbouring Ciskei, Holomisa said his government would continue to recognise the existence of neighbouring republics of Bophuthatwa, Venda and Ciskei. He added that he aimed at building upon and improving still further the good relations presently existing between our country and the Republic of Ciskei. "We shall also maintain good relations with the Republic of South Africa and we shall participate in all bilateral structures in which our countries were involved in the past. "We still recognise and respect all treaties entered into by our country and South Africa," said Holomisa. Holomisa, who has headed several sporting bodies in the homeland and who is said to be a keen sportsman, said adding youth affairs to the portfolio of education, culture and sport, the military government aimed at "discovering the unexploited talent in our youth and to develop such talent and use it for the benefit of our country."



THE South African government was awaiting "clarity" on the situation in Transkei before it officially recognised the military council which took over last week, according to Minister of Foreign Affairs Pik Botha.

In an interview on SABC-TV's *Network*, Botha said South Africa's day-to-day relations with Transkei were the same as before the coup. "We have been in contact with the President, Paramount Chief Tudor Ndabasse, and he has the full co-operation of the military council," said Botha.

All previous agreements with Transkei remained in force. He said the new government had indicated it wanted to hold discussions with South Africa. "The South African government would decide on recognition of the new government once it had a clearer picture of the situation there. Botha said he was "hesitant to discuss the internal affairs of neighbouring states" and refused to discuss the internal situation in Transkei. - Sapa.

SA waits for dust to settle

SA waits for dust to settle

ARGUS 20/1/88 103

Chief George's R2-m demand 'a bribe' Inquiry told of cash 'for tobacco'

The Argus Correspondent

UMTATA. — Former Transkei Prime Minister George Matanzima wanted R2-million before he would consider granting gambling rights to anybody in the Transkei, property company director, Mr John Trickey, said.

He told the commissioner of inquiry into the Department of Works and Energy yesterday that Chief Matanzima said eight Cabinet Ministers had to receive R50 000 each "for tobacco".

A subpoena has been issued for Chief Matanzima to appear before the commission, but commission official Mr Nielen Locke said his present whereabouts was not known.

Chief Matanzima apparently left the Transkei after being deposed five months ago.

Mr Trickey said he, Mrs Lexie Ceza and Mr A del Vecchio met Chief Matanzima in Butterworth in October 1986.

"Chief Matanzima said a gambling licence would cost us, Lexie Joe, R2-million and the money would go directly to him. He said he needed R1-million immediately to buy a farm at Ugie and to give certain politicians money for their tobacco.

Anxious

"He said he was so anxious about getting the money to buy the farm that he could not sleep at night. The Ministers had to get their money because the gambling licence had to go through Cabinet meetings.

"Mr del Vecchio thought the amount was acceptable. We considered it a bribe and an illegal deal."

Mr Trickey, a former member of the Durban police's commercial branch, said he had previously assisted the Transkei auditor-general, but felt it a hopeless task trying to curb the high rate of corruption.

"Everybody was on the bandwagon, so why should I not get on it as well? I was prepared to go along with the illicit deal."

In spite of the deal, previous evidence has been that Chief Matanzima unilaterally granted Sun International the licence. He subsequently bought the farm at Ugie for R1,4-million and gave certain politicians R50 000 each.

Former State President

Chief Kaizer Matanzima told the commission it was a surprise yesterday that R50 000 had been deposited in his bank account by Chief George Matanzima in January 1987.

"My financial transactions are wide. Anyway I never look at my bank statement.

"I do not know about the deposit. Chief George gives me money and I have dealt with a number of his financial obligations. I find it strange that he deposited the money. He should have given it straight to me. He has not done this kind of thing before."

He said he was opposed to gambling and no money would have made him change his mind.

Chief Kaizer also said he was not sure how it came about that he had signed a letter conferring gambling rights to a one-man company, Mzamba Development Company, in 1978, when he was Prime Minister.

Commission chairman Mr Gerald Alexander, SC, said: "The minutes of Cabinet meetings say: no gambling rights. Your letter confers gambling rights."

Elephant death toll

The Argus Correspondent

PHALABORWA. — Almost 200 elephants have been killed by poachers in the Kruger National Park since 1981, game ranger Mr P B Lamprecht told the Regional Court during the trial of three men convicted of killing two elephants.

Shark hooks shark

DURBAN. — A 120kg Zambezi shark was landed after a two-hour battle by an 18-year-old angler, Andrew Pearson of Umkomaas, using a 2kg live sand shark as bait off Widenham beach on the Natal South Coast. — Sapa.

R2-m Jobola demanded

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13/1/88

UMTATA — A witness told the commission of inquiry into the department of works and energy yesterday that the former Prime Minister, Chief George Matanzima, had told her she must pay R2 million before receiving casino rights.

The managing director of Joe-Lexie Pty Ltd, Mrs Lexie Ceza, said she had wanted to explain the background about her company's application for casino rights in the light of evidence concerning her company before the commission yesterday.

She said the company was formed in 1982 and it submitted an application to the department of justice and other relevant departments for a casino licence.

She said Paramount Chief Kaiser Matanzima objected to the fact that the company had non-Transkeian directors. The board was changed to comprise four Transkeians: Mrs Ceza, Mr Dowa Mgudlwa, Dr A B L Pupuna and Mrs Tabitha Dubeni.

In October 1986, Mrs Ceza said, she and her financiers, Mr A Del Vecchio and Mr Trickey, from Durban, had been invited by Chief George to meet him at Ugie.

She said Chief George told her and her financiers that he wanted to buy a farm from Mr G J Gouws. Present at the meeting were Mr Kenneth Magidigidi, Mr Liston Nshongwana, Mr M Lujabe and Chief Mfundo Matanzima.

The actual business meeting was held in private and attended only by herself and her financiers, Chief George and Mr Gouws.

"We were told that before we could get casino rights we had to pay Jobola of R2 million. Also we had to meet Mr Gouws who was selling his farm to Chief George.

Asked for clarification

When the chairman asked the witness for clarification of the term 'Jobola,' Mrs Ceza said this was the exact word used by Chief George. She understood it to mean that if they did not pay Jobola they would not get anything.

Mrs Ceza said Chief George told her that in her application she must include the following people as directors: Mr M Lujabe, Mr T T Letlaka, Mr H B Tsengwa, Miss Stella Sigcau and Mrs Nowethu Matanzima, Chief George's wife.

She said that after the names Chief George mentioned had been submitted, she received a telephone call from Miss Sigcau saying Chief George had informed her about this appointment and that she had declined it as she was a civil servant.

She said Chief George had told her these people must be included in her application so they could help him in the Cabinet to grant her the casino rights.

"He told me he would give them R50 000 each and they would help him get casino rights for me."

She told the commission that her co-directors were prepared to

abide by the wishes of the authority of the day as they had been wanting casino rights for a long time.

The company was prepared to go along with Chief George and give him 'Jobola' if casino rights were granted to it in writing.

About two weeks after the meeting in Ugie, she said, Mr Monty Ntloko came to her house and said he was representing Mr Sol Kerzner with a proposition to sell the land at the Umtata Dam which her company was given permission to occupy by the department of local government and land tenure and which was intended for a casino.

She said Mr Ntloko said she would be paid R300 000 if her company dropped its application for casino rights. Mrs Ceza said she refused to sign the proposition, which was not in contract form. She told Mr Ntloko to leave.

She said that, at the Ugie meeting, Mr Del Vecchio and Mr Trickley had offered R1 million with another R1 million to come after the granting of casino rights.

She said Chief George was not in favour and decided to give Mr Kerzner this right on December 18 1986, in Butterworth without Cabinet approval or approval of the Minister of Justice.

Later yesterday, Mr Ntloko, managing director of the Transkei Development Corporation and chairman of the Transkei Agricultural Corporation, came before the commission with a legal representative to deal with the allegations made against him. Also a director of Transum, Mr Ntloko told the commission he had been called to see Chief George on his farm at Ugie. Chief George told him he was giving him "sweets" for everything he had done.

Mr Ntloko said he refused to take cash because he was worried about the impression it would create, so he requested a cheque which was given to him.

The chairman, Mr G Alexander SC, asked Mr Ntloko if he did not think it strange that he was called to a hotel out of the country and told he would receive a cheque of R50 000.

Mr Ntloko said it was not unusual for Chief George to summon people out of the country and he did not ask why Mr Gouws was signing the cheque although it was a gift from Chief George.

He said the size of the cheque did shock him a little, but he did not refuse it because he "did not know what the Prime Minister would do to him if he refused". At no point were Transum or casino rights brought up as they had only discussed agricultural matters, he said.

He told the commission that the potential listing of Transum was of great financial importance to the TDC which now owned 28,5 percent of the shares.

He denied the allegations put to the commission by Mrs Ceza and said he had gone to see her on behalf of the managing director of Transum, Mr Ken Rosevear, to approach her about the purchase of the land for R300 000.

He said she had signed the agreement he presented to her and only a week later did she change her mind. He did not have a copy of the document as he did not think it was that important as it was not a legal document.

Chief George told him he had bought a farm for R1,2 million from Mr Gouws. He submitted he was somewhat alarmed because of the money Chief George already had on loan from Tracor.

According to previous evidence, R2 million was transferred by a Cape Town attorney to a Ugie farmer, Mr G J Gouws, who then issued nine cheques which went to senior officials, including two former Prime Ministers, Chief George Matanzima, and Miss Stella Sigcau. Evidence was also given that R100 000 was issued to Chief George who on the same day issued a cheque of R50 000 to Paramount Chief Kaiser Matanzima.

Senior counsel for the auditor-general led almost an hour's argument to the commission regarding the contract, signed by Chief George Matanzima on behalf of the Transkei government, entered into with the Wild Coast Sun for the building of a casino hotel in Umtata.

Senior counsel submitted that, legally, no one had the right to contractually grant exclusive gambling rights to a company. The commission was told that one could not contract in advance the right for a licence and officials of the commission were investigating if there were any irregularities such as the passing of monies which preceded the granting of a licence.

Later, counsel for the auditor-general led evidence about the allocation of the shares of Transum, in response to a query from the commission about the allocation to certain individuals.

Different box number

Reading from the Transum register, counsel told the commission a former secretary-general, Mr Ashton Dunjwa, had applied in his name for 650 00 shares at the value of R1,50 a share and he was allocated 159 00. Another application was made in the same name but with a different box number for which 7 000 shares were allocated.

A query was made about the ex-Minister of Commerce, Industry and Tourism, Chief Gladstone Gwadiso, who applied for 750 000 shares and was allocated 1 835 000 with almost R850 000 refunded to him.

The other larger allocations read out to the commission included Mr V Mbofeli, described as a shareholder and director of Transgames and a former employee of Jale, who applied for 916 500 shares and received 224 200 with a refund of more than R1 million.

The managing director of the TDC, Mr Monty Mtlolo, applied for 1 million shares and was allocated 244 600 with a refund of over R1,1 million. Chief George applied for 200 000 and received 48 900.

Counsel for the auditor-general said that it appeared as if a large number of people resident in wealthy areas such as Houghton, Hout Bay and Sandton applied for large numbers of shares but with the names of Transkeians — with the inference that they were used.

A member of the allocations committee, and a secretary/legal adviser for the TDC, Mr Peter Barrable, told the commission Rand Merchant Bank had made available R8 million to assist Transkeians to purchase such shares. — Sapa.

FM 22/1/88
TRANSKEI (103)
Family business
Former Cape Town mayor and attorney Abe Bloomberg was a close personal friend of Walter Reif, the British businessman on whose behalf he had successfully applied for the exclusive rights to conduct bookmaking and totalisator activities in Transkei.
Bloomberg's son, attorney David Bloomberg, also a former mayor, has since been named in evidence before a commission of inquiry into Transkei's department of Works

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and Energy, as the man who paid R2m into the account of an eastern Cape hotelier, G J Gouws. This amount was later paid to various people, in the form of nine cheques.

Bloomberg Jnr tells the FM that he chose to give evidence to the commission. "My decision was voluntary. I was not subpoenaed," he says. Reif, who died in Switzerland in November 1986, was the man behind the setting up of Transkei Tattersalls, later established to be a wholly owned subsidiary of Etablissement Sports et Loisirs (ESL).

ESL, together with Queenstown businessman Fred van Rensburg and Butterworth businessman Vuli Mbotoli, held the 55% shareholding of Transgames bought by 45% shareholder Sun International subsidiary Transun at the end of 1986.

It was also revealed to the FM that East London businessman Chris van Rensburg, chairman of Jalc Holdings (*Current Affairs* January 15), previously had an interest in Transkei Tattersalls. He was later paid out in terms of the prospectus. Van Rensburg and Jalc have been mentioned in evidence before the commission.

In a November 1977 letter to Ashton Danjwa, of the Ministry of Planning and Commerce, Bloomberg Snr described Reif as a man of "the highest repute" who had "occupied the position of chairman and MD of a very large organisation in the milling industry, the fishing industry and in shipping." Bloomberg wrote that Reif had since then moved to Locarno, Switzerland, from where he had also conducted business in France, Monaco and West Germany.

According to the letter, Reif had appointed two Cape Town bookmakers, Louis Miller and Gus Wisenberg, as his representatives. Both men were also well known to him, wrote Bloomberg. (In a later letter, dated September 1 1978, from the secretary of the then established Transkei Sporting and Tattersall Company, reference is made to Gus Wise rather than Wisenberg).

Before writing his letter, Bloomberg snr had met Danjwa and Minister R Madikizela in Cape Town.

Bloomberg's application on behalf of Reif was later discussed in a private and confidential report by one Madabane, who had travelled to Cape Town. Madabane wrote that "in order to obtain a first-hand knowledge of the manifold operations connected with horse-racing," he (Madabane) had been advised "to seek the help and co-operation of Alderman A Bloomberg who . . . has a profound knowledge of racing . . ."

Madabane stated that he had ascertained that Reif had also been the MD of the English concern conducting the business of the Tiger Oats company in Europe. Wisenberg and Miller's joint turnover of their respective businesses was more than R5m per year, wrote Madabane.

"I lean towards supporting this application very strongly," stated Madabane at the time. He said he felt that the initial (Transkei) government levies should be kept as low as possible for the first three years, to attract

a large volume of business from SA.

In a Cabinet memorandum, dated March 3 1978 and marked "Secret," the Department of the Interior endorses the recommendation that Reif's application through Bloomberg be considered favourably. The memo states that three similar applications had been received:

- The Jockey Club Promoters and Agencies from Nairobi in Kenya, who wanted to develop a five-star hotel and casino;
- L B Colvyas of Umtata for a Tattersall club; and
- Thomas Geoges (sic) and Mincioni Pasquale, acting as trustees for a Transkei company.

After the Cabinet meeting Bloomberg was advised by letter from the secretary for the Interior and Social Services that Reif had received permission to establish a Tattersall club, bookmakers agency, amusement and fruit machines, pools and a state lottery.

In a return letter from the secretary of the Transkei Sporting and Tattersall Company, the Minister of the Interior is asked to nominate three members of a committee, as stipulated by the constitution of the club. The letter states that Reif, Richard Kurland (an attorney with Bloomberg's firm) and one Eion Charles Chisholm had been appointed by the founder of the club.

The founder had also appointed Miller and Wise (Wisenberg) as bookmaking members to the committee, wrote the secretary. Reif and Kurland are mentioned as the two directors on the letterhead.

On October 18 1978, the secretary for Commerce, Industry and Tourism wrote to the deputy Prime Minister, forwarding "the required import permits (for amusement machines) as instructed by you." The permits, No 112/78, allow the Transkei Sporting and Tattersall Company to import 20 coin operated amusement machines valued at R39 000, and two roulette amusement machines valued at R10 500, from West Germany.

D/D 1/11/88

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Holomisa pledges big clean-up ahead

by GAIL WALSH

UMTATA — A sweeping anti-corruption drive was promised here yesterday by the commander of the Transkei Defence Force (TDF), Major-General Bantu Holomisa, following his bloodless coup on Wednesday.

The statement was made by Gen Holomisa, who is now chairman of the country's new ruling military council, at a press conference, where he announced the lifting of martial law.

Gen Holomisa said he was able to lift martial law as civil unrest, which was always a possibility in a coup, had not materialised.

He said that subject to certain basic alterations to the constitution, the laws of the country would continue to apply and that the Transkei Police would continue with their law enforcement duties.

The general said the TDF had convincing documentary proof that the former Prime Minister, Miss Stella Sigcau, was implicated in irregularities while serving as a cabinet minister in the government of Chief George Matanzima.

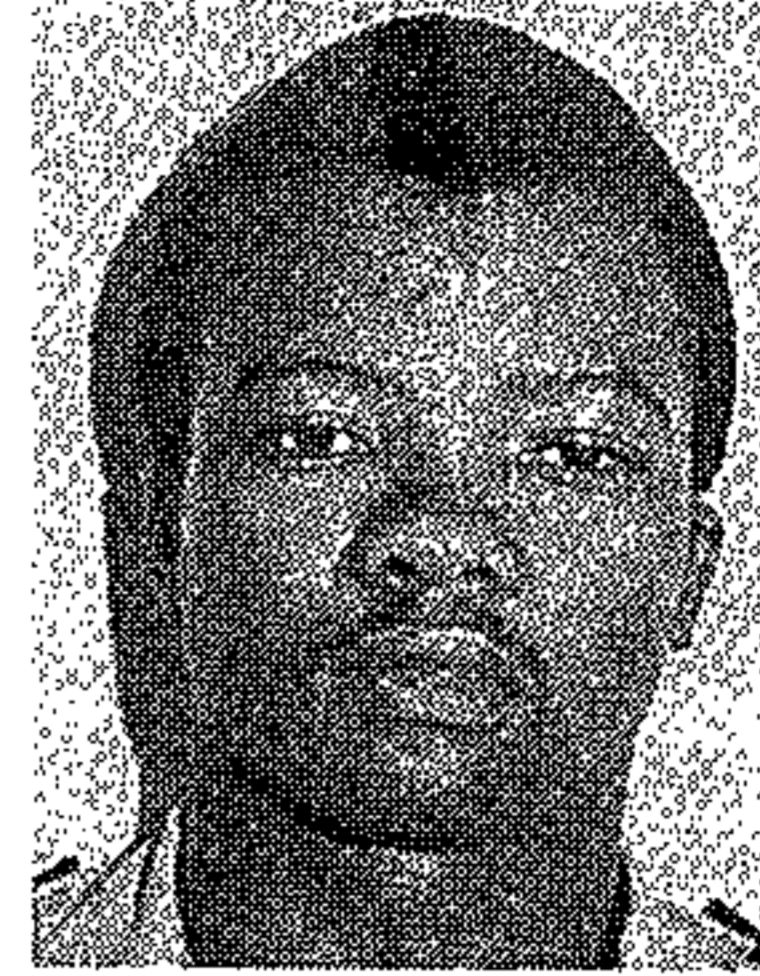
He said there was evidence that she had received, together with other senior cabinet ministers, a large sum of money in return for gambling rights.

"The TDF resolved to take over full control of the country in an endeavour to rectify this state of affairs once and for all and to re-establish the mechanisms of good and sound government," he said, speaking against the backdrop of a Transkei flag and a TDF flag with its motto of "Discipline, Loyalty and Duty".

"It is now readily apparent that the moderate action which the TDF took and which resulted in the fall of Chief George Matanzima's government has not had the desired effect."

He said it became apparent that more extreme measures had to be taken and that it was necessary to indicate to any future government the unacceptability to both the TDF and the public of Transkei of bribery and corruption.

"In adopting these measures the TDF must not be regarded as a law unto itself, but as a cru-



GEN HOLOMISA

sader against the exploitation of the country's limited resources by unscrupulous persons."

The political heads of the country had a duty to perform, he said.

"They have failed dismally in the performance of this duty by resorting to corrupt practices. They have demonstrated clearly that they do not have the interests of Transkeians who elected them to Parliament sufficiently at heart and have failed to adhere to and uphold their oaths of office.

"Instead they have brought the country into disrepute and have set a disgusting example for future generations."

The TDF assured the private sector that it had no intention of altering the status quo and that private investment would continue to be encouraged.

Gen Holomisa said the action taken would eradicate the devious methods by which rights had been acquired in the past, such as the payment of consideration, light-heartedly referred to as "lobola".

The TDF assured all foreigners lawfully in the country as tourists, contract employees or working in the private sector that they were still welcome and that nothing would happen to them.

"I wish to make it clear that my government will give consideration to the handing over of power to a lawfully elected government once the objectives which it has set for itself have been achieved," he said.

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Police set limits on ANC member's funeral

Daily Dispatch Reporter
UMTATA — Transkei security police have imposed conditions on the funeral of an ANC member, Mr Ntsikelelo Michael Mketi, who was killed by South African security forces in Port Elizabeth.

The funeral is scheduled to take place on Sunday at Mr Mketi's home here.

The acting chief of the Transkei security police, General C. H. Gladile, said the funeral was subject to the security laws prevailing in

Transkei and that under the powers vested in him by the emergency regulations he was directing that the ceremony be held between 10 am and 4 pm in the afternoon on any day.

The police also ordered that only an ordained minister of a religious denomination or organisation may act as speaker during the proceedings "provided that the minister shall not at such ceremony, in any way defend, attack, criticise, propogate or discuss any form of government".

The order from the police, contained in a special Government Gazette yesterday, also said that the minister should not support any principle or form of government of a state, any boycott action, the existence of a state of emergency or any action taken by any member or members of the Transkeian police or defence forces of Transkei.

The police also ordered that there should not be flags, banners, placards, pamphlets or posters displayed or distributed during the funeral.

Sigcau talks of R50 000 denies corruption

by RICHARD LOUW

EAST LONDON — The former Prime Minister of Transkei, Miss Stella Sigcau, yesterday emphatically denied being involved in any corruption.

In an exclusive interview by telephone, Miss Sigcau said she was not sure why the coup in Transkei had taken place.

"There is absolutely no truth in the accusation that I was involved in any bribery or corruption involving the casino and the rest of it in Transkei," said Miss Sigcau, who has been in South Africa since Tuesday.

"I do not deny I was given money before I became prime minister by a senior official of the then Transkei government, but it had nothing to do with the casino.



MISS SIGCAU

"The senior official had heard I was applying for a bursary for my daughter who was studying at a school in London.

"He called me to his office and said that since I had been of 'great help to him in the past, I feel that I must help you' and he gave me a cheque for R50 000.

"This money was a donation for my daughter's education and is the only amount of money that I know of, or that is being referred to by General Holomisa."

She said the senior Transkei official, whom she refused to name, had always taken an interest in her family.

"I showed him reports of my children's progress at school and he responded by giving me the money.

"I used part of the money to pay school fees and then I donated the other money to a church which I attend and which only had a rondavel for church services. The money I gave the church helped to build a big church as my daughter could not use all the money as she was in her final year."

Miss Sigcau said she would go back to Transkei.

"I have a clean record and have absolutely nothing to fear," she said.

"I do not mind appearing before a commission of inquiry, if there is one, because I have never been involved with anything to do with the casino.

"The only mistake I may have made was not checking from which quarter the money came.

"As far as I am concerned the money was given to me in good faith as the person concerned had always been interested in my family.

"I will be going back to Transkei on Monday. I must be given the chance to tell the people what is really the truth and to clear my name."

Miss Sigcau said she was not aware of any other cases of bribery or corruption.

Ex-PM told she can return

Daily Dispatch Reporter

UMTATA — The deposed Prime Minister of Transkei, Miss Stella Sigcau, whose 86-day government was ended by a military coup on Wednesday, could return "at any time", Transkei's military ruler, Major-General Bantu Holomisa, said yesterday.

General Holomisa was answering a question at a press conference.

He said Transkei was Miss Sigcau's country.

Most Transkei cabinet ministers were away on leave during the military take over and most of their whereabouts were not known.

The general told reporters that no arrests or detentions had been made and the matter of any criminal prosecutions would be dealt with by the police and the Attorney-General.

Asked about the position of the former cabinet ministers, he said they were expected to return to their homes and lead ordinary lives.

General Holomisa said the restriction order against Paramount Chief Kaiser Matanzima was still in effect.

his friends and fellow-Transkeians.

Their political future would be decided by the electorate, he said.

He said that at the time of Miss Sigcau's election, the army was not then aware of any irregularities on her part, but there had been subsequent investigations.

The general was asked if it was true that a former Rhodesian Army Selous Scout and TDF member, Mr Peter McNeilage, had come to Transkei on "filthy" and subversive activities, Gen Holomisa said if his coming to Transkei was filthy, then it would be "dry-cleaned", and if it was subversive it would be handled by the police.

Asked if armed soldiers positioned at certain points were due to anticipated violence or opposition to the take-over, General Holomisa said this was merely a security precaution.

In response to a question on the military government's policy concerning the banned African National Congress, the general said the military branch was primarily concerned with cleaning up the administration of the country and would not involve itself in the strategy of political ideologies.

General Holomisa said no programme was envisaged for the returning to power of either of the Matanzimas.

He said he had not made enemies of any former political leaders and that they were all

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UMTATA — The coup here and a pledge by the new military ruler, Major-General Bantu Holomisa to wage war on corruption, has been received with mixed feelings.

17 [P. 11] 88
**Reaction
to coup
varies**

One businessman said many people were "jubilant" on hearing the news.

All interviewed at random expressed surprise, although many were aware of the possibility of a coup as rumours had been doing the rounds on the "York Road Times" — Umtata's grapevine — for some time.

Most interviewed said they believed General Holomisa's intentions were sincere and they did not view him as a power-hungry or overly ambitious person, but someone who wanted to stamp out corruption.

Those who seemed to be the most unhappy were supporters of the former Prime Minister, Miss Stella Sigcau, from Pondoland, who were pleased when she took over as they saw it as a shift away from a Tembuland-dominated government under the Matanzimas.

Miss Sigcau's supporters still hailed her for improving relations between Transkei and Ciskei, and being the first woman Prime Minister in Africa.

Civil servants who were approached said some were expecting the coup and felt that "one bad apple spoiled the whole bunch" — a reference to the involvement of Miss Sigcau in the former administration.

Others said the generation gap may have had some influence as it was noted the youth had been complaining about the distribution of wealth.

A still smiling former Minister of Foreign Affairs and Information, Mr T. E. kaTshunungwa, seen at the Botha Sigcau government building cleaning out his office, said he had come to see what was happening.

He said he did not want to comment on how he felt about the takeover, saying only that he would not have a "heart attack" over the situation.

● The Transkei State President, Paramount Chief Tutor Ndamase, arrived in Umtata yesterday from his Great Place at Libode but was unwilling to comment on Wednesday's coup. — DDR
-Sapa

010 1/1/88
DPP off to meet ANC

UMTATA — Seven members of the Transkei opposition party, the Democratic Progressive Party (DPP), among them the acting party leader, Chief Ntsikayezwe Sigcau, have left here for Lusaka to meet with the ANC.

This was confirmed here yesterday by the DPP's national trea-

sure, Mr. Alfred Xobololo.

The delegation left Transkei early on Wednesday morning, some five to six hours before the military takeover.

Mr. Xobololo said Chief Sigcau and his delegation were expected to stay for five or six days in Zambia. —
DDR

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Chief's detention 'a shock'

Staff Reporter

ARGUS 1/12/87 103

THE detention of former Transkei President Chief Kaiser Matanzima was a "traumatic shock" to his family, his daughter, Mrs Xoliswa Jozana, said today.

Mrs Jozana, who is visiting Cape Town for Christmas shopping, said she spent Saturday with her father in Umtata and was "stunned" to hear of his detention.

"I haven't slept. We didn't expect it," she said.

Mrs Jozana said her father's popularity as a leader, regarded as a threat by "some members of the Transkeian government", could have led to his detention.

Mrs Jozana returned to Transkei today. Her younger sister, Miss Tumeka Matanzima, is staying in Cape Town to register at the University of Cape Town for a master's degree in social planning and administration.

Miss Matanzima said her father was detained on the way to his farm in Qamata on Sunday and taken to Wellington prison in Umtata.

None of his family was permitted to visit him or take him food.

● The Argus Correspondent in Port Elizabeth reports that Chief Matanzima's wife Nozuko has applied to the Supreme Court for his release so he could attend a political rally on Saturday.

She said Chief Matanzima was engaged in efforts to win popular support to make a change in the government and believed change was in the interest of all Transkeians.

He thought the police and the government were not happy about his progress and felt the detention of some of his followers was an attempt by the government to intimidate his supporters to frustrate his efforts.

Casino

graft

riddle

S. Times
over

3/1/88
ousted

Stella

By SHAUN HARRIS

BOMBHELL allegations linking corruption in Transkei with South African businessmen are to follow the shock coup this week which deposed Africa's first woman prime minister.

Miss Stella Sigcau was overthrown in a military coup only 86 days after being installed with the army's help.

She was ostensibly charged with cleaning up the administration after widespread allegations of maladministration involving the previous Transkei leaders, brothers George and Kaiser Matanzima.

But a mysterious R50 000, deposited in the bank account of Miss Sigcau last year, led to her downfall at the hands of the youthful General Bantu Holomisa.

General Holomisa claims Miss Sigcau received the money as a bribe for a casino franchise. Miss Sigcau insists the money was given to her by an unnamed Transkei official as a bursary for her daughter.

Smiling

The details are likely to come out next week through a commission of inquiry investigating corruption in the homelands. Some important South African businessmen are likely to be named.

The man who took control of Transkei in a swift and bloodless coup d'etat, General Holomisa, smiled this week when he heard that deposed Prime Minister Miss Stella Sigcau had denied taking a bribe in return for granting gambling rights to a foreign company.

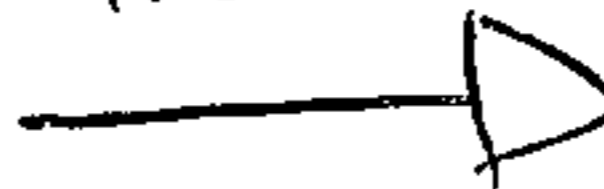
"Now we have got her. We can prove the truth," said Transkei's new 32-year-old military ruler.

Earlier he told the Sunday Times that the woman he had ousted, along with other Transkei Cabinet Ministers, had received R50 000 as part of a deal to grant gambling rights to a company planning to build a new casino on the outskirts of Umtata.

Miss Sigcau's denial was phoned to a newspaper from a secret location out-

□ To Page 2

P.T.O.



Deposed PM in bribe scandal

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S/Times 3/1/88

From Page 1

side Transkei.
"I have documents, cheques and deposit slips to prove that Miss Sigcau received the money. It is not true that the money was given to her by a Government official," General Holomisa said.
She said the R50 000, donated to her by an unnamed government official, was used to pay for her daughter's school fees, while the rest was donated to her church.
Miss Sigcau was on leave



STELLA SIGCAU Took R50 000 'bursary'

when she and 16 of her Cabinet Ministers were removed from power by General Holomisa.
She has promised to return to Transkei tomorrow, and to face a commission of inquiry if necessary.

General Holomisa said the commission would reveal widespread corruption in the former Transkei government.

He would not say who paid the money to Miss Sigcau, promising that it would be revealed when the inquiry began on January 11.

But according to information from a highly-placed source, R2-million was transferred by a businessman in Cape Town to a white farmer in Transkei last January.

According to the source the farmer wrote out several cheques, each for R50 000, on January 19 and deposited them in the accounts of Transkei Cabinet Ministers.

At the time Miss Sigcau was Minister of Posts and Telecommunications under former Prime Minister Chief George Matanzima, whom she later ousted with the assistance of General Holomisa.

It is believed the money was paid to the Ministers while negotiations were underway between a Swiss-based company and the government for gambling

rights at a proposed new casino.

"We learnt about the bribe soon after Miss Sigcau became Prime Minister in October," General Holomisa said.

"But I didn't want to act then — we had just had elections and I didn't want to upset the country's elders by removing the new Prime Minister.

"We had to think hard about what we did.

"In the end it came down to what was best for the country, and that meant getting the Prime Minister and Cabinet out," he said.

According to General Holomisa's interpretation of Transkei's constitution, a military coup was the only way of suspending the government.

"The State President can dissolve parliament, but he cannot remove Cabinet Ministers. Even without a parliament, they hold their positions until the next general election."

Scandal

General Holomisa said he had been deeply disappointed when he had learnt about Miss Sigcau's involvement in bribery. As head of the army, he had paved the way for her rise to power after Chief George Matanzima was removed last year.

"We thought we had a proper government at last. Instead we have this scandal."

General Holomisa was adamant Transkei would return to civilian rule — but he couldn't say when.

"First the military council wants to clear up all charges of bribery and corruption."

He also insisted he had no political ambitions:

"I'm too young to be in charge of the country — it is a great responsibility.

"I am a soldier and don't want to leave the army."

"Traditionally it is the elders who rule.

"I know that to some people I am a young upstart who has no respect for them."

Political Correspondent Lester Venter reports that General Holomisa's coup has been received without a flutter in Pretoria, with senior government sources describing him as an honest man whom they believe could lead Transkei back to clean administration.

MISTER BABY COMPETITION WINNERS

1ST PRIZE

BABY DENISE HOLTZHAUSEN Mrs Bernice Holtzhausen 32 Visser Street Extension B WITBANK 1035

CONSOLATION PRIZES

- JHARRE MINHAAR Graham • GADAM DIBB, Isibane-Inyanga • BRENDAN HEPBURN Graham-Stellenbosch
- WALTER JOHANNES BRECHT Pretoria
- JARVIN OQUILL Bylands Estate • EMMANUEL VAN DER MERWE • VALMINDI LANG, East London
- HYRON KIRK North Hill Estate • AMY KALL MILLON, Port Elizabeth • AMANDA'S HOME, Middelburg
- DANIEL BISSCHOP, Helos • MIEP, ALFRAN, Castleman, Bessing • HYRON JAMAR, Kromaat
- ROBERT JONES, Vredendal • S. LEEUWEN, SHELWELL, Prieska • JOHANNES BOYMAN, Redwood
- LANCELOT DE FONTE, Caledonia • JANE TORRES, Breda • S. JACOB, Leeuwarden
- JACQUES VAN DER MERWE, Breda • NINA VAN DER MERWE, Breda • LADON DE VRIES, Breda
- ALEX SWAN, Plettenberg • JAMES VAN DER MERWE, Plettenberg • ANTONIE DE JANSSEN, Plettenberg • GIANETTI KSWIRION, Plettenberg
- ROJANN VAN ZYL, Breda • GERT VAN DER MERWE, Plettenberg • GERT VAN DER MERWE, Plettenberg • COLIN WYATT, Gouda • NEW JAC • SHARILYN HANCOCK, Plettenberg • LLOYD MILES, Breda • RILEY, LAILLAN, Breda • BERNARD JANSSEN, Breda • KATHRYN GIFF, Seward Park
- STEPHANIE HENDER, Jolani • JACQUES VAN RYK, Lady Smith • EMOTIE HALL, Dubsandale • GURAM THOMAS, Kompanjanskop
- JESSE THOMAS, Breda • VALERIE VAN DER MERWE, Breda • JESSICA, Breda • VALERIE VAN DER MERWE, Breda • JESSICA, Breda • GILWIM, Breda • AMELIE, Breda • ABIMAN, Breda • LISA, Breda • SAMUEL, Breda • LUIS, Breda • LUIS, Breda • LUIS, Breda

WEATHER AND

TRANSVAAL: Pretoria, Witwatersrand and the Eastern Highveld: partly cloudy and hot with isolated thundershowers over the south-eastern Highveld. Western and South-Western areas: sunny and hot. Central, North-Western and Northern areas: partly cloudy and hot. Eastern Lowveld and Escarpment and Venda: partly cloudy, humid and hot. Isolated thundershowers over the extreme southern Escarpment.

FREE STATE: sunny and hot but very hot in the north and west. Isolated thundershowers are possible over the eastern Border area.

CAPE: North of the Orange River: sunny and very hot. Cape Peninsula, Boland and the Overberg: fine and warm becoming partly cloudy and somewhat cooler. Namaqualand and the South-Western interior: fine and hot. Bushmanland and the Karoo: hot and dry becoming cooler in the extreme south. Midlands, North-Eastern areas, Border and the Transkei interior: sunny and hot. Western coastal belt: fine and warm. Wind moderate southerly but fresh to strong south easterly in the north. Cape Infante to Plettenberg Bay: sunny and warm becoming cloudy and cooler. Plettenberg Bay to Port Alfred: sunny and warm. Port Alfred to

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ALLEGED BRIBES DENIED BY SUN

Some fun

4/1/88

SOL Kerzner's hotel empire, Sun International, has denied any knowledge of alleged bribes paid to deposed Transkeian Prime Minister Miss Stella Sigcau.

Allegations have been made that a subsidiary company, called Transgames, which has since been taken over by Sun International, acquired gambling rights in the homeland after paying money to Stella Sigcau.

An investigation which led to her being deposed alleged that before Sun International bought out Transgames, she was given an undisclosed amount.

However, Sun International's vice-chairman, Ian Heron said it was not his company's policy to offer bribes in exchange for gambling rights.

"We are not aware of any corrupt deals in respect of gambling rights that may have been struck by a subsidiary company before it was taken over by Sun International," he said, adding all his company's business transactions



MISS Stella Sigcau ... deposed.

were "recorded in black and white".

Soon after leading a bloodless coup d'etat General Holomisa, who is commander of the Transkei Defence Force (TDF), accused Miss Sigcau of bribery and corruption while she was a Cabinet Minister in the government of former Prime Minister, Mr George Matanzima.

He said the TDF had convincing documentary proof that Miss Sigcau — she ruled for only 86 days — had received, together with other senior Cabinet Ministers, a large sum of

money in return for gambling rights granted to a foreign company operating in Transkei.

In an interview with an East London newspaper, Miss Sigcau said: "I do not deny I was given money before I became Prime Minister by a senior official of the then Transkei Government, but it had nothing to do with the casino.

"The senior official had heard I was applying for a bursary for my daughter who was studying at a school in London.

"He called me to his office and said that since I had been of 'great help' to him in the past, he felt 'that I must help you', and he gave me a cheque for R50 000.

"This money was a donation for my daughter's education and is the only amount of money that I know of, or that is being referred to by General Holomisa.

"I used part of the money to pay school fees and then I donated the other money to a church."

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Holomisa outlines new rules

APL Times 4/1/88
103

Own Correspondent

UMTATA. — Only parts of Transkei's constitution have been suspended.

The head of the new military government, Major-General Bantu Holomisa, said at the weekend that the constitution had not been suspended entirely, but would be altered to ensure the smooth running of the transitional government.

General Holomisa outlined the form of the new government.

In broad terms, the legislative and executive functions of government would be under the direct control of, and discharged by, a military council, chaired by General Holomisa.

The executive power of the government would be vested in the state president, acting on the advice of the military council at all times.

In respect of state departments, the state president may appoint not more than 18 persons to serve as ministers.

mes

Holomisa spells out new 'Kei structures

Own Correspondent

EAST LONDON — Transkei coup leader and new Head of State General Bantu Holomisa gave details of Transkei's new military government at the weekend.

He said Transkei's constitution had not been suspended entirely. But it would be altered to ensure the smooth running of the transitional government.

"I wish to make it clear that my government will give consideration to the handing-over of power to a lawfully elected government once the objectives which it has set for itself have been achieved," he said.

He said all current commitments of government lawfully entered into, including agreements and treaties previously entered into with other countries, would be respected, and the "friendly relations" between Transkei and the international community would be maintained.

In broad terms, legislative and executive functions of government would be under the direct control of and discharged by a military council constituted and chaired by Holomisa.

He said no arrests or detentions had been made and any criminal prosecutions would be dealt with by the police and the Attorney-General.

Holomisa said the restriction order against Paramount Chief Kaiser Matanzima was still in effect.

Former Transkei PM Stella Sigcau yesterday emphatically denied being involved in corruption.

In an interview by telephone, Sigcau said she was not sure why last week's coup against her 86-day government had taken place.

"There is absolutely no truth in the accusation that I was involved in any bribery or corruption involving a casino," said Sigcau, who has been in SA

● To Page 2

New Transkei govt set-up

since Tuesday.

"I do not deny I was given money before I became Prime Minister by a senior official of the then-Transkei government, but it had nothing to do with the casino.

"The senior official had heard I was applying for a bursary for my daughter who was studying at a school in London.

"He called me to his office and said that since I had been 'of great help' to him in the past, 'I feel that I must help you', and he gave me a cheque for R50 000.

← ● From Page 1

"This money was a donation for my daughter's education and is the only amount of money that I know of, or that is being referred to by General Holomisa."

She said the senior official, whom she refused to name, had always taken an interest in her family.

Sigcau said she would go back to Transkei today.

Holomisa said Sigcau could return "at any time".

Strongman Holomisa now beckons SA tourists

(103) Samson
4/1/82

TRANSKEI'S new strongman, Major-General Holomisa, who ousted Prime Minister Stella Sigcau in a bloodless military coup last week, has appealed to South African holidaymakers not to cancel their visit to the country.

SOWETAN Correspondent

Speaking to the *Daily News* from Umtata the 32-year-old soldier said the country had not collapsed, even though the entire government had been suspended, law and order was better than it was under civilian rule.

He said that he had no intention of "meddling in politics" and considered himself too young for a political career, but he had no choice and had to act against the alleged corruption in the homeland.

"It has been established that the lady in power is also involved in corruption," he alleged. "So it's an ongoing thing. We cannot have that."

Safety

The general said government in Transkei now fell under the authority of a military council.

"I am in charge and the situation is under control. There is enough food, water and other essentials and tourists from South Africa need not worry about their safety. We will take care of them and I have given this assurance to the Government in Pretoria.

He said that a joint governing body of six military officials and 14 civilian leaders, with himself as chairman, will run the country at least

until the Auditor-General completes his investigation into corruption by certain leaders. Then fresh elections will be held and the homeland returned to civilian rule.

Suspend

"We are not a nation of barbarians. We want law and order, peace and stability and a strong economy. The country is functioning and things were brought to standstill for just one hour which enabled us to enforce martial law.

"I had no choice but to suspend the government when it was established that some of our leaders have been involved in corruption," said Major-General Holomisa.

He said Miss Sigcau, who is now said to be staying near Maritzburg, received the news in silence that she was no longer in power at her rural home while on holiday.

"But I want to say that she is not under arrest. nor is she restricted in any way and the same goes for other ministers and members of her government. Transkei at the moment is like a big ship

beckons SA tourists

in trouble in the middle of the sea and I am like a small boat which has come to save it," said Major General Holomisa.

He said that all he wanted in the country was a strong economy, security for all the people and a meaningful government.

"It is not only the soldiers who will give direction. I have invited certain leaders from the public and private sector to be on the governing council. Our task will be to give leadership, set up norms and live by our culture," he said.

Clean

Major General Holomisa said that his own rule in the government apart from political head, he will concentrate on building up the economy and the security of the state.

"I don't want to play politics. That is why I will call for fresh elections and I hope that this will be sometime in the new year. But that will depend on the Auditor General's findings and then we will have to take whatever steps are necessary," said Major General Holomisa.

He said that once a clean administration was introduced, he would go back to running the Defence Force.



STRONGMAN Major General Holomisa

103
5/1/88 B/away

Deposed Sigcau not yet back in Transkei

DOMINIQUE GILBERT

DEPOSED Transkei Prime Minister Stella Sigcau yesterday failed to return to the territory on her announced mission to clear her name.

Transkei information director Golden Tfengwa yesterday dispelled as "speculation" reports that Sigcau would be placed under house arrest on her return from Natal where she was said to be holidaying.

"She is free to return to her home — she does not need to run away. Nothing will happen to her and she will not be detained. But she must return as an ordinary citizen not as Prime Minister," Tfengwa said.

Tfengwa said he had been reliably informed Sigcau would return to the Transkei today.

He also said the military government under Major-General Bantu Holomisa would today announce the names of members of a Council of Ministers and the Military Council.

The commission of enquiry into allegations of bribery and corruption in the Transkei would start under the same presiding officer next Monday.

Holomisa to reveal policy

by GAIL WALSH
and LAWRENCE NGOZI

UMTATA — The policies of Transkei's new military government are to be spelt out at a meeting at the city hall here tomorrow morning.

The names and portfolios of members of the Military Council and the Council of Ministers which will make up the government will also be announced.

The commander of the Transkei Defence Force, Major-General Bantu Holomisa, said in a statement yesterday that all Members of Parliament of the deposed government, paramount chiefs and heads of regional authorities, magistrates in charge of all districts, church leaders, the executive of the Transkei Chamber of Commerce, and the mayors and town clerks of all towns were called on to attend the meeting.

He said the position of the National Assembly and matters relating to payment of salaries, pensions and allowances of MPs of the deposed government would be explained.

The names of the members of the new government could be made known before tomorrow's meeting. They are likely to be announced in a special government gazette expected to be published today.

At a press conference on New Year's Eve, General Holomisa said that the Ministers' Council, comprising civilians, would be under the di-

rection of the Military Council, to which it would also be responsible and accountable.

● The former Prime Minister, Miss Stella Sigcau, whose 86-day government was toppled by last week's military coup, is expected back here today.

Miss Sigcau's private secretary, Miss Nomxolisi Zide, said yesterday that Miss Sigcau had telephoned from Kokstad to say that she had had a breakdown on her way from Natal and might reach Umtata late last night.

Miss Sigcau was on holiday in South Africa at the time of coup.

● Most of the cabinet ministers axed in the coup had vacated their ministerial houses by yesterday.

● The Commission of Inquiry into the Department of Works and Energy, which is scheduled to resume next Monday, is to continue as planned, as is the inquiry headed by the former Chief Justice of Transkei, Mr Justice Van Reenen.

The Van Reenen inquiry was appointed in terms of the Public Service Commission Act to look into the conduct of various secretaries-general and started late last year.

However, General Holomisa said the new government would have to be briefed on the details of the commissions after its official formation.

SA dilemma page 3

103/1005/1188

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Daily Dispatch
Reporter

EAST LONDON — Development projects costing more than R100-million and creating many new jobs are scheduled for completion in the Transkei this year.

R100m in projects to be completed in 1988

Another R7-million is going to the building of two shopping centres, both in Umtata.

The managing director of the Transkei Development Corporation, Mr Monty Ntloko, said in a message to TDC staff in the organisation's newspaper, Imbadu, that the developments would result in "a burst of activity unparalleled in our short history of independence".

The R45-million chipboard factory, a R35-million hotel and casino complex, two shopping centres and four Taiwanese-owned factories.

In addition, the TDC has started a major advertising drive in the Far East, particularly Hong Kong and Taiwan, to attract investors to the country.

The chipboard factory is being financed by a consortium of Italian businessmen and will be erected at the Langeni forest.

This is the first major project to be financed entirely by foreign industrialists since independence 11 years ago. The factory is expected to have an annual turnover of R25-million and create 150 jobs.

The new Umtata Sun Country Club and Casino Hotel is being built by Transun, a subsidiary of Mr Sol Kerzner's Sun International hotel and leisure group. The new hotel, built on the site of the existing Umtata Country Club, is expected to be completed by the end of the year.

Taiwanese investors are establishing footwear, low-cost housing, textile and electronics factories in Umtata, ezibhemi and Butterworth.

Holiday Inns Transkei is completing the refurbishment of its hotel in Umtata at a cost of over R2-million while other projects underway in the country include a sports stadium at the University of Transkei, a head office for an insurance company, a headquarters building for the Magwa Tea Corporation, new hotels in rural and coastal areas, and the upgrading of the N2 national road which runs through the country.

W/PH - ...
the new gate and ...
to Page 2
Reuter.

CAPE TOWN — Continued administration upheavals and allegations of corruption in Transkei could force SA to pay more urgent attention to its financial relationship with the TBVC states.

Government sources indicated yesterday that there was growing concern over how the spending of millions of rands in SA aid by independent homelands could be controlled under circumstances of turmoil.

Allegations of bribery and misappropriation of public funds and of SA-sourced finance being wasted on dubious projects in Transkei and other independent homelands, drew considerable flak in Parliament last year.

It led to government spokesmen admitting that the absence of sufficient financial discipline and controls within those states was causing headaches.

Government subsequently appointed

(03)
B/day 5/1/88
**Kei coup casts
cloud over aid**

CHRIS CAIRNCROSS

“joint financial adjustment committees” — representing Pretoria and the TBVC states — to oversee the flow of money channelled to independent territories.

They are, in theory, designed to enable SA to generally lay down the rules on spending in the TBVC states. Government sources say in practice, however, this is not proving as easily done as said.

But should Pretoria act to exercise greater control on the funds flowing to Umtata, the sensitive new regime could well view such efforts as a direct attempt to interfere in Transkei's internal affairs.

Duration of cost CA D 12 5hr last year

DPP group returns after historic talks with ANC

Daily Dispatch Reporter

UMTATA — A six-man delegation of the Transkei opposition Democratic Progressive Party (DPP) arrived back here yesterday after a week's visit to the banned African National Congress in Lusaka, Zambia.

The DPP made history by becoming the first Transkei political party to hold formal talks with the ANC.

The DPP delegation consisted of the party's acting leader, Chief Ntsikayezwe Sigcau, the secretary-general, Mr Daniel Ganyile, his brother, Mr Anderson Ganyile, a senior lecturer in political science at the University of Transkei, Mr Mzollisi Mabude, and a school principal and former political science lecturer, Mr Abbey Mankungu.

The meeting followed a resolution at the DPP

congress here in July to improve dialogue with the ANC.

In an interview shortly after their arrival, Chief Ntsikayezwe said the DPP was now better informed on the ANC and believed it was "not a violent organisation" as many have alleged.

"We held talks with a nine-man hierarchy of the ANC led by the organisation's secretary-general, Mr Alfred Ndzo. The president of the ANC, Mr Oliver Tambo, also joined the talks later," he said.

"Our talks were

fruitful and constructive, touching on very vital issues concerning South Africa and the liberation struggle."

Chief Sigcau said he believed the ANC was not a terrorist organisation.

"It resorted to violence as the only possible avenue for achieving its goal after having explored all other peaceful means to try to effect peaceful change in South Africa."

His organisation believed in a peaceful and non-violent transition of the political situation to a post-apartheid South Africa with the involvement of all progressive organisations, playing active roles.

Mr Daniel Ganyile, who was MP for Bizana

before the coup in Transkei, said the group had not had an opportunity to meet members of the Zambian Government.

Asked whether the visit to Lusaka had had the blessing of the deposed government of Miss Stella Sigcau, he said the Transkei Government had been aware of the visit.

He said it was the general feeling of the DPP after the talks that if the South African Government could open doors for a national convention leading to a new political dispensation for a non-racial democratic South Africa, in which the ANC and other banned political organisations would be involved, the ANC would consider aban-

doing the armed struggle.

"In the last session of the Transkei National Assembly, our party called on both the South African and Transkei governments for the unbanning of all organisations like the ANC, UDF, Cosatu and others," he said.

Neither Chief Sigcau nor Mr Ganyile could indicate whether or not the DPP congress scheduled for January 8 and 9 would still take place in view of the present political situation in Transkei.

In an announcement after the coup, the military leader, Major-General Bantu Holomisa, said all political activity in Transkei would be suspended indefinitely.

Argus 5/1/88 (103)

Coup general and ousted Prime Minister to meet

The Argus Correspondent

DURBAN. — THE leader of Transkei's Military Council, Major-General Bantu Holomisa, and deposed Prime Minister Stella Sigcau are due to come face-to-face today for the first time since last week's coup.

General Holomisa said today that Miss Sigcau returned to Umtata yesterday from "somewhere in South Africa". He said: "I won't know where until I speak to her."

"We are to meet in the city this afternoon to discuss a wide range of subjects, including her immediate future. She will have to leave the Prime Minister's official residence by tomorrow morning."

"All other Cabinet Ministers of the deposed government will also have to vacate their official homes by tomorrow because I will be releasing the names of the new Military Council and the Council of Ministers."

INVITED

"We hope to have them installed by Thursday so that we can get on with running the country."

He said he would be addressing members of the deposed government including Miss Sigcau at the Umtata City Hall tomorrow at 11am.

Paramount chiefs, heads of regional authorities, magistrates, church leaders, mayors and town clerks have been invited to the meeting.

General Holomisa said: "I will then present an address which will outline the policy of the Military Council, the position of the National Assembly, payments of salaries, pensions and allowances relating to the deposed members of Parliament and I will name people to serve on the Military Council and the Council of Ministers."

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No contact with Sigcau: Holomisa

6/1/88 (03)
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DOMINIQUE GILBERT

DEPOSED Transkei Prime Minister Stella Sigcau yesterday moved her belongings out of her official residence but failed to hand over its keys to leader of the territory's Military Council Major-General Bantu Holomisa, he said yesterday.

Holomisa said he tried to contact Sigcau at the residence to officially inform her he had taken over and "brief her on steps to be taken" but she had been out at the time.

He said that today he would take a public oath, together with members of the Military Council and Minister's Council, after addressing a public meeting in Umtata where their names would be announced.

Sigcau was free to attend the meeting if she wished, he said.

Holomisa said Sigcau had contacted him the day he declared Transkei had been taken over.

"She phoned me to say she would like to meet me. Since her return (yesterday) there has been no message. She also has not yet handed over the keys of the official residence or documents," he said.

Saying "I am not a judge", Holomisa reiterated no steps would be taken against Sigcau as any detail involving her would be referred to the commission of inquiry into Transkeian corruption. Once the commission had established the facts it would make recommendations to the Attorney-General.

Holomisa said Sigcau had possibly moved back to her home in Lusikisiki where she is uncontactable.

● See Comment on Page 4

SA keeping its options open on coup in Transkei

(103)
SAA
6/1/88

The South African Government was awaiting "clarity" on the situation in Transkei before it would officially recognise the military council which took over there last week, the Minister of Foreign Affairs, Mr Pik Botha, said last night.

In an interview on "Network", Mr Botha said South Africa's day-to-day relations with Transkei were the same as before the coup.

"We have been in contact with the president, Paramount Chief T Ndamase, and he has the full co-operation of the military council," Mr Botha said, adding that all previous agreements with Transkei remained in force.

He said the new government had indicated it wanted an opportunity to hold discussions with South Africa.

The South African Government would "make up its mind" on recognition of the new government "once we have a clearer picture of the situation there", Mr Botha said.

He refused to discuss the political trouble in Transkei and who held real power, saying he was "hesitant to discuss the internal affairs of neighbouring states".

● The former Transkei Prime Minister, Chief George Matanzima, was reported to have been at his Mtshanyana home at the weekend.

Chief Matanzima has been staying at a private home at St Francis Bay near Port Elizabeth since his resignation last October.

Transkei's new military leader, Major-General Bantu Holomisa, said yesterday he was aware Chief Matanzima had been in the country, adding: "We do not concern ourselves about such matters."

A clerk at the Mtshanyana tribal authority and a domestic servant at his home nearby said Chief Matanzima had spent the weekend there and had returned to Port Elizabeth.

Chief Matanzima resigned in October following demands by the then ruling party and was succeeded by Miss Stella Sigcau, who was deposed by General Holomisa last week. — Sapa.

Matanzima, ^{DD} Sigcau for ^{6/1/85} ¹⁰³ big indaba?

Daily Dispatch
Reporter

EAST LONDON — The former Transkei State President, Paramount Chief Kaiser Matanzima, and the deposed Prime Minister, Miss Stella Sigcau, may attend today's meeting in Umtata at which the names of members of the new government are expected to be announced.

The meeting was called by the Commander of the Transkei Defence Force, Major-General Bantu Holomisa, who led last week's coup against Miss Sigcau's 86-day-old government.

Shortly after the coup Gen Holomisa said the new government would consist of a military council and a ministers' council composed of civilians.

Gen Holomisa said earlier this week that the policies of the new military government would also be outlined at the indaba.

Members of parliament, headmen, paramount chiefs, chiefs, magistrates, mayors, religious leaders and other community and business leaders from all over Transkei were invited to attend the meeting.

A member of the military council, Colonel M. A. Ntshinga, told the Daily Dispatch's Port Elizabeth correspondent yesterday that the restriction order imposed on Paramount Chief Matanzima had been lifted to allow him to attend the meeting.

Chief Matanzima's daughter, Miss Victoria Matanzima, confirmed that her father, who has been restricted to Qamata, was expected in Umtata today.

Gen Holomisa told a Johannesburg newspaper yesterday Miss Sigcau was also welcome to attend the meeting.

Miss Sigcau was on holiday in Natal at the time of the coup and her expected return to Transkei on Monday was delayed when her car broke down.

Gen Holomisa said Miss Sigcau had moved her belongings out of her official residence yesterday.

He had tried to contact her at the residence to inform her officially that he had taken over and "brief her on steps to be taken" but she had been out at the time.

Gen Holomisa said Miss Sigcau had contacted him the day he announced the coup.

"She phoned me to say she would like to meet me. Since her return there has been no message. She also has not yet handed over the keys of the official residence or documents," he said.

Saying "I am not a judge", Gen Holomisa reiterated that no steps would be taken against Miss Sigcau as any alle-

gations involving her would be referred to the commission of inquiry into Transkeian corruption.

"It is then for the commission to make recommendations to the Attorney-General and government. At this stage I will not commit myself."

When Gen Holomisa was asked to comment on reports that he was a close friend of Chief Kaiser Matanzima and Chief George Matanzima and that either might be returned to power, he replied that it would be unwise to return the two brothers to power and that he was friendly to everyone in Transkei.

Chief George was reported yesterday to have been at his rural Mtshanyana home at the weekend.

He had been staying at a private home at Amsterdamhoek near Port Elizabeth since mid-December after spending two months at St Francis Bay for reasons of "ill health".

Inquiries revealed that Chief Matanzima had arrived at Mtshanyana on New Year's Eve. A clerk at his Mtshanyana tribal authority and a domestic servant at his home nearby said Chief George had spent the weekend there and had returned to Port Elizabeth.

Chief George resigned in a telex message to the State President, Paramount Chief Tutor Ndumase, in October after the head committee of the ruling Transkei National Independence Party had called on him to do so.

● The South African Government was waiting for "clarity" on the situation in Transkei before it would officially recognise the military government, the Minister of Foreign Affairs, Mr Pik Botha, said last night.

In a TV interview, Mr Botha said South Africa's day-to-day relations with Transkei were the same as before the coup.

"We have been in contact with the President, Paramount Chief T. Ndumase, and he has the full co-operation of the military council," Mr Botha said, adding that all previous agreements with Transkei remained in force.

He said the new government had indicated it wanted an opportunity to hold discussions with South Africa.

The South African Government would "make up its mind" on recognition of the new government "once we have a clearer picture of the situation there," Mr Botha said.

The foreign minister refused to discuss the political trouble in Transkei and who held the real power there, saying he was "hesitant to discuss the internal affairs of neighbouring states".

Police continue probe into Umtata attack

6/1/88

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Daily Dispatch
Reporter

UMTATA — Police were still investigating an assault on the daughter of the former State President, Paramount Chief Kaiser Matanzima, the deputy head of the CID, Brigadier L. R. Man kahla, said here yesterday.

The youngest daughter of the paramount chief, Miss Victoria Matanzima, 21, was assaulted at their Millar Street home on December 29 when three men wearing balaclavas

forced their way into the house looking for her father.

One of the men slapped her and another kicked her. The men drove off after ransacking the house.

Miss Matanzima was staying alone in the house at the time but she said yesterday others were now staying with her.

She said her father had been at the house on Monday. He had left again but was expected back in the city today.

UMTATA — General Bantu Holomisa, youthful leader of the recent army coup in Transkei, appointed himself its military and government chief yesterday.

Holomisa is now leader

(103)
B/day
x 1/1/88

His announcement came amid mounting South African concern over the huge cost of maintaining the turbulent independent homelands — a key element in Pretoria's racial segregation policy.

The 32-year-old South African-trained general named himself chairman of the Transkei Military Council and Council of Ministers and outlawed political meetings in the poverty-stricken territory.

In a surprise move, Holomisa reappointed eight ministers from the ousted regime of Stella Sigcau, which he accused of corruption following his coup last week. He named eight other ministers, recruited from the army and civil service.

South African opposition parties and pro-government newspapers this week voiced alarm over the cost of the homelands.

The homelands draw 85% of their funds from Pretoria. Government spending on Transkei and the three

other independent homelands was well over R2,5b in 1986, according to the Institute of Race Relations.

"Events in Transkei in recent months, as well as allegations against some of its leaders of bribery and corruption, are cause for great concern since the South African taxpayer foots the bill for much of Transkei's development," the pro-government Citizen said yesterday.

On Tuesday, Foreign Affairs Minister Pik Botha said Pretoria was waiting for the situation in Transkei to settle before deciding to recognise Holomisa's government.

Holomisa masterminded the coup which brought Sigcau to power last September. He said the army had toppled her after 86 days in office because she was involved in corruption.

Wednesday's statement said Transkei, which has a 2,7-million population, would soon hold elections, but political parties would not be allowed to operate at present. — Sapa-Reuter.

1035 S.M. 2/11/82

By Martin Challenor

UMTATA — Major-General Bantu Holomisa yesterday launched a full-scale campaign against bribery and corruption by inviting people to come forward without fear to report any malpractices.

Three former Prime Ministers were present to hear him speak — paramount Chief Kaiser Matanzima, Chief George Matanzima and the recently ousted Mrs Stella Sigcau. General Holomisa greeted them, shook hands and exchanged a joke.

In his speech, broadcast over Radio Transkei, the general told a packed Umtata town hall that the military government had appointed an expert to root out bribery and corruption.

Transkei military leader launches his campaign against corruption

He asked the business community to inform the military government of cases in which people had paid bribes to gain advantages and cases of those who had lost out in business by refusing to pay bribes.

He also asked people to report businessmen who were operating without licences and who were not paying taxes.

He announced the members of the military council and the civilians appointed to the Council of Ministers.

“As soon as all the objectives of the military government have been achieved we shall invite the citizens of this country to elect a government of their choice,” he said.

The new government recognised Bophuthatswana, Venda and Ciskei and wanted good relations with Ciskei to continue.

The general said that all organisations banned before the military takeover remained banned. No political parties would be allowed to hold meetings or canvass for support while the military council was in power.

He said: “The absence of violence and bloodshed is an indication that there are numerous prominent Transkeians with balanced minds who, like ourselves, detest bribery and corruption among party leadership in the country.”

Special attention would be paid to the youth of the Transkei because very little, if any, attention had been given to them.

He urged municipalities to clean up their towns and people should keep their premises clean. Health inspectors should ensure standards of hygiene.

Holomisa names ruling councils

103
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7/1/88

Daily Dispatch Reporters

UMTATA — Transkei's new military government was unveiled at a "great indaba" attended by an estimated 4 000 people around the City Hall here yesterday, and the government immediately issued its first decree.

In a morning of surprises, the country's military ruler, Major-General Bantu Holomisa, spelled out how the new government would function and how he was going to crack down on bribery and corruption.

The first surprise came when Transkei's founder and former State President, Paramount Chief Kaiser Matanzima, arrived to a tumultuous welcome together with his brother and former Prime Minister, Chief George Matanzima.

Inside the hall they were joined on the stage behind Gen Holomisa by Miss Stella Sigcau, who was deposed as Prime Minister by the military coup on December 30.

In its first decree in the Government Gazette yesterday, the military government dissolved the country's parliament, establishing the military council, council of ministers and the State President, Paramount Chief Tutor Ndamase, as the new legislative and executive arms of government.

Later, members of the

two councils were sworn into office by President Ndamase.

In his address, Gen Holomisa reiterated his pledge to continue his war on bribery and corruption and to get the mechanisms of "good government" rolling again.

He announced that his government planned to establish an economic advisory committee to help improve the economic viability of the country.

As long as the military council was in power, political parties would not be allowed to operate.

Gen Holomisa reiterated that as soon as all the objectives of the military government had been achieved it would call for a civil general election.

The only time the public burst into laughter was when General Holomisa thanked the previous governments "only for the good things they did for our beloved country, Transkei".

Commending the absence of violence and bloodshed during the take-over, he said: "This

in itself is an indication that there are numerous and prominent Transkeians with balanced minds who, like ourselves, detest bribery and corruption among the political leadership in the country."

Commended by many was his remark that "the military government recognises the existence of the Republics of Bophuthatswana, Venda and Ciskei and aims at building upon and improving still further the good relations presently existing between Transkei and the Republic of Ciskei".

He said the military government would maintain good relations with South Africa and "we shall participate in all multilateral structures in which our country was involved in the past".

In interviews yesterday, Miss Sigcau declared that she would again run for the premiership when the country returned to civilian rule, while Paramount Chief Matanzima said he would not be making any further attempts to rule the country.

Miss Sigcau, who vowed to clear her name of allegations that she had accepted a R50 000 bribe, said she intended to remain in politics.

Her predecessor, Chief George Matanzima, did not want to be interviewed, and merely said that the reaction of the crowds at the City Hall indicated how Transkeians still regarded the Matanzima brothers and what they had done for the country.

Another surprise was the emergence of the first commander of the TDF, Brigadier E. R. G. Keswa, as a powerful member of the new government.

Apart from Gen Holomisa, he is the only member of the military council to serve on the council of ministers, where he will be in charge of the foreign affairs and information portfolio, responsible for relations between the military government and the South African Government.



Major-General Bantu Holomisa addresses the meeting in the Umtata City Hall.

Silence over Umtata

Daily Dispatch Reporter

UMTATA — An unusual silence settled over the capital for over two hours yesterday morning when Transkei's new military ruler, Major-General Bantu Holomisa, announced his new government in the City Hall.

An estimated 4 000 people, including paramount chiefs, chiefs, former MPs, government officials, business leaders and other interested citizens filled the hall and overflowed through streets, cordoned off by troops, to witness the great "indaba".

The country's founder and former State President, Paramount Chief Kaiser Matanzima, his brother and former Prime Minister, Chief George Matanzima, and

the recently deposed Prime Minister, Miss Stella Sigcau, were present.

Also present were former cabinet ministers who served in the governments of Chief George Matanzima and Miss Sigcau.

Miss Sigcau arrived with her two brothers, Paramount Chief Mpondombini Sigcau and Chief Ntsikayezwe Sigcau, and other Pondo councillors to a muted reception.

In stark contrast, the crowd went wild with excitement when first Paramount Chief Matanzima emerged from his car followed by the surprise appearance of his brother, Chief George.

There were loud shouts of "Ah! Daliwonga" from cheering well-wishers as the two

Matanzima brothers walked up to the main door of the hall.

After the meeting, the crowd still swarmed behind the two brothers, particularly Paramount Chief Matanzima, who paraded the nearby streets acknowledging the crowds while heavily-armed soldiers kept watch.

When he was joined by Chief George, the crowd shouted "Ah! Mzimvubu" with some holding him up by his arm before the two brothers drove off to Paramount Chief Matanzima's Millar Street home.

Tight military security prevailed around the City Hall while other soldiers were posted in strategic positions in the city and surrounding areas.

Military rule in Transkei legalised

Daily Dispatch Reporter

UMTATA — In its first decree published in the Government Gazette here yesterday, the new Transkei military government dissolved the civilian government and established itself as the legal government.

The decree precludes any court of law from pronouncing upon the validity of any decree issued by the new ruling military council, and indemnifies those who staged the coup from criminal or civilian proceedings.

The decree outlines the manner in which the military government

The decree states that certain government or military employees would be indemnified from civil or criminal proceedings instituted in any court of law by reason of any action taken in order to effect the military takeover of power on December 30, last year.

The indemnity also includes actions taken after December 30 for the prevention or suppression of internal disorder, the maintenance of law and order, public safety or otherwise in the public interest.

The decree declares the dissolution of parliament and the vesting of the executive and legislative authority in the President.

All existing laws of the country will continue to operate provided they will be construed with such modifications, adaptations, qualifications and exceptions as may be necessary to conform with it or any other decree.

The members of the council of ministers, except for Gen Holomisa, will hold office during the pleasure of the President.

Subject to the decree, all liabilities and obligations lawfully incurred by the Transkei Government on or before the effective date of takeover, will continue to be in full force or effect.

More reports and pictures on pages 3 and 10.

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 Make page except above

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Transkei indaba

Holomisa council doors always open to citizens

Daily Dispatch Reporter

UMTATA — Transkei's military ruler, Major-General Bantu Holomisa, has explained how he intends cracking down on bribery and corruption in the country.

Addressing a large crowd at the City Hall, Gen Holomisa reiterated his pledge to continue his war on bribery and corruption and to get the mechanisms of "good government" rolling again.

"In general, the doors of the Military Council and the Ministers of Council are, and will always be, open to the citizens of our country," he said.

He appealed to anyone who was aware of any government bribery or corruption to come forward without fear of victimisation to reveal such instances to his new government.

He called on the Transkei Chamber of Commerce to help the Transkei Defence Force (TDF) in its drive to eradicate bribery and corruption.

"They must confide in us and we assure them of our protection. If there is any commercial or industrial organisation in the country who had to pay 'lobola' to anyone in Transkei before they could operate here, they should talk to us.

"Similarly, if they know any investor who was turned away because he did not succumb to 'lobola' payment, they must come forward with such details.

"We would also like to know of those people who run businesses without first having obtained the prescribed licences and who evaded paying prescribed taxes."

The new government had a programme to address investors inside and outside Transkei of which details would be announced in due course.

Gen Holomisa said the new government also planned to establish an economic advisory committee which would help the military government improve the economic viability of the country.

As long as the Military Council was in power, political parties would not be allowed to operate, and this included holding meetings or canvassing political support.

No one would be allowed to propagate any political ideology during the period the Military Council was in power, and all organisations banned before the military takeover remained banned.

The military government guaranteed freedom of worship, General Holomisa said, although the government would not "for one moment" tolerate the so-called "liberation theology" being practised in Transkei.

Referring to the commissions of inquiry which had revealed cases of bribery and corruption, he said the recommendations of the completed commissions of inquiry into the Department of Commerce, Industry and Tourism and the Transkei Development Corporation would be implemented when funds permitted.

The Commission of Inquiry into the Department of Works and Energy, which resumes full.

Sigcau: I am puzzled by coup

Daily Dispatch Reporter

UMTATA — The ousted Prime Minister of Transkei, Miss Stella Ndomzamo Sigcau, has indicated that she would run again for the premiership if the military government called a general election.

Miss Sigcau, deposed after 86 days in a bloodless military coup last week, arrived here from a holiday in Durban and said cheerfully in an interview that she regarded the present situation as "interesting and worth watching".

"I am just as puzzled as everybody else by the act of the military."

She believed the military coup, which she said had more to it than its face value, had been engineered by pressure exerted by a power outside the country.

Asked to be more specific on whether such power might be the South African Government or the banned African National Congress (ANC), she refused to elaborate.

Miss Sigcau dismissed suggestions that the military takeover was intended to return either Paramount Chief Kaiser Matanzima or

Chief George Matanzima to power.

"That would be very stupid if the whole idea was, as reported, intended to curb and uproot corruption in the government service."

She said she would clear her name, and that of her family, of the allegations of corruption before proceeding to continue her duty to represent her people.

Dismissing the idea that she would seek to return to the teaching profession, she said: "I am a politician and will continue to be involved in politics as my people still want me to do so. Teaching is the last thing I will do in the rest of my life."

Miss Sigcau, who turns 51 next Wednesday, denied any alleged involvement in influencing the granting of gambling rights to a certain casino company in exchange for "lobola".

She said it was surprising that she was accused of such involvement, as she was only the Minister of Posts and Telecommunications before being Prime Minister, a department which was far removed from handling such matters.

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He said the leadership of the new party

Kaiser backs military coup

Daily Dispatch Reporter

UMTATA — The former State President of Transkei, Paramount Chief Kaiser Matanzima, yesterday gave his support for the military coup which deposed Miss Stella Sigcau.

Interviewed shortly after the announcement of the composition of the Military Council and the Council of Ministers, he said: "We are all happy with the take-over as it means that Transkei will now remain peaceful."

Asked why he attended the meeting, he said: "I was invited in my capacity as a paramount chief."

He declined to reply to questions relating to his banishment to Qamatata.

Even if I was Minister of Commerce, I would not have granted such rights without the approval of the cabinet," she said, adding that she was preparing to seek legal advice in that connection.

On the question of the R50 000 she allegedly received as a bribe, Miss Sigcau said she had all the evidence that a top government official, who she refused to name without his permission, had given the money to her as a donation for her daughter, who was doing a degree in business administration at a university in England.

She said the gift had been public knowledge as early as January last year, and was surprised to hear that it was cited as the reason for deposing her.

"In fact it had been open talk, sufficiently explained, before I started contending for the premiership, and what was happening, and confirmed it on hearing news broadcasts of the takeover."

She had heard a lot of stories from various friends but she planned "to keep an ear to the ground to hear what is really behind the coup."

Miss Sigcau said she shared common ground

with the opposition Democratic Progressive Party (DPP), at present led by her brother, Chief Ntsikayezwe Sigcau, as "we all want freedom of the black man from oppression".

She dismissed the idea that the coup would influence her political affiliations and possibly result in her defecting to the opposition.

She had heard about the DPP visit to the banned African National Congress in Lusaka in a radio broadcast, and by reading of it in the newspapers, but had not been officially informed of it.

"However, I would not have been against it had they sought my permission."

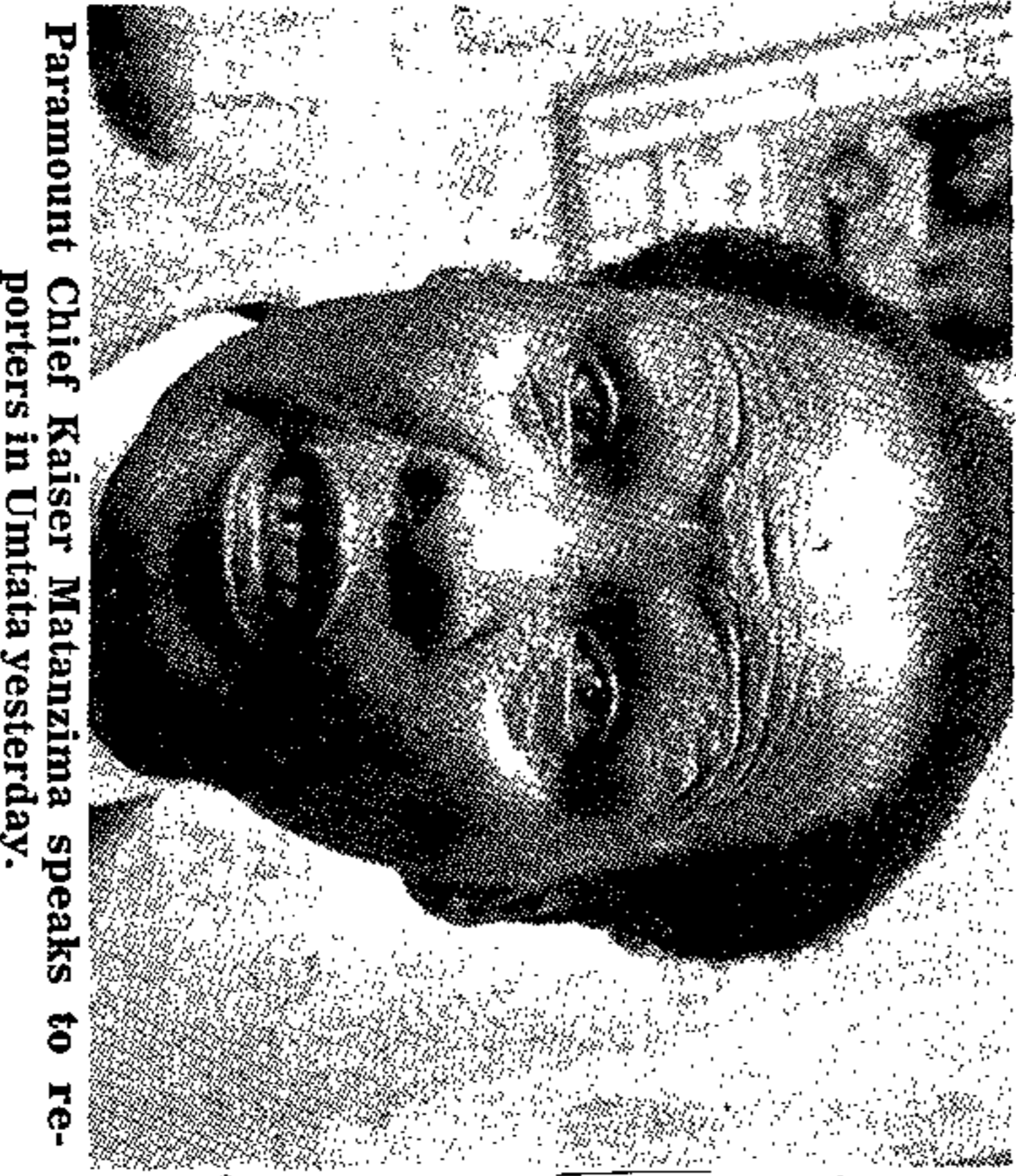
She said negotiations with progressive organisations like the ANC would not do Transkei any damage, but refused to elaborate on this.

One of her long-term goals was for Transkei to take its rightful place in a federation of Southern African states.

She said independence and sovereignty were respected, but there was the question of economic interdependence which could not be avoided.

Asked what relations she had had with the military coup leader, General Bantu Holomisa, she said: "We are friendly."

Asked whether she would make herself available to assist the next prime minister, Miss Sigcau said: "As a person with the interests of Transkei first and my own interests later, I would see no reason why I would not do so in the interests of Transkeians."



Paramount Chief Kaiser Matanzima speaks to reporters in Umtata yesterday.

Holomisa denies making 'ANC support' statement

CAPC Times 8/6/88 (103)

UMTATA. — The chairman of Transkei's new ruling military council, General Bantu Holomisa, yesterday commented on a radio broadcast which quoted him as saying he would support an ANC government in the homeland.

The general said he had never directly picked out the ANC, but had said he would support any political party as long as it was voted into power by the electorate.

"I still say I will support whatever government takes over as long as it is favoured by the people of Transkei," he said, adding his government guaranteed freedom of worship but would not tolerate "liberation theology".

General Holomisa was holding high-level meetings yesterday at his Transkei Defence Force office. He said he

expected to move to the office of the prime minister, from where the military council would operate.

He dismissed news reports that, since the military takeover, two South African Defence Force officers had arrived in Transkei and were operating from an office in the government building. "We are working alone here with nobody's assistance," he said.

The South African ambassador to Transkei, Mr G P D Terblanche, also denied knowledge of any SADF personnel in Transkei, except for a military attache to his office who arrived late last year.

Mr Terblanche declined to comment on whether South Africa would recognize the new military government.

— Sapa

Hobbesing

D/D 8/1/88.
T'kei to boost youth affairs (103)

1987 Dec

Daily Dispatch Reporter

UMTATA — The Transkei military government intends to boost the affairs of the youth of the country to make up for neglect in this area since independence.

The chairman of the military council, Major-General Bantu Holomisa, said in his address to the nation that the Department of Education would be given the task of looking after youth affairs.

By adding Youth Affairs to the portfolio of Education, Culture and Sport, he said, the military government sought to discover the unexploited talent in the country's youth and to develop such talent for the benefit of Transkei.

The Department of Education, Youth, Culture and Sport would be given the task of reviving the National Sports Council which would be the supreme body controlling all sports and sports sponsorships in the country.

Gen Holomisa also assured senior citizens they would be looked after as in the past.

However, the "obvious malpractices in the application and granting of old age pensions, disability grants and other items will be exterminated," he said.

Members of Parliament of the deposed government who had contributed for 7½ years or

more to the prescribed pension fund would qualify for a government pension.

Those who had contributed for less than this period would not qualify for a government pension and their contributions would be repaid to them.

Gen Holomisa said yesterday he would not mind which party or organisation took over the government after general elections.

He was commenting on a radio broadcast which quoted him as saying he would support an ANC government in Transkei.

He said he had not directly picked out the ANC, but had said he would support any party as long as it was voted into power.

He dismissed a report in a Port Elizabeth newspaper that since the military take-over two SADF officers had arrived in Transkei and were operating from an office in the government building.

The South African Ambassador to Transkei, Mr G. P. D. Terblanche, also denied knowledge of any SADF personnel in Transkei, except for a military attaché to his office who arrived late last year.

On the issue of South African recognition of the military government, Mr Terblanche said this was a matter for Pretoria to decide.

BANTU HOLOMISA

Modern Major General

103

Is Transkei's new strongman, Major General Bantu Holomisa, a Jerry Rawlings clone determined, like the young flight lieutenant who became Ghana's Head of State, to stamp out corruption and maladministration?

And what of his pledge to "consider" a return to civilian government once his ruling Military Council has achieved its sanitising "objectives"?

Perhaps most intriguing: is Holomisa in fact the catspaw of retired president Kaiser Matanzima in a bigger political gameplan — even though restrictions on Matanzima's political activities remain in force?

Unlike the Lesotho coup two years ago, SA does not appear to have been involved in the Transkei putsch.

At this stage there are more questions than answers about the new man at the helm in Umtata; to most observers Holomisa is an unknown, though probably pretty able, quantity.

When someone as young as Holomisa (32) emerges as head of his country's defence force, either he must be brilliant, or he rose — a child of the Matanzima era — as a result of the machinations of Transkei politics, as one Africa specialist has suggested.

At any rate (and accepting for the moment the homeland's claim to be an independent state), the major general has made his mark by overthrowing two governments in three months — PM George Matanzima's in October, and the new head Holomisa had himself installed, Stella Sigcau, on December 30. The premise for his action was allegations ("convincing documentary proof," says Holomisa) that she "was also involved in bribery and corruption" for which George Matanzima was removed from office (see *Fox and Current affairs*).

Holomisa's minor coups in the minor state make him responsible for half the number of Africa's coups in 1987; the others were in Burundi and Burkina Faso, where another clean-crusading young soldier, Captain Thomas Sankara, was overthrown last year.

Journalists were astonished to find that Holomisa himself answers his phone calls — possibly a sign of a new openness and efficiency. He told the *FM* this week: "I have no political affiliations. I am a concerned Transkeian concerned with administrative

standards and economic development in my country."

His concern with administrative standards is understandable. Holomisa is one of the first and few blacks to have undergone the management courses at the Pretoria Army College. So he is "trained to look at the books and accounts," as is borne out by the evident thoroughness of his commission of inquiry into corruption. It is also observed that there is nothing to refute Holomisa's claim simply to want to put matters right in the corrupt statelet — despite the notion of the honest-



Holomisa... Kei's new Mr Clean

soldier-as-ruler being too good to be true in many minds. The young general certainly doesn't appear to evince any arrogance or power lust. But it's early days yet.

Fact is that he could simply have announced immediate elections after ensuring that through the normal processes of enquiry any further corruption be exposed. Perhaps that is what he has in mind. Stella Sigcau appears to have been both tried and sentenced in absentia.

For the moment, however, Holomisa says "the TDF has resolved to take over full control of the country in an endeavour to rectify this state of affairs (corruption) once and for all and to re-establish the mecha-

nisms of good and sound government."

It became apparent, he explains, that the TDF's "moderate action" in removing George Matanzima's government "did not have the desired effect and that more extreme measures would have to be taken."

In adopting the measures it had, he adds, "the TDF must not be regarded as a law unto itself, but as a crusader against the exploitation of the country's limited resources by unscrupulous persons." He accused Transkei's former rulers of bringing their country into disrepute and of setting a "disgusting example for future generations."

He assured the private sector that the TDF "has no intention whatsoever of altering the status quo and that private investment will continue to be encouraged."

The martial law which had been declared after Holomisa took control was very quickly lifted because, he was pleased to announce, "that the civil unrest that is always a possibility in an exercise of this nature did not materialise, and that the transition to the new government has been so uneventful."

Subject to certain basic alterations to the constitution, he elaborated, the laws of the country would continue to apply.

Holomisa was born on July 25, 1955 at Mqanduli in the Transkei. As the son of the late Chief Bazindlovu Holomisa of the Amahegebe tribe at Mqanduli, the general is a member of the territory's establishment. His father served in World War 2 and had been a long-standing member of the Transkei Legislative Assembly.

Interestingly, he is a member of neither of the two main, rival tribes, the Pondo and Tembu, (even though he managed the Tembu Royals Football Club until last April, when he resigned "due to pressure at work"). The Matanzimas, incidentally, are Tembu, whereas Sigcau is Pondo. So the tribally neutral Holomisa could play a nice balancing act.

He attended Jongilise College in Transkei, which, he points out, "was at the time the school for sons of chiefs and headmen," where he matriculated in 1975. Among his subjects were Public Administration and "Conduct of Public Affairs." He played soccer, cricket and tennis and was rugby captain and vice-head prefect.

In 1976 Holomisa worked six months for the Department of Posts and Telecommunications at Umtata. On July 1 1976, three months before Transkei's "independence," he joined the Transkei Defence Force (TDF), where he was commissioned as an officer two years later. He says he was not trained by ex-Rhodesian Selous Scouts chief Ron Reid-Daly who went to Transkei as a

military adviser in 1979. And although Holomisa gets on with Reid-Daly, he doesn't agree with his "principles of administration." In 1978 he attended the School of Infantry at Gwelo in Ian Smith's Rhodesia.

Holomisa has served in the following branches of the TDF: platoon commander 1978/1979 as a lieutenant; training wing commander until 1981 as a captain; battalion second-in-command, becoming a major; battalion commander until 1983 when he graduated to lieutenant colonel; senior staff officer operations and training with the rank of colonel in 1984; chief of staff from 1985 as a brigadier; and commander of the TDF in April 1987 when he became major general.

His sporting interests took him to what was then Rhodesia as manager of the Transkei gymkhana squad in 1978, and he was manager of the Transkei National Rugby squad, becoming national secretary of the Transkei Rugby Board from 1982 to 1984.

Holomisa, who is married with two daughters aged 5 and 3, and a baby boy, says he plans to improve his academic qualifications through Unisa this year. ■

TERENCE SHANK

Packed performance

First impressions of Terence Shank, assistant director of Pact Drama, reveal a man charged with electric energy. This hyperactivity requires an endless infusion of caffeine.

He admits: "I never touch alcohol and always avoid pre-show snacks or dinners. But coffee is always great."

Gesticulation and volubility are quintessential Shank whenever he drives home a point. A cigarette is poised constantly between his fingers.

Shank was born 41 years ago in the US. "I am a man of the arts," he confesses. "It is a non-political international language. Wherever I work in the world is home. Whenever people ask me when I am returning, I say: 'Well I am home.'"

A comedy of errors and a wild goose chase made SA Shank's temporary home in 1985 — after he had travelled halfway round the world to work for a theatre impresario whose name he had confused with that of someone else. His unprecedented success as the best theatre director in the country has prolonged his stay.

To Shank, work entails anything that entertains people. Once in SA "by accident," he contracted to work for a large property development company. He introduced innovative entertainment features at two big new shopping complexes in Pretoria and Randburg.

Producing a talking car, a pirate ship, a skating rink and castle was child's play to Shank who, at one time, worked for the Disney Corporation. He has also staged shows for Universal Studios and had a hand in preparing the Olympic pageant in Los Angeles. His interests have also led him to

become involved in theme parks such as Los Angeles' Universal City.

Later, director and impresario Peter Toerien approached him and asked if he would direct Edward Albee's play *The Lady from Dubuque*.

By that stage Shank's love affair with SA had begun and he leaped easily into theatre. He decided to adapt and direct John Steinbeck's novel *Grapes of Wrath*, for which he had already received high praise at the world premiere in Los Angeles, for local audiences.

One of the noteworthy aspects of the play was the way in which, with what appeared to be absolute simplicity, he managed to move a family across an entire continent on a single stage.

His partnership with Pieter Toerien continued, and he honed his directorial skills further in *Doubles* and *Tribute*.

Shank says: "I want to do new things on stage and experiment with different concepts because I'm a theatrical maverick in a sense, and I believe in taking risks."

"The potential for South African theatre is very exciting. I loved *Asaniami*. I dragged some American friends who had been in this country for only two days to see it. I told them it was great indigenous theatre.

"I would like to bring other exciting projects like this to the stage. But at the moment I feel there are not enough theatregoers, nor competition due to demography. Maybe it's because this is a relatively new country and there is not a history of theatrical tradition like in England, or even America. The competitive mood and standard of discipline is not high enough in this country.

"In New York alone there are 4 000 people for every job in theatre. If an actor can sing or dance he has to go to classes for a few hours every single day."

Whatever Shank's perceptions of local theatre may be, they have not deterred him from competing and immersing himself in his work.

In 1987 he produced a quartet of plays in Grahamstown ranging from the mainstream *Strider to Above the Wind, Four Play* and *The Survivalist*. Two of the entries had their origins at the renowned New American Play Festival in Louisville, Kentucky, which has given the world contemporary hits like *Agnes of God* and *Crimes of the Heart*.

His production *Looking Glass* won the 1987 AA Life Vita Award for Best Production as well as the Breytenbach Epathlon — and earned him the title of associate director for Pact for two years, starting this month.

Shank's long history in the world of arts has allowed him to take risks and pass judgment on theatrical endeavours. He was only ten years old when he decided he wanted to be an actor, by the age of 12 he was carrying an actors' union card.

When he entered college he already had eight years of professional theatre and television to his credit, and, by the time he was 17, he was earning a good living.

"I had convinced myself that my first love in life was theatre. It is my art form and will remain so forever — that is why I am on this earth," he adds rather theatrically.

A bird of passage

Obsessed with learning every conceivable aspect of theatre at home and abroad, he went to Europe where he studied costume, acting, stage and set design, and progressed further from acting to stage design, producing and directing on and off Broadway.

He then moved to the Virgin Islands and established a whole theatre company and arts council, which he directed for several years before finally moving into writing.

By then he felt he could put all the pieces together in terms of theatre, and it wasn't long before his restless drive prompted him to search for new challenges.

Eight years ago Shank moved again — this time to Los Angeles — where he was instrumental in creating The Colony, a company of 50 actors and actresses. This he ran as artistic director for over 40 plays.

In fact the Colony achieved the major feat of winning every Drama Critics Award possible, including those for production, direction and design.

On the West Coast, he has won 15 Drama Critics Awards, and scores of media awards.

The company is still prospering and flourishing, but Shank felt the need to move on and discover what he could do in theatre elsewhere.

"I have brought some scripts with me to SA, which have not been seen outside my own production company in Los Angeles. I have also submitted two originals which I have not even produced on stage yet.

"I want to rewrite new formats on stage and hopefully engender in a television-bred generation an excitement for the theatre, so that it becomes part of their future.

I intend to help revitalise and add new blood to the theatre in this country."

This might sound like a tall order. But Shank did not earn his reputation by taking easy options. ■



Shank . . . new directions from theatrical maverick

(102) B/day 18/1/88

instance, by appointing persons to rural development and agricultural sub-committees

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UMTATA — The chairman of Transkei's new ruling military council, General Bantubonke Holomisa, said yesterday he would not mind which party or organisation took over the government after future general elections.

Holomisa was commenting on a radio broadcast which quoted him as saying he would support an African National Congress government in Transkei.

The general said he had never directly picked out the ANC, but had said he would support any political party as long as it was voted into power by the electorate.

Holomisa to let voters decide

Own Correspondent

"I still say I will support whatever government takes over as long as it is favoured by the people of Transkei," he said.

Holomisa was holding high-level meetings yesterday at his Transkei defence force office in the Botha/Sigcau building.

TRANSKEI CORRUPTION PROBE

Lifting the stone

103
FIM
8/1/88

Among all the uncertainty that surrounds the latest coup in the Transkei, one fact stands out: the rot runs deep in the homeland's administration.

Whether coup leader and new head of state General Bantu Holomisa (see *People*) will succeed in his pledge to clean up Transkei's administration remains to be seen. He justifies his decision to oust former PM Stella Sigcau on evidence he will release to a commission of inquiry next week. There are allegations that she, together with other senior Cabinet ministers, received "a large sum of money in return from gambling rights granted to a foreign company operating in Transkei."

Sigcau was away when Holomisa took over, but returned to the homeland on Monday. Since her return she has been silent and elusive. At issue is a sum of R50 000 which was deposited in her bank account while she was

serving as a Cabinet minister in George Matanzima's government. Sigcau does not deny she received the money, but insists it was given to her by an unnamed Transkei official as a bursary for her daughter. But even if Sigcau's story proves correct, she will still be hard put to explain why she accepted a sum of R50 000 from a government official without asking where the money came from.

Details of alleged corruption in the Matanzima administrations have been surfacing as evidence before the commission of inquiry into the Department of Commerce and Industry, now completed. A second inquiry into the Department of Works and Energy (DWE) is still sitting.

Holomisa says the information he holds on Sigcau came to him as a result of a Transkei Defence Force investigation.

When the DWE commission reconvenes next Monday, Holomisa will probably extend its powers to allow it to investigate the additional allegations. He says he will release the information he has then.

It is inevitable that stories about bribery in connection with gambling rights in the Transkei would lead to suggestions that the

biggest casino operator there, Transkei Sun International (Transun), might be involved. This has been denied by Transun, which is quoted on the JSE.

The whole matter has nothing to do with Transun, say Kersaf MD Ian Heron and Transun MD Alberto Chiaranda, and the Transkeian authorities are satisfied that Transun is not involved.



Van Rensburg

Allegations have been made that Transgames — before it became a wholly owned Sun International subsidiary — was involved, but Chiaranda says it has no knowledge of what happened before they took over the company.

Transun held 45% of Transgames until the beginning of 1987, after which its holding was increased to 100%. (Transgames has exclusive rights to slot machine operations, lotteries and sports pools in the Transkei.)

Until the Transun takeover,

the balance of 55% in Transgames was owned by Jalc Holdings, say sources close to Jalc's chairman Chris van Rensburg. But Chiaranda this week told the *FM* that Transun, in the takeover, dealt with Cape Town businessman David Bloomberg, who had power of attorney to deal with the disposal of 45% of that 55% not already held by Transun. The balance of the shares



Matanzima



Holomisa

was held by Vulindlela Mbotoli, MD of Themba Construction — also a Jalc subsidiary. Mbotoli also told the commission that Van Rensburg was a good friend of George Matanzima.

A number of Themba Construction contracts are being investigated by the commission. Mbotoli is due to appear again once the commission reconvenes.

In the middle Seventies, Van Rensburg took over the Cape furniture company Alvarwo, previously owned by Gert Theron, brother of the infamous Vloog Theron. Both brothers currently live in the US.

During their stay in the US, both Therons were sentenced to prison terms stemming from their business activities in that country. They are also former associates of Adriaan Nieuwoud, the "Kubus king."

After Gert Theron and his wife Eufesia were found guilty in 1974 of fraud in the Cape Supreme Court and given suspended sentences, Van Rensburg took over Alvarwo and employed Gert Theron. At that time he said in an interview with a Sunday newspaper that he planned to expand his business activities to the homelands. He envisaged all the furniture operations being located there.

There were also rumours at the time that Van Rensburg proposed to the Matanzimas to have the newly deposed Shah of Iran flown out to the Transkei.

Pretoria has yet to officially recognise Holomisa's regime. A spokesman in the Department of Foreign Affairs says the South African government is monitoring the situation to see what Holomisa intends doing before officially endorsing his "unconstitutional action." But the homeland is Pretoria's creation, and could not survive without help.

In the meantime, life goes on in Umtata, and Pretoria carries on footing the bill. ■

Holomisa on ANC

UMTATA — The chairman of Transkei's new ruling military council, General Bantubonke Holomisa, was yesterday quoted on radio as saying he would support an African National Congress government in Transkei. (103) S.M.

He said he would not mind which party or organisation took over after the forthcoming general election. (104)

The general said he had never directly picked out the ANC.

He had said he would support any political party as long as it was voted into power and as long as it was "favoured by the people of Transkei" —

Sapa.

8/1/88

R600 000 fraud:

7 TDF soldiers

appear in court

Daily Dispatch Reporter

UMTATA — Seven Transkei Defence Force soldiers appeared briefly before Mr Nceba Mngxaso in the magistrate's court here yesterday charged with fraud involving about R600 000 in state funds.

They were not asked to plead and no evidence was led.

The hearing was postponed until February 2.

Those who appeared yesterday were: Major Mkangeli Shakespear Nundu, 32, of Mancam store, Mqanduli; Lance-Corporal Mandlenkosi Mngqibi, 27, of Bele administrative area, Tsolo; Staff-Sergeant Vernon Vabaza Mzimvubu, 34, of Marubeni, Libode; Lance-Corporal Tobela Ngxawu of Sidwadweni, Tsolo; Lance-Corporal Vuyani William Zweni, 34, of Qweqwe near here; Lance-Corporal Meshack Mlungwana Kowa, 32, of Bhakubha, Mqanduli; and Corporal Tozamile Tonic Rasi, 28, of Fort Malan, Willowvale.

The public prosecutor, Mr M. Msiwa, said the case was being postponed for further police investigations. The defence attorney, Mr Msimang Madikizela, agreed to the postponement.

All the accused were released on bail of R4 000 each.

Army officers to promote policies

103

Daily Dispatch Reporter
UMTATA — Transkei Defence Force officers are to be posted to regional authority offices in all nine regions of Transkei to keep rural citizens informed of the policies of the new military government.

The chairman of the ruling military council, General Bantu Holomisa, said yesterday there was a need to decentralise all services in order to reach even the most isolated citizens who might have been neglected by previous governments.

He said he would ensure that the strategy of the new military government was sufficiently protected and supported.

Members of the army would act as information officers, working together with existing government structures.

The regional officers would be appointed soon, Gen Holomisa said. Their names would not be published as they would be rotated.

The officers would be based in Eastern Pondo-

land, Emboland, Fingoland, Gcaleka, Maluti, Tembuland, Umzimkulu, Western Pondoland and Western Tembuland.

Heading the new government structure is the State President, followed by the military council, of which Gen Holomisa is chairman.

The military council is composed of four high-ranking Defence Force officers.

Beneath the military council is the council of 16 ministers and the nine regional officers.

Daily Dispatch Reporter

UMTATA — The new Minister of Health and the only woman in the Transkei council of ministers, Dr M. Xaba-Mokoena, is looking forward to her new job.

Dr Xaba-Mokoena, who is also dean of the new faculty of medicine and health sciences at the University of Transkei (Unitra), said she would do the best job possible.

Dr Xaba-Mokoena trained at the University of Stockholm in Sweden where she studied from 1966 to 1972. She then specialised in lung diseases in Stockholm.

She was superintendent of Umtata General Hospital from 1980 to 1984.

Dr Xaba-Mokoena said her training and interests were that of an

Ministers ready for new posts

administrator, and she was pleased that the post did not hold political overtones because she was not interested in being a politician.

The vice-dean of the faculty, Dr D. Ncayiyana, has been appointed acting dean.

The new Minister of Commerce, Industry and Tourism in the council, is Mr Dowa Mgudlwa.

To take up his new job Mr Mgudlwa has had to resign as president of the Transkei Chamber of Commerce (Tracoc),

as the first vice-president of the National African Federated Chambers of Commerce (Nafcoc) and as chairman of the Transkei Electricity Supply Corporation (Tescor).

He said he has made a serious commitment to his appointment.

The vice-president of Tracoc, Mr S. H. L. Matebese, will serve as acting president until elections are held in the coming months.

A businessman of long-standing, Mr Mgudlwa holds a Bachelor of Commerce degree from the University of Transkei.

Asked if there was a possibility that the Licences Control Bill might be addressed under the new government, he said the bill as well as other matters would have to be reviewed.

(103) 2
**Ban hits
DPP's
congress**
9/1/88

UMTATA — The annual congress of the official opposition party in the Transkei National Assembly has been shelved until the country returns to civilian rule.

The Democratic Progressive Party (DPP) was scheduled to hold its annual congress yesterday and today.

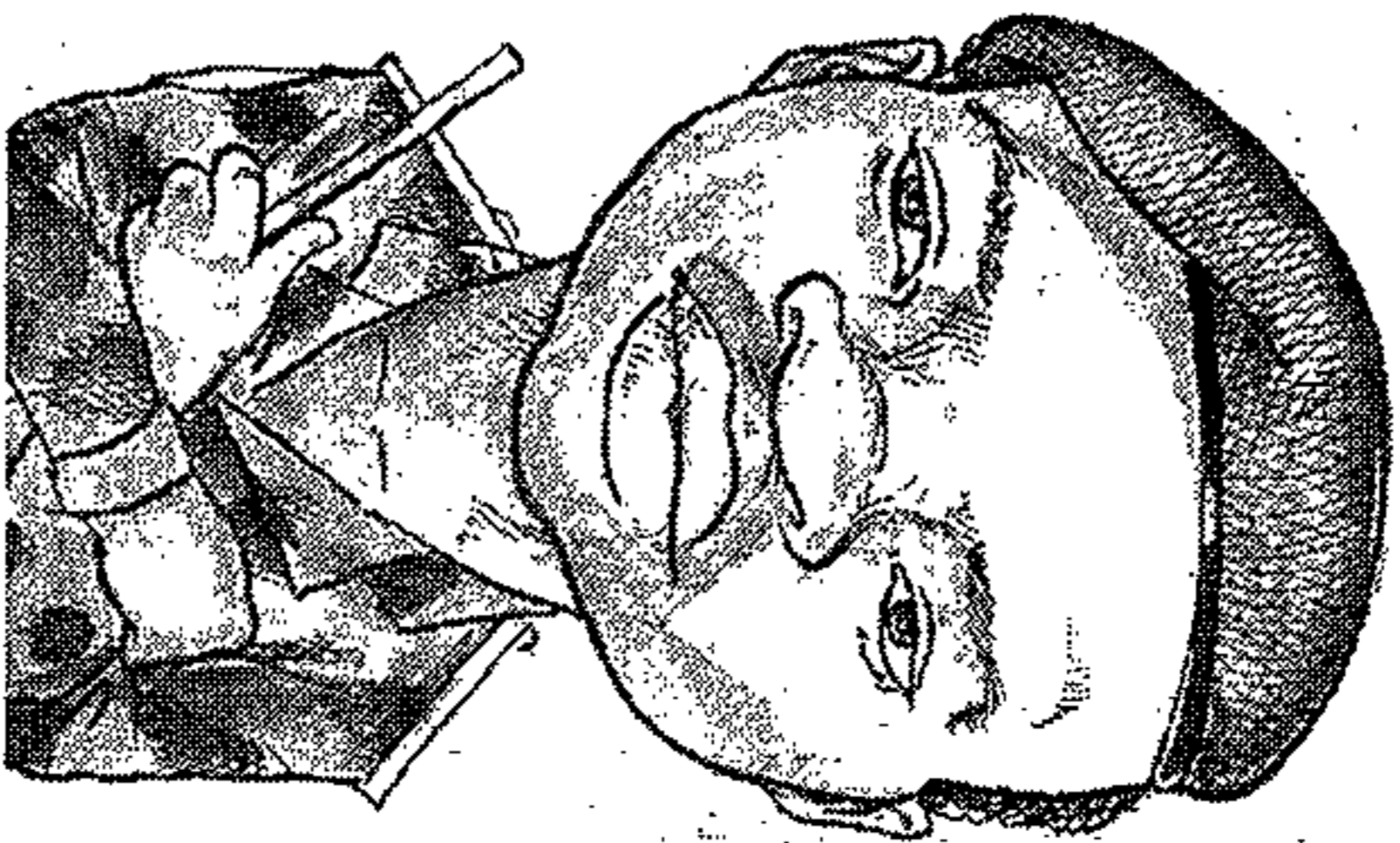
Since the military take-over, the new government has forbidden any political activity, political meetings or pronouncements of political ideology.

The acting leader of the party, Chief Ntsikayezwe Sigcau, who led a six-man delegation to meet the banned African National Congress in Lusaka last week, said he had been advised not to make any further statements about the visit as it would contravene the ban on political activity.

— DDR

NEWS

Future of Transkei in the hands of a model major-general



HIS OWN MAN: Bantu Holomisa intends a clean sweep.

The comparisons with young, energetic African coup leaders — like Thomas Sankara of Burkina Faso and Jerry Rawlings of Ghana — have already been drawn.

But there is little doubt Major-General Bantu Holomisa, who topped the Transkei government of Miss Stella Sigcau on December 30, is his own man: a military man intent on sweeping clean a corruption-riddled government.

"We do things the military way," he told Transkei in his state-of-the-nation address. "This is characterised by teamwork, control, loyalty, discipline and a sense of duty."

"Decisions are always based on consensus. This government is not a one-man show."

Thousands of Transkei people are hoping the military government will be as good as its words.

Their hopes rest on the shoulders of a man only 32 years old. With a short, stocky frame, he is

a natural leader with, at this stage of his life, an open mind and an easy, frank manner.

He is intelligent and trusting, a kind of no-nonsense soldier who sees "revenge" as a dirty word.

Major-General Holomisa gives the impression that he is not easily ruffled and would rather be decisive than angry. But fools will not be suffered for too long.

He comes from an area about 30 km from Umtata towards the Coffee Bay coast. He is the son of the late Chief Bazindlovu Holomisa of the amaHegebe tribe at Mganduli.

Chief Holomisa served in World War 2, was a member of the Transkei Legislative Assembly and maintained three kraals, each with its own wife.

He sent his son to Jongilizwe College at Tsolo, at that time a school for the sons of chiefs and headmen. Signs of leadership ability emerged

Personality

MAJ-GEN BANTU HOLOMISA

Written by: MARTIN CHALLENGOR

even then in the young Holomisa.

He was selected rugby captain and vice head prefect. He also played cricket, soccer and tennis. In 1976, Bantu Holomisa was working for the Department of Posts and Telecommunications when he was persuaded by friends to join the newly formed Transkei Defence Force.

Within two years he was made an officer and later was one of the first black soldiers to attend an

SADF staff and management course at the Army College in Pretoria.

By 1981, Bantu Holomisa was a qualified parachutist and a battalion commander, holding the rank of lieutenant colonel.

In April last year he was made commander of the Transkei Defence Force.

But there are other dimensions to the ordered life of this quiet and serious-minded man. For example, taking charge of the army meant he had to give up being manager, after four years, of the Tembunya Royals football club.

Besides his interest in soccer, he coached the Defence Force rugby team from 1980 to 1985, was manager of the Transkei's national rugby squad in the early 1980s and was elected national secretary of its rugby board from 1982 to 1984.

He is married to Thuyelwa, who is a graduate from the University

of Transkei and the daughter of a clergyman from Mount Fletcher. They have three young children.

At the beginning of last year, the then Prime Minister, Chief George Matanzima, put Major-General Holomisa into solitary confinement for three months. But his faith in his own cause — questioning whether former Rhodesian Selous Scouts could run the Transkei Defence Force without consulting Transkei citizens — helped him to survive the incarceration.

"I was not worried because I knew that they were framing me," he said.

The kind of influence his leadership commands was illustrated when fellow officers went to Matanzima to press for his release.

This came about in March, a month before being made commander of the TDF. Now, less than nine months later, he has the country's future in his hands.

Sigcau to stage comeback 103

CP Press 10/1/88

CP Correspondent



Stella Sigcau

TRANSKEI'S newly-deposed Prime Minister, Stella Sigcau, has said she was made a scapegoat and there was more to the coup that ousted her than met the eye.

Vowing to fight to regain the premiership when new elections take place, she said she could not "buy the bribery story". She was referring to claims that she was deposed because she was involved in corrupt dealings.

"Even during the elections, contestants for Prime Minister were questioning this grant of R50 000 which I had been given for my daughter's education," she told *City Press* at her Port Dale home in Umtata.

She said her opponents were satis-

fied with the explanation she had given.

"The gift was public knowledge. I even took the money to church to show friends."

She said she was taking legal advice about the bribery allegations.

Sigcau remained non-committal over speculation that the South African government played a role in the coup, saying she had no hard facts.

"All I can say is that there was pressure from outside."

She said she believed she still had support.

"I would have considered myself a failure had people been jubilant and dancing in the streets when the coup took place. But people were tense and

quiet - and that speaks for itself."

Questioned on her attitude towards the African National Congress, to which she is reported to have adopted a lenient stand as Prime Minister, she would only say she had an open mind.

She said she still supported the former ruling party, the Transkei National Independence Party.

"I view Transkei as a sovereign state. It is economically independent and we make our own rules."

She hoped to see Transkei eventually incorporated into a federation of states of Southern Africa, composed of "independent" states and South Africa's provinces. - Concord News Agency.

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For

Ousted PM — I will clear myself

By SHAUN HARRIS

10/11/88

103

OUSTED Transkei Prime Minister Stella Sigcau has vowed to clear her name at the commission of inquiry which starts in Umtata tomorrow.

Miss Sigcau, who lost her seat as head of government in a lightning coup 10 days ago, said there was more to the military takeover than people realised. "Since I returned home I have been gathering information and piecing stories together — there is more to this coup than you know about," she said from her Umtata home.

Ousted

But Miss Sigcau, Transkei's prime minister for only 86 days before being ousted by army chief Major-General Bantu Holomisa, would not elaborate on the information she claimed to have, saying:

"I have to verify certain facts first. When I have proof of what I've heard I will make my information known."

It is also likely that at least two SA businessmen will be named in connection with the "bribe for gambling rights" Miss Sigcau is alleged to have received.

Miss Sigcau denied receiving a bribe, saying she did receive R50 000 from a "senior official" in the form of a bursary for her daughter's education.

She said: "I told my family and friends about the money when I received it last year. I had nothing to hide and I did not try to cover it up."

Cleared

"A similar allegation about the money was brought up by one of my political opponents during the elections, but it was cleared up."

Miss Sigcau said she would be pleased to appear before the commission and hoped she would be given a hearing as soon as possible.

She said: "The paramount thing is to clear my name. As a member of my family, and of a proud race, the Pondos, as a Transkeian and as the person the people elected I want to clear things up."

"I really hope I will get a fair hearing."

Inquiry to resume

UMTATA — The Commission of Inquiry into the Transkei Department of Works and Energy, which adjourned on December 18 last year is to resume its sittings.

According to the schedule, the final session of the commission, which is expected to continue until the end of March, will deal during the first week with pre-

paring motivation, and will request further assistance from the South African Police.

It will also liaise with the South African Reserve Bank, the Commissioner for Inland Revenue in South Africa, with banks and accountants in Johannesburg.

It will also be in contact with the Development Bank of Southern Africa — DDC

Methodists locked out of church by Transkei police in bid to prevent violence

Star 11/1/88
103

UMTATA — The presence of Transkei police averted what could have been a violent confrontation at a Ncambele Circuit Mission covenant service yesterday when two factions of the Methodist Church in the Transkei wanted to use the church at the same time.

The superintendent of the Umtata Circuit, the Reverend H N Mpateni, said he had been assigned by the United Methodist Church of Southern Africa (Umcsa) to conduct the annual service of the covenant. When he arrived at the church he found the gates locked.

He said he was accompanied by five busloads of congregants. They were confronted by a belligerent group of the dissident Methodist Church of Transkei, who shouted that the Umcsa group would enter the churchyard over their dead bodies.

The church hall was the property of Umcsa and he was carrying 11 documents to that effect as his group had already

been warned of violence if they dared to go to Ncambele, Mr Mpateni said.

As a result of the threats, he and Umcsa missionary secretary, the Rev DD Dabula, had notified the police, who also came along in case of any trouble. The police decided to bar both groups from conducting the service and locked the churchyard, telling both factions to settle the matter properly before using the church hall again.

The dissidents continued to hurl abuse at the Umcsa group and one of their ministers was taken away by the police. It could not be established whether or not the clergyman was kept in custody.

Mr Mpateni said all the churches which had been usurped by the Methodist Church of Transkei since the split had been returned to Umcsa and it was only Ncambele that the dissidents' president, the Rev WB Gaba, had refused to relinquish. — Sapa.

Holomisa's missions



Kaiser Matanzima



George Matanzima



Stella Sigcau



Charles Sebe



Lennox Sebe

General's bizarre coup aims to unite Xhosas and eradicate corruption in homeland

GARY VAN STADEN reports from Johannesburg

A DESIRE to unite the Xhosa nation and a loathing of corruption were the motivating forces behind the military coup in Transkei, which must rank as one of the most bizarre political developments in Southern Africa.

It was a coup like no other as General Bantu Holomisa — the 32-year-old idealist who heads the military government — afforded the men and women he deposed every courtesy instead of offering them the more usual fate of execution or jail.

The young general apparently has two missions: firstly, to unite the Xhosa in both homelands — at least politically — and, secondly, to rid Transkei of any trace of corruption.

"To take any tough action against the people he has deposed would seriously harm his mission of unity," said a senior political source in Umtata. "He needs those people and their family connections if he hopes for any unity at all."

The coup undercurrent of political unity was confirmed by Mr Amos Somdaka, Transkei's chief representative at the homeland's Trade and Information office in Europe.

"It has taken the youth (the average age of the five-member military council is about 38) to show us what unity is about," Mr Somdaka added.

However, it was still one of the most bizarre coups in Africa's 25-year history of military takeovers.

When General Holomisa called a top-level meeting in Umtata of all

chiefs, former government officials, mayors, academics and top public servants, it turned into a sort of parade of shame. A line of disgraced former prime ministers and presidents filed into the city hall to be warmly greeted by the youthful general.

There was Miss Stella Sigcau, who was deposed in the bloodless coup. George Matanzima appeared in public for the first time since leaving Transkei in disgrace at the end of General Holomisa's gun last October. And Kaiser Matanzima's restriction order was lifted so that he could attend the gathering.

In what appeared to be more akin to the aftermath of a carnival than a coup, General Holomisa reappointed eight of the ministers from the deposed government and then made them swear an oath which included a promise of loyalty to the military council.

And minutes after General Holomisa announced a total ban on political party activity, Chief Kaiser Matanzima took to the streets of Umtata as if retracing in triumph. The heavily armed soldiers who had cordoned off the streets around the city hall smiled, waved and politely made way for the man known as the "father of the Transkei".

Not even the rain which began later in the day put a damper on the "celebrations".

And in his office at the top of the Transkei Defence Force (TDF) headquarters, General Holomisa said little to dispell informed speculation in Umtata that the military too, had come to stay.

"I have no timetable. We will remain in power until the tasks we

have set ourselves are completed," General Holomisa said in an exclusive interview.

The rain trickled slowly down the window behind him as General Holomisa paused to consider his reply to a suggestion that military government in Transkei would remain until at least 1991.

He leaned forward and the dark eyes flashed as he restated his position. "We will stay until things are sorted out. I have no idea how long that will take.

"We will return power to any civilian government as long as that government is elected and supported by the people themselves. I too will support such a government but I cannot say now how soon such a development will take place."

General Holomisa was at his most intense while discussing his twin passions of unity and hatred of corruption. And hatred is not too strong a word to describe his reaction to bribery or "lobola" as the practice has become known in Transkei.

"I don't know how long it will take or what effort it will require. But the ungodly practice of bribery, so widespread in the Transkei, will be stopped. It will come to an end."

Friend and foe in Umtata agree on General Holomisa: "He is straight down the line. Honesty is an obsession with him," said a senior Transkei diplomat recalled for the Umtata meeting.

Honest he may be but in a special gazette issued in Umtata General Holomisa gave himself and the five-member military council awesome power. Until General Ho-

lomisa decides otherwise, the military council is the law in Transkei.

In a move which took observers and informed sources in the capital city somewhat by surprise, he appointed Brigadier Eleazor Keswa as a virtual second in command.

Brigadier Keswa was the first commander-in-chief of the TDF. The three other members appointed were Lieutenant-Colonel Craig Duli, Lieutenant-Colonel Paul Tobia and Major Vakutshiwo.

The Council of Ministers appointed by General Holomisa to help run Transkei was, according to informed observers, characterised by its competence, experience and its inclusion of Transkei's most important families — including the Sigcaus and Matanzimas.

But the power remains in the military council and General Holomisa began building that power long before the takeover, according to Umtata sources.

"The police and even the security branch in the Transkei would do little without his approval," one said.

General Holomisa apparently looks to no one for direction, least of all South Africa. "I am nobody's 'yes-man' ... certainly not South Africa's," he retorted to allegations by Miss Sigcau that South Africa's hand might have held the TDF guns which ousted her.

Other sources too were sceptical of South African involvement in the coup. "I have no doubt they knew it was coming but it cannot possibly be to Pretoria's advantage to have a military council in power in the Transkei and even less of an advantage if that council is headed by someone like Holomisa," one

diplomat said.

"Holomisa cannot be controlled and he cannot be bought. The same cannot be said of the regime he overthrew."

During the interview General Holomisa said he believed it was not necessary for the people of the Ciskei and Transkei to suffer because the two governments were unable to get on with each other.

"We will work for much closer co-operation between us and the Ciskei so that all the citizens can benefit," he said.

But there are highly informed sources in Umtata who believe that the ultimate dream of the young idealist general is to unite all the Xhosa people under a single political authority. The sources believe that this was a major reason for the coup.

The sources would not speculate on the methods the general might use to achieve this unity.

A "close relationship" was said to exist between General Holomisa and Charles Sebe, the exiled — and Transkei resident — brother of the Ciskei President, Chief Lennox Sebe.

There is little doubt in Umtata that General Holomisa is an honest, determined idealist who intends to put Transkei back on the straight and narrow.

There is also little doubt that he has given himself enormous — perhaps absolute — power. And while corruption is the general's number one enemy, he could become its victim. Because power does corrupt and absolute power ...

No-nonsense soldier believes revenge is dirty word

MARTIN CHALLENGER reports from Johannesburg

THE comparisons to young, energetic African coup leaders, like Thomas Sankara of Burkina Faso and Jerry Rawlings of Ghana, have already been drawn.

But there is little doubt that Major-General Bantu Holomisa, who toppled the Transkei government of Miss Stella Sigcau on December 30, is his own man — a military man intent on sweeping clean a corruption-riddled government.

"We do things the military way," he told Transkei in his state of the nation address. "This is characterised by teamwork, control, loyalty, discipline and a sense of duty."

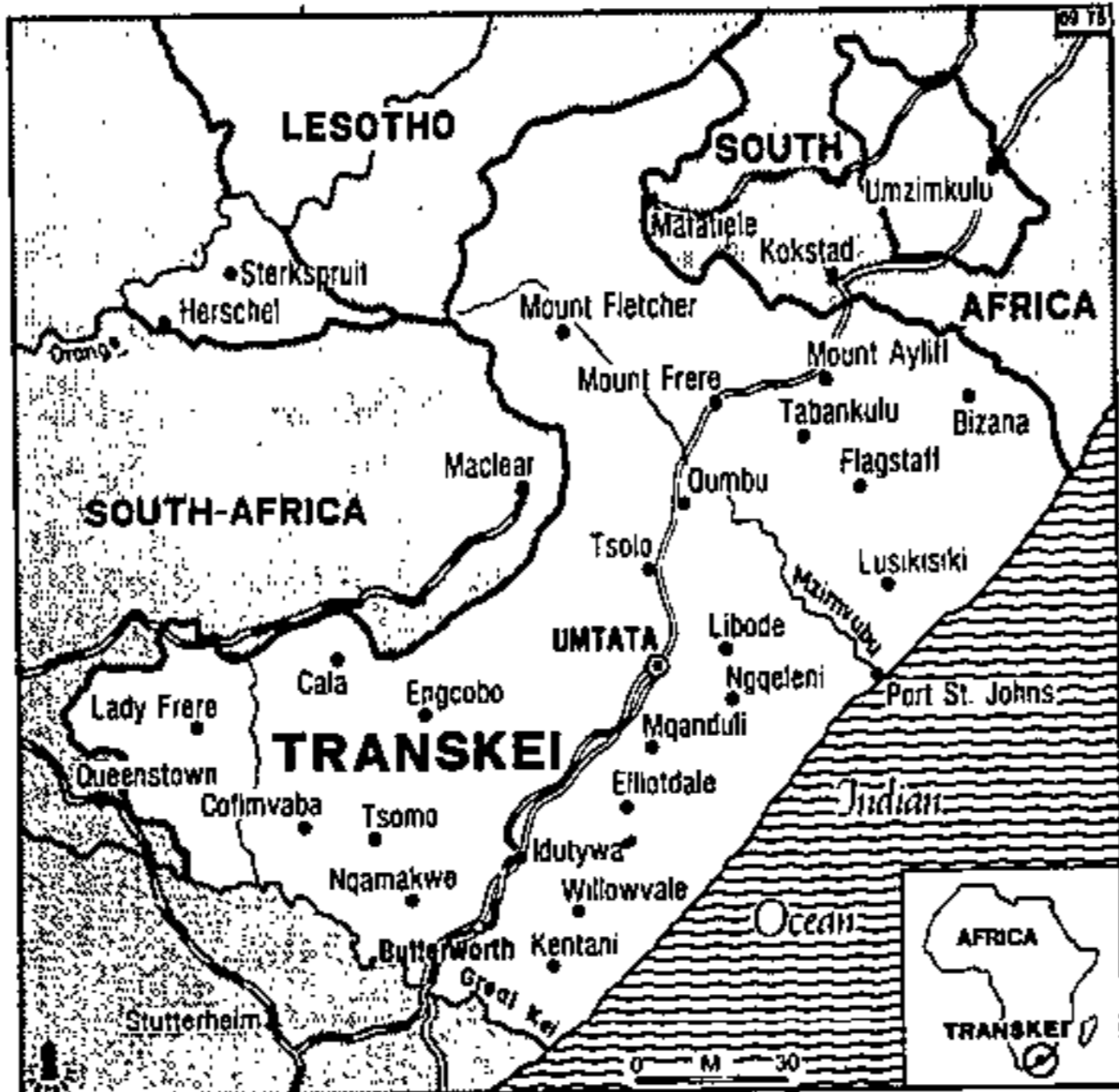
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the son of the late Chief Bazindlovu Holomisa of the AmaHegebe tribe at Mqanduli.

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He sent his son to Jongilizwe College at Tsolo, at that time a school for the sons of chiefs and headmen. Signs of leadership ability began showing themselves even then in the young Holomisa.

He was selected rugby captain and was deputy head prefect and also played cricket, soccer and tennis. In 1976 Bantu Holomisa was working for the Department of Posts



General Bantu Holomisa

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But there are other dimensions to the ordered life of this quiet and serious-minded

man. For example, taking charge of the army meant he had to give up being manager, after four years, of the Tembu Royals football club.

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ARGUS 12/1/88

103

Hotelier's account used for transfer

Ex-Kei premier paid R500 000

The Argus Correspondent

JOHANNESBURG. — An Eastern Cape hotelier, Mr G J Gouws, today said his bank account was used to transfer R500 000 from unnamed Cape Town business connections to former Transkei Prime Minister Chief George Matanzima.

Mr Gouws said the money was paid over last year. He insisted he did not know who made the payments nor what the money was used for.

"They used my account number," Mr Gouws said. "George has my account number."

Money divided

An officer of the Commission of Inquiry into alleged corruption told the inquiry yesterday that Sun International transferred R2-million to the trust account of a Cape Town lawyer, Mr David Bloomberg. Mr Bloomberg in turn gave the money to Mr Gouws.

The officer, whose name was not released, claimed Mr Gouws divided the money

among Chief George, Transkei Development Corporation MD Monty Ntloko, Miss Stella Sigcau, Paramount Chief Kaizer Matanzima, a motor dealer, a car for Chief George, Umtata businessman Kenneth Magidigidi and former Foreign Affairs Minister Mtutuzeli Lujabe.

Mr Gouws said today he did not make out cheques to Chief Kaizer or Miss Sigcau — the Prime Minister deposed by the military last month.

Hotel and casino

He could not remember whom he made cheques to, he said.

Mr Gouws said he had not given evidence to the commission, but said detectives from the South African Police's commercial branch in Port Elizabeth had spoken to him several times about the issue.

Reports from Umtata said the payments followed meetings between Transkei officials, Sun International and the

Transkei Development Corporation about the building of a hotel and casino in Umtata.

Sun International officials were consulting their attorneys today and will release a statement later.

City lawyer

Mr Ian Heron, head of Sun International, has said previously Transkei's new military chief, Major-General Bantu Holomisa, was happy with all Sun International's dealings in Transkei.

● Prominent city councillor and lawyer Mr Bloomberg has confirmed he had been involved but disagreed with certain aspects of the evidence.

"I know neither Mr Gouws nor Miss Sigcau," Mr Bloomberg said.

"I acted in this matter solely as an attorney and I am not at liberty to comment on clients' affairs."

He said he had not been called to give evidence and had no plans to do so.

DDP/1/08

New post for Mda

Daily Dispatch
Reporter

UMTATA — The former leader of the Transkei opposition Democratic Progressive Party, Mr Caledon Sizakele Mda, has been appointed the first ombudsman of Transkei.

Mr Mda resigned from the party late last year to join the TNIP in the government of Miss Stella Sigcau.

In a statement, the chairman of the military council, General Bantu Holomisa, said the appointment of Mr Mda was with immediate effect.

Mr Mda's duties include monitoring the administration of the civil service and dealing with specific complaints from the public against the administrative injustices and maladministration.

1 m go back to school in Transkei

UMTATA — Over a million Transkei pupils in primary and junior secondary schools returned to school yesterday after the Christmas holidays.

Senior ⁰⁰ secondary schools and training colleges will open on January 14. ^{12/11/88} ⁰³

The Chief Director of Education, Mr M. Mjamekwana, said teachers had to report back to schools a day before they opened, in order to hold meetings for the setting up of time tables and to plan school work.

Mr Mjamekwana said that 1 003 953 children had enrolled for the 1988 school year.

"We definitely expect more than that next year as we have opened more schools with sub-standards," he said. — DDR

Commission in told how R2m was split up

12/11/88
103
020

Daily Dispatch Reporter

UMTATA — Two-thirds of an amount of R3 million placed in a trust account by Sun International for the purchase of shares in a company which held gambling rights in Transkei was transferred to an account in South Africa and later distributed in the form of nine cheques, it was stated in evidence here yesterday.

The Commission of Inquiry into the Department of Works and Energy was told the money had been distributed on the instructions of the then Prime Minister, Chief George Matanzima.

Yesterday's sitting of the commission dealt with the granting of exclusive gambling rights to the Wild Coast Sun and its assignees, which in due course became Transun, a subsidiary of Sun International.

According to evidence submitted, Transun held 45 per cent of gambling rights in Transgames Pty Ltd — which claimed exclusive rights to slot machines in Transkei except for Mzamba — and sought to buy the remaining 55 per cent of

the shares.

A South African official seconded as an officer of the commission whose name the commission requested not be published, gave evidence on what happened to part of the R3 million transferred from Sun International to a trust account in the name of a Cape Town attorney, Mr David Bloomberg, who was the agent for the holders of the 55 per cent of the share-holders in Transgames.

The witness said R2 million was transferred to the account of a Ugie farmer and hotel owner, Mr G. J. Gouws, in two amounts: R1,5 million on December 15, 1985, and R500 000 on January 15, 1987.

The witness said that

according to information supplied to him by Mr Gouws, Mr Bloomberg received verbal instructions to transfer the money from Etahlisement Sports et Loisiers (ESL) through Mr David Jack, said to be a director of ESL, who acted for 45 per cent of the Transgames share-holders.

ESL was described in the Transun prospectus as a vendor which would receive over 1 million Transun shares and more than R2 million for its shares in Transgames. The witness said the evidence showed that Mr Jack lived in London and in Lichtenstein.

A Transkei businessman, Mr V. Mbotoli, described as a vendor in the prospectus of Transun, held the other ten per cent of shares in Transgames.

Another vendor listed in the Transun prospectus, Mr F. S. J. Van Rensburg, of Queens-town, allegedly held a beneficial 6,75 per cent interest in Transgames which Transun would acquire, although he was not a registered shareholder.

He appointed his brother, Mr Chris Van Rensburg, as his agent regarding these interests, according to the documents.

Mr Chris Van Rensburg appointed Mr Bloomberg to act as his agent for the sale of the shares. Mr Mbotoli also gave Mr Bloomberg the power of attorney to act as his agent.

The investigating officers of the commission said the question remained why Mr F. Van Rensburg would be paid out when he was not a registered shareholder.

The witness said that when Mr Gouws was questioned about the transfer of money to his account, he said the first payment had been for his farm, which Chief George had bought at a cost of about R1,4 million.

Questioned about the subsequent R500 000 transfer, he said he had been told to await Chief George's instructions.

The witness tabled the nine cheques made available by Mr Gouws. The following cheques were issued:

● A cheque for R50 000 made payable to Mr M. M. Ntloko on December 17, 1986.

● A cheque for R50 000 payable to cash which had the account number of Miss S. N. Sigcau on the back and was deposited by "Zide" on January 20.

● A cheque for R100 000 payable to Chief George Matanzima and endorsed by him. On the same day Chief George issued a cheque payable to Paramount Chief Kaiser Matanzima for R50 000 which was subsequently traced into his account.

● A cash cheque for R50 000 issued on January 19 and endorsed by the former Minister of Commerce, Industry and Tourism, Mr T. T. Letlaka.

● To page 3

P.T.O.

NAME	DATE	WAGE	INDEX	RANK
nsvaal	4/86	2.27	1.00	1

SPREAD AT 6 / 1987

Hourly Rate Median=100

R 2.27 100
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Inquiry widened

UMTATA — The terms of reference of the Commission of Inquiry into the Department of Works and Energy has been extended.

Counsel for the Auditor-General told the commission, chaired by Mr G. Alexander SC and with Mr Jiyana Magubela as co-commissioner, that the extension had been approved by the State President acting on the

The extended terms include the areas of gambling rights and the issuing of licences in that regard plus any theft, fraud, bribery, corruption, income tax evasion or benefits arising out of the granting of gambling rights to any public official or private individual.

● From page 1

● A cheque for R26 000 issued on January 19, 1987, to Coetzer Motors in Engcobo for the purchase of a green 1974 Mercedes Benz bought by Chief George and collected by Mr L. Matiwane said to reside at Vrederust farm in South Africa.

● A cheque for R30 000 to Mr K. Magidigi, who, the officers noted had been mentioned in another commission in connection with allegations regarding the payment of incentives and who had a close business association with Chief George.

● A cheque for R50 000 cash endorsed by the former Minister of Foreign Affairs, Mr M. Lujabe.

● A cash cheque for R194 000 endorsed by Chief George on January 21, 1987.

● A cheque for R50 000 to Chief George issued on February 19, 1987.

The witness said Mr Gouws had said the balance of R1,4 million had gone towards the purchase of the farm.

Certified copies of the cheques and accompanying bank statements were handed in as evidence.

Counsel for the Auditor-General said at this point that the commission was not a trial but that recommendations on the basis of the evidence would be made to the State President.

The evidence tabled went back to September 1986 when a company called Lexie-Joe Pty Ltd proposed that a new entertainment centre be

Inquiry told how R2m split

sited at Umtata dam. It would include a casino and an application was made in a government gazette for a gambling licence in respect of the site.

Another South African official connected to the commission, whose name the commission also requested not be disclosed, testified that a meeting was subsequently held at a Ugie hotel. It was attended by Chief George, Mr Jon Trickey, Mr Hans Enderlie and Mr G. J. Gouws. Chief George had tried to sell the casino rights for R2 million but only R1 million could be raised.

A letter from the chief executive of Sun International, Mr Sol Kerzner, to Mr Bloomberg, dated December 10, 1986, was tabled.

In the letter, Mr Kerzner — acting on behalf of the Wild Coast Sun, which was then owned by Sun International and the Transkei Development Corporation — acknowledged receipt of Mr Bloomberg's telex in which he confirmed that he was acting on behalf of the 55 per cent of shareholders of Transgames.

One of the conditions stipulated by Mr Kerzner for acquiring the shares was that "by no later than December 10, 1986, the cabinet of the Republic of Transkei shall have granted the Wild Coast Sun Pty Ltd and its successors-

in-title the right to operate a casino hotel in Umtata together with the exclusive casino rights for the entire Transkei other than the area in which the Wild Coast Sun already enjoys casino exclusivity for a period of 15 years".

A memo to the cabinet dated December 3, 1986, prepared by the secretary-general of commerce, recommended that it gave its approval for the establishment of a hotel and casino by Sun International and the Transkei Development Corporation as soon as possible.

The memo also requested the cabinet to prohibit monopoly or exclusivity in regard to the operation of slot machines in Transkei.

Another document tabled was an agreement between the Transkei Government and the Wild Coast Sun, signed by Chief George on behalf of government, in which the government undertook that all licences required to establish and operate a site in Umtata, including a casino licence, hotel and liquor licence, would be granted subject to certain conditions.

The officers of the commission also noted that, according to the documents, the first time proper steps were taken to acquire a gambling licence for the Umtata casino was on October 23, 1987, when a statutory notice was published in the Government Gazette of the company's intention to apply for a licence.

The commission continues today.

(103) PD 12/1/88

'Kei hearing' ⁽¹⁰³⁾

12/1/88

THE Commission of Inquiry into the Transkei Department of Works and Energy, which adjourned on December 18 last year, is to resume its sittings this week.

According to the schedule, the final session of the commission, which is expected to continue until the end of March, will deal during the first week with, among other issues, a report to South African Police authorities requesting further assistance.

It will also liaise with the South African Reserve Bank, the Commissioner for Inland Revenue in South Africa, with banks and accountants in Johannesburg, and with the Development Bank of Southern Africa

relating to a number of issues affecting the commission of inquiry.

In the second week, January 18 to 21, the commission will deal with departmental matters such as the drawing up of the budget, how the budget is being disbursed, the organisational structure of the department, the staff employed and the staff who should be employed.

Also included will be government policy on the employment of staff — especially non-Transkeian staff — professional technical staff liaison between the departments of finance and works and energy, and between local government and works and energy. — Sapa.

I channelled 'Kei money, says hotelier

An Eastern Cape hotelier, Mr G J Gouws, today said his bank account was used to transfer R500 000 from unnamed Cape Town business connections to former Transkei premier Chief George Matanzima.

Mr Gouws said the money was paid last year. He insisted he did not know who made the payments or what the money was for.

This follows reports from Umtata yesterday that an unnamed officer of Transkei's commission of inquiry into alleged corruption testified that Sun International transferred R2 million to the trust account of Cape Town lawyer Mr David Bloomberg, who then passed the money to Mr Gouws.

He said Mr Gouws divided the money between, among others, Chief George Matanzima, Miss Stella Sigcau and Chief Kaizer Matanzima.

The reports said the payments followed meetings between Transkei officials, Sun International and Transkei Development Corporation about the building of a hotel and casino in Umtata.

Sun International will make a statement later.

(03) S.M. 11/88

(103) DD 13/1/88

Transkei leader pledges concord

Daily Dispatch Reporter

EAST LONDON — The new head of the Transkei military government, Major-General Bantu Holomisa, yesterday reiterated his country's commitment to maintain friendly relations with Ciskei.

In a telephone interview, Gen Holomisa dispelled speculation that his government might not uphold the friendship pact arranged under the former Prime Minister, Miss Stella Sigcau.

He said his government was committed to all treaties entered into by the previous government with other states.

Asked to comment on reports that he was a

protégé of the Matanzimas and that the coup could have been masterminded by them by using him, Gen Holomisa replied that the people of Transkei would "judge" him by his actions.

If that were the case, he would not have taken action against them when it was discovered government money had been misappropriated.

He added that he had not declared enmity against former political leaders.

The present administration aimed to "clean up the mess" created by previous governments.

Gen Holomisa added that all those found to have been involved in corruption had been sidelined from the government.

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Inquiry told of demand for R2-m 'lobola'

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11645 13/1/08

UMTATA. — Chief George Matanzima told a woman she would have to pay R2-million before she could be given casino rights in Transkei, she told the commission of inquiry into the granting of the rights today.

The managing director of Joe-Lexie Pty Ltd, Mrs Lexie Ceza, said her company applied to the Department of Justice and other relevant departments for a casino licence.

In October 1986, Mrs Ceza said, she and her financiers, Mr A Del Vecchio and Mr Trickey, from Durban, met Chief George at Ugie.

"We were told that before we could get casino rights we had to pay 'lobola' of R2-million" she said.

Chief George said she should name five specific people as directors when she applied for the rights, including Miss Stella Sigcau and Mrs Nowethu Matanzima, Chief George's wife.

Declined

"He told me he would give them R50 000 each and they would help him get casino rights for me."

Miss Sigcau later declined the position as she was a civil servant.

Two weeks later, she said, the managing director of the Transkei Development Corporation, Mr Monty Ntloko, visited, saying he represented Mr Sol Kerzner. He suggested she sell the land at the Umtata Dam which her company had government permission to occupy. He said they would be paid R300 000 if her company dropped its application for casino rights.

Mrs Ceza said she refused to sign

Mr Ntloko's proposition, and told him to leave.

Mrs Ceza's company offered Chief George R1-million down and R1-million to come when the rights were granted. Later Chief George gave Mr Kerzner the rights without Cabinet approval.

Summoned

Later Mr Ntloko, also chairman of the Transkei Agricultural Corporation, (Tracor) and a director of Transun, told the commission Chief George had summoned him to Ugie and had told him he was giving him "sweets" for everything he had done.

Mr Ntloko said he refused cash because he was worried about the impression it would create, and took a cheque for R50 000 instead.

He said the size of the cheque did shock him a little, but he did not refuse it because he "did not know what the prime minister would do to him if he refused." At no point were Transun or casino rights mentioned as they had only discussed agricultural matters.

He told the commission that the potential listing of Transun was of great financial importance to the TDC, which now owned 28,5 percent of the shares.

He denied Mrs Ceza's allegations. He said he had tried to persuade her to sell the land on behalf of the managing director of Transun, Mr Ken Rosevear, for R300 000.

He said she had signed the agreement he presented to her but later changed her mind. He did not have a copy of the document. — Sapa.

Chief flies in to clear Sun's name

The Argus Correspondent

JOHANNESBURG. — In a bid to clear Sun International's name the company chairman, Mr Ian Heron, is flying to Umtata today to voluntarily give evidence before a Transkeian commission of inquiry into alleged corruption.

Sun International has denied involvement in the corruption of Transkeian officials alleged to have received about R2-million in a casino gambling-rights transaction.

A national newspaper advertising campaign protesting SI's innocence was launched immediately after reports in newspapers yesterday apparently suggesting SI was a party to improper payments.

In the advertisement SI said they paid R5,5-million for a slot-machine operation, R3-million of which was in cash. SI said it was not responsible for the way the R3-million was allocated.

Evidence on Monday suggested R2-million of this was improperly paid to Transkeian officials.

Kei scandal: Sun chiefs take action

CAPE TIMES 13/1/88
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Own Correspondent

JOHANNESBURG. — Top executives of Sun International (SI) took strong action yesterday in a bid to clear the company of any implication in alleged Transkei government corruption.

Their exclusive gambling rights in Transkei were still legal and binding and not in jeopardy, despite the recent coup and the corruption scandal, said the executives.

They demanded an apology and retraction of reports on yesterday's hearing of the Transkei commission of inquiry into corruption, which, they said, were misleading in suggesting SI had been a party to improper payments involving R2 million.

The company held a press conference and has placed advertisements stating its position and insisting its conduct and that of its subsidiary Transun were "beyond criticism".

A group of executives, including SI chief Mr Ian Heron, are to fly to Umtata today after an urgent request from them to the commission to give evidence was granted.

An indication of the pressure on SI came from Transkei's military chief, Major-General Bantu Holomisa, who last night denied a statement by Mr Heron that he was "happy" with all SI's dealings in the Transkei.

SI has to prove "to the world and Transkei" it is "above board", he said. "What I told Heron is that the onus is on his company to prove to the world and the Transkeians he is above board in the wake of the scandal which has rocked the country. If there

are any queries he and his company must clear their names through the commission...

"Has he (Mr Heron) got licences, real documents and why was that money paid?" General Holomisa asked. "I'd like to know what's actually going on."

Mr Heron said he did not know what General Holomisa was referring to in talking about SI's "licences".

He said the general knew SI's casino licence application was still being heard.

At yesterday's press conference, Mr Heron said SI did not pay the Transkei government for its gambling rights, but had committed itself to building a R30-million hotel.

He said the company had an above-board, legal and binding agreement with the Transkei government, and had insisted on getting full cabinet approval when it obtained it.

Mr Heron detailed the terms of the 1987 Transun takeover of Transgames, which conducted slot-machine operations in Transkei, involving the transfer of R3 million in cash to Cape Town lawyer and city councillor Mr David Bloomberg.

For the purposes of disclosure in Transun's prospectus, Mr Bloomberg told Transun the allocation of the consideration between the vendors, whom he represented, was:

● TDC boss given R50 000 as 'sweets'
— Page 3

To page 3

Inquiry told of lobola request

13/1/88

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Dispatch Reporter

UMTATA — A witness told the Commission of Inquiry into the Department of Works and Energy here yesterday that the former Prime Minister, Chief George Matanzima, had told her she must pay R2 million before receiving casino rights.

The managing director of Joe-Lexie Pty Ltd, Mrs Lexie Ceza, said the company was formed in 1982 and it submitted an application to the Department of Justice and other relevant departments for a casino licence.

She said that Paramount Chief Kaiser Matanzima objected to the fact that the company had non-Transkeian directors.

The board was changed to comprise four Transkeians: Mrs Ceza, Mr Dowa Mgudlwa, Dr A. B. L. Pupuma and Mrs Tabitha Dubeni.

In October 1986, Mrs Ceza said, she and her financiers, Mr A. Del Veccio and Mr Trickey, from Durban, had been invited by Chief George to meet him at Ugie.

She said Chief George told her and her financiers that he wanted to buy a farm from a Ugie farmer and hotel owner, Mr G. J. Gouws.

The actual business meeting was held in private and attended only by herself and her financiers, Chief George and Mr Gouws.

"We were told that before we could get casino rights we had to pay lobola of R2 million. Also we had to meet Mr Gouws who was selling his farm to Chief George."

Mrs Ceza said lobola was the exact word used by Chief George which she understood to mean that if they did not pay lobola they would not get anything.

Mrs Ceza said Chief George told her that in her application she must include the following people as directors: Mr M. Lujabe, Mr T. T. Letlaka, Mr H. B. Tsengwa, Miss Stella Sigcau and Mrs Nowetu Matanzima, Chief George's wife.

She said that after the names Chief George mentioned had been submitted, she received a telephone call from Miss Sigcau saying Chief George had informed her about this appointment and that she had declined it as she was a civil servant.

She said Chief George had told her these people must be included in her application so they could help him in the cabinet to grant her the casino rights.

"He told me he would give them R50 000 each and they would help him get casino rights for me."

She told the commission that her co-directors were prepared to abide by the wishes of the authority of the day — they had been wanting casino rights for a long time — only if casino rights were granted in writing.

About two weeks later, she said, the managing director of the Transkei Development Corporation and chairman of the Transkei Agricultural Corporation, Mr Monty Ntloko, came to her house.

She said he was representing Mr Sol Kerzner with a proposition to sell the land at the Umtata dam which her company was given permission to occupy by the Department of Local Government and Land Tenure.

She said Mr Ntloko said she would be paid R300 000 if her company dropped its application for casino rights.

Mrs Ceza said she refused to sign the proposition, which was not in contract form, and she told Mr Ntloko to leave.

She said that, at the Ugie meeting, Mr Del Veccio and Mr Trickey had offered R1 million with another R1 million to come after the granting of casino rights.

However, she said Chief George was not in favour and he decided to give Mr Kerzner this right on December 18, 1986, in Butterworth without cabinet approval or the approval of the Minister of Justice.

Later yesterday after-

noon, Mr Ntloko, came before the commission with a legal representative to deal with the allegations made against him.

Also a director of Transun, Mr Ntloko told the commission he had been called to see Chief George on his farm, at Ugie. Chief George told him he was giving him "sweets" for everything he had done.

Mr Ntloko said he refused to take cash and requested a cheque which was given to him.

Mr Ntloko said it was not an unusual practice for Chief George to summon people out of the country and he did not inquire why Mr Gouws was signing the cheque (for R50 000) although it was a gift from Chief George.

He said the size of the cheque did shock him a little, but he did not refuse it because he "did not know what the Prime Minister would do to him if he refused."

At no point was Transun or casino rights brought up as they had only discussed agricultural matters, he said.

He told the commission that the potential listing of Transun was of great financial importance to the TDC which now owned 28,5 per cent of the shares.

He denied the allegations put to the commission by Mrs Ceza and said he had gone to see her on behalf of the managing director of Transun, Mr Ken Rosevear, to approach her about the purchase of the land for R300 000.

He said she had signed the agreement he presented to her and only a week later did she change her mind.

He did not have a copy of the document as he did not think it was that important as it was not a legal document.

Mr Ntloko said he was worried when Chief George told him he had bought a farm for R1,2 million from Mr Gouws because of the money Chief George already had on loan from Tracor, and because his repayment of loans to Tracor was not good.

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● To the Swiss-based company Etablissement Sports et Loisirs (ESL) — 1 666 667 shares in Transun, R2 million in cash, 72,5% of the slot-machine royalty and 12,5% of the issued shares of Transun subsidiary Newco;

● To F S Janse van Rensburg — R387 873 in cash, 11,08% of the slot-machine royalty and 5,04% of the issued shares of Newco; and

● To Vulindlela Mbotoli — R574 626 in cash, 16,42% of the slot-machine royalty and 7,46% of the issued shares of Newco.

Mr Heron said the allegations made before the commission had come as a surprise, which was why SI was insisting on giving evidence to the commission.

He denied all knowledge of any of payments allegedly made by Mr Bloomberg through Ugie farmer and hotel owner, Mr G J Gouws, to various Transkeians, including former prime ministers George Matanzima and Stella Sigcau.

He said SI had supplied a detailed memorandum on its dealings to the Transkei government on October 27.

● MR DAVID BLOOMBERG, whose name was mentioned at the Umtata commission of inquiry, said yesterday his involvement had been as an attorney only to various parties.

Last night, when told of the Sun International advertisements in today's newspaper, Mr Bloomberg confirmed SI's version of payments made.

"All the money went to those three parties," he said. "How it was dealt with after that would depend on the instructions given to those concerned."

He emphasized that he had no personal interest in the matter and that he knew neither Miss Stella Sigcau nor Mr J G Gouws.

Own Correspondent
UMTATA. — The managing director of the Transkei Development Corporation (TDC), Mr Monty Mbulelo Ntloko, told the commission of inquiry here yesterday that he was given a cheque for R50 000 by Chief George Matanzima as "sweets" in recognition of what he (Mr Ntloko) did for him and the Transkei people.

TDC boss given R50 000 as 'sweets'

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Mr Ntloko told the chairman of the commission, Mr Gerald Alexander, that in December 1986 he was summoned by Chief George Matanzima to a meeting at a hotel in Ugie, Eastern Cape.

"On my arrival I was ushered into a hotel room where I found Chief George seated with Mr J G Gouws. Chief George said he wanted to give me a gift as a reward for what I did for him and the people of Transkei.

"He asked me whether I wanted my gift in cash form or by cheque. I asked for a cheque. Chief

George then instructed Mr Gouws to write out a cheque in my name. As Mr Gouws was handing over the cheque to me Chief George said 'Those are your sweets', said Mr Ntloko.

Mr Ntloko told the commission he did not disclose the gift to the Receiver of Revenue.

An Umtata woman, Miss Lexie Ceza, said she and her partners had their efforts throttled when they sought gambling rights "through proper channels".

Miss Ceza said she was the managing director of the now defunct Lexie-Joe Enterprises. Their first attempt to apply for a licence was in 1982 when the then State President Chief Kaizer Matanzima said their company should have Transkeians only as directors.

At another meeting with the then Prime Minister Chief George Matanzima they were invited to Chief George's farm at Ugie.

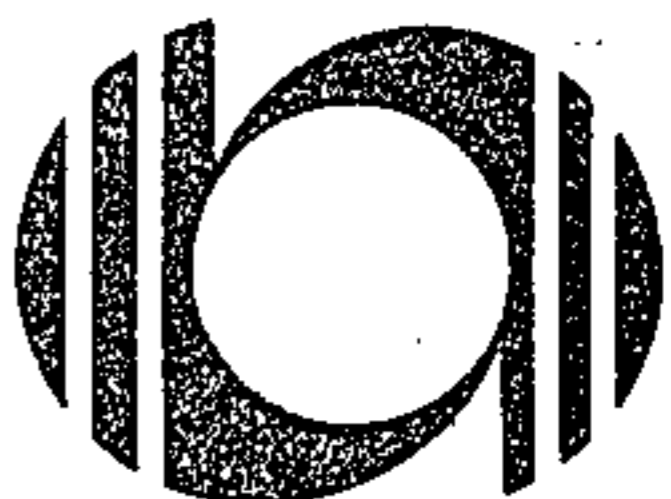
According to Miss Ceza, Chief George said he wanted R2m "lobola" and that certain people would have to be included in their company as directors.

Miss Ceza gave their names as Mr Mthutuzeli Lujabe, former Foreign Affairs Minister, Miss Stella Sigcau, deposed premier, Chief George's wife Mrs Nowethu Matanzima, and himself.

The commission hearing continues today.

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Sun International

SUN HOTELS INTERNATIONAL LIMITED ("SI") ANNOUNCEMENT

1 SI owns approximately 53% of Transkei Sun International Limited ("Transun").

2 The attention of SI has been drawn to an article which appeared in Business Day of 12 January 1988 under the heading "Hotel Group 'paid R2m'". The article states that SI had transferred R2m to the trust account of lawyer David Bloomberg, that Mr Bloomberg had transferred this amount to Mr J G Gouws and that Mr Gouws had distributed the money to various parties in accordance with the verbal instructions of Chief George Matanzima.

3 The facts are:

— Transun has owned 45% of the issued share capital of Transgames (Pty) Limited ("Transgames") since its formation in 1981. Prior to the public flotation of Transun early in 1987, Transun endeavoured to acquire the remaining 55% of Transgames which it did not already own.

— Transgames conducted slot-machine operations at

— Pursuant to the agreement, SI acting on behalf of its subsidiary Transun, transferred R3m to Mr Bloomberg.

— For the purposes of disclosure in Transun's Prospectus, Mr Bloomberg at Transun's request informed Transun's professional advisers of the allocation of the consideration between the vendors as follows:

— Establishment Sport et Loisirs of Boite Postale 461, FL-9490 VADUZ: 1 666 667 shares in Transun, R2 037 570 in cash, 72,5% of the slot-machine royalty and 12,5% of the issued shares of Newco; and

— Frederick Salomo: Janse van Rensburg of 10 Minerthof, Queerstown, Republic of South Africa: R387 873.74 in cash, 11,08% of the slot-machine royalty and 5,04% of the issued shares of Newco; and

— Vuliindlela Mbotoli of PO Box 268, Butterworth,

— Transgames conducted slot-machine operations at various locations in Transkei and earned a profit after tax of approximately R1,6m for the year ended 30 June 1986.

— Following negotiations in which the vendors were represented by Mr Bloomberg, an agreement was concluded in terms of which Transun acquired 55% of Transgames for a consideration of R5,5m which was discharged by:

— a payment of R3m in cash;

— 1 666 667 shares allotted and issued out of the reserve share capital of Transun, having a value at the issue price of 150 cents per share, of R2,5m

— a royalty equivalent to 25% of the after-tax profits that may be derived by Transgames from its slot-machine operations intended to be established in Idutywa and Mount Frere, for the period until 31 December 1989; and

— 25% of the issued shares of a new company ("Newco") to be formed as a subsidiary of Transun which is intended to operate any Transun group casino resort established in the Republic of Transkei outside the original exclusivity area (within a 100 kilometre radius from the Wild Coast Sun resort). The first development planned to be undertaken by Newco is the operation of an hotel and casino resort in Umtata.

— The sum of R5,5m represented an approximate 6,4 price earnings multiple on the historic earnings attributable to the 55% interest in Transgames derived from its existing operations. The effect of the acquisition for the year ended 30 June 1987 was to marginally improve the earnings per share of Transun.

— Vulindlela Mbotoli of PO Box 268, Butterworth, Republic of Transkei: R574 626,86 in cash, 16,42% of the slot-machine royalty and 6,46% of the issued shares of Newco.

— Full details of the transaction were publicly disclosed in Transun's prospectus.

— If indeed, Mr Bloomberg dealt with the R3m remitted to him in a manner which differed from the allocation referred to above, SI and Transun were totally unaware of this. That amount was in fact remitted to Mr Bloomberg for and on behalf of the vendors. At no stage did Mr Bloomberg represent either SI or Transun.

— When asked by the Transkei Government for information regarding the transaction, SI and Transun co-operated fully and in fact provided the Government with a memorandum supported by all relevant documentation giving full details of the transaction.

4 The report in Business Day and reports that have appeared in certain other publications are misleading in that they suggest that SI had been a party to improper payments. Such suggestion is without foundation. The conduct of SI and Transun in regard to the transaction is beyond criticism. SI has requested the Commissioner to allow its representative to give evidence before the Commission. This request has been granted and such representative will be giving evidence as soon as possible.

JOHANNESBURG
12 January 1988



Sun International

DIP 13/1/88

Daily Dispatch Reporter

UMTATA — A detainee held under the Public Security Act, Mr Sthembele Zokwe, was shot dead at his Nqamakwe home yesterday, police confirmed here.

The public relations officer of the Transkei Police, Lieutenant-Colonel S. S. Mokoatle, said his office had received a brief report on the incident from the Butterworth police and he had sent an officer from Umtata to obtain full details.

Colonel Mokoatle gave an assurance that he would issue a full

Detainee's body found riddled with bullets

report as soon as all the circumstances of the shooting were known.

A Butterworth attorney, Mr Mzwandile Ntsaluba, said he had helped to identify Mr Zokwe's bullet-riddled body at the mortuary. He said there was a bullet wound which went right through the

dead man's head and numerous wounds on his back.

He said he had been told the shooting had taken place after Mr Zokwe had been taken to his home at Mkiva in the Nqamakwe district.

Tentative arrangements had been made

with a family pathologist and the autopsy was expected to be conducted on Friday.

Mr Ntsaluba said he had inspected the room in which Mr Zokwe was shot, and he counted 54 bullet holes in walls, windows and furniture. A wardrobe had fallen over the bed and there was a pool of blood and bullet holes where Mr Zokwe's body had apparently been lying.

He said a Major Dolo of the Butterworth CID told him that a murder docket had been opened and charges were being investigated.

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Ski resort

Hotel group moves to clear name

Sparks fly in Transkei graft probe

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13/11/88
11/11/88

ROGER SMITH and
DOMINIQUE GILBERT

TOP Sun International (SI) executives took strong action yesterday in a bid to clear the company of any implication in alleged Transkei government corruption.

The executives said as far as they were concerned, their exclusive gambling rights in Transkei were still legal and binding and not in jeopardy despite the recent coup and the corruption scandal.

They demanded an apology and retraction of reports on Monday's hearing of the Transkei commission of inquiry into corruption which they said were misleading in suggesting SI had been a party to improper payments involving R2m.

● See Page 2

The company held a media conference and placed advertisements stating its position and insisting its conduct and that of its subsidiary, Transun, were "beyond criticism".

The commission granted an SI request to give evidence and a group of executives, including SI chief Ian Heron, will fly to Umtata today.

An indication of the pressure on SI came from Transkei's military chief Major-General Bantu Holomisa who last night denied a statement by Heron that he was "happy" with all SI's dealings in the Transkei.

He said SI had to prove "to the world" that it was "above board".

Holomisa said: "What I told Heron is that the onus is on his company to prove to the world and the Transkeians he is above board in the wake of the scandal which has rocked the country. If there are any queries, he and his company must clear their names through the commission."

Holomisa said his discussion with Heron bore no relevance to the inquiry to which numerous questions still had to be posed.

He asked: "Has he (Heron) got licences, real documents and why was that money paid? I'd like to know what's actually going on."

Heron responded that proving its dealings were above board was SI's whole point in taking action now.

He said he did not know what Holomisa was referring to in talking about SI's licences. Holomisa knew SI's casino licence application was still being heard.

At yesterday's media conference, Heron said SI did not pay the Transkei government for its gambling rights, but had committed itself to build a R30m hotel.

He said the company had an "above board" legal and binding agreement with the Transkei government and had "in-

● To Page 2

Sparks fly in Transkei graft probe

sisted on getting full cabinet approval when it obtained it.

Heron detailed the terms of the 1987 Transun takeover of Transgames, which conducted slot-machine operations in Transkei, involving the transfer of R3m in cash to Cape Town lawyer David Bloomberg.

For the purposes of disclosure in Transun's prospectus, Bloomberg told Transun the allocation of the consideration between the vendors, whom he represented, was:

- To the Swiss-based company Etablissement Sportifs et Loisirs (ESL) — 1 666 667 shares in Transun, R2m in cash, 72.5% of the slot-machine royalty and 12.5% of the issued shares of Transun subsidiary Newco;
- To F S Jansse van Rensberg — R387 873 in cash, 11.08% of the slot-

● From Page 1

chine royalty and 5.04% of the issued shares of Newco;

To Valindela Mbotoli — R574 626 in cash, 16.42% of the slot-machine royalty and 7.46% of the issued shares of Newco.

Heron said the allegations made before the commission had certainly come as a surprise, which was why SI was insisting on giving evidence to the commission.

He denied all knowledge of any payments, allegedly made by Bloomberg through Ugie farmer and hotel owner G. Gouws to various Transkei people including former prime ministers George Matanzima and Stella Sigcau.

He said SI had supplied a detailed memorandum on its dealings to the Transkei government on October 27.

Sun group at inquiry

CMC TINKS 14/1/88

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Own Correspondent

JMATA. — Appearing for Sun International yesterday at the Transkei inquiry into government corruption, Mr Fanie Cilliers SC reiterated the company's "utter rejection of any suggestion of impropriety in the conduct of its affairs".

Mr Cilliers submitted to the inquiry the advertisement placed in the national press by the company and the retraction and apology published by Business Day for a report on the earlier evidence "which may have been construed in a man-

ner reflecting on our client".

Presentation of the company's case was postponed till next week for its legal advisers to study the full transcript of the relevant evidence.

The inquiry yesterday issued a subpoena for former Prime Minister Chief George Matanzima to appear before it on Monday to give evidence.

The inquiry has been told that hotelier Mr G J Gouws received R2m from Cape Town attorney Mr David Bloomberg, who had had R3m transferred to him from Sun International in its Transgame takeover deal. Advocate Mr Nielen Locke, appearing for the Transkei

Auditor General, obtained agreement for written questions to be submitted to Sun International to be covered in their evidence.

Mr Gouws told a reporter yesterday that Chief George had deposited money in his account without his knowledge and had later approached him to withdraw it.

Mr Gouws said Chief George knew the account number, as R1,4m was originally deposited into it for the sale of a farm to him.

A further amount was then deposited in Mr Gouws's account of which he had no knowledge till he was asked to

issue cheques to Chief George and others to withdraw the second amount, he said.

The commission heard that R2m of R3m paid by Sun International into Mr Bloomberg's trust account was transferred into Mr Gouws's account on two different dates.

Mr Gouws said he knew nothing about either Mr Bloomberg or Sun International and "never asked a man where his money came from". He said there was nothing he could do about Chief George's use of his account. "He was the prime minister," he said.

UMTATA — The Transkei commission of inquiry into government corruption yesterday issued a subpoena for former Prime Minister George Matanzima to appear to give evidence.

Commission chairman Gerald Alexander, SC, interrupted proceedings to order the issue of the subpoena after receiving information that Matanzima had been seen in Transkei.

He asked that Matanzima appear before the commission on Monday.

It was expected several former cabinet ministers would be called to give evidence today.

Former Prime Minister Stella Sigcau, who has been present at the hearings since Tuesday, was to have given evidence yesterday but this has been postponed to next week.

The former ministers likely to give evidence could include former Commerce, Industry and Tourism Minister T Letlaka, and former Foreign Affairs Minister M Lajabe.

Both were named earlier this week as having received cheques for R50 000 each from Ugie farmer and hotelier G J Gouws.

The inquiry has been told Gouws received R2m from Cape Town attorney David Bloomberg, who had had R3m transferred to him from Sun International in its Transgame takeover deal.

Appearing for Sun International yesterday, Fanie Cilliers, SC, reiterated the company's "utter rejection of any suggestion of impropriety in the conduct of its affairs".

He submitted to the commission the advertisement placed in the national Press by the company and the retraction and apology published by Business Day

Graft hearing: former PM to give evidence

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● MATANZIMA

ROGER SMITH

for a report on the earlier evidence "which may have been construed in a manner reflecting on our client".

Presentation of the company's case was postponed until next week so that its legal advisers could study the full transcript of the relevant evidence.

Advocate Nielen Locke, appearing for the Transkei Auditor-General, obtained agreement for written questions to be submitted to Sun International to be covered in its evidence.

He said later the questions would be about the dealings of the company with the following individuals and companies: Bloomberg; beneficiaries of the Transgame deal V Mboteli, Fred Jansen van Rensburg and the Swiss-based com-

● To Page 2 →

Inquiry calls Matanzima

pany Etablissements Sports et Loisirs (ESL); Van Rensburg's brother, Chris; his company Jalc Holdings; and Jalc director Laurie Painting.

During the hearing yesterday, P R Barrable, appearing for the Transkei Development Corporation (TDC), took up the issue of the share allocation of Sun International's subsidiary Transun.

In evidence on Tuesday, counsel for the Auditor-General disclosed a number of prominent Transkeians, including George Matanzima, former cabinet ministers Lujabe and Gladstone Gwadiso, TDC MD Monty Ntloko, and Mboteli, had received major share allocations.

Barrable said the share issue was 3,2 times oversubscribed and the allocations had been decided using a Rand Merchant Bank formula.

He said at no stage did the allocations committee have sight of the name of the applicants.

DIANNA GAMES reports a hotelier Gouws said yesterday that Matanzima had deposited money in his account without his knowledge and had later approached him to withdraw it.

Gouws said Matanzima had known the account number because R1,4m had been deposited into it for the sale of a farm to Matanzima.

A further amount had then been deposited in Gouws's account, of which he had had no knowledge until he had been asked to issue cheques to Matanzima

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● From Page 1
and others to withdraw the second amount, he said.

Gouws said he was to give evidence before the commission today.

The commission heard that R2m of R3m paid by Sun International into Cape Town lawyer David Bloomberg's trust account had been transferred into Gouws's account on two different dates.

According to evidence, R1,5m was paid into the account on December 15, 1986, and R500 000 on January 15, last year. The latter amount was divided nine ways on Matanzima's instructions.

Gouws said he knew nothing about either Bloomberg or Sun International and "never asked a man where his money came from". He said there was nothing he could do about Matanzima's abuse of his account. "He was the prime minister," he said.

Jalc Holdings (SA) financial director Lawrie Painting said yesterday the company had given information to the inquiry on the basis of a large housing contract it had had with the Works and Energy Department.

Painting and Jalc Holdings have been named by advocates for the Transkei Auditor-General in the hearing as being two of the parties whose affairs they would like to investigate.

Inquiry scrutinises company's list of directors

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Daily Dispatch Reporter

UMTATA — The Commission of Inquiry into the Department of Works and Energy, continued yesterday with the managing director of Joe-Lexie Pty Ltd. Mrs Lexie Ceza, again leading evidence.

Counsel for the Auditor-General revealed that Mr G. H. Visser and Mr A. Jooste, who were well known to the commission, had originally been directors of the company.

Counsel described Mr Visser as a close friend and associate of the former prime minister, Chief George Matanzima, and as a chief figure in the Mbuqe Park housing development scandal which has been a major element of the inquiry. Both Mr Visser and Mr Jooste were involved in the Butterworth municipality scandal.

Although they both resigned as directors, the commission established that they were still shareholders.

When Mrs Ceza was asked why she had not disclosed this information to the commission, she said it was because they had resigned.

Counsel noted that the notices of resignation of the men had, however, been signed by a Mr Johnson, whose name had been mentioned previously to the commission in connection with Mr Visser and Mr Jooste.

Mrs Ceza said she had met Mr Visser through Mr Johnson, who had been staying at her house. He introduced Mr Visser as a man who knew about finances abroad and said he would arrange finance for her.

Replying to a question, Mrs Ceza said she had not been told that Mr Visser was an unrehabilitated insolvent.

Asked about a letter she had written to Paramount Chief Kaiser Matanzima, she agreed that she was on close terms with him, as was evident from the term "tata" (father in Xhosa) which she used to address him.

The commission also dealt with the registration of one of the directors, Mr Dowa Mgudlwa, now a member of the council of ministers, who resigned his directorship early this week because of his new obligations.

The commission noted that the registration of Mr Mgudlwa was the only piece of incorrect information to date in the company's file.

Mrs Ceza was asked why Mr Mgudlwa's name was not included in the list of original directors on her application and why, when he did register as a director, the date had been changed from May to December 1986.

In earlier evidence she said that Chief George had told her to insert the names of certain people as being directors, in her application for casino rights, as that would help him get her application approved by the cabinet. She was also told she would have to pay R2 million "lobola".

Yesterday Mrs Ceza said the names of the original directors had been written in dark ink on her application. Mr Mgudlwa's name was written in other ink along with the names Chief George said should be included.

Mrs Ceza said that when the names put forward by Chief George were included, Mr Mgudlwa said his must also be inserted because he did not want to be left out.

Regarding his registration as a director, she said he had initially objected to being registered as a director because he had doubts about the company's future.

Mrs Ceza told the commission that she had not known she would be called to the commission and said she had not read a press report stating that the commission was to look into the history of the granting of casino rights in Transkei.

She said she had come to the commission on Tuesday because she had been told by Major-General Bantu Holomisa to see Mr Jiyana Maqubela, one of the commissioners.

Asked why it had taken her a year to rectify the situation about the change of directors, she replied: "That is a good question."

Mrs Ceza excused herself from the commission to seek legal representation. She is expected to return when the commission continues today.

Gouws denies presence at casino discussion

Daily Dispatch Reporter

UMTATA — The man who sold the former prime minister, Chief George Matanzima, his farm in Ugie, Mr G. J. Gouws, said yesterday he had not been present at a meeting at which the granting of casino rights to the Joe-Lexie company was discussed.

Speaking from his Ugie home, he said he

had been present at the meeting at Ugie when the sale of his farm to Chief George was discussed but he had not been present during the discussion of casino rights.

He said he did not know and had never met Mr David Bloomberg, a Cape Town attorney.

It was reported ear-

lier that Mr Gouws had told an officer of the commission that Mr Bloomberg had received verbal instructions from Etablissement Sports et Loisiers to transfer R2 million from a trust account with Mr Bloomberg to his account.

In fact, this information was supplied to the officer of the commission by Mr Bloomberg.

Shock claims of money bribes

EAST LONDON. Senior executives of Sun International flew into Umtata this week amid claims that top Transkei politicians had received large amounts of cash for gambling rights in the homeland.

They were due to appear before a Transkei Commission of Inquiry to rebut allegations of the group's involvement in cash payouts.

Evidence before the commission of inquiry into the Department of Works and Energy was that Sun International paid R3 million to a Cape Town lawyer when they bought out Transgames, a company with gambling rights in Transkei.

Evidence was led that R2 million of the money was subsequently distributed among various senior government officials. R1,4 million

was paid for a farm bought by ousted Prime Minister Chief George Matanzima, and R50 000 went to his successor, Miss Stella Sigcau.

The homeland's new military strongman, Major-General Bantu Holomisa, had cited the R50 000 payment as proof that Sigcau was involved in corruption when he overthrew her and seized power just before New Year.

When reports of the allegation became public, Sun immediately swung into gear to clear its name. It held a press conference in Johannesburg, published full page adverts in several newspapers and requested permission to give evidence urgently before the commission to clarify its position. It also demanded retractions and

apologies from newspapers for reports on the allegations.

Yesterday a group of executives including the chief executive, Mr Ian Heron, flew to Umtata to testify after the commission granted their urgent request.

According to Sun, a subsidiary company by the name of Transkei Sun International Limited (Transun), had held 45 percent of the shares in Transgames since its formation.

Transgames operates slot machines in various centres in the Transkei.

Early in 1987, Sun had begun negotiation to buy out the remaining 55 percent. The other shareholders, a gambling company based in Vaduz, Liechtenstein, and an Eastern Cape businessman had been represented by Cape Town lawyer Mr David

Bloomberg.

An agreement was reached for the sale, in terms of which Transun would pay R5,5 million for the shares. R3 million would be paid in cash, and the rest would be paid in royalties and shares.

The R3 million cash had been paid to Bloomberg, who had informed Transun of the distribution of the money among the shareholders.

In its advert, Sun said if Bloomberg had distributed the money differently to how he had said, they had been "totally unaware of this".

The commission had earlier been told what happened to the money by a South African official who had been seconded to the commission, and who asked that his name not to be revealed.

He said that R2 million had been transferred from Bloomberg to a Ugie farmer and hotel owner, Mr G J Gouws, who had told the official R1,4 million had been for his farm, which Chief George was buying.

The rest of the money had been distributed among various senior government officials on the instructions of Chief George.

These included Ms Sigcau, the former Minister of Commerce, Mr T T Letlaka and the chairman of the Transkei Agricultural Corporation, Mr Monty Ntloko.

A further R294 000 had been paid to Chief George, who in addition had bought a new Mercedes-Benz with the money. - EILNEWS

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Kei cops kill detainee

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From LOUISE FLANAGAN

EAST LONDON. — A Transkei man who survived an earlier assassination attempt by an alleged hit squad was apparently shot dead this week shortly after being detained.

According to witnesses, Stembele Zokwe was detained by several Transkei security policemen from a Butterworth office block at 4 pm on Monday. A friend, Thamsanqa Ngcaba, was detained at the same time.

Witnesses said while the two friends were being detained, threats were made to shoot Zokwe, and separate the two friends permanently.

Ngcaba said they were taken to the security police offices and put in separate cells. Neither was interrogated and about 7 pm, the police left with Zokwe to search his home.

Lawyers for the family said they had been told by onlookers that there was burst of fire from automatic weapons within five minutes of Zokwe being taken into his home.

Mother not allowed into home

Zokwe's mother said she returned home about an hour after the shooting, but the police prevented her from entering the house.

For about four hours, the police guarded the house and allowed nobody inside.

"They did everything in darkness," she said. "Finally they took their van right through my gates into the darkest corner and tried to hide so I couldn't see they were taking the corpse into the van."

She said the police told her that her son had been injured and that she should contact the hospital the following day.

"But I knew when I arrived home that he was dead," she said.

When she entered the house, she found blood all over the floor.

The passage door and furniture had been broken. There were bullet holes in the doors, the floors, the bed and windows, she said.

Initially, both the Butterworth police and the hospital would give the family no details. But the police later told lawyers that

Zokwe was dead and that a murder charge was being investigated against an unspecified number of security policemen.

The attack follows an earlier attempt on Zokwe's life last year. According to lawyers and friends, he was picked up by a Transkei hit squad in Umtata in August, taken out of town and shot in the head and neck.

He was left for dead, but managed to get to a hospital. He was subsequently kept under police guard in the hospital until he was granted a court order for his release some months later.

Lieutenant Colonel S S Mokoatle, Transkei's police spokesman, confirmed the incident. He said his office received only a brief report from the Butterworth police but he sent an officer from Umtata to obtain full details. He would issue a full report once details were known. —

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Major General Bantu Holomisa

Behind the 'Kei coup

EAST LONDON — The military career of Major General Bantu Holomisa has been as meteoric as his rise to power in the Transkei.

Holomisa, who seized power in a coup in the closing days of 1987, rose from private to general in 11 years. In the space of less than 12 months, he moved from the status of detainee to that of military ruler.

The eldest son of a traditional chief from near Mqanduli, he is only 32 years old. He joined the Transkei Defence Force in 1976, with the rank of private.

SADF He rose rapidly through the ranks and in 1984 became one of the first black soldiers to be accepted to the SADF's senior staff and management course. The

other was Major General Zondwa Mzirara, who had taken over command of the TDF from former Selous Scout, Major General Ron Reid-Daly.

Holomisa at that stage was his second in command. However, conflict was building up between him and the former Selous Scouts under Reid-Daly who were employed as advisers to the TDF.

Corruption

Holomisa accused them of corruption, and in January last year he was detained. No reasons were ever given for his detention, nor were charges brought against him.

However, his detention coincided with two separate incidents which may have provided the reasons.

In a shootout at Willowvale a lone ANC guerrilla held off a combined Transkei and SA Police force for 36 hours. It was widely rumoured at the time that Holomisa had refused to send in TDF support.

In the second incident, Transkei announced it had captured a senior Ciskei army officer, Major N. Sandile, while he was allegedly on a mission to kill or abduct Charles Sebe, who had sought refuge in the Transkei. Sandile was a close friend of Holomisa.

On April 1 an action committee of soldiers forcibly released Holomisa from detention and expelled the former Selous Scouts. Mzirara was removed from office, and Holomisa appointed to command of the TDF in his place.

It was not the last time during the year that the military was to flex its muscles in the territory.

Meanwhile, two Commissions of Inquiry were gathering vast amounts of evidence implicating senior government officials, including both former State President Paramount Chief Kaiser Matanzima and his brother, Prime Minister, Chief George Matanzima.

Pressure was growing for Chief George to resign over the allegations, but he was stalling until the military forced the resignation of eight of his cabinet ministers. Chief George himself fled to Port Elizabeth, ostensibly for health reasons.

Coup

At the time Holomisa declared he would not take power as he felt Pretoria would not tolerate a military coup.

He pledged loyalty to the government of the day, but said the TDF had to take an interest in any allegations of corruption in the government because they affected stability.

The ruling Transkei National Independence Party elected Miss Stella Sigcau as their new leader, and she became the Prime Minister.

It was less than three months later that Holomisa announced on Radio Transkei that he had seized power from Sigcau, alleging she had also been involved in corruption.

She was paid R50 000 in return for her support for an application for gambling rights in the homeland, it was alleged before a Commission of Inquiry. — ELNEWS

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Inquiry to subpoena George Matanzima

Daily Dispatch
Reporter

UMTATA — The former prime minister, Chief George Matanzima, is to be subpoenaed to appear before the Commission of Inquiry into the Department of Works and Energy.

The commission, chaired by Mr G. Alexander SC, said the fact that Chief George had been visiting Umtata and other areas of Transkei indicated he was no longer ill. Consequently papers would be served on him to give evidence next Monday.

The commission previously extended several invitations to Chief George to appear before it and offered to sit at a location convenient to him, but he declined the invitations.

Chief George replied to a letter from the commission containing questions regarding various allegations made against him. However, he refused to reply to a second letter which sought further details.

Meanwhile, yesterday morning's session of the commission, which is

now investigating the granting of casino rights in the country, was attended by a high-powered delegation representing Sun International.

No evidence was given by members of the delegation but they assured the commission of their continuing co-operation and assistance.

The commission was told the Sun International representatives wanted to go through the transcripts of evidence which affected them before giving information so that their evidence could be led in one session and not done piecemeal.

The seven-man delegation included the chairman of Sun International, Mr I. C. Heron, the managing director, Mr K. A. Rosevear, Mr S. A. Cilliers SC and four other legal advisers.

Mr Cilliers told the commission that the delegation had volunteered to give evidence to convey the truth. It was responding to a report in a Johannesburg newspaper which could affect the company.

He said a full-page advertisement was placed in the Daily Dispatch and other newspapers to correct the misleading information and to give the true facts.

He told the commission that no suggestion had been made in evidence that Sun International had made payments to Transkei officials, as could have been inferred from the newspaper report. The newspaper responsible had printed an apology and retraction, he said.

Counsel for the Auditor-General indicated that he would put questions in writing which the company could consider before returning to give evidence which would include information relating to Mr Chris Van Rensburg, Etablissement Sports et Loisiers, and others.

The former Prime Minister, Miss Stella Bigau, was present with her attorney throughout yesterday's proceedings but did not give evidence. She is now scheduled to give evidence next Wednesday.

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Inquiry continues probe into letter

Daily Dispatch Reporter
UMTATA — During yesterday's sitting of the Commission of Inquiry into the Department of Works and Energy, the secretary/legal adviser of the Transkei Development Corporation (TDC), Mr Peter Barrable, gave further evidence regarding the TDC's managing director, Mr Monty Ntloko.

Mr Ntloko, who testified on Tuesday, was asked if he had any knowledge of a letter written on the letterhead of the Office of the Prime Minister which he had not recalled earlier.

Mr Barrable said Mr Ntloko now recalled the letter.

Its contents had been forwarded by the Johannesburg offices of Sun International with a request to Mr Ntloko that the letter be put on the letterhead of the Office of the Prime Minister to facilitate the Prime Minister in signing it.

He said someone had been sent to fetch the letterhead from the

Prime Minister's office and Mr Ntloko's secretary typed the contents on the letterhead.

Mr Ntloko was not the author of the letter, Mr Barrable said, and he only gave the contents a casual glance as it was from Sun International.

Mr Ntloko regretted not remembering this before.

The chairman, Mr G. Alexander SC, asked how such an involved procedure could have lapsed from Mr Ntloko's memory, but Mr Barrable could not reply for Mr Ntloko in this regard.

He agreed, however, that this action was unusual.

In his evidence on Tuesday, Mr Ntloko said he had been given R50 000 by Chief George Matanzima, who told him he was receiving "sweets" because of his good work.

Mr Ntloko said he had not yet reported receipt of the money to the Receiver of Revenue, but planned to do so.

Mr Barrable said he

also wanted to correct any inference that the allocation of Transun shares had favoured affluent people and the applications had been abused.

He stressed that allocations were based solely on a mathematical formula.

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Scandal commission to subpoena Chief George

UMTATA. — The former Prime Minister of Transkei, Chief George Matanzima, is to be subpoenaed to appear before the commission of inquiry into the Department of Works and Energy.

The commission, under the chairmanship of Mr Gerald Alexander, SC, said Chief George had been visiting Umtata and other areas in Transkei which indicated he was no longer ill. He said he planned to have papers served on the chief to give evidence on Monday.

The commission invited Chief George to appear several times and offered to sit at a place convenient for him but he declined.

Chief George replied to a letter from the commission containing questions regarding allegations made against him but he refused to reply to a second letter seeking further details.

Originally

The managing director of Joe-Lexie Pty Ltd, Mrs Lexie Ceza, gave evidence before the commission again yesterday.

Counsel for the auditor-general disclosed that Mr G H Visser and Mr A Jooste, who were well known to the commission, had originally been directors of the company.

Counsel described Mr Visser as a close friend and associate of Chief George and as a chief figure in the Mbuqe Park housing development scandal which was a major element of the commission's investigation.

Both Mr Visser and Mr Jooste were involved in the Butterworth municipality scandal. Although they both resigned as directors, the commission established that they were still shareholders.

Mrs Ceza said she had not told the commission this because they had resigned.

Counsel noted that the notices of resignation of the men had, however, been signed by a Mr Johnson, whose name had been mentioned previously to the commission in connection with Mr Visser and Mr Jooste.

Mrs Ceza said she had met

Mr Visser through Mr Johnson who had been staying at her house. He introduced Mr Visser as a man who knew about finances abroad and said he would arrange finance for her.

In earlier evidence Mrs Ceza said Chief George had told her to insert the names of certain people as directors in her application for casino rights as that would help him get her application approved by the Cabinet. She was also told she would have to pay R2-million "lobola".

Asked why it had taken her a year to rectify the situation concerning the change of directors, she replied: "That is a good question."

She excused herself to seek legal representation. She is expected to return when the inquiry continues today. — Sapa.

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Casino rights application had defects, inquiry told

UMTATA — The Commission of Inquiry into the Department of Works and Energy was told that, although an application for casino rights had been refused by the Minister of Justice, the applicant for Joe-Lexie Pty Ltd, Mrs Lexie Ceza, decided to go to "higher authorities" to have the application resubmitted for consideration.

The deputy secretary general of the Department of Justice, Mr G. Sineke, testified that, according to the Gambling Act, once an application had been turned down by the Minister of Justice it could not be resubmitted for further consideration.

In mid-1986, he said, Mrs Ceza came to his office saying she had just come from the office of Chief George Matanzima, who had said Mr Sineke must help her prepare an application. He told her it was a complex process and he did not have the time.

In December 1986, she submitted an application which was processed and refused nearly a year later on December 12, 1987.

Mr Sineke said the application had been refused because it contained many defects. One such defect was that many of the people listed as directors were disqualified, as they were cabinet ministers or civil servants.

Mrs Ceza said in earlier evidence that when she met Chief George at Ugie he had told her she must pay R2 million "lobola" and include the names of various people, including cabinet ministers, as directors, so they could assist him in obtaining cabinet approval for her application.

Mr Sineke said he was not aware of any other applications for gambling rights in December 1986. An application was received from Transun on November 23, 1987.

He said Mrs Ceza had told him Sun International was involved in behind-the-scenes negotiations at the time she submitted her application for gambling rights.

Mr Sineke said he tried to ascertain why, according to Mrs Ceza, other applications for gambling rights were being processed without the involvement of the Department of Justice.

Chief George told him that only oc-

cupational rights had been granted for a site, and the company still had to apply through the department.

After Mrs Ceza's application had been refused she went to higher authorities to try to obtain approval.

Mr Sineke said the then Minister of Justice, Chief P. Ndamase, asked that Mrs Ceza see Chief George's successor as Prime Minister, Miss Stella Sigcau, for an explanation for the refusal of the application.

Mr Sineke was also called to see the Prime Minister and he explained to her that, under the Gambling Act, when an application was denied by the Minister of Justice, it was "dead".

He did not know why he had been called to see the Prime Minister as this was not normal procedure.

The Prime Minister told him she did not know why she had been appointed a director of Mrs Ceza's company.

Mrs Ceza said in earlier evidence she had received a phone call from Miss Sigcau who said she had been told by Chief George that she was a director. She told Mrs Ceza she could not be a director as she was a civil servant. However, the application with her name on it had already been submitted.

Mr Sineke said Miss Sigcau had wanted an explanation why the application had been refused. She was satisfied with his explanation.

He told the commission that Mrs Ceza made further representations to the military council regarding her application.

She came back to him saying she had a letter from a member of the council, Mr C. Duli, which said that Mr Sineke should stop bullying her and that he should again deal with her first application instead of requiring her to submit a new application.

Mr Sineke said she told him he would get into trouble if he did not comply, but Mr Sineke said he did not take her warning seriously.

Mr Sineke also said he was not aware of any relaxation in the Gambling Act which allowed for a dismissed application to be resubmitted as Mrs Ceza had wanted.

Inquiry told of bid for racing rights

15/1/88
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Daily Dispatch Reporter

UMTATA — The secretary-general for the Department of the Interior, Mr B. K. G. Madabane, told the Commission of Inquiry into the Department of Works and Energy that Mr Chris van Rensburg had recommended and referred the Cape Town attorneys, Bloomberg and Company, to the Transkei Department of Interior to look into the potential for acquiring certain gambling rights in Transkei.

Mr Madabane, recently transferred from the Department of Works and Energy to the Department of the Interior, was formerly assistant secretary in Interior in 1978.

Counsel for the Auditor-General said the files revealed that he was invited by both Mr A. Bloomberg and his son, Mr David Bloomberg, to Cape Town to investigate the racing scene and possibly establish Tattersalls in Transkei.

He was asked if he recalled the early approaches of Mr Bloomberg to the Transkei

Government which led to the establishment of Tattersalls and Transgames in Transkei.

Mr Madabane replied that the Bloombergs applied for rights to horse-racing, lottery and gambling and they had wanted to enjoy sole rights.

In his earlier evidence, he said when he returned from Cape Town, he made a report to the minister. He said that as the department had had no experience at all with gambling, the minister suggested that the whole matter be placed before the cabinet who gave blanket approval.

However, Mr Madabane said, during the processing of such rights, they realised that there was no enabling legislation for lotteries and gambling and the matter was referred to the Department of Justice.

He said in October, 1977 an attorney from Bloomberg and Company, Mr R. Kurland, approached the department and said that his client, Mr Walter Reif,

with a Swiss address, wanted to establish a Tattersall club in Transkei which should become a source of revenue to the country and provide entertainment.

He wanted sole rights to undertake the use of amusement machines, state lottery, betting activities, jackpot and fruit machines.

Mr Madabane made a report and recommendations to the cabinet in 1978. However, rights were not granted and the cabinet required further submissions regarding the application.

Questioned about a document bearing his signature, Mr Madabane said he would not dispute that the document had been prepared by either Mr Bloomberg or Mr Kurland.

Counsel put the question to Mr Madabane because the report contained highly technical information and it was not in the form of a usual government memo or report. Counsel also submitted that it appeared as if the document was drawn up by someone with legal

knowledge.

Mr Madabane was asked by counsel if it was possible that Mr Reif, who appeared to be the expert, may have had nothing to do with the application and that the Bloombergs were the ones actually making the application.

Mr Madabane said yes that this was possible.

The then deputy prime minister, Chief George Matanzima, said the application should be resubmitted for consideration of cabinet and it became apparent that he was also asked by the people concerned to expedite the matter, he said.

Mr Madabane said it was alleged that Chief George had also gone to Cape Town to investigate such opportunities but he himself could not say for certain.

The commission continues today.

Mail Times 15/1/88 (103)
Terror suspect gunned down

UMTATA. — Transkei police have opened a murder docket following the shooting on Monday night of a security detainee, Mr. Stémbéle Zokwe.

Mr Zokwe was shot in his Nqamakwe home in Transkei. Initial reports said he was gunned down by four unidentified men.

The Transkei Commissioner of Police, General Leonard Kawe, said Mr Zokwe was taken by four policemen to his home to search for explosives. Two accompanied him into a room. Those outside heard an explosion and gunfire.

General Kawe said Mr Zokwe had apparently grabbed the firearm of one of the policemen with him, and the other had shot him. Segments of an exploded grenade were later found inside the room.

General Kawe said no policemen had been injured in the incident, but that full details had still to be established. — Sapa

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Transkei

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from the Department of Justice, whose responsibility it is to administer the gambling laws.

Department of Justice official Mr Gilbert Sineke said he was approached by Mrs Lexie Ceza, managing director of the now defunct Lexie-Joe (Pty) Limited, who had applied for gambling rights on behalf of her company in 1982 but had her application turned down. She told him negotiations were going on behind the scenes to grant Sun International the same rights.

He said at first he had not believed her because he could not believe such an approach would go through the cabinet and not through the Justice Department.

He approached Chief George, who had told him that what was before the cabinet was a memorandum concerning occupational rights to the Umtata

Sun and not gambling rights.

He said Chief George told him Sun International would still have to apply for gambling rights.

Holiday Inns was given assurances in 1975 already, before Transkei independence, on exclusivity of gambling rights by then-chief minister Kaizer Matanzima, the inquiry was told earlier.

Leading evidence, Mr N Locke, for the Transkei auditor-general, pointed out that at the time Transkei did not have its own Gambling Act and casinos were illegal under South African law.

Inquiry chairman Mr Gerald Alexander, SC, earlier agreed to the expansion of the inquiry into the field of the entire history of gambling rights in Transkei.

Mr Locke traced its development, including the establishment of the Wild Coast casino and the setting up of a capital company owned by the Swiss-based Etablissement Sports et Loisirs (ELS) which culminated in a tripartite agreement on gambling rights among the Transkei government, Holiday Inns and Tatterstalls in May 1981.

A new company was formed in terms of the agreement, Transgames, to which all slot-machine rights were ceded other than those applying to the Wild Coast casino.

Mr Locke said the commission needed to look at Sun International's allegations that this agreement confirms the validity of their rights in taking over Transgames.

An official letter has been sent to Cape Town attorney Mr David Bloomberg, who represents ELS, inviting him and his clients to testify before the inquiry.

A former South African police officer has indicated his willingness to testify at the inquiry.

Major John Trickey, the former head of the commercial branch of the South African Police at C R Swart Square in Durban, was mentioned in evidence led by Miss Ceza.

According to Miss Ceza, Major Trickey was one of her partners who accompanied her to Chief George's farm at Ugie to discuss their application for a licence to open a casino at Umtata.

Miss Ceza said Major Trickey and her other partners, Mr Audo del Vecchio and Mr Hans Enderle, were present when Chief George asked for a R2 million "lobola" regarding their application.

Counsel for the commission said the deposed prime minister, Miss Stella Sigcau, was expected to lead her evidence on Wednesday.

MGS 15/1/88

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CITY/NATIONAL

Kei casino rights: Ceza went 'higher'

UMTATA. — Although an application for casino rights had been refused by the Minister of Justice, the applicant for Joe-Lexie Pty Ltd, Mrs Lexie Ceza, decided to go to "higher authorities" to have the application resubmitted for consideration, the commission of inquiry into the Department of Works and Energy was told.

The Deputy-Secretary General of the Department of Justice, Mr G Sineke, told the commission that, according to the Gambling Act, once an application was turned down by the Minister of Justice it could not be resubmitted for further consideration. The Department of Justice is responsible for processing gambling licences.

Mr Sineke said Mrs Ceza came to his office in mid-1986 to solicit help with preparing an application for casino rights. He told her it was a complex process and he did not have the time.

In December 1986, she submitted an application which was processed and refused nearly a year later on December 12 1987.

Mr Sineke said the applica-

tion was refused because it contained many defects. One defect was that many people listed as directors were disqualified as they were Cabinet Ministers or civil servants. Even Chief George's wife did not qualify in terms of the Gambling Act.

Mrs Ceza said in earlier evidence that when she met Chief George at Ugie he had told her she must pay R2-million "lobola" and include the names of various people, including Cabinet Ministers, as directors so they could assist him in obtaining Cabinet approval for her application.

Mr Sineke said he was not aware of any other applications for gambling rights in December 1986. An application was received from Transun on November 23, 1987.

Behind-the-scenes

He said Mrs Ceza had told him Sun International was involved in behind-the-scenes negotiations at the time she submitted her application for gambling rights.

Mr Sineke approached his Minister, the late Mr M Pamla, to see the Prime Minister about this as he wanted to ascertain why Mrs Ceza had told

him that other rights for gambling were processed without the involvement of the Department of Justice.

Chief George told him that only occupational rights had been granted for a site and the company still had to apply through the department.

Mr Sineke said the then Minister of Justice, Chief P Ndumase, asked that Mrs Ceza see Chief George's successor as Prime Minister, Miss Stella Sigcau, to explain why her application had been refused.

Mr Sineke was also called to see the Prime Minister and he explained to her that, under the Gambling Act, when an application was turned down by the Minister of Justice, it was "dead." — Sapa.

Saunders demands UCT student's release

Staff Reporter

THE vice-chancellor of the University of Cape Town, Dr Stuart Saunders, has called for the release of economic history masters student Mr Chris Giffard.

Dr Saunders said: "UCT is deeply concerned about Mr Giffard's detention and call for his release."

TRANSKEI

Secret service

FM 15/1/88

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Jalc Holdings (SA), the name of the company which has cropped up during the investigation into alleged corruption in the Transkei, has in the past attempted to spread its activities as far afield as the Comoros. Chairman Chris van Rensburg, a personal friend of ex-Transkei PM George Matanzima, visited the island in 1983 in an effort to become involved with its development.

This week, as the commission of inquiry into corruption resumed in Umtata, more facts came to light concerning the business dealings of Van Rensburg, one of the key players in Transkei. One of the first whites to set up companies in the homeland, Van Rensburg approached the Comoros Trade Commissioner offering to finance fruit machines on the island, on the strength of a recommendation by George Matanzima.

In Transkei, Van Rensburg and his three co-directors, John Strong, Athos Poulos and Lawrie Painting — the initials of their first names spell Jalc — became close to George, who personally endorsed the credentials of their subsidiary company, Temba Investments, to Bophuthatswana Foreign Minister T M Molahlwa.

Matanzima praised the Jalc quartet for undertaking confidential discussions with the former Shah of Iran and US Assistant Secretary of State Chet Crocker, on behalf of the Transkei. Temba Investments' chairman Vuli Mbotoli, also praised by Matanzima, is a nephew of the former PM.

It has been announced that the commission of inquiry into the affairs of the Transkei Department of Works and Energy will liaise with the SA Reserve Bank, the Commissioner of Inland Revenue in SA, banks and accountants in Johannesburg, and the Development Bank of Southern Africa.

The commission has been told that two-thirds of a sum of R3m — placed in a trust account by Sun International (SI), to buy shares in a company which held gambling rights in the Transkei — was transferred to an account in SA. This was later distributed by Cape Town attorney David Bloomberg, acting not for SI but for the vendors in the form of nine cheques to various people, among them recently deposed PM Stella Sigcau and George Matanzima.

According to evidence submitted, Transun, a subsidiary of Sun International, held 45% of Transgames (Pty) Ltd (which claimed exclusive rights to slot machines in Transkei, except for Mzamba). Transun sought to buy the remaining 55% of the shares.

Van Rensburg has asked the FM to point out that Jalc Holdings did not own the 55% in Transgames before its 100% acquisition by Transun, as we reported last week. He says 45% of that 55% was owned by Transkei Sporting and Tattersalls, in turn 85%-owned by Etablissement Sports et Loisirs (ESL) of Vaduz, represented in SA by Bloomberg.

Of that 45%, Van Rensburg's brother Fred owned 15% and Mbotoli owned 10% in a personal capacity. Van Rensburg and Athos Poulos often went overseas as unofficial ambassadors for Transkei, carrying a letter signed by Matanzima, in which the then PM asked that they be given special diplomatic privileges. During one of these visits Van Rensburg met Crocker.

Van Rensburg's involvement in the Transkei goes back to 1975, when he and a former business partner, Adri Loots (now dead), had seen former Information Minister Connie Mulder with a view to starting a financing company in Transkei. Through Mulder, an appointment was set up with the Minister of Bantu Administration, M C Botha, and secretary of the department I P van Onselen.

Later Van Rensburg met Strong and Painting who had been doing construction work in the Transkei under the name Longtill. After Longtill's sequestration, the three (together with Poulos) formed Jalc and, in turn, Temba Construction. After Huurbou — a leasing company which Loots founded — went bankrupt, Van Rensburg appointed Loots as MD of Jalc Finance in Queenstown.

Van Rensburg, meanwhile, widened his business activities to the Ciskei. He was instrumental in convincing President Sebe to appoint former Rhodesian and Zimbabwean Minister Rowan Cronjé as his financial adviser, and entertained Cronjé at home.

The concession by the Transkei government to Transkei Sporting and Tattersalls Club came after representations by former Cape Town mayor Abe Bloomberg, acting on behalf of a Swiss client, Walter Reif

After an investigation, the Transkei Department of Interior recommended to the Cabinet in March 1978 that Reif's application be considered favourably. ■



A Bloomberg



Van Rensburg

Business Day

WEDNESDAY, JANUARY 15 1988

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and CAPE 80c (71c + 9c tax)

A TIMES

Transkei gambling rights in question

UMTATA — The validity of the deal which gave Sun International (SI) exclusive gambling rights in the Transkei was called into question yesterday by Transkei coup leader Major-General Bantu Holomisa.

As a result, the R30m Sun Hotel Casino project planned for Umtata, which was part of the deal involving the granting of the rights, could be in jeopardy.

SI's Transkei operation last year showed a turnover of R81,5m with an operating profit of R35,8m. Figures in the company's annual report did not re-

ROGER SMITH

reflect what proportion of this came from gambling.

In an interview with Business Day, Holomisa referred to documents which have been placed before the inquiry into Transkei government corruption and said he did not think SI had a valid licence. He pointed out a Cabinet memorandum drawn up by the Department of Commerce, Industry and Tourism, which recommended the prohibition of a monopoly or exclusivity of rights.

This was approved on December 12 1986, and he said it was in conflict with a later letter and the agreement signed by then Prime Minister Chief George Matanzima which had confirmed the granting of the exclusive rights.

SI executives said earlier this week they considered their exclusive gambling rights in the Transkei were still legal and binding and not in jeopardy.

Yesterday a spokesman for the com-

● To Page 2

SI gambling rights in question

pany said it was preparing documents for presentation to the inquiry next week and did not want to comment further at this stage.

Holomisa said action to be taken on the issue would depend on the outcome of the inquiry.

In evidence before the inquiry yesterday it emerged that the Cabinet's approval of the hotel and casino project on December 10 was irregular in that the Cabinet had not received a submission on the issue of the granting of gambling rights from the Department of Justice,

whose responsibility it is to administer the gambling laws.

Department of Justice official Gilbert Sineke said he was approached by Lexie Ceza, who had applied for gambling rights on behalf of her company Joe-Lexie, and who told him negotiations were going on behind the scenes to grant SI the same rights.

He said initially he had not believed her because he could not believe such an approach would go through the Cabinet and not through the Justice Department.

● From Page 1

15/1/88

D/O 15/1/88

TDF probes Selous Scouts

UMTATA — The Transkei Government is contemplating laying certain charges against former Rhodesian Selous Scouts attached by the government of the former Prime Minister, Chief George Matanzima, as advisers to the Transkei Defence Force from 1981 to 1987.

According to Major-General Bantu

Holomisa, a military board of inquiry is presently investigating the matter.

In an interview, Gen Holomisa confirmed his government had the information it needed.

A full report would soon be forwarded to the State President, he said.
— DDR.

DID 15/1/88

Inquiry to study Sun deal's validity

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Daily Dispatch Reporter

UMTATA -- The validity of the deal which gave Sun International exclusive gambling rights in Transkei is to be examined by the Commission of Inquiry into the Department of Works and Energy.

This was confirmed yesterday by the chairman of the military council, Major-General Bantu Holomisa.

The commission's findings could have a bearing on the R30 million Sun Hotel Casino project planned for Umtata, which was part of the deal involving the granting of the rights.

Sun International's Transkei operation last year showed a turnover of R81,5 million with an operating profit of R35,8 million. Figures in the company's annual report did not reflect what proportion of this came from gambling.

In an interview with a Johannesburg newspaper yesterday, Gen Holomisa referred to documents which had been placed before the inquiry and pointed out a cabinet memorandum drawn up by the Department of Commerce, Industry and Tourism which recommended the prohibition of a monopoly or exclusivity of

rights.

This was approved on December 12, 1986, and he said it was in conflict with a later letter and the agreement signed by the then Prime Minister, Chief George Matanzima, which had confirmed the granting of the exclusive rights.

Sun International executives said earlier this week they considered their exclusive gambling rights in Transkei were still legal and binding and not in jeopardy.

Yesterday a spokesman for the company said it was preparing documents for presentation to the inquiry next week and did not want to comment further at this stage.

Gen Holomisa said action to be taken on the issue would depend on the outcome of the inquiry.

● The Department of the Auditor-General was planning yesterday to subpoena a number of present and former government officials to appear before the commission, possibly today.

Subpoenas were to be served on Mr T. T. Letlaka, Mr M. Lujabe, Mr Kenneth Magidigidi, Mr Dowa Mgudlwa and Dr A. B. L. Pupuma

At yesterday's sitting of the commission, the managing director of Joe-Lexie Pty Ltd, Mrs Lexie Ceza, refused to reply to further questions regarding her application for casino rights, as her attorney was not available.

The commission has given her until Monday to obtain legal representation. She was told her evidence would not be postponed any later.

The chairman, Mr G. Alexander SC, said he had been informed that the former prime minister, Chief George Matanzima, was in Umtata and police were trying to serve papers on him yesterday to appear on Monday.

A Ugie farmer, Mr G. J. Gouws, has also arranged to appear on Monday.

The former state president, Paramount Chief Kaiser Matanzima, was expected to appear on Tuesday, as were Mr L. Matiwane and Mr John Trickey.

The commission has sent an official letter to a Cape Town attorney, Mr David Bloomberg, inviting him to testify.

A Johannesburg attorney representing Sun International attended yesterday's hearing.

More reports page 3

The ANC factor

Was the government of former Transkei PM Stella Sigcau shafted because of fears that she might be soft on security and possibly open to considering relations with the banned ANC?

This line of speculation is prompted by a little noticed trip to Lusaka during the dying hours of Sigcau's government by members of the opposition Democratic Progressive Party (DPP), led by her brother, Chief Ntsikayezwe Sigcau.

The former PM had herself once been a member of the DPP when it was led by Chief Sabata Dalindyebo, who died in exile in Lusaka in 1985.

Coup leader and head of the military government, Major General Bantu Holomisa, confirmed to the *FM* this week that he had discussed the trip with members of the party soon after their return. Holomisa says Sigcau initiated the meeting to clarify the position of the delegation — possibly, Holomisa thinks, because they feared arrest.

While there is no threat of this, says Holomisa, the delegation was nevertheless told that all political activity had been suspended, so the DPP members are not free to discuss their trip. Holomisa is sure Sigcau's government must have known about the trip, if only to arrange travel documents.

It is reasonable to surmise that factions within Transkei — and even Pretoria — are concerned about ANC insurgency in the homeland. Last year, the then Transkei PM George Matanzima, drew attention to an increase in guerrilla activity in the area, when he provided the homeland parliament with details of 12 incidents during 1986 and early 1987. These included an attack on the Umtata police station, limpet mine explosions and a clash between guerrillas and police at a road block.

Sigcau herself has said there is "more to the coup than meets the eye."

Holomisa remains adamant that his only motivation is "to clean up the homeland's administration. He justified his decision to oust Sigcau because of evidence that she had also received a bribe. Details were released to the commission of inquiry on Monday (see P44).

At the inauguration of the new Military

FINANCIAL MAIL JANUARY 15 1988

Council government, outsiders were astonished by the presence on stage of the disgraced Matanzima brothers, George and Kaizer, as well as Stella Sigcau. Holomisa's explanation for this curiosity is that "despite their mistakes they are our elders. We don't want to humiliate them, we just want to rectify what they have done."

Whether there is a deeper link between the old Matanzima power clique and the baby-faced military leader remains to be seen. Their presence at the function may not be significant in itself. More revealing will be the outcome of the inquiry — and whether they will face any charges.

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FORMER Transkei Prime Minister, Chief George Matanzima, is to be subpoenaed to appear before the commission of inquiry into the Department of Works and Energy in Umtata.

The commission, chaired by Mr G Alexander SC, said the fact that Chief George had been visiting Umtata and other areas in Transkei indicated he was no longer ill. Consequently they planned to have papers served on him to give evidence next Monday.

The commission invited Chief George to appear several times and offered to sit at a location convenient for him, but he declined.

Chief George replied to a letter from the commission containing questions regarding various allegations made against him.

He, however, refused to reply to a second letter which sought further details.

Commission of inquiry: Matanzima to testify . . .

The managing director of Joe-Lexie Pty Ltd, Mrs Lexie Ceza, gave evidence before the commission again on Wednesday.

Counsel for the Auditor-General revealed that Mr G H Visser and Mr A Jooste, who were well known to the commission, had originally been directors of the company.

Scandal

Counsel described Mr Visser as a close friend and associate of Chief George and as a chief figure in the Mbuge Park Housing Development scandal which was a major element of the commission.

Both Mr Visser and Mr Jooste were involved in

the Butterworth municipality scandal. Although they both resigned as directors, the commission established that they were still shareholders.

When Mrs Ceza was

asked why she had not disclosed this information to the commission, she said it was because they had resigned. Counsel noted that the notices of resignation of

the men had, however, been signed by a Mr Johnson, whose name had been mentioned previously in the commission in connection with Mr Visser and Mr

Jooste.

Mr Ceza said he had met Mr Visser through Mr Johnson who has been staying at her house. He introduced Mr Visser as a man who knew about finances abroad and had said he would arrange finance for her.

Insolvent

Replying to a question, Mrs Ceza said she had not been told that Mr Visser was unrepaid and insolvent.

Asked about a letter she had written to Paramount Chief Kaizer Matanzima, she agreed that she was on close terms with him as was evident from the term "tata" (father in Xhosa) which she used to address him.

The commission also deals with the resignation of one of the directors, Mr Dowa Mgudlwa, now a member of the Council of Ministers, who resigned his directorship early this week because of his new obligations.

The commission noted that the registration of Mr Mgudlwa was the only incorrect information in the file of the company to date.

Mrs Ceza was asked why Mr Mgudlwa's name was not included in the list of original directors on her application and why, when he did register as a director, the date had been changed from May to December 1986.

In earlier evidence she said that Chief George had told her to insert the names of certain people as being directors in her application for casino rights, as that would help him get her application approved by the Cabinet. She was also told she would have to pay R2 million "lobolo".



CHIEF George Matanzima . . . subpoenaed.

Cabinet Ministers' names on gaming application, anti-corruption probe told

UMTATA — Although an application for casino rights had been refused by the Minister of Justice, the applicant for Joe-Lexie Pty Ltd, Mrs Lexie Ceza, decided to go to "higher authorities" and have the application re-submitted, Transkei's anti-corruption commission heard yesterday.

Justice department deputy secretary-general Mr G Sineke told the commission of inquiry into the department of works and energy that, according to the Gambling Act, once an application was turned down by the Minister of Justice it could not be re-submitted.

He said Mrs Ceza came to his office in mid-1986 and told him she had just come from the office of Prime Minister Chief George Matanzima, who said he must help her prepare an application.

Mr Sineke said he told her it was a complex process and he did not have the time.

In December 1986, she submitted an application. It was processed and refused on December 12 1987.

Mr Sineke said the application contained many defects. One was that many people listed as directors were disqualified as they were Cabinet Ministers or civil servants. Even the wife of Chief George Matanzima was disqualified under the Gambling Act.

Mrs Ceza said in earlier evidence that when she met Chief George Matanzima at Ugie he told her she must pay R2 million "lobola" and include the names of various people as directors, including Cabinet Ministers, so they could assist him in obtaining Cabinet approval for her application.

Mr Sineke said he was not aware of any other applications for gambling rights in December 1986. An application was received from Transun on November 23 1987.

He said Mrs Ceza told him Sun International was involved in behind-the-scenes negotiations at the time she submitted her application.

Mr Sineke said he asked his Minister, the late Mr M Parula, to see the Prime Minister about the issue, as Mrs Ceza's statement indicated that other rights for gambling were being processed without justice department involvement.

Chief George Matanzima told him only occupational rights had been granted for a site and the company still had to apply through the department.

After Mrs Ceza's application was refused she went to higher authorities to try to obtain approval for the application.

Mr Sineke said Justice Minister in the Sigeau government, Chief P Ndamase, asked that Mrs Ceza see Chief George's successor as prime minister (Miss Stella Sigeau) about the failed application and she had to apply afresh.

Mr Sineke was also called to see Miss Sigeau. He said he explained to her that, under the Gambling Act, when an application was denied by the Minister of Justice, it was "dead".

He did not know why he had been called to see the Prime Minister as this was not normal procedure.

The Prime Minister told him she did not know why she had been appointed a director of the applicant's company.

Mrs Ceza said in earlier evidence that she had received a phone call from Miss Sigeau, who said she had been told by Chief George Matanzima that she was a director. She told Mrs Ceza she could not be a director as she was a civil servant. However, the application with her name on it had already been submitted.

Mr Sineke said Miss Sigeau asked him to explain why the Ceza application for casino rights had been rejected, and was satisfied with his explanation.

Replying to a question from the commission chairman, Mr Sineke said Miss Sigeau did not express surprise to Mrs Ceza at the fact that she was a director nor did she express surprise at the refusal of the application. — Sapa.

By Martin Challenor
Transkei's first Prime Minister, Paramount Chief Kaizer Matanzima, is to appear early next week before the commission of inquiry into the granting of casino rights in Transkei.

Several other prominent people may also give evidence.

Former Cape Town mayor, attorney Mr David Bloomberg, was yesterday formally asked by the commission of inquiry into the Department of Works to give evidence.

Mr Bloomberg played a key role in the sale of Transgames — the company which held exclusive slot machine rights in Transkei — to a joint Sun International and Transkei Development Corporation company, Transun, on January 1 last year.

According to evidence before the commission Sun International paid R3 million into Mr Bloomberg's trust account as part payment and he transferred R2 million to Ugie hotelier Mr G J Gouws. Mr Gouws was then instructed by former Transkei Prime Minister George Matanzima on how to distribute the money.

Sun International has totally distanced itself from Mr Bloomberg's actions after the sale.

Mr Gerald Alexander, SC,

Chief Kaizer to appear before casino rights inquiry

chairman of the commission, said the letter to Mr Bloomberg asked for information as to the origin of money known to have arrived in Mr Gouws's bank account and thereafter distributed.

The sum of R50 000 was deposited into Paramount Chief Kaizer Matanzima's bank account in the Bank of Transkei by his brother Chief George Matanzima on January 20 1987, a sum allegedly paid out of the R2 million, the commission was told.

Paramount Chief Kaizer Matanzima is to give evidence on Tuesday, the same day as the former head of the SAP's commercial branch in Durban, Mr John Trickey, who was involved in discussions to open a casino in Transkei.

Transkei's new military rulers have extended the scope of the commission so that it can look at the granting of all gambling rights, a process Mr

Nellen Locke, counsel for Transkei's auditor-general, started yesterday afternoon.

He outlined the history of the granting of gambling rights from before independence to the Holiday Inn stable, whose rights now form part of the Sun International chain, and to the ESL company.

Mr Locke said when Paramount Chief Kaizer Matanzima first gave the Holiday Inn stable the assurance that they would have the rights to run a casino, he did not submit this to the Transkei Cabinet because it was in keeping with government policy.

Chief George Matanzima was a party to an eventual agreement that brought together the gambling interests held in Transkei by the two business stables when they formed Transgames in 1981, Mr Locke explained.

Mr Locke said it was up to the commission to decide if the Transkei government confirmed the validity of the new company's gambling rights by virtue of Chief George Matanzima being one of the signatories to the agreement.

Two former Cabinet ministers, Mr T T Letlaka and Mr M Lujabe, who both received R50 000 payoffs, are to appear before the commission today.

w/c news 16/1/88

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Why the scramble for casino rights is a gamble in the Transkei . . .

by LOUISE FLANAGAN
Weekend Argus
Correspondent

EAST LONDON. — Casino rights in Transkei have become a gamble and the question of exclusive gambling rights will be examined after a commission of inquiry uncovered a system of "bartering" for the rights with alleged huge bribes.

Evidence around the scramble for the rights — held by Sun International — has led to a full-scale public campaign by Sun to dissociate itself from the payoffs.

Evidence before the commission of inquiry into the Department of Works and Energy traced a complicated series of deals in which a previous applicant was apparently unable to pay a R2-million "sweetener" to secure gambling rights.

Although the commission had originally been set up to investigate only one government department, the military

government under Major-General Bantu Holomisa recently granted a request by the commission to extend its sphere of investigation to include gambling rights.

An earlier request had been turned down by the then Prime Minister, Miss Stella Sigcau. Miss Sigcau was deposed by the army shortly before New Year and General Holomisa subsequently accused her of accepting bribes in connection with the granting of gambling rights.

Now General Holomisa has said that the commission is to examine the validity of the deal which gave Sun the exclusive gambling rights. This could affect the R30-million Sun hotel casino planned for Umtata.

General Holomisa referred to a cabinet memorandum drawn up by the Department of Commerce, Industry and Tourism which recommended the prohibition of exclusive gam-

bling rights. The memorandum was approved on December 12 1986 in conflict with a later letter confirming exclusive rights which was signed by recently ousted Prime Minister Chief George Matanzima.

Sun was granted exclusive rights at the end of last year. General Holomisa's announcement follows this week's evidence around the scandal before the commission.

Paid cash

The commission heard evidence that Sun International paid R3-million cash last year to a Cape Town city councillor and lawyer Mr David Bloomberg when they bought out Transgames, a company with gambling rights in Transkei.

Of this, R2-million was transferred to an Ugie farmer and hotel owner, Mr G J Gouws. Mr Gouws apparently kept R1,4-million as payment for a farm bought by Chief George.

The remainder went to various senior government officials including R50 000 to Miss Sigcau. A further amount of R294 000 was paid to Chief George plus another R26 000 for a second-hand Mercedes for him. Evidence from a South African official seconded to the inquiry was that Mr Bloomberg had transferred the money after receiving verbal orders from one of the new shareholders, a Lichtenstein-based company called Etablissement Sports Et Loisiers (ESL).

The deal followed a 1982 attempt by another company to obtain gambling rights in Transkei. Mrs Lexie Ceza, managing director of Joe-Lexie Pty Ltd, told the commission that Chief George had told her she would have to pay R2-million "lobola" if she wanted gambling rights. Chief George also told her to include the names of certain people, including cabinet ministers, as

directors to make it easier to obtain cabinet approval for the application.

Mrs Ceza said she had subsequently received a phone call from Miss Sigcau, who said she had been told by Chief George that she was a civil servant she was not able to be one.

Mrs Ceza's company made an offer of R1-million initially, with the promise of a further million after the rights were granted. Chief George refused this and granted the rights to Sun instead.

A high-powered delegation including chief executive Mr Ian Heron flew to Umtata to attend the commission hearings and request permission to give evidence on the allegations.

No evidence has yet been given by the delegation. Meanwhile, both the Matanzima brothers and Miss Sigcau are to give evidence next week.

Commission told of approach to Kaiser for casino licence

D 15 16/11/88 103
Daily Dispatch Reporter

UMTATA — Two directors of Joe-Lexie Ltd, who were seeking casino rights for a site at the Umtata dam, went to Paramount Chief Kaiser Matanzima to seek his approval, the commission of inquiry investigating the granting of casino rights was told here yesterday.

Another director, Dr A. B. L. Pupuma, who was subpoenaed to give evidence, told the commission they had pestered the then prime minister, Chief George Matanzima, to obtain these rights but he told them: "I can't give them because my brother is not in favour."

Mrs Lexie Ceza and Mr Dowa Mgudlwa then had a meeting with the paramount chief and he later told them to go to Chief George and tell him he was agreeable.

Dr Pupuma said Mrs Ceza went to Chief George and told him his brother had agreed.

In a matter of days after the visit by the two directors, they received a document from Chief George which said he confirmed his government would make it possible for their group to be afforded a licence for casino rights and for other related forms of entertainment.

Dr Pupuma told the commission the visit of Mrs Ceza and Mr Mgudlwa was a social one and not a business meeting.

He told the commission that Mrs Ceza was persistent and she acquired the rights from the prime minister.

When asked on what basis she acquired the rights, Dr Pupuma replied: "We were the only people pestering him because we were the only ones trying. He could have had a softness of the heart overnight."

The chairman of the commission, Mr Gerald Alexander SC, said he was surprised that a man of Dr Pupuma's intelligence had not asked how the granting of the rights came about.

Dr Pupuma told the commission he went to the Department of Justice to look at the licence for the Mzamba casino but to his dismay there was no licence or record of it.

Minutes of the company handed into the commission stated that Mrs Ceza had been approached by the managing director of the Transkei Development Corporation, Mr Monty Ntloko, who asked her to sell Mr Sol Kerzner a piece of land at Umtata dam for R300 000, and that she was promised one million shares in Transun, the stock exchange listed company that owns the Wild Coast casino.

The minutes also said Mr Ntloko made it clear that Joe-Lexie stood no chance of obtaining casino rights near the dam.

Dr Pupuma said Mrs Ceza signed the document but wanted support from the directors to sell the land. However, after a meeting which was attended by all four directors, they decided they would not sell the rights. The idea of a casino was scrapped and they resolved to pursue other aspects of entertainment.

According to the minutes, Mr Ntloko also showed Mrs Ceza a telex sent from Chief George's former adviser, Mr Liston Ntshongwana, to a Cape Town attorney, Mr David Bloomberg, which said the memo Chief George had written to Joe-Lexie was false and that he should come to Transkei to op-

pose the other party.

Dr Pupuma said they learned that exclusive rights had already been given to Mr Bloomberg and his clients and it seemed the end of the line for their chance of acquiring such rights.

Mr Alexander asked Dr Pupuma how they could have refused the offer of R300 000 for the land.

Dr Pupuma replied that R300 000 was not a lot of money.

He told the commission they were wise to turn down the deal because shares were a gamble.

When the new government of Miss Stella Sigcau took over they approached her and she wondered why their application was not making progress, Dr Pupuma said.

The commission will continue on Monday.

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Mr de Klerk said he
on the matter
interesting because

Probe into gambling told of Kerzner visit

D.D. 16/11/88 103

Daily Dispatch
Reporter

UMTATA — Mr Sol Kerzner flew to Umtata last December where he met Transkei government officials, the Commission of Inquiry investigating the granting of gambling rights was told yesterday.

According to a letter handed to the commission, Mr Kerzner flew to Umtata to convince the Transkei Development Corporation (TDC) that "this was the best deal he could do".

The letter was written by the secretary/legal adviser of the TDC, Mr Peter Barrable, to the TDC's attorney in Durban.

Mr Barrable said he was "amazed" to learn that a meeting of the directors of Wild Sun had been held in Umtata on December 12.

Mr Barrable said Mr Kerzner did not attend the meeting referred to in the letter.

The TDC members who were present at the meeting on December 12 were Mr M. Ntloko, Mr King Mdleleni and Mr P. Bosch.

The commission was told there was a proposal in the minutes to make an offer to the shareholders of the 55 per cent holding of Transgames, which included Etablissement Sports et Loisirs (ESL)



MR KERZNER

and Mr V. Mbotoli, but there was no reference to Mr F. S. J. Van Rensburg of Queenstown.

Mr Barrable said the details of the offer were tabled at this meeting.

In his letter Mr Barrable said the purchase consideration for the Transgames shares appeared generous.

The chairman, Mr Gerald Alexander SC, said if they were hoping to pay for a monopoly situation in Transkei then this purchase price to the vendor would be higher than intended and Mr Barrable was asked what he meant by "generous".

Mr Barrable said they were all satisfied that the price was reasonable as they were acquiring a monopoly.

Replying to a question, Mr Barrable told

the commission he could not shed any light on how Mr Van Rensburg came to be listed as a vendor in the prospectus of Transun when he was not a registered shareholder but only held a "beneficial interest".

On December 19, an agreement to purchase Transgames for R5,5-million was finalised.

The evidence revealed that the initial purchase price of R4-million for the 55 per cent shares which Sun International wanted to acquire had risen by R1,5-million to R5,5-million by the time the deal was finalised.

Mr Barrable was asked about the increase. He said he did not know, but from hearsay he believed that the clients of a Cape Town attorney, Mr David Bloomberg, had been pushing to increase the price.

Earlier evidence revealed that Mr Bloomberg was acting for the holders of the 55 per cent shares which included the 45 per cent of ESL, Mr Mbotoli with ten per cent and Mr Van Rensburg with his "interest".

Mr Barrable, who was involved in arranging the prospectus for the share offering, said that, until November 1986, the reasons for the Transun listing were to

do extensions to the Wild Coast Sun and to give Transkeians an opportunity to be shareholders.

Later the acquisition of the outstanding Transgames shares, which Sun International did not hold, and the right to build a casino in Umtata, entered the picture.

He said he had heard there were potential competitors and that was one of the reasons for concluding the agreement quickly.

An objection to the application for casino rights of Joe-Lexie Pty Ltd, filed by the general manager of Transgames, Mr Chris Brammer, was handed in as an exhibit.

The objection stated that the licence would be in violation of an agreement between the Transkei Government, Holiday Inn, Transun and Transgames entered into on May 14, 1981.

Other joint objecters listed included Transgames, Holiday Inn, Transkei Sport and Tatterstall company, and Sun International.

Mr Barrable said Sun International negotiated the Transgames agreement with minimal input of the TDC and in its negotiations dealt with ESL, Mr Mbotoli and Mr Van Rensburg.

The inquiry continues on Monday.

DID 16/1/88

Court sets aside restriction order on Kaiser

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Daily Dispatch Reporter UMTATA — A restriction order issued in November last year by the now deposed government of Miss Stella Sigcau, confining Paramount Chief Kaiser Matanzima to his Qamata great place, was provisionally set aside by the Transkei Supreme Court yesterday.

The court order, issued by Mr Justice J. Mitchell, will become final on January 22 if the Transkei government has failed to give notice by then of its intention to oppose it.

The respondents in the case were Miss Sigcau, the Transkei government and the Commissioner of the Transkei Police.

The restriction order stated that Miss Sigcau, in her capacity as Minister of Police, was satisfied that Paramount Chief Matanzima was engaged in activities which endangered state security and the maintenance of public order.

This was denied by Paramount Chief Matanzima who said in an affidavit he had always held the freedom and security of government in high esteem and had never contemplated any act that might endanger the state.

Counsel for the state, Advocate S. D. Majokweni, indicated that the respondents did not wish to file affidavits because there had been a change of government and a change of attitude in the matter.

He said the government did not consent to relief being granted at this stage and did not oppose it, but left the matter to the discretion of the court.

Calling for positive relief, Advocate D. S. Koyana, for the applicant, said the order remained in operation and the paramount chief still had to get permission to travel from his great place.

Mr Justice Mitchell said the issue was not clear and the difficulty in making a decision was that the matter was left to his discretion although it was not the function of the court to make a value judgment.

The minister concerned was no longer in office, but that was no reason why an affidavit could not have been filed.

Decree No 1 of 1988 made provision for a continuation both in the functions of government and the existing orders that were made by the then lawful relevant authorities.

Granting the order sought gave rise to the question or indicated that the court regarded the new military government as the de facto government of Transkei so far as the legislative and executive powers were concerned.

"In this regard, it seems to me that how that authority assumed office is not relevant to this court," he said.

Transkei web of graft could be widespread

The alleged corruption being investigated in Transkei is believed to extend beyond the borders of the tiny homeland and South Africa to many overseas countries.

It is also thought to involve politicians and leading businessmen in South Africa.

The men who have been assigned to investigate it have been working on the case for 16 months. Their inquiries involve billions of rand and they fear that the lives of key people are at stake.

Because of questions that are to be put by the commission of inquiry, it is expected that these details will start to emerge from next week.

The revelations have been made possible by the recent change of government in Umtata, painstaking work by the investigating team and the conscience of a senior Transkei civil servant.

Pretoria has assigned a top investigator to the case. The commission has requested that he remain anonymous at this stage.

Former Transkei auditor-general Mr Jiyana Maqubela set the exposures in motion when he told the South African Government in 1986 that he did not like what he saw of many business deals in Transkei, especially those involving government officials, departments and politicians.

That was when South Africa called in the investigator. What can be revealed is that he played a key role in investigations into Dr Eschel Rhoodie's role in the Info Scandal and the Salem oil riddle. He was appointed to help Transkei on October 15 1986.

It was then that a commission of inquiry into the Department of Works was set up in Umtata by Transkei's auditor general. Two Umtata-based advocates, Mr Neilen Locke and Mr Peter Barratt, are serving on the commission.

Initially, their probe was obstructed by Transkeian Prime Minister Chief George Matanzima because he was party to so many deals the investigators wanted to probe. They could not even secure government files as these were unexpectedly "lost".

Their work became easier

when Miss Stella Sigcau took over. When Major-General Bantu Holomisa led the Transkei Defence Force into power on December 30 he had a simple brief to the commission — look at all allegations of corruption.

This has presented the investigators with a logistical problem. As they probed one area, they were led into other networks of payoffs and circles of people.

But 16 months of frustration and investigation are beginning to pay off although it could be two years before the investigators can present their findings to the commission which is being chaired by Durban advocate Mr Gerald Alexander, SC, sitting with Mr Maqubela.

R2 million queried

One of the areas the commission is probing is the sale of Transgames, a company that held exclusive gambling rights in Transkei, to the joint Sun International/Transkei Development Corporation company, Transun.

The commission wants to know why R2 million went from Cape Town attorney Mr David Bloomberg's trust account to Chief George Matanzima and other top Transkei people after R3 million was paid into the account by Sun International as part of the purchase price.

Sun International divorced it-

Investigators fear for lives of key people

self from Mr Bloomberg's actions after it paid over the money.

Mr Bloomberg said yesterday that he would be giving evidence before the commission in February.

"I am not compelled to go before the commission, I have chosen to," he said. "Other than that, I have no comment."

The sale of Transgames took place at the end of 1986 — the same time that Chief George granted the Sun International rights to build a R30 million casino hotel in Umtata. He allowed them to hold exclusive gambling rights despite the Cabinet saying that gambling monopolies should be prevented.

Reports earlier this week said advocates acting for Transkei's auditor-general named five South African businessmen and two companies whose affairs they said they wanted to investigate.

They are Mr Lawrie Painting of Johannesburg; a former Cape Town mayor Mr David Bloomberg; Mr Chris van Rensburg of East London; his brother Mr Fred van Rensburg of Queenstown and Mr Vuli Mbotoli of Butterworth. The companies are Jalc SA (Pty) Ltd and the Swiss-based ESL.

Mr Painting said yesterday he had been in contact with Mr Locke.

Mr Locke told him he was interested in correspondence between the Jalc company and Sun International. Mr Locke is to submit written questions on Jalc to Sun International. Mr Painting is financial director of Jalc.

MARTIN CHALLENGOR

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CP Correspondent

TRANSKEI Development Corporation managing director Monty Mbulelo Ntloko this week told the commission of inquiry into corruption in the homeland that he was given a cheque for R50 000 by Chief George Matanzima as "sweets" in recognition of what he (Ntloko) did for him and the Transkei people.

Ntloko told the chairman of the commission, Advocate Gerald Alexander, that sometime in December 1986 he was summoned by Chief George Matanzima to a meeting at a hotel in Ugie, Eastern Cape.

"On my arrival I was ushered into a hotel room where I found Chief George seated with GJ Gouws. Chief George said he wanted to give me a gift as a reward for what I did for him and the people of Transkei.

Chief George then instructed Gouws to write

Bitter sweets for TDC chief

CP/Pres
17/1/88

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out a cheque in my name. As Gouws was handing over the cheque to me Chief George said: "Those are your sweets," said Ntloko.

Asked by G Alexander SC, why it was necessary for Chief George to cause him to travel to a South African town to give him R50 000 as a gift, Ntloko said he did not question it because Chief George was his Prime Minister at the time.

Ntloko further said he was shocked by the size of the gift "and, besides,

Chief George is a generous man".

Ntloko told the commission he did not disclose the gift to the Receiver of Revenue.

An Umtata woman and former nursing sister, Lexie Ceza, wept uncontrollably as she pieced together evidence of how she and her partners had their efforts throttled when they sought gambling rights "through proper channels".

Ceza said she was the managing director of the now defunct Lexie-Joe Enterprises.

She said their first attempt to apply for a licence was in 1982 when former State President Chief Kaizer Matanzima, after screening their application, said their company should have Transkeians only as directors.

Ceza said at another meeting with Chief George Matanzima, the chief demanded R2-million "lobola". - Sapa.

Lifestyle of a favourite at court of Matanzima

Sf Times

17/1/88

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Sunday Times Reporter

FOR many years, a favourite at the Matanzima court in Umtata was Mr Chris van Rensburg, a colourful East London businessman.

He had so many friends in high places that he actually undertook missions abroad as an unofficial ambassador for Transkei.

In the Eastern Cape there is speculation about his future role following the military takeover by General Bantu Holomisa.

Mr van Rensburg is chairman of Jalc Holdings, a company which has been mentioned in evidence before the commission looking into the affairs of Transkei's Department of Energy and Works.

Colourful

Before winning the favours of former Transkei Prime Minister George Matanzima, he had been a business partner of one of the convicted Theron brothers, Gert, currently serving a jail sentence with his brother Vloog in a United States prison.

Documents in Umtata — among them official letters from Mr Matanzima's own



CHRIS VAN RENSBURG
Border businessman

office — paint a colourful picture of Mr van Rensburg's lifestyle.

He lives in East London and was known to be one of Mr Matanzima's closest advisers.

This relationship launched a business career spanning more than 10 years which often took him to overseas meetings with dignitaries such as the late Shah of Iran and US Assistant Secretary of State Dr Chester Crocker.

Armed with a letter from Mr Matanzima requesting "whoever" to accord Mr van Rensburg and fellow Jalc director Mr Athos Poulos special diplomatic privileges, the two white entrepreneurs flew around the world.

Mr Matanzima was lavish in his praise of Messrs van Rensburg and Poulos. He stated he had the greatest confidence in them to act in the best interests of Transkei.

They had been of enormous assistance in the introduction of industrial development and managed to get external financial aid for Transkei.

Mr Matanzima also acted as go-between when, on May 13 1982, he introduced Mr van Rensburg and his co-directors of Temba Construction, a subsidiary of Jalc, to Bophuthatswana's Foreign Minister, Mr T M Molahwa.

With Mr van Rensburg, Mr Poulos and Johannesburg businessmen Mr John Strong and Mr Lawrie Painting, Mr Matanzima's nephew Vuli Mbotoli served on the board of Temba Construction.

The name of Jalc Holdings is derived from the first letter of the first names of Messrs Strong, Poulos, Painting and Van Rensburg.

After meeting Dr Crocker in Washington in 1981, Mr van Rensburg was also appointed a member of the Tribal Authority of the Ciskei.

In a letter to Dr Crocker, he pointed out that this was the first time a white South

African had been honoured in such a way.

Mr van Rensburg was also instrumental in getting President Lennox Sebe of Ciskei to offer former Rhodesian and Zimbabwean Cabinet member Rowan Cronje a job in his country.

● Jalc Holdings have served the Queenstown town council as industrial development consultants since 1981.

Mr van Rensburg's brother Fred — named in the Transkei investigation as one of the shareholders of the company which secured sole rights to gambling machines in Transkei — opened the Border town's first Tattersalls in 1982.

Factories

However, there has been much industrial development around Queenstown in recent years — although several light industries have been set up in Transkei and Ciskei border industry areas near the town.

Jalc's most ambitious proposal to date was for a "Chinatown" to be built on the outskirts of Queenstown.

It would have included a number of factories financed by Taiwanese businessmen, homes for "thousands" of Taiwanese employees, shopping centres and entertainment venues.

Accepted by the town council almost two years ago, work on the project has not yet begun.

George and Stella face

the music



GEORGE MATANZIMA — question time

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S/Times 17/1/88

THIS week is the crunch for two former Prime Ministers who have been linked to Transkei's great "lobola" scandal.

Tomorrow (if he obeys a subpoena to give evidence before a commission of inquiry) Chief George Matanzima will face awkward questions relating to his acquisition of vast sums of cash, allegedly in return for business favours.

A couple of days later his successor and the Transkei's most recently deposed Prime Minister, Miss Stella Sigcau, gets her chance to explain how she came to accept R50 000 from an official to further the education in Britain of her daughter.

Lawyers on behalf of the Transkei's auditor-general are expected to question Chief George about:

● Alleged payoffs of about R1-million for help in securing a valuable Umkata housing contract;

● His links with his relative and close advisor, Mr Liston Ntshongwana, who is awaiting trial for his alleged role in persuading Butterworth municipality to embark on a R51-million housing scheme at a time when it was so strapped for cash it couldn't pay its own electricity bill;

● The alleged siphoning off into his private accounts of a large sum of money which originated in a trust account set up by the Sun International gambling empire;

● His purchase of a farm for R1,4-million in the Cape's Ugie district;

● His involvement with un-rehabilitated bankrupt Mr Herman Visser, who is alleged to have secured lucrative housing contracts for himself and his associates;

● His involvement with Jale, a company with a record of small-scale dabbling in international politics, and whose managing director, Mr Chris van Rensburg, negotiated profitable building contracts in Transkei.

EX-PMS to be grilled over payoffs



STELLA SIGCAU Accepted R50 000

Ministers and the then President, Paramount Chief Kaiser Matanzima, milked State resources for private benefit, the capital loss being estimated at R45-million.

The names of people involved read like a Who's Who of Transkei.

At least half-a-dozen Ministers have been retired at gunpoint by the army in the past four months.

Dozens of top officials have been implicated, the latest being the head of the Transkei Development Corporation, Mr Monty Ntoko.

Corruption and mismanagement were cited as being directly responsible for the bloodless coup which installed the military in power a fortnight ago.

Since then a commission constituted to inquire into the affairs of the Department of Works and Energy has had its terms of reference broadened.

Staggering

Chief George returned to Transkei early this year after a prolonged stay in the East Cape because of "ill health". His arrival coincided with a military purge of his administration.

His evidence may throw light on the visit to Europe last year by lawyers and officials associated with the commission who, apparently, probed the deposit of money in banks in Switzerland and Austria.

It has been suggested by Transkei sources that cash skimmed from public funds and from those wanting to do business in the homeland could amount to R120-million over a period of years.

Last year the report of a commission which inquired into the departments of Commerce, Industry and Tourism found evidence of corruption and mismanagement on a staggering scale.

"Directives" from Cabinet

Monopoly

The commissioner's expanded terms of reference have raised the stakes for Transkei's largest and most profitable monopoly, the gambling and casino rights of Sun International.

The hotel group, which plans a multi-million rand complex in the Transkei capital, has emphatically denied any implication of wrongdoing in its 1987 takeover of a company which conducted slot machine operations.

Of R3-million placed in a trust account, R2-million was paid to Ugie farmer and hotelier Mr G J Gouws.

He distributed the money in the form of nine cheques — R50 000 allegedly to Miss Sigcau, R50 000 to ex-Minister Mr Tespo Letlaka, R50 000 to TDC boss Mr Ntoko and R100 000 to Chief George Matanzima, half of which went to his big brother Kaiser.

This week General Holomisa raised the issue of the validity of Sun International's exclusive gambling rights.

Matanzima warns media on malicious accusations

UMTATA. — The former State President of Transkei, Paramount Chief Kaiser Matanzima, has called on newspapers and radio to be careful what they say about him.

The former leader also called on the commission of inquiry into Transkei government departments to protect him from character assassination.

In a statement, Paramount Chief Matanzima said if the media failed to heed his warning, he would take legal action.

"My name has been lavishly and irresponsibly used in the media and on television about my alleged participation in Transkei scandals in the investigations of the commission of inquiry into the government," he said.

He said he took strong exception to these reports. The

Paramount Chief, who is among a number of people subpoenaed to give evidence to the commission of inquiry into the Department of Works and Energy this week, called on the commission to "call upon me to clear my name of anything that relates to my conduct and not accept and publish false accusations".

He said there was an element of hatred against the Matanzima brothers and it resulted in malicious and false accusations.

During his leadership he had exercised a clean record of honesty. He said decisions were not made solely by him, but jointly with members of the Cabinet.

"I appeal to the commission to protect me from the blatant character assassination," he said. — Sapa.

Ntloko mum on resign report

Daily Dispatch
Reporter

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18/1/88

UMTATA — Reports that the managing director of the Transkei Development Corporation, Mr Monty Ntloko, has resigned could not be confirmed here.

In a telephone interview from his home here Mr Ntloko refused to comment "at this stage".

Mr Ntloko is believed to have tendered his resignation following evidence given at the commission of inquiry in Transkei.

He is expected to give evidence to the inquiry into the Department of Works and Energy this week.

Sources close to the TDC said Mr Ntloko's resignation could be made official only after it had been accepted by the board of directors of the corporation.

The chairman of the TDC, Mr K. Mdleleni, said he had no know-



MR NTLOKO

ledge of the resignation.

Neither the secretary general of the Department of Commerce, Industry and Tourism, under which the TDC falls, Mr T. Nkungu, nor his deputy, Mr L. S. Mtoba, could be contacted for comment as they were said to be on leave.

Key element remains a mystery

Graft-probe firm's owners are unknown

ONE of the key elements in the Transkei corruption inquiry, the Lichtenstein-based company Etablissement Sports et Loisirs (ESL), remained shrouded in mystery at the end of the first week of this year's commission sitting.

ESL, together with Queenstown businessman Fred van Rensburg and Butterworth businessman Vulindlela Mbotoli, held the 55% shareholding of Transgames bought by 45% shareholder Sun International (SI) subsidiary Transun at the end of 1986.

Transgames is claimed to have held exclusive gambling rights for Transkei.

ESL, Van Rensburg and Mbotoli were represented throughout the negotiations by Cape Town attorney David Bloomberg.

Counsel for the Auditor-General hinted they had made progress in establishing the identity of the owners of ESL through negotiations with certain parties overseas, but had yet to obtain any-

ROGER SMITH

thing in writing.

A further difficulty could be that a man who might have been an important witness died in Switzerland in November 1986.

The inquiry was told he was Walter Rief, the man behind the setting-up of the Transkei Tattersalls in 1978, later established to be a wholly owned subsidiary of ESL.

The Tattersalls had acquired certain slot-machine rights from the Transkei government. These had been the subject of the 1981 agreement between it, Holiday Inns and government which led to the setting up of Transgames, to which gambling rights, apart from those for the Wild Coast casino, were ceded.

The inquiry was told Rief had retired from business to Locarno, Switzerland, in 1977, and had been represented throughout the negotiations by Bloomberg.

Advocate Neilen Locke, for the Auditor-General, said ESL was "not a company as such, and not a trust, but more in nature of a trust".

Asked by inquiry chairman Gerald Alexander, SC, whether there was anything to show who ESL's owners had been when it acquired its Transgames shares, Locke said: "Bloomberg signed everything, allegedly on behalf of his clients."

He said it could not be established who in fact the "beneficial owner" of the company had been.

The inquiry has been told SI paid R2m in cash to Bloomberg for ESL as part of the Transgames deal at the end of 1986.

Soon afterwards, Bloomberg transferred R2m to the account of Ugie farmer and hotelier G J Gouws, from which payments were made to Transkei cabinet ministers and then Prime Minister George Matanzima.

SI has denied all knowledge of the allegations of how the money was disposed by Bloomberg.

Inquiry told of R500 000 gambling deal Evidence Kaiser¹⁰³ offered hotel group first option

Daily Dispatch Reporter

UMTATA — Before independence in 1975, the then Chief Minister of Transkei, Paramount Chief Kaiser Matanzima, gave Holiday Inns an assurance that if casino rights were to be granted in Transkei, they would be given the first right of refusal.

Three years later, however, the rights were granted to a company, Mzamba Development Pty Ltd, and then sold to Holiday Inns for R500 000, it emerged yesterday at the commission of inquiry investigating the granting of casino rights in Transkei.

The secretary/legal adviser of the Transkei Development Corporation, Mr Peter Barrable, traced the history of the granting of gambling rights in the country.

He began with the earliest records he could trace which was a letter from a representative of the Xhosa Development Corporation (XDC) to the Department of the Chief Minister.

Attached to the letter were the minutes of a meeting which showed it had been attended by Paramount Chief Matanzima, Chief George Matanzima and various XDC officials.

The purpose of the meeting was to consider an approach by the Transkei Government to Holiday Inns which suggested that they set up a new unit in Umtata.

The Chief Minister said his government opposed the issuing of a casino licence on moral grounds, but, "should the government ever change its mind, then the first right of refusal would be given to Holiday Inns."

Mr Barrable submitted a document which revealed that a meeting of subscribers of Mzamba Development was held on May 10, 1978, at which Mr M. Z. Sihele was appointed a public officer and became the sole shareholder of the company.

The next document was a letter signed by Paramount Chief Matanzima from the Depart-



CHIEF MATANZIMA

ment of the Prime Minister to the resident director of Syfrets Trust and Executor Ltd dated May 12, 1978.

Paramount Chief Matanzima said in the letter the cabinet had resolved that the following rights be granted to Mzamba Development or its nominee: a 50-year lease on the land, the right to establish a hotel, and the right to casinos and gambling operations.

The revenue derived from the operations would accrue to the government and the casino.

The chairman asked if there was any evidence as to what had caused the change of heart of Paramount Chief Matanzima to now grant the casino rights.

Mr Barrable said he did not know of any information which would reveal this.

The next letter submitted was to Syfrets from Mr M. T. Brereton, in which he said he acted on behalf of the sole shareholder of Mzamba Development.

He said the shareholder agreed that all rights granted might be

sold except for the following: the right to construct an airport; the right to launch skiboats between the Mzamba and Mtimvuna Rivers; and the right to occupy seven plots of that land.

The inquiry was told that Syfrets were in fact financial advisers to a Mr D. White.

On June 23, 1978, Mr Sihele authorised the sale and transfer of his sole issued share to Mr Brereton, who was then appointed director while Mr Sihele resigned.

Shortly thereafter an agreement was signed between Mr Brereton, Holiday Inns and Rennies Consolidated Company in which the sole share was sold to Holiday Inns for R500 000.

Mr Charles Fiddian-Green, the chairman of Rennies, represented the purchaser, Holiday Inns, in the agreement.

A clause to this agreement referred to the reservation of rights in favour of the seller which included the development and construction of chalets, the right to construct a small boat harbour and an airport.

Explaining why Rennies was a signatory to the agreement, Mr Barrable said that prior to this agreement, Rennies had received an option to acquire a share in Mzamba Development.

Thus, by signing, the company ceded its rights to purchase.

Mr Barrable noted that Mr Sihele, who had no experience in running hotels of international standing, was then granted rights in spite of the assurances Paramount Chief Matanzima made in 1975 to Holiday Inns.

He also noted that within a short time the shareholding of the Transkei company, Mzamba Development, changed, so that control rested in the hands of a South African or non-Transkeian and then Mzamba Development sold those rights back to Holiday Inns.

Holiday Inns and the TDC entered into dis-

cussions regarding the operations of the casino, and there was a merger in which Holiday Inns received a 46 per cent share and the TDC 54 per cent. The new agreement was silent about Mr Brereton building chalets, he said.

Mzamba then became the property holding company and the operating company became the Wild Coast Holiday Inn.

Mr Barrable said that, according to a document, the TDC was unhappy with the involvement of Mr Brereton.

The document stated that if Mzamba made approaches to the Prime Minister for permission to allow Mr Brereton to apply to the government for the three reserved rights — the rights to construct chalets, a small boat harbour and/or airport — then the TDC or its nominee would oppose the resolution.

He then revealed to the commission how the R500 000 from the sale of the share of Mzamba Development was distributed. He cited the following people as recipients: Mrs A. N. Matanzima, believed to be the wife of the ex-State President, Mrs E. Pamela, Mr Sihele, Mr Brereton, Mrs A. T. Nelson, Mr D. C. Hayward and Mr D. White.

Mr Barrable said that with the exception of Mr Brereton, none of the recipient parties were referred to as vendors in the deed of sale.

An article in the Financial Mail on May 14, 1982, under the headline "Who hit the jackpot?" was handed in as an exhibit.

The article said that someone had made a quick R500 000 out of Holiday Inns and the TDC in exchange for gambling rights in Transkei.

There was the understanding that Holiday Inns would be the "first in queue" for gambling rights, the article said.

However, there could have been no prior agreement with Mzamba because the company

did not exist at the time as it was only incorporated on April 19, 1978.

The article read into the records by counsel for the Auditor-General, alleged that the owners of Mzamba "may not have been too far removed from positions of power in Transkei."

● An Ugie farmer, Mr G. J. Gouws, said yesterday he did not know where R2 million, deposited into his account, had come from although his bank had told him that R1.5 million had been deposited.

It was reported earlier that Mr Gouws had told an officer of the commission that a Cape Town attorney, Mr Dave Bloomberg, had received instructions to transfer R2 million into his account.

Mr Gouws, who sold his farm to the then Prime Minister, Chief George Matanzima, said had not been curious about the money's origin, nor did he question Chief George for using his account for these transactions.

Asked was it not strange that Chief George could transfer money into the account while there had been a possibility that he might not legally obtain the transfer, Mr Gouws said that as Chief George had been Prime Minister he knew about these matter or could maybe get a concession.

Referring to the sale of his farm to Chief George, Mr Gouws said there had been rumours for a year that areas along the Transkei border would be incorporated into that country.

● Mr Bloomberg said from Cape Town yesterday he was prepared to give evidence before the commission of inquiry.

Mr Bloomberg has represented some of the key figures in Transkei business deals which are being probed.

He said his decision to give evidence had been authorised by his clients. However, he still declined to name them.

A date for his appearance has still to be set.

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T'kei president to meet PW for talks

TRANSKEI's president, Chief Tutor Ndamase, who arrived in Cape Town yesterday, is to have talks with the State President, Mr P W Botha, tomorrow over the South African government's recognition of the territory's new military government.

President Ndamase said on his arrival in Cape Town the invitation to visit had been extended by Mr Botha in November last year, a month before the Transkeian army chief, General Bantu Holomisa, ousted the government of Miss Stella Sigcau.

He told a press conference he was in Cape Town partly to have a rest from "the strenuous work in the Transkei".

But he would also have "private talks" with Mr Botha "as one man talking to another man about our countries".

Asked if the question of recognition for the new government would be discussed, he said: "I can say yes."

Asked to comment on the military take-over, he said his position in Transkei was that of a "unifying figure. I don't indulge very much in politics". — Sapa

Ex-ministers tell of cheques

From page 1

She also alleged she was told to include the names of certain people, including cabinet ministers, among the directors of her company to facilitate the application's approval by the cabinet.

Mr Lujabe and Mr Letlaka denied any knowledge of such instructions being given and said they had not signed their consent to becoming directors.

Mr Letlaka's affidavit also dealt with his alleged involvement with El Haj as revealed in earlier evidence. This evidence was not dealt with yesterday but Mr Letlaka will address the commission in this regard later.

The chairman asked both men for a breakdown of their expenses or an estimate of the amounts they had expected to incur during the election campaign. They said they did not have records.

The chairman said later he was not satisfied with their answers and asked their legal representative to consult them in this regard.

Both men agreed that Sun International would still have had to comply with the proper procedure in obtaining hotel and gambling licences in spite of an agreement signed on behalf of the Transkei Government by Chief George.

Mr Lujabe told the commission that when he received the money from Chief George he was told "here's your ticky".

An earlier witness, Mr Monty Ntloko, said that when he received R50 000 from Chief George he was told "this is your sweets".

The deputy secretary-general the Department of Justice, Mr Gilbert Sineke, appeared before the commission at his

request, saying he wanted to correct impressions which may have been created from reports of his previous evidence.

He told the commission that to an objective reader his complaints might not appear to be serious. However, "you will appreciate that the proceedings of your commission have assumed such serious dimensions in Transkei that persons mentioned or appearing before it are under trial by members of the public."

"In the circumstances I would not like to be understood to have cast adverse reflections on fellow Transkeians for no valid reasons and where this was not the case."

Mr Sineke said he had told the commission he was told by the Minister of Justice, Chief P. Ndamase, that he and Mr Ndamase, not Mrs Ceza, were required to see the Prime Minister, Miss Stella Sigcau, at her official residence in connection with the refused application of Mrs Ceza.

However, in his evidence, he said that Mrs Ceza was also at Miss Sigcau's residence when they were there.

He also said he had never suggested that it was not normal practice for a prime minister or head of government to call senior officials such as himself.

It was not normal practice for a member of the public whose application had been refused to make direct appeals to higher authorities like the prime minister, Mr Sineke said.

In the case of Mrs Ceza, he said that that was her approach in respect of the previous prime ministers and was still her approach under the present military council.

The commission continues today.

No Chief George at Inquiry

UMTATA — The former prime minister, Chief George Matanzima, who was subpoenaed last week to testify before the Commission of Inquiry into the Department of Works and Energy, did not appear before the commission yesterday.

No reference was made at the hearing to his whereabouts or the likelihood of his giving evidence later.

The former state president, Paramount Chief Kaiser Matanzima, and Mr John Tricky of Durban are scheduled to appear today. — DDR.

'R50 000 cheques made out to Ministers'

George Matanzima is not summonsed

By Michael Tisong

UMTATA.— Former Transkei Prime Minister Chief George Matanzima could not be served with a subpoena to appear before the commission of inquiry probing alleged corruption involving politicians and former Transkei government officials, an official of the commission said yesterday.

The reasons that he had not been served with a summons were not stated and could not be established.

Transactions involving at least R2.5 million were the focus of the commission's hearing yesterday.

Chief Matanzima was allegedly involved in transactions involving about R2 million.

A further R510 000 involved the sale of gambling rights by a one-man company, Mzamba Development Company, to the Holiday Inns and the Transkei Development Corporation (TDC) in 1982.

The commission was told yesterday Mzamba was

registered in a Mr Monde Sihele's name.

Holiday Inns did not know at the time who the money was paid to as they had dealt with a group of lawyers. The money had to be paid for Holiday Inns to go ahead with development plans.

The probe into alleged corruption was ordered after the military, led by General Bantu Holomisa, took over the reins of government last year.

Mr Peter Barrable, who investigated the matter on behalf of the TDC, told the commission that the R500 000 was distributed to Mrs A Matanzima, Mrs E Pamela, a Mr Briarton, Mrs A T Nelison, Mr D C Haywood, Mr D White and Mr Sihele.

FARMER QUESTIONED

Commission Chairman Mr Gerald Alexander also questioned farmer and hotel owner Mr G J Gouws who sold a farm in the Eastern Cape to Chief Matanzima for R1.4 million and distributed a further R500 000 on the chief's behalf.

Mr Gouws said he did not know where the approximately R2 million which was deposited into his account, came from. It was deposited soon after speaking to Chief Matanzima about the sale of the farm.

The commission established that the money came from a Cape Town attorney.

Mr Gouws said his bank informed him that telegraphic transfers were made into his account. A day or two later, he said, Chief Matanzima visited him at his hotel in connection with the money.

Gouws said that following advice from Chief Matanzima he had made out cheques of R50 000 each to the managing director of TDC Mr Monty Ntloko, the former Minister of Foreign Affairs and the Interior Mr Mtutuzeli Lujabe, the Minister of Commerce, Industry and Tourism Mr Tsepo Letlaka and former Prime Minister Miss Stella Sigcau.

COVER COSTS

A R100 000 cash cheque was also made out to Chief Matanzima, R26 000 to Coetzer Motors and a further R194 000 in cash in January 1987. Mr Gouws said Chief Matanzima borrowed R50 000 to buy a car.

Mr Lujabe told the commission that when Chief Matanzima gave him a R50 000 cheque in January 1987, he said: "This is the ticky I promised you."

Mr Lujabe said the money was to cover the costs of campaigning which he had suffered during the election the previous year.

Despite repeated questioning by Mr Alexander, Mr Lujabe declined to say how the figure of R50 000 was reached. Mr Lujabe said he used his own money during the campaign but declined to say how much it was.

Before adjourning, Mr Alexander noted that the former Paramount Chief Kaizer Matanzima and former private investigator of the Transkei Department of the Auditor General Mr John Trickey would appear before the Commission today.



Staff at the Johannesburg Hospital are trying to establish the identity of a man who was brought unconscious into the hospital on Friday afternoon.

The man, in his mid-thirties, has light brown, curly hair and blue eyes. He has tattoos on both arms and is about 1,7 m tall.

He was wearing a new pair of denim jeans, a blue and brown check shirt and maroon red coloured socks.

He was found at the corner of Claim and Kotze Streets in Hillbrow.

Anyone who is able to assist should contact Miss Jenny Gillwald at the hospital at (011) 633 0111 during office hours.

MP Daily Dispatch Reporter 103
19/11/84
UMTATA 84

Police here are investigating the discovery of a human skull in a locked safe in the official prime minister's office on the 11th floor of the Botha Sigcau administrative building.

The senior CID officer, Col N. E. Kupe, yesterday confirmed as accurate a report in the King William's Town Xhosa weekly newspaper, Imvo, which said that police knew of the discovery and that intensive investigations were being carried out.

Skull, bones found in PM's office

The discovery was made after Miss Stella Sigcau had noticed the safe when she moved into the office in November, shortly after her appointment as prime minister.

She demanded that it be opened.

Nobody knew where the keys could be found and Miss Sigcau ordered members of the Department of Works and Energy to break into the safe.

It was also reported that a tattered vest was found among some

bones next to the skull, whose identity has not been established.

The chief deputy commissioner of the CID, General Edmund Willie, who is in charge of the investigations, declined to allow pictures of the skull to be taken for publication, saying this might affect investigations which were still continuing.

The former prime minister's private secretary, Miss N. Zide, said Miss Sigcau would issue a statement concerning the matter later today.

By Dispatch Correspondent

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Bloomberg ready to testify at graft probe



Mr. David Bloomberg

Own Correspondent

JOHANNESBURG. — Cape Town attorney Mr David Bloomberg said yesterday he was prepared to give evidence before the commission of inquiry in Um-tata into Transkei government corruption.

Mr Bloomberg has represented some of the key figures in Transkei business deals which are being probed by the inquiry.

He said his decision to give evidence after an invitation by the inquiry last week, had been authorized by his clients.

However, he still refused to name them. Mr Bloomberg's decision was communicated to the

inquiry yesterday, but a date for his appearance has still to be set.

Mr Bloomberg represented the Lichtenstein-based company Etablissement Sports et Loisirs (ESL), Butterworth businessman Mr Vulindlela Mbotoli and Queenstown businessman Mr Fred van Rensburg in negotiations with Sun International (SI) over the sale of their 55% shareholding in Transgames.

Transgames is claimed to have had exclusive gambling rights in Transkei.

The inquiry has been told SI transferred the R3m cash payment for the deal to a trust account run by

Mr Bloomberg. R2 million was said to have been immediately transferred by Mr Bloomberg to the account of Ugie farmer Mr G J Gouws.

In its statement disclaiming any knowledge of the later transactions, SI said Mr Bloomberg told them for the purposes of Transun's prospectus that the R3m cash allocation had been distributed to ESL (R2m), Mr Mbotoli (R574 626) and Mr Van Rensburg (R387 873).

Among those expected to give evidence to the inquiry today is former Paramount Chief Kaizer Matanzima.

AR	AGRICUL.	MINING	MANUFACT.
1970	NA	655346	1068921
1971	1638761	652294	1107000
1972	1505820	623067	1127275
1973	1468105	684743	1189000
1974	1454183	674140	1259800
1975	1433524	639473	1307600
1976	1279922	671240	1355205
977	NA	712006	1317200
978	1292785	658261	1312100
979	1320036	686599	1332743
980	1238401	709042	1392000
981	NA	722918	1449000
982	NA	702041	1454300
983	NA	700901	1372600
984	NA	711511	1390000
985	NA	724587	1320900
986	NA	756637	1313500

Cheques for election aid say ex-ministers

Daily Dispatch Reporter
UMTATA — Two former cabinet ministers, Mr Tsepo Letlaka and Mr Mtutuzeli Lujabe, told the commission of inquiry here yesterday they received cheques from Chief George Matanzima for their efforts and expenses in campaigning for him during the 1986 elections.

Both men appeared with a legal representative and submitted affidavits which the chairman noted were very similar.

They both admitted receiving a cash cheque for R50 000 drawn by Mr G. J. Gouws, endorsing it, and depositing it in their accounts. They both denied the money was in any way connected with gambling rights.

Both affidavits said that they, Chief George and a fourth person were nominated by the Transkei National Independence Party as candidates to contest the Cofimvaba constituency in the December 1986 elections.

"This constituency

also happens to be the centre of Paramount Chief K. D. Matanzima's sphere of influence. At the time of the elections, an acrimonious relationship existed between Chief George and Chief K. D. Matanzima, resulting in Chief K. D. Matanzima campaigning against Chief George, Mr Letlaka, Mr Lujabe and the fourth person."

The affidavits said Chief George was preoccupied with pressing matters at the time with the result that Mr Letlaka and Mr Lujabe had to campaign for his reelection under difficult conditions.

After the election, they said, Chief George told them he would compensate them for their efforts and expenses, although they had not expected or sought compensation.

They both said: "I had absolutely no idea that the source of the money was improper. I know that Chief George is a very big farmer and that he had bumper crops and very successful cattle sales in the preceding season."

They assumed that the payment was connected to Chief George's personal income and denied any knowledge of impropriety.

The men were asked whether, since they had both stated there was an acrimonious relationship between Chief George and Paramount Chief Matanzima, they were aware of a cheque for R50 000 which Chief George gave to his brother at the same time.

Both replied that although there were political differences between the brothers, they did not believe this affected their family life.

Both affidavits referred to their appointment as directors of Joe-Lexie Pty Ltd, a company which applied for a casino licence.

The managing director of the company, Mrs Lexie Ceza, said earlier in evidence that Chief George had told her she must pay R2 million "lobola" before receiving rights.

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Cap. 7/15 19/1/88
Skull found
in PM's safe

Own Correspondent

UMTATA. — A human skull was found in a locked safe in the prime minister's office here, according to police.

The skull was found when the now-deposed prime minister Miss Stella Sigcau moved into the office. She asked that the safe be opened.

When no one could find keys she ordered the department of works to break it open. The skull was found along with a tattered vest. The identity has not been established.

Miss Sigcau's predecessor as prime minister, Chief George Matanzima, could not be contacted for comment yesterday.

Probe told of R2m

'bribe'

Sun gambling rights illegal, Kaizer tells probe

Own Correspondent

UMTATA. — Whoever gave gambling rights to Sun International (SI) in the Umtata casino deal did so "illegally", the former Transkei president, Chief Kaizer Matanzima, told the commission of inquiry into government corruption here yesterday.

His evidence was part of a day of further disclosures on the granting of gambling rights in Transkei, in which the inquiry also heard:

● There were now three instances where government letters approving applications for gambling rights ran far beyond or contrary to cabinet resolutions on those applications;

● An alleged demand for R2 million by former prime minister Chief George Matanzima for gambling rights was "a bribe" and "definitely illegal".

In his evidence, Chief Kaizer said he was strongly opposed to the granting of gambling rights on moral grounds. He expressed acceptance of casinos "far away from us" on the borders of the territory, but objected to a gambling house being set up "at the doors of our hearth" at Umtata.

He said he queried any gambling rights granted to any company without the signature of the president.

He said approval of the Umtata casino project had not been discussed with him.

He had objected in writing to Chief George and the Umtata Council and had wanted to bring a court interdict to stop the project going ahead.

In response to questions on the R50 000 deposited in his account by Chief George on January 20 last year, Chief Kaizer said he had not known about it and had never asked for the money.

In his evidence, former Durban commercial branch policeman Mr John Trickey told of a meeting with Chief George where the payment of a "bribe" of R2m for the granting of gambling rights was discussed.

At another meeting around the end of October at Ugie, attended by Mr G J Gouws, who was selling his farm to Chief George for R1.4m, Mr Trickey said Chief George mentioned eight cabinet ministers who had to receive R50 000 each, as the cabinet would have to approve the application.

These payments, he said, were bribes and definitely illegal.

Police probe skull and bones find

UMTATA — The human skull discovered in the Transkei prime minister's office last year was in a cardboard box together with other bones and a tattered vest, the deputy-assistant secretary in the department of the military council, Mr M. M. Mhlathi, said yesterday.

He found the box when he was clearing out a strongroom.

Later senior security policemen came to him demanding the box.

The skull and other bones were taken away by the police for investigations into the possibility of a crime having been committed.

The officer in charge of the investigations, the chief deputy-commissioner of the CID, General Edmund Willie, said he had almost completed his investigations, and would issue a statement later.

Questions such as how long the deceased had been dead, the sex and age of the deceased, the manner in which death had occurred, and how the remains came to be stored in a busy government building will probably be answered by the police statement. — DDR

^{Did}
Inquiry ⁽¹⁰³⁾
hears of
payment
for car ^{20/1/88}

UMTATA — The commission of inquiry chaired by Mr Gerald Alexander SC and with Mr Jiyana Maqubela as co-commissioner gave an assurance that if someone appeared before the commission it in no way reflected on his integrity.

They said the commission needed to call on senior officials as witnesses.

The secretary-general of the Department of the Interior, Mr B.K.G. Madabane, assisted in evidence referring to the rights granted to the Transkei Sporting and Tattersalls Company — rights which extended beyond a cabinet decision.

An unsigned draft agreement, between the Transkei Government and Mr Walter Reif of Switzerland was handed into the commission. The draft would have granted an exclusive licence to Mr Reif's company to promote, operate and utilise amusement machines, lotteries and pools.

Mr Reif was the sole shareholder of Etablissement Sports et Loisirs (ESL), the holding company of Transkei Sporting and Tattersall Company.

Mr Madabane said he had been assistant secretary with Interior when the tattersalls rights approach was made to the department.

Another witness, Mr L. Matiwane, gave evidence to the commission about the use of a luxury sports car which Chief George purchased.

Earlier evidence before the commission revealed that Chief George had directed that a cheque for R26 000 be issued to Coetzer Motors, Maclear for the car which Mr Matiwane collected.

Mr Matiwane said he had been asked to take delivery of the car. He said he was related to the wife of Chief George and it was not the first time that he had done things for Chief George.

DDR

Chief Kaiser tells of opposition to casinos

Daily Dispatch Reporter UMTATA — Transkei's first prime minister, Paramount Chief Kaiser Matanzima, said yesterday he was still opposed to casinos in Transkei and had only partially agreed to the granting of gambling rights when he was "pestered" by his younger brother, Chief George Matanzima.

Paramount Chief Matanzima told the commission of inquiry into the granting of gambling rights that he had wanted to seek an interdict "against gambling at the doors of our house" — a reference to the casino to be built in Umtata.

He contended that if there were no casinos in South Africa, there should be no casinos in Transkei and submitted that they could corrupt the youth.

However, he did not mind if they were to be located at the ends of the Transkei coast where they would be far away from Transkeians and near South Africans.

In a letter to Chief George, dated February 2, 1983, Paramount Chief Matanzima referred to a "threat" from Mr David Bloomberg, a Cape Town attorney.

He said in the letter he had replied to Mr

Bloomberg that he would not be threatened by anybody and that the Department of Justice would not issue further licences.

Questioned yesterday about the "threat", Paramount Chief Matanzima replied that he did not remember details of it.

In another letter to Chief George, Paramount Chief Matanzima said: "I have, as indicated in my personal communication with you, decided to agree to your plea on condition that no other licence for gambling machines should be issued.

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

His remarks referred to the granting of further concessions to Transgames in Butterworth, in addition to those the company enjoyed in Umtata.

He said he could not remember why the first gambling rights had been given to Mzamba Development when he had assured Holiday Inns they would be given first rights of refusal.

Part of the R500 000 that Mzamba Development received for the

purchase of those rights from Holiday Inns went to his former wife, Mrs A. N. Matanzima, as she was a shareholder, he said.

Asked about a cheque for R50 000 which he had received from his brother, Paramount Chief Matanzima said he knew nothing about the money as it had gone into his bank account. He never checked his financial transactions as they were so vast.

He told the commission he did not want to go into the strange relations between his brother and himself, but he did say that he had paid all the money Chief George owed to the law society when he was struck off the roll.

Asked if he knew how Chief George expected to pay back between R500 000 and R1 million he had borrowed from Tracor, he replied that Chief George had told him he would try to sell produce and cattle.

Paramount Chief Matanzima told the commission he never paid taxes. Commissioner Jiyana Maqubela pointed out that only the salary of the State President was exempt from taxes, and not any business dealings.

More reports page 3

20/1/88

Witness says corruption frustrated him

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Daily Dispatch Reporter

UMTATA — A man from South Africa, who said he had been assisting the Auditor-General in Transkei to investigate corruption, told the commission of inquiry into the Department of Works and Energy that he was so frustrated by the high level of corruption in Transkei that he also "jumped on the bandwagon".

Mr John Trickey, of Durban, spoke about his involvement with Joe-Lexie Pty Ltd and their efforts to obtain casino rights at a site near the Umtata dam.

His company was given a mandate by Joe-Lexie to do feasibility studies and to look into the proposed entertainment complex.

However, in October, 1986, he relinquished his mandate to Mr A. Del Veccio at the ex-Prime Minister, Chief George Matanzima's house in Butterworth.

During their efforts to acquire rights, Mr Trickey said they were told by Chief George, that they first must pay him R2 million for the rights.

"He wanted R2 million and that would be that. There was no secretiveness about it," Mr Trickey said.

He said Mrs Ceza told him that Paramount Chief Kaiser Matanzima had told her that she must not approach Sol Kerzner with their mandate because Transkei had received a bad deal with Mzamba, and that they should not approach the Transkei Development Corporation for finance because they would alert Sol Kerzner and the rights would "be whipped away from us".

Chief George was anxious to purchase a Ugie farm from Mr G.J. Gouws, Mr Trickey said, and added that Chief George told him that he lay "awake at nights because he was afraid he would lose the farm".

Subsequently Chief George asked that they make arrangements with Mr Gouws for the purchase of the farm.

Chief George jokingly referred to the R2 million as "tobacco" and said that it was custom that chiefs got their tobacco, Mr Trickey said.

Then a meeting, attended by Mr Gouws, Mrs Ceza, Mr Del Veccio and himself, was held at Ugie in October, 1986, and there Chief George had said eight cabinet ministers had to receive R50 000 each.

A cabinet meeting had to be called to get the application through, which would not be difficult as there were new ministers, but "lobola" was also needed, he said.

According to Mr Trickey, after the meeting Chief George had said he was leaving for Pretoria to arrange transfer because the farm would be incorporated into Transkei, as the Group Areas Act would prevent the sale otherwise.

When asked about the lobola, Mr Trickey said: "I'd say it was extortion, not a bribe" and he agreed with the chairman that it was definitely an illegal deal.

However, Mr Trickey said, there was then a double cross concerning the granting of rights to Joe-Lexie by Chief George as he read about the issue in a prospectus which included a hotel casino in Umtata and he realised that their attempts had been foiled in spite of their arrangement to pay "lobola".

"As an individual, it was impossible for me to correct the high rate of corruption here."

He said he failed to report it because of his frustration as everyone else was jumping on the bandwagon and he asked himself "why can't I?".

The commission continues today.

Gambling deal illegal — Kaiser

ROGER SMITH

UMTATA — Whoever gave gambling rights to Sun International (SI) in the Umtata casino deal did so "illegally", former Transkei President Paramount Chief Kaiser Matanzima told the commission of inquiry into government corruption yesterday.

His evidence was part of a day of further revelations on the granting of gambling rights in the Transkei. The inquiry also heard:

□ There were three instances where government letters approving applications for gambling rights ran contrary to Cabinet resolutions:

□ An alleged demand of R2m by former Prime Minister Chief George Matanzima in exchange for gambling rights was "a bribe" and "definitely an illegal deal"

Chief Kaiser said he was strongly opposed to the granting of gambling rights on moral grounds.

He said approval of the Umtata Casino Project had not been discussed with him. He denied knowledge of the R50,000 deposited in his account by Chief George last year.

— Former Durban commercial branch policeman John Trickey told of a meeting in 1986 where Chief George had said he wanted R2m for the gambling rights.

Trickey said Chief George later mentioned eight Cabinet Ministers who had to receive R50,000 each because the Cabinet would have to approve the application.

Our own correspondent reports that Ugie farmer and hotelier G J Gouws told the commission on Monday he did not know where large sums of money deposited in his account came from.

— When he received instructions from Chief George about the money he still did not ask him for details, he said.

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Booy

20/1/88



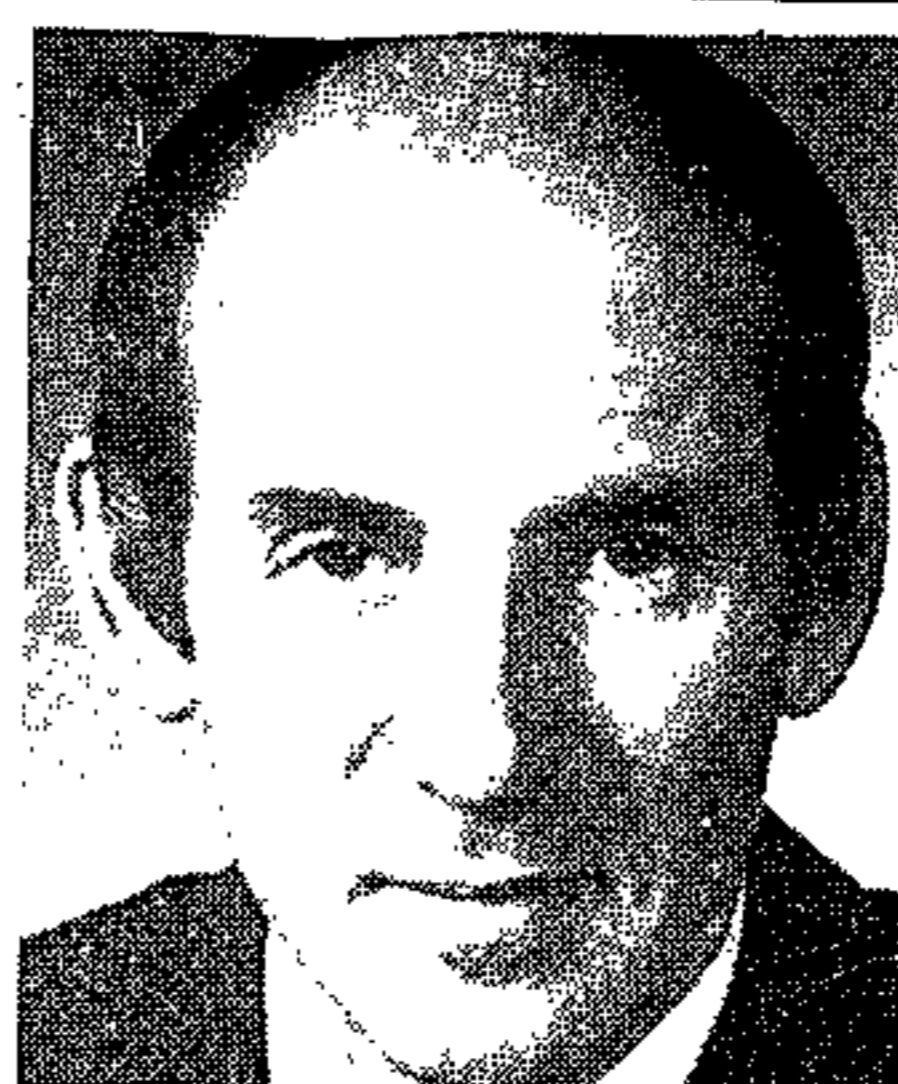
SOL KERZNER ... Central as MD of Sun International.



KAIZER MATANZIMA ... Evidence of payment.



GEORGE MATANZIMA ... toppled in coup.



DAVID BLOOMBERG ... Attorney for ESL deals.



STELLA SIGCAU ... followed George.

Cape Times 20/1/88 (103)

Transkei Commission reveals network of names and deals

JOHANNESBURG. — The Commission of Inquiry into the Transkei Department of Works and Energy has uncovered an alleged payoff scandal with wide ramifications.

A who's who of some of the principal actors and others whose names have cropped up in the investigation, is as follows:

□ **CHIEF GEORGE MATANZIMA:** Former Prime Minister, toppled in a coup by Major-General Bantu Holomisa on September 24 last year, after a mounting scandal over corruption in his government uncovered by two commissions of inquiry. In the second and current one, evidence was that he received payments in January and February last year amounting to R344 000, plus R26 000 for a Mercedes-Benz car, from Ugie farmer GJ Gouws, who had had R2 m deposited in his account by Cape Town attorney David Bloomberg. Sun International (SI), which has denied knowledge of these transactions, had shortly before transferred R3 m to Bloomberg for the Transgames deal.

ACCORDING to Lexie Ceza, Chief George told her at a meeting about a month before the Transgames deal that if her company Joe-Lexie wanted the casino rights, they would have to pay R2 m "lobola".

□ **CHIEF KAIZER MATANZIMA:** Paramount Chief and former President and Prime Minister, took Transkei into independence in 1976 and retired as Prime Minister in February 1986 in favour of his brother George. Evidence in the inquiry was that he was paid R50 000 by George on the same day George received a cheque for R100 000 from Gouws.

□ **STELLA SIGCAU:** Former Prime Minister, took office after the fall of Chief George only to be toppled in Holomisa's second coup on December 30 after she was implicated in the payoffs probe. The inquiry was told a cash cheque from Gouws for R50 000 was deposited in her account on January 20 last year.

□ **T T LETLAKA:** Former Minister of Commerce, Industry and Tourism. Evidence was he received a R50 000 cheque from Gouws on January 19 last year.

□ **KENNETH MAGIDIGIDI:** Umtata businessman mentioned in the first inquiry in connection with allegations regarding business incentive payments involving losses to the Transkei government of about R23 m. According to Lexie Ceza, he was present at the "lobola" meeting with Chief George. Evidence was he received

R30 000 from Gouws's account on January 26 last year.

□ **MTUTUZELI LUJABE:** Former Foreign Affairs Minister, also said to have been present at the "lobola" meeting. Evidence was he received R50 000 from Gouws's account on January 29 last year.

□ **VULINDLELA MBOTOLI:** Butterworth businessman, MD Transkeian Jalc subsidiaries Temba Investments and Temba Construction. The present inquiry has involved investigation of all the Works and Energy Department's housing contracts, including contracts awarded to Temba and Jalc. Mbotoli was one of the vendors of the 55% shareholding in Transgames to SI, for which he received R574 626 in cash, 16,42% of the slot-machine royalty and 7,46% of the issued shares of Newco.

□ **CHRIS VAN RENSBURG:** Jalc Chairman, residing in East London. He is said to be a personal friend of Chief George, as well as of senior members of the SA government. He holds a power of attorney for his brother, Fred, who was a vendor of the 55% shareholding in Transgames to SI.

□ **LAURIE PAINTING:** Jalc Financial Director, named with Chris van Rensburg in the inquiry by counsel for the Auditor-General as among the people SI should disclose any dealings with.

□ **FRED VAN RENSBURG:** Queens-town businessman, brother of Chris van Rensburg, who holds a power of attorney for him. As a vendor in the Transgames deal, Fred van Rensburg received R387 873 in cash, 11,8% of the slot-machine royalty and 5,4% of the issued shares of Newco.

□ **DAVID BLOOMBERG:** Former Cape Town mayor and attorney representing ESL, the mystery Lichtenstein-based company, who also handled negotiations for all the vendors in the Transgames deal.

HE also represented Walter Reif of ESL wholly-owned subsidiary Transkei Tattersalls in earlier negotiations with the Transkei government over gambling rights. Bloomberg handled the R3 m SI paid for the Transgames deal. Evidence was he later deposited R1,5 m in Gouws's account on December 15, 1986, and R500 000 on January 15, 1987, from which payments were made to various Ministers.

□ **G J GOUWS:** Ugie farmer and hotelier. His farm was said to be the scene of the "lobola" meeting. Evidence was he was to sell the farm to Chief George for R1,4 m. After the deductions from his account for payments to various Ministers, the amount of R1,4 m

matches the balance of the R2 m paid into it by Bloomberg. Gouws has denied responsibility for the payments.

□ **M M NTLOKO:** Transkei Development Corporation MD and a director of Transun. Involved in negotiations over the Umtata hotel and casino projects and the JSE listing of Transun.

SAID by Ceza to have offered her R300 000 on behalf of SI MD Sol Kerzner to drop her company's application for casino rights. Evidence was he was paid R50 000 from Gouws's account on December 23, 1986.

□ **LEXIE CEZA:** MD of Joe-Lexie. She was known to be on friendly terms with Chief Kaizer Matanzima. She applied for casino rights in the Umtata area some time before Transun did so. She received a written assurance from Chief George that it would be possible for her company to obtain the rights, and said she was told by him at a meeting at Gouws's Ugie farm in October 1986 they would have to pay R2 m "lobola" for them. She said he also told her to include the names of various people, including his wife, Nowethu, and Cabinet Ministers Lujabe, Tetlaka and Sigcau, as company directors in her application, which was subsequently refused.

□ **JOHN TRICKEY:** Former Durban commercial branch policeman. Named as a financial backer of Joe-Lexie with another Durban businessman, A Del Vecchio. He attended the "lobola" meeting.

□ **WALTER REIF:** Named in connection with negotiations for the concession of certain gambling rights to ESL subsidiary Transkei Tattersalls in 1978. He retired from business in SA to Locarno, Switzerland, in 1977, where he died in November, 1986.

□ **SOL KERZNER:** Sun International MD, involved in the negotiations for the Umtata hotel and casino project and the Transgames deal. Signed a letter to Bloomberg on December 10 on the conditions of the Transgames deal, and an agreement on the project

and deal with Chief George on December 12.

A note on companies:
□ **Sun International (SI):** Relevant present subsidiaries include Transun, Newco and Transgames.

□ **Transun:** Runs the Wild Coast Sun.
□ **Newco:** Set up to run any new casino built by Transun outside the area of the Wild Coast Sun.

□ **Transgames:** The company set up in terms of a 1981 agreement by HI, the Transkei government and Transkei Tattersalls (wholly owned by ESL) to which gambling rights were ceded. Originally, share ownership was 50% Transun and 50% ESL. Later it was 45% Transun and 55% ESL, Mbotoli and Van Rensburg. The Transun takeover was finalized in December 1986.

□ **ESL:** Mystery Lichtenstein-based company, the beneficial owners of which, have not been finally identified. As a vendor in the Transgames deal, ESL received 1,6 m shares in Transun, R2 m in cash, 72,5% of the slot-machine royalty and 12,5% of the issued shares of Newco.

□ **Jalc holdings:** Directors Chris van Rensburg, Painting, John Strong and Athos Paulos.


IT has construction and gambling interests in the homelands and Mauritius. Its subsidiary Nitor has built prestige developments in SA. Its Transkeian subsidiaries are Temba Investments and Temba Construction. It had a connection with Transgames through Mbotoli and Fred van Rensburg.

□ **Mzamba Development Company:** Obtained gambling rights for Wild Coast casino site at an early stage and became the property company for the casino project for which HI was operating company.

□ **Holiday Inns (HI):** Received an early assurance on the granting of gambling rights before Transkei's independence in 1976. HI was taken over by Sun International in 1985, after which the Wild Coast Holiday Inn became the Wild Coast Sun.

DD 20/1/88

Jigsaw puts Transkei on the map



Special correspondent: Harare

While the Zimbabwe government and governments all over the world refuse to recognise Transkei, Bophuthatswana, Ciskei and Venda as independent, some Zimbabwean companies are according them this recognition, the national news agency Ziana reports.

Some or all of the homelands can be found listed as countries on some educational material intended for Zimbabwean children, in a diary called the Zimbabwe Diary, in insurance policies and in the literature of a local motoring organisation.

Suprisingly, even the Posts and Telecommunications Corporation, a government parastatal, lists some of them among the countries of the world in a number of its documents, including those listing telegraphic charges and telex country codes.

Last month The Herald brought it to public attention that a school calendar map printed in Zimbabwe not only treated South African homelands as on a par with genuinely independent countries but displayed 30 flags of "nations", leaving out those of such important countries in the region as Mozambique, Angola and Tanzania but including six homelands flags.

A jigsaw map of Africa available in bookshops and toy shops throughout Harare shows Transkei as a country, marked out in a different colour from South Africa, with country-size lettering for Transkei and capital-city size lettering for Umtata. On most of these maps there is a list of countries and their capitals to one side of the map. This list includes Transkei with Umtata as its capital.

Asked about this, the managing director of Payen Zimbabwe, which markets the jigsaw map "as an educational aid", Mr Donald Dewar said: "I can only pass the blame, if any blame is involved, to Reuters in Nairobi." Reuters supplied the list of countries, he said.

African states changed their names so frequently his company could not be expected to get them all right and it had to rely on information from those who should know, such as Reuters.

Recognition

It was pointed out that the portrayal of Transkei as a country had nothing to do with African countries changing names but with giving recognition to a homeland set up as part of South Africa's apartheid policy and recognised by no country but South Africa.

Mr Dewar became angry and suggested Ziana should have better things to do than "waste your time on small details".

He later sent a telex message to the Ministry of Home Affairs, with a copy to Ziana, saying that the jigsaw map had been accepted by educational authorities as an ideal teaching method and these authorities obviously had not thought along the same lines as the Ziana reporter who had queried Transkei's inclusion as a country on the map.

However, he conceded there was an "error" and sought approval from the Ministry for the continued marketing of the jigsaw with the name Transkei deleted from the list of countries (but the country presumably still shown on the

map itself as separate from South Africa) and said it was hoped to export the jigsaw map as well as increase local sales.

Transkei is also elevated to the status of a state in the Zimbabwe diary, which places it between Namibia and Zambia in its list of public holidays in the region, rather than listing its holidays under South Africa.

The managing director of Directory Publishers, which publishes the diary, Mr Bruce Beale, said he was a businessman not a politician.

He said a lot of people in the SADCC region exported to the South African homelands and needed to know when there were public holidays there. Perhaps other homelands had not been included because they were not so important to businessmen and their inclusion had therefore not been requested by them.

When it was pointed out that other diaries on sale in Harare did not seem to find it necessary to list Transkei's public holidays, he said that was probably why his diary was proving popular.

— Sapa

Thumbs-up to 'Kei govt

CAPE TOWN — South Africa yesterday officially recognised the new government in Transkei.

President P W Botha met Transkei's President Tutor Ndamase at Tuynhuis to discuss the recent military takeover in the territory, among other issues.

In a statement after the meeting, Botha said that Ndamase had confirmed his government's commitment to efficient government and to the eradication of corruption in the public sector.

Botha said government, through the Department of Foreign Affairs, had been in constant communication with the new Transkei government to get assurances concerning the continued safety of all South African citizens and the unhindered conduct of their daily business.

"The necessary assurances were given and upheld," he said.

"The South African government is of the opinion that the position in Transkei has stabilised and that the new government is in effective control of all functions of government."

— Sapa.

103
2/11/88 B/day

UMTATA — De-
posed Transkei
premier Stella
Sigcau yester-
day told a com-
mission of inqui-
ry here how she
received a re-
port that a mys-
terious person fed the Transkei De-
fence Force (TDF) information
about pending arrests of certain
top members and the sheer panic
that followed led the army to
overthrow her.

Sigcau testifies to commission

103
2/11/88

Own Correspondent

Sigcau, accompanied to the commission by followers, who came in two truck loads from Eastern Pondoland and filled the commission hall, told chairman Gerald Alexander the information was given to her by head of TDF intelligence, Lt-Colonel Craig Duli.

Sigcau was legally represented by an Umtata attorney, Dave Shawand a Maritzburg advocate, Peter Rowan.

Sigcau told the commission she met with the TDF on Friday, January 8 this year and spoke to Lt-Col Duli and Major Mkalali.

She said they discussed her security arrangements since the

overthrow and briefly talked about the alleged corruption or bribery.

She added she told the army officers she did not understand how the R50 000 donation could have been reason for the coup as the donation was well canvassed, even during the elections for premiership.

"I further told them that I had since learnt that there were other reasons for the coup and that this had merely been used as a cover-up for the real reason.

"In further discussion Col Duli gave me to understand that a man attached to the office of President Tutor Ndamase in Umtata — and who was a national intelligence officer — had claimed that he had positive information that I had signed warrants of arrest for the top hierarchy of the TDF," she said.

Skeletons rattle at Kei inquiry

EAST LONDON. — A human skull has been found in Chief George's old office as more skeletons in the Matanzimas' closets were uncovered in Transkei this week.

As Chief Kaiser appeared before the commission to give evidence, reports released this week revealed a skull and bones were found in a locked safe in the official Prime Minister's office when Stella Sigcau took over in November.

Sigcau had noticed the safe in the corner of the office and demanded that it be opened. When a key could not be found, the safe was broken and the skull and bones found along with a tattered vest. Police confirmed the reports but the bones have yet to be identified.

The same day the skull find was made public, former State President Chief Kaiser gave evidence to the Commission of Inquiry into the Department

of Works and on gambling rights in Transkei. Chief Kaiser said he was opposed to gambling in the Transkei because it corrupted the youth and drained money into South Africa.

Asked about an amount of R50 000 deposited in his account by his brother, Chief Kaiser denied all knowledge of it, claiming that he never looked at his bank statements.

The money was apparently deposited shortly after a Ugie farmer received two million rand from a Cape Town lawyer. This money was used to pay for a farm and Mercedes for Chief George and for payments for Chief George and other unnamed officials, in an apparent attempt to secure sole gambling rights for Sun International.

Chief Kaiser was also asked to explain a 1978 letter he signed granting casino rights to the Mzamba Development company, in contradiction

with an earlier cabinet decision.

"I'm not sure how it came about but I only act with Cabinet approval. I'm not sure who drafted the letter."

The commission also heard how Chief George had handed cheques for R50 000 to two former cabinet ministers, Mtutuzeli Lujabe and Tsepo Letlaka, as "election expenses". The payments were apparently also part of the two million rand hand out.

Lujabe said Chief George had said: "Here's your ticket", when he handed him the cheque, but both ministers denied that there was anything improper in the deal.

Chief George's current whereabouts is still unclear although he is believed to have stayed in a Port Elizabeth hotel again this week. He was subpoenaed to give evidence but failed to appear.

ELNEWS

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Army men feared arrest — Sigcau

Own Correspondent

UMTATA — The deposed Transkei premier, Ms Stella Sigcau, yesterday told a commission of inquiry that the Transkei Defence Force had overthrown her after they received a report from a mysterious person that top members of the army were about to be arrested.

Ms Sigcau, who was accompanied by followers who came in two trucks from Eastern Pondo-land, told the chairman, Mr Gerald Alexander, that this was disclosed to her by the head of the Transkei Defence Force (TDF) intelligence, Lt-Colonel Craig Duli.

Ms Sigcau told the commission she met Lt-Col Duli and Major Mkalali on January 8 this year to discuss her security arrangements, and the alleged corruption.

She said she told the army officers she did not understand how the R50 000 donation could have been the reason for the coup, as the donation was well canvassed.

"I further told them that I had since learnt that there were



Ms Stella Sigcau



Chief George

other reasons for the coup and that this had merely been used as a cover-up.

"Col Duli told me a national intelligence officer attached to President Tutor Ndamase's office in Umtata, had claimed that he had information that I had signed warrants of arrest for the top hierarchy of the TDF.

"Col Duli told me this person phoned him with this informa-

tion while he (the mystery man) was at Bophuthatswana as part of the state president's entourage then," Ms Sigcau said.

She said the mystery man later phoned the TDF, claiming that she had already signed the warrants and that it was only a matter of hours before the officers would be arrested.

Ms Sigcau said Col Duli told her the TDF felt that her government should be overthrown to pre-empt their arrest.

Ms Sigcau conceded to having received R50 000 from Chief George Matanzima on about January 19, 1987.

She said when Chief George gave her the cheque, he said he was happy to contribute towards the education of her father's granddaughter.

"I saw this gift as nothing more than a gesture of friendship which accentuated the closeness and understanding between our families."

Ms Sigcau also revealed to the commission she had received cash gifts from Chief George in the past.

On the steps of parliament he once gave her R100 and suggested that she buy herself perfumes.

Official nod for Kei govt

By ANTHONY JOHNSON
Political Correspondent

THE South African government yesterday effectively sanctioned the military coup in Transkei at the end of last month by accord- ing official recognition to the new rulers in the territory.

Recognition for General Bantu Holomisa's new government fol- lowed a meeting between the State President, Mr P W Botha, and Transkeian President Chief Tutor Ndamase at Tuynhuys.

After the meeting, Mr Botha in- troduced Chief Ndamase to visit-

ing Bavarian Prime Minister Mr Franz Josef Strauss in the foyer of Tuynhuys, saying that the chief was "keeping the peace" in Transkei.

In a statement released last night, Mr Botha said Chief Nda- mase assured him his new government would honour all agreements and arrangements existing between the Republic and Transkei.

Chief Ndamase also confirmed its commitment to "efficient government and eradication of corruption in the public sector".

Mr Botha said: "The South Afri-

can government recognizes Transkei as a sovereign indepen- dent state and, as it is in the inter- ests of both countries and their peoples to continue the co-opera- tion which has traditionally exist- ed between them, will in future conduct its bilateral relations with the government of that coun- try."

According to a statement which President Ndamase read to Mr Botha and the Minister of Foreign Affairs, Mr Pik Botha, the recep- tion of the present government by the people of Transkei "needs to be experienced to be believed".

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ARGUS 21/1/88 (103)

Chief George agrees to testify at inquiry

The Argus Correspondent

UMTATA. — Former Transkei Prime Minister George Matanzima, who has been a central figure in the inquiry into alleged corruption in the territory, is prepared to appear before the commission investigating the allegations.

In a letter from Port Elizabeth to the chairman of the commission, Mr Gerald Alexander, SC, Chief George said he was prepared to appear if he was allowed to examine the evidence of previous witnesses.

Mr Alexander said Chief George would be allowed to examine the evidence tomorrow and give his evidence on Tuesday.

A subpoena was issued last week for Chief George to appear before the commission but he could not be found.

Meanwhile, former Transkei Prime Minister Miss Stella Sigcau said she was deposed in a coup d'etat on December 30 because the Transkei Defence Force feared she was going to arrest its key members and not because of the alleged corruption.

However she admitted before the commission that she did re-

ceive R50 000 from Chief George on January 19 1987.

She said Chief George told her the money was to assist her in the education of her daughter at university.

Miss Sigcau called upon the commission to clear her of the corruption allegations.

Suffered

She said she had suffered "considerable prejudice because of the allegations and the widespread publicity these allegations have received".

She said her "deposition as Prime Minister was not motivated by the so-called corruption involving the R50 000".

Miss Sigcau said that on January 8 she told a Colonel Duli and a Major Mkalali of the Defence Force that there were other reasons for the coup d'etat and that this had merely been used as a cover-up.

"There was a rumour circulating that I intended arresting certain members of the army. I can categorically state that I had no such intention and that the notion had not entered my mind.

"I understand that a national intelligence officer attached to

the State President's office in Umtata, and who claimed he was very close to the President, said he had information that I had signed a warrant of arrest for the top hierarchy of the army.

"The primary cause of the coup d'etat was none other than the disinformation spread by the unknown person, which understandably caused the uncertainty among members of the military and precipitated their actions.

"The person who disseminated this information should be tracked down and exposed. This is the real reason for my removal from office and not the so-called corruption."

Miss Sigcau said she saw the R50 000 Chief George gave her as a gift that was "nothing more than a gesture of friendship which accentuated the closeness between the Sigcau and Matanzima families.

"If I felt guilty about taking the money, then accepting the position of Prime Minister, especially in view of widespread allegations of corruption by persons in authority would have been nothing less than political suicide."

The hearing continues.

South Africa recognises new Transkei government

Political Staff

SOUTH AFRICA has recognised the new Military Council of Transkei which seized power in a bloodless coup recently.

President Botha announced the move yesterday after he and the Minister of Foreign Affairs, Mr Pik Botha, met Transkei's President Tutor Ndamase at Tuynhuys, the President's office in Cape Town.

In a statement President Botha said the Government had received assurances from the new Transkeian Government about the safety of South African citizens and the "unhindered conduct of their daily business".

He said: "President Ndamase assured me his new government would honour all agreements and arrangements between our two countries.

"He also confirmed its commitment to efficient government and the eradication of corruption in the public sector.

"The South African Government is of the opinion that the position in Transkei has stabilised and the new government is in effective control of all functions of government.

"VERY STABLE"

"It is in the interests of both countries and their peoples to continue the co-operation which has traditionally existed between them."

President Ndamase said: "The situation at home is very stable.

"In fact I even venture to say that the reception of the present government by the people of Transkei needs to be experienced to be believed."

Daily Dispatch Reporter

UMTATA.— The commission of inquiry into the Department of Works and Energy was told here yesterday that the Swiss, Mr Walter Reif, of Etablissement Sports et Loisirs (ESL), whom Chief George Matanzima had granted gambling rights in Transkei "did not exist".

This emerged during evidence from Mr George Peter Poulos, from Natal, whose cousin, Mr Athos Poulos, was a partner in Jalc with Mr Chris van Rensburg, Mr L. D. Painting and Mr J. T. Strong.

Mr Poulos told the commission that at one time he met Mr Van Rensburg at the Umtata airport where Mr Van Rensburg told him that Transkei was run by one man, Chief George, and that he spoke for Chief George.

Mr Poulos said he and his partner, Mr David White, had worked on an application for seven years to acquire a lease for a piece of land to build a hotel at the Umtimvuna Gorge.

Subsequently, within days of the lease being signed by the Department of Local Government and Land Tenure early in 1984, the then State President, Paramount Chief Kaiser Matanzima, declared the lease invalid.

He said this incident followed a report in the Daily Dispatch about the ceremony when their Transkei partner, Mr Sidwell Mabovula, was contacted by the newspaper just before the signing ceremony — although the contract was already signed.

Mr Poulos said Mr Mabovula had told him that after the news appeared one of the Sun International people — believed to have been Mr Sol Kerzner — visited Umtata and after the meeting took place, the lease was declared invalid because the wrong act was referred to in the agreement.

They finally were able

Witness: gambling rights given to non-existent man

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to see Paramount Chief Matanzima about the matter in which he denied that he had declared the lease invalid but said he would have to make a decision on the matter.

The meeting was very difficult to conduct, Mr Poulos said, because every time they went into any detail Paramount Chief Matanzima would stand up and declare the meeting invalid.

Mr Van Rensburg had told him that if he wanted to do something they should incorporate plans and then Mr Van Rensburg could guarantee success, Mr Poulos said.

His cousin had tried to convince him to join with them and in doing so told Mr Poulos that they had secured sole rights for gaming machines, Mr Poulos told the commission.

Mr Poulos told his cousin that he did not understand as Mzamba Development had obtained casino rights.

He said his cousin then told him that Sun International would have a surprise when they found out because they would have to deal with his boss, Mr Bloomberg.

Mr Poulos told the commission that his cousin told him that Mr Bloomberg acquired the rights through Chief George when Chief George gave those rights to Mr Reif in an agreement. However, his cousin told him that Mr Reif "did not exist".

He said that his cousin told him that Mr Bloomberg was in full control of all gambling in Transkei which included tattersalls and bookmaking in all major centres.

Replying to a ques-

tion, he said he did not know if this meant that Mr Reif did not exist or if he was an actual man used as a front. If Mr Reif did exist, earlier evidence indicated that he had since died.

His cousin indicated to Mr Poulos that they were the "A team" in Transkei.

Mr Poulos then went back to his business associate, Mr White, to discuss the idea of incorporating their interests with Mr Vans Rensburg's as he was very powerful in Transkei and was a mouthpiece for the government.

Mr White told him "no", that they would continue going through the normal channels to acquire their lease.

Mr White then reminded him of the reaction to Mr Poulos when he first went to Umtata and people questioned his surname, indicating that if he had anything to do with Jalc then they did not want to get involved with him.

Mr Poulos said that he was then warned by Mr Van Rensburg that if they did not go through him, their scheme would fail.

After this period when they declined the offer, he said he did not hear any more from his cousin or Mr Van Rensburg.

He was asked if he knew if Holiday Inns or Rennies had had to pay money to any official and he replied "no".

He was then asked if he knew if Paramount Chief Matanzima ever received any direct benefit for granting rights to Mzamba Development Pty Ltd in return for giving them the rights instead of Holiday Inns as he had intended.

Mr Poulos replied that

it was from hearsay but that he had heard from a member of the State President's office, who was acquainted with their application, that when their application was cancelled, Mr Kerzner visited Paramount Chief Matanzima and they had met "behind closed doors".

When the meeting ended Paramount Chief Matanzima was heard to say: "While I'm in office there will be no other hotel there."

Counsel for the Auditor-General told the commission that it was not a court but a commission of inquiry and hearsay could be heard.

Counsel, however, made it clear that the evidence would be weighed as hearsay by the commission.

Mr Poulos traced the history of Mzamba in which Mr White played a large part in its present day location.

Mr Poulos said that around 1978, Mr White, who was owner of Margate Air, indicated his interest in a possible casino venture at Mzamba and in spite of other suggested spots, Mr White was sure that Mzamba was the ideal site.

Mr Poulos said he was not involved in this Mzamba scheme but during the development concept, Mr White was living and working at his home.

Mr White's chief pilot, Mr Doug Hayward, who often flew the Transkei routes, indicated to Mr White that Mr M. T. Brereton was well connected in Transkei.

A company called Mzamba Development in which Mr White and Mr Brereton had interests put forward a plan and Paramount Chief Matanzima granted the rights in 1978.

However, Mr White had a different vision for the area.

Mr Poulos described Mr White as a straight-down-the-line kind of man who was not a monopolist and who envisaged a situation where eventually there would be competing hotels at the Mzamba site with resultant competition and high standards.

He wanted to open negotiations with Southern Suns and Holiday Inns, and he even approached Sheraton and Hilton to enter the Southern Africa market.

Mr Poulos said initial negotiations broke down apparently because Mr Kerzner did not want to deal with a nobody, and Mr Dick Goss of South African Breweries — which was the holding company of Southern Suns — was contacted and a further meeting was scheduled.

However, Mr Brereton sold the rights to Holiday Inns before the meeting took place.

Mr Poulos told the commission that Mr Charles Fiddian-Green of Rennies — which was the holding company of Holiday Inns — was furious at Paramount Chief Matanzima for having given the rights to Mzamba Development when Holiday Inns had been given assurances to have the first right of refusal back in 1975.

He said Mr Brereton sold the rights for R500 000 as he was told that if he did not take the money then he could lose everything because Mr Fiddian-Green was intending to take Paramount Chief Matanzima to court.

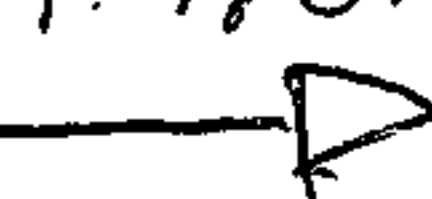
Mr Poulos said Mr White was angry and questioned Mr Brereton's right to sell to one company thus excluding

competitive development and without informing the other interested parties.

It was felt that Mr Brereton was intimidated by Mr Fiddian-Green and Paramount Chief Matanzima to sell as Mr Brereton had been called in by the Prime Minister, then Paramount Chief Matanzima, who told him that he would have to sell the rights to Mr Fiddian-Green.

When asked about the other possible deals in connection with the rights if they had not been sold, Mr Poulos said one example was that there was a deal pending with SAB for R2 million plus participation.

Mr Poulos told the commission that one day Mr White had wanted to tell Paramount Chief Matanzima that he would be marked in history as the man who sold Transkei down the river.

P.T.O. 

Inquiry: cheque for wife

Daily Dispatch Reporter

UMTATA — A witness appearing before the commission of inquiry here said that Paramount Chief Kaiser Matanzima received a large cheque for his wife which she was supposed to receive as a shareholder of Mzamba Development Pty Ltd.

The witness, Mr Monde Zingisa Sihele, was initially the sole shareholder in the company which received casino rights in 1978. The evidence revealed that he was a front man and his sole share was then sold and transferred to a Kokstad attorney, Mr M. T. Brereton.

Those rights were later sold to Holiday Inns for R500 000.

The chairman, Mr G. Alexander, SC, revealed that before yesterday's proceedings, Mr Sihele had approached him in his chambers and asked if his proceedings could be conducted in secret because he did not want to say anything which might affect Paramount Chief Matanzima.

Mr Sihele said Paramount Chief Matanzima had been handed a cheque.

Mr Sihele, a Butterworth businessman, said Mr Brereton, Mr David White and a Mr Motsielili had told him that they wanted someone to assist them to make an application to government for casino rights.

Mzamba Development was formed and he became the sole shareholder and yet, he said, shares were given to Mr Brereton, Mr White, himself, Mrs Matanzima, Mrs E. Pamla, Mr D. Hayward, and Mr A. T. Nelison.

He was given R250 000 to divide among the black shareholders.

He told the commission that about R130 000 was to be divided between Mrs Matanzima and Mrs Pamla who was the wife of the Minister of the Interior. He said he kept the rest and gave some to Mr Motsielili.

He gave the cash cheque to Paramount Chief Matanzima for his wife.

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Inquiry: company denies links

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Indian employees in all
apartments.

JOHANNESBURG — Jalc Holdings, a construction company completing a large contract in Transkei, has denied any links with corruption being investigated by the commission of inquiry into the Department of Works and Energy.

The company said the media "or other sources presently unknown" may have created an impression that Jalc had been involved in corruption.

"Jalc denies any corruption or like impropriety on the part of Jalc or any person connected with Jalc," it said in a statement.

"This denial will in due course be supported by what emerges during the commission proceedings or any other proceedings in any forum." — Sapa. ^

Skull in PM's safe identified

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UMTATA — The skull which was found in a safe in the Transkei Prime Minister's office last year belonged to a Tsolo housewife who disappeared from her home in 1976, police revealed here yesterday.

The police liaison officer here, Lieutenant-Colonel S. S. Mokoatle, said Mrs Magaba Zibi's remains were exhumed three years later in a forest in the Mqanduli district, about 150 km from her home.

A man was later arrested and charged with murder.

Col Mokoatle said the garment found with the bones turned out to be a jersey the dead woman was last seen wearing.

It had been recovered from a woman who was to give evidence in the murder case in 1979.

The case was withdrawn because of insufficient evidence.

The two policemen who had been investigating the case were not happy with the decision to withdraw the case, and approached the then commissioner of police, Major-General Martin Ngceba, and the Prime Minister, Chief George Matanzima, to have the case reopened.

Colonel Mokoatle said the policemen brought the exhibits to the Prime Minister's office. Chief Matanzima promised to discuss the matter with the Attorney-General. The exhibits were locked in the prime minister's safe.

Both policemen were subsequently transferred, and the case remained closed.

Colonel Mokoatle said said police were still trying reopen the case.

There was no ulterior motive in having the exhibits kept in the prime minister's safe. — DDR

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Arrest rumours led to coup — Sigcau

Daily Dispatch Reporter

UMTATA — The deposed Transkei Prime Minister, Miss Stella Sigcau, said here yesterday the coup in which she was overthrown had resulted from disinformation spread by an unidentified person.

Allegations that she was involved in corruption and bribery — which she denied — were not the reason for the coup, she told the Commission of Inquiry into the Department of Works and Energy.

Miss Sigcau said in an affidavit an unknown man had spread information that she had signed warrants of arrest for the top hierarchy of the Transkei Defence Force.

She admitted receiving a cheque for R50 000 from the former Prime Minister, Chief George Matanzima, and said it was a gift intended to be used for her daughter's education in London.

She denied being

guilty of bribery, corruption or any other form of dishonest conduct with regard to the receipt of the money and said it had no relation to the coup.

Miss Sigcau said she had arranged a meeting at her home on January 7 with Colonel Craig Duli, the head of military intelligence and a member of the military council, to discuss arrangements in connection with her future security.

She said she told him she had learnt that the issue of the R50 000 had merely been a "cover-up" for the real reason of the coup.

She said that when the TDF was celebrating its Christmas party, she was informed by Chief Gladstone Gwadiso of rumours circulating to the effect that she intended arresting certain members of the army.

"I can categorically state that I had no such intentions and that the notion had not so much as entered my mind."

She gathered from further discussions with Col Duli on January 7 that an intelligence officer attached to the State President's Office in Umtata had claimed he had positive information that she had signed warrants of arrest for the military leaders.

Col Duli informed her that this person, who remained unknown to her, had telephoned the information while he was in Bophuthatswana as part of the State President's entourage and again when she and other cabinet members were attending official celebrations in Ciskei.

"I am strongly of the view that the person who disseminated this disinformation should be tracked down and exposed," she added.

Miss Sigcau said she had suffered considerable prejudice as a result of the allegations of corruption levelled at her and the widespread publicity they received.

"On the evidence tendered I call upon the commission to clear me of the allegations in a special interim report."

Miss Sigcau also said she had not been aware that other cabinet ministers had received cheques of R50 000 until Chief D. Mlindazwe came to Durban where she was on holiday and told her he had been invited by the new government to join the council of ministers and had been shown the various cheques.

She denied any involvement in any plan Chief George had to push an application for casino rights through the cabinet.

The commission continues today.

More reports pages 2, 3

wanted man

tended that I had not seen him.

"But all the time I was aware of his one eye peeping at me from behind the block. I did not look at him directly, but I kept watching him out of the corner of my eye.

"When I reached the cement block, he jumped up, and I saw a huge knob kerie and an old blanket-type coat lying on the ground."

Mr Aspelung tried to persuade him to come to the station.

"Then I said 'you look tired', and just as he said: 'yes', I quickly

scooped-up the knob kerie with my right hand, at the same time grabbing him behind the neck with my left-hand.

"Then I marched him to my locomotive. A few seconds later the police arrived."

Less than three hours after his arrest, Mr Van der Westhuizen appeared in the Vereeniging magistrate's court on charges of murder and rape.

He pleaded guilty to the murder charge and not guilty to rape.

The case was postponed to January 29. Mr Van der Westhuizen is in custody.

runners' selections
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Dancing?

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D.D. 2/1/88

Chief George to give evidence next week

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UMTATA — The former Prime Minister, Chief George Matanzima, will appear before the commission of inquiry into the Department of Works and Energy some time next week.

The commission is hearing evidence on the issue of gambling rights.

In one of many dramatic turns, the chairman, Mr Gerald Alexander, SC, announced that he had received a letter from Chief George.

Chief George wrote:

"Before I left home for Port Elizabeth where I am attending to the finalisation of my stay here, I read in the media that a subpoena had been issued, but no subpoena has been served."

In anticipation of its service, he wished to make certain requests to the commission which included:

- that he be allowed to appear before the commission on January 22 or soon thereafter.

- that he be furnished

with copies of statements made against him by witnesses.

Counsel for the Auditor-General said the exhibits could be made available, and that Chief George could be scheduled to appear next Tuesday or Wednesday.

In another surprise event, the chairman announced that his co-commissioner, Mr Jiyana Maqubela, had resigned, and would vacate his post at the end of the month. — DDR

Arrest rumours led to coup — Sigcau

Daily Dispatch Reporter

UMTATA — The deposed Transkei Prime Minister, Miss Stella Sigcau, said here yesterday the coup in which she was overthrown had resulted from disinformation spread by an unidentified person.

Allegations that she was involved in corruption and bribery — which she denied — were not the reason for the coup, she told the Commission of Inquiry into the Department of Works and Energy.

Miss Sigcau said in an affidavit an unknown man had spread information that she had signed warrants of arrest for the top hierarchy of the Transkei Defence Force.

She admitted receiving a cheque for R50 000 from the former Prime Minister, Chief George Matanzima, and said it was a gift intended to be used for her daughter's education in London.

She denied being

guilty of bribery, corruption or any other form of dishonest conduct with regard to the receipt of the money and said it had no relation to the coup.

Miss Sigcau said she had arranged a meeting at her home on January 7 with Colonel Craig Duli, the head of military intelligence and a member of the military council, to discuss arrangements in connection with her future security.

She said she told him she had learnt that the issue of the R50 000 had merely been a "cover-up" for the real reason of the coup.

She said that when the TDF was celebrating its Christmas party, she was informed by Chief Gladstone Gwadiso of rumours circulating to the effect that she intended arresting certain members of the army.

"I can categorically state that I had no such intentions and that the notion had not so much as entered my mind."

She gathered from further discussions with Col Duli on January 7 that an intelligence officer attached to the State President's Office in Umtata had claimed he had positive information that she had signed warrants of arrest for the military leaders.

Col Duli informed her that this person, who remained unknown to her, had telephoned the information while he was in Bophuthatswana as part of the State President's entourage and again when she and other cabinet members were attending official celebrations in Ciskei.

"I am strongly of the view that the person who disseminated this disinformation should be tracked down and exposed," she added.

Miss Sigcau said she had suffered considerable prejudice as a result of the allegations of corruption levelled at her and the widespread publicity they received.

"On the evidence tendered I call upon the commission to clear me of the allegations in a special interim report."

Miss Sigcau also said she had not been aware that other cabinet ministers had received cheques of R50 000 until Chief D. Mlindazwe came to Durban where she was on holiday and told her he had been invited by the new government to join the council of ministers and had been shown the various cheques.

She denied any involvement in any plan Chief George had to push an application for casino rights through the cabinet.

The commission continues today.

More reports pages 2, 3

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Weapons seized on Umtata road

EAST LONDON — Weapons were seized from people travelling to Umtata yesterday in what the Commissioner of the Transkei Police, General Leonard Kawe, described as a "security precaution".

General Kawe said that weapons had been seized from "certain people" who passed through the roadblock, a few kilometres outside Umtata.

"All weapons seized have been returned to their owners," General Kawe said late last night.

He said the seizure of weapons was only for

yesterday and would not be a regular occurrence.

The chairman of Transkei's new ruling military council, Major-General Bantu Holomisa, said last night that he did not know anything about the seizure of weapons as it was "a police matter".

People who travelled from Pondoland yesterday to attend the sitting of the commission of inquiry into the Department of Works and Energy, at which the former prime minister, Miss Stella Sigcau, gave evidence, also reported that their vehicles had been searched at roadblocks. — DDR

21/1/88
Skull in
PM's safe
identified

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DD
UMTATA — The skull which was found in a safe in the Transkei Prime Minister's office last year belonged to a Tsolo housewife who disappeared from her home in 1976, police revealed here yesterday.

The police liaison officer here, Lieutenant-Colonel S. S. Mokoatle, said Mrs Magaba Zibi's remains were exhumed three years later in a forest in the Mqanduli district, about 150 km from her home.

A man was later arrested and charged with murder.

Col Mokoatle said the garment found with the bones turned out to be a jersey the dead woman was last seen wearing.

It had been recovered from a woman who was to give evidence in the murder case in 1979.

The case was withdrawn because of insufficient evidence.

The two policemen who had been investigating the case were not happy with the decision to withdraw the case, and approached the then commissioner of police, Major-General Martin Ngceba, and the Prime Minister, Chief George Matanzima, to have the case reopened.

Colonel Mokoatle said the policemen brought the exhibits to the Prime Minister's office. Chief Matanzima promised to discuss the matter with the Attorney-General. The exhibits were locked in the prime minister's safe.

Both policemen were subsequently transferred, and the case remained closed.

Colonel Mokoatle said said police were still trying to reopen the case.

There was no ulterior motive in having the exhibits kept in the prime minister's safe. — DDR

SA recognises new Transkei govt

2/11/88 Political Correspondent (103) SM

The South African Government has recognised the new military council of Transkei which seized power in a bloodless coup recently.

President Botha announced this yesterday after he and Minister of Foreign Affairs, Mr Pik Botha, met Transkei's president, Mr Tutor Ndamase, at Tuynhuys, the President's office in Cape Town.

In a statement, President Botha said the South African Government received assurances from the new Transkei government about the safety of all South African citizens and the "unhindered conduct of their daily business".

"During our discussions yesterday, President Ndamase assured me that his new government would honour all agreements and arrangements existing between our two countries.

He also confirmed Transkei's commitment to

efficient government and the eradication of corruption in the public sector.

"The South African Government is of the opinion that the position in Transkei has stabilised and the new government is in effective control of all functions of government.

"The South African Government recognises Transkei as a sovereign independent State and, as it is in the interests of both countries and their peoples to continue the co-operation which has traditionally existed between them, will in future conduct its bilateral relations with the new government of that country," the statement said.

President Ndamase in his statement assured the State President and Mr Botha that "the situation at home is very stable".

President Ndamase also implored President Botha to help Transkei reduce its unemployment.

● See Page 7.

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Matanzima is prepared to face the inquiry

By Michael Tissong

UMTATA — Former Transkei Prime Minister Chief George Matanzima, a central figure in corruption allegations in the territory, said he was prepared to appear before the military council-appointed commission investigating the allegations.

In a letter from Port Elizabeth to the chairman of the commission, Mr Gerald Alexander, Chief Matanzima said he was prepared to appear if he was allowed to examine the evidence of previous witnesses.

Chief Matanzima also asked for permission to cross-examine these witnesses.

EXAMINE EVIDENCE

Mr Alexander said Chief Matanzima had been granted permission to examine the evidence tomorrow and give his evidence on Tuesday and possibly Wednesday.

However, he said because it was not a trial, Chief Matanzima would be allowed to have his say without cross-examining previous witnesses.

A subpoena was issued last week for Chief Matanzima to appear before the commission but he could not be found. He apparently left the Transkei when he was deposed in September.

'Defence Force feared arrests'

Corruption charges false, says Sigcau

By Michael Tissong

UMTATA — The former Transkei Prime Minister, Miss Stella Sigcau, said she was deposed in a coup d'etat on December 30 because the defence force feared she was going to arrest its key members and not because of alleged corruption.

She admitted before the commission appointed by the military to investigate corruption in Transkei that she did receive R50 000 from Chief George Matanzima on January 19 1987.

She said Chief Matanzima told her the money was to assist her in the education of her daughter at university.

Miss Sigcau called on the commission to clear her of the allegations of involvement in corruption.

She said she had suffered "considerable prejudice as a result of the allegations of corruption and the widespread publicity these allegations have received".

She said her "deposition as Prime Minister was not motivated by the so-called corruption involving the R50 000".

Miss Sigcau said she told a Colonel Duli and a Major Mkalali of the defence force on January 8 this year that there were other reasons for the coup d'etat and that this had merely been used as a cover-up for the real reasons.

Rumours of arrest

"There was a rumour circulating that I intended arresting certain members of the army. I can categorically state that I had no such intention and that the notion had not so much as entered my mind.

"I even went so far as to mention this when making my Christmas party speech to the defence force.

"I understand that a man attached to the State President's Office in Umtata, and who was a national intelligence officer, who claimed that he was very close to the President, said he had positive information that I had signed a warrant of arrest for the top hierarchy of the army.

"Colonel Duli said that although no arrest had taken place after my return from Ciskei, the same man had yet again telephoned the Transkei Defence Force, this time saying that a warrant of arrest had been signed and that it was only a



Miss Stella Sigcau . . . wants her name cleared.

matter of a few hours before I acted.

"According to Colonel Duli, the defence force felt threatened and in their view it became imperative that my government should be overthrown in order to prevent their arrest.

"The primary cause of the coup d'etat was none other than the disinformation spread by the unknown person, which understandably caused the state of uncertainty among members of the defence force and precipitated their actions.

"The person who disseminated this information should be tracked down and exposed. This is the real reason for my removal from office and not the so-called corruption."

Miss Sigcau said she saw the R50 000 which Chief Matanzima gave her as "nothing more than a gesture of friendship which accentuated the closeness between the Sigcau and Matanzima families".

"I donated R15 000 towards the Church.

"I did not regard the receipt of this money as constituting any form of bribery or corruption or as being underhand in any manner. I would have returned it if it was.

"If I felt at all guilty about this R50 000, then accepting the position of Prime Minister, especially

in view of widespread allegations of corruption by persons in authority, would have been nothing less than political suicide."

Miss Sigcau said she was aware that her name was included as a director on an application for gambling rights.

She said she became aware of this when it was pointed out to her by the then Minister of Justice, Chief Pondo Ndamase, who handled the applications.

Miss Sigcau said she told a woman who included her name, Mrs Lexi Ceza, to have it removed.

Another witness, Mr Monde Sihle, who was the sole shareholder in Mzamba which earned R500 000 for selling its gambling rights to Holiday Inns, said the initiative was not his.

He said a group of businessmen mainly from South Africa approached him to assist them in getting gambling rights in the Transkei because he was totally connected to the Matanzima family.

He said an attorney, Mr Mike Briarton, acted on his behalf and the application was handed in.

Mzamba was granted a right to go ahead with gambling facilities, but was later pressured by the former State President, Chief Kaizer Matanzima, to sell these rights to Holiday Inns.

Beneficiaries

He said beneficiaries in the sale included Chief Kaizer Matanzima's wife, Mrs A Matanzima, a wife of a former Minister of the Interior, Mrs E Pamla, Mr Dave White, Mr D Haywood, Mr A T Neilson, Mr Briarton and himself.

A Durban businessman, Mr George Poulos, said that on two occasions gambling rights applications he was involved in fell flat in Transkei.

He said that in 1978, Mzamba was forced to sell its gambling rights for a mere R500 000 when it had another offer to sell for R2 million.

He also said that in January 1984 Umtamvuma Development Company was granted the right to build a hotel.

They had intentions of developing gambling facilities, but on the day of the signing ceremony Chief Kaizer Matanzima declared the whole agreement invalid, overriding government approval.

The Star

21/1/88

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Skull in PM's safe identified

UMTATA — The skull which was found in a safe in the Transkei Prime Minister's office last year belonged to a Tsolo housewife, Mrs Magaba Zibi, who disappeared from her home in 1976, the police liaison officer in Umtata, Lieutenant-Colonel SS Mokoatle, said yesterday.

Colonel Mokoatle said the missing woman's remains were exhumed three years later in a forest in the Mqanduli district.

Investigations led to the arrest of her stepson. The garment found with the bones was a jersey the dead woman was last seen wearing.

The case was withdrawn and the reasons given were that there was insufficient evidence.

The two investigating policemen were not happy with the decision to

withdraw the case, and approached the then Commissioner of Police, Major-General Martin Ngceba, and the Prime Minister, Chief George Matanzima, to have the case reopened.

Colonel Mokoatle said the two policemen were asked to bring the exhibits to the Prime Minister's office and Chief Matanzima promised to discuss the matter with the Attorney-General.

The exhibits were left in his custody and locked in his safe.

The two investigating policemen were later transferred and their successors never followed up the matter.

Colonel Mokoatle said it appeared there was no ulterior motive in having the exhibits kept in the Prime Minister's safe as Chief Matanzima had been approached to assist in getting the case reopened. — Sapa.

T'Kei PM 'did not ask for R2m'

*Cape Times
22/1/88
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Own Correspondent

UMTATA. — The former Transkei prime minister, Chief George Matanzima, had not suggested he be rewarded for approving an Umtata casino project and gambling rights, the deputy chairman of Sun International, Mr Sol Kerzner, said yesterday.

Giving evidence at the inquiry into government corruption here, Mr Kerzner said he had tried to persuade Chief George in a meeting on November 21, 1986, that Sun International should get the licence for the project.

He said his company had heard the rumours that a licence might be granted to another company, Joe-Lexie.

Held back

An earlier Sun International feasibility study had found it was viable only with casino rights.

When the then president, Paramount Chief Kaiser Matanzima, had indicated he would not grant such rights, Sun International had held back.

"It was only later when we heard the rights might be granted, we went ahead and Transgames came into the picture."

Sun International MD Mr Ken Rosevear said they had been approached by a Cape Town attorney, Mr David Bloomberg, some months earlier with an offer to sell a 55% shareholding in Transgames, which had exclusive

gambling rights.

Mr Rosevear said they had kept the offer in mind in view of the pending JSE listing of Transkei Sun International (Transun).

Mr Neilen Locke, for the Auditor-General, told Mr Kerzner Chief George was said to have demanded R2m for the gambling rights from Joe-Lexie and asked him: "Why should Sun International be different?"

Mr Kerzner said they were aware of rumours that Chief George wanted R2m at the time of the November 21, 1986, meeting.

Concerned

Asked whether there was any suggestion by Chief George of receiving some reward, Mr Kerzner said: "Absolutely not. I remember walking out thinking it was not a very constructive meeting."

Mr Peter Barratt, for the Auditor-General, asked Mr Kerzner what changed Chief George's attitude to granting the rights to Sun International when previously he had been holding out for R2m.

Mr Kerzner said: "I cannot truly answer that. As far as I was concerned I was doing the transaction straight up. That was it."

In response to the suggestion that Sun International had been generous or over-generous in its purchase of Transgames, Mr Kerzner said he wished he could do a deal like that every day.

Daily Dispatch Reporter

UMTATA — The deputy chairman of Sun International, Mr Sol Kerzner, said here yesterday he "nearly went bananas" with anger when he discovered that a Transkei cabinet resolution on an application for casino rights differed from an agreement granting his company exclusive rights.

Mr Kerzner flew to Umtata yesterday to give evidence before the commission of inquiry into the Department of Works and Energy. His testimony lasted nearly five hours.

He was accompanied by the chief executive of Sun International, Mr Ken Rosevear, the chief executive of Kersaf, Mr Ian Heron, and seven legal advisers.

In his opening address, counsel for the Auditor-General explained that the Transkei Government was the largest shareholder in Transkei Sun International Ltd (Transun) since its wholly owned para-statal, the Transkei Development Corporation (TDC) held the biggest block of shares — 28 to 29 per cent — with an approximate value of R75 million.

Mr Kerzner told the commission Sun International had asked the chairman of the TDC, Mr Monty Ntloko, to apply on its behalf for exclusive rights for the Umtata casino project.

It was assumed that the application had gone on the cabinet agenda for December 10, 1986, in its original form — on the basis of granting exclusive rights — and that if there were any changes Sun International would have been notified.

After the cabinet meeting, Sun International was notified by Mr Ntloko that its application had been approved and an agreement was drawn up and signed on December 12, 1986.

However, Mr Kerzner said, after the agreement had been signed, he was shown a copy of the cabinet resolution which agreed in principle to the hotel-casino but recommended against any monopoly or exclusivity in regard to slot machines.

Kerzner gives evidence at inquiry

DD 22/1/88
Mr Kerzner said he became very angry as this did not give approval to what had been asked for. He immediately directed that Mr Ntloko be found and that another agreement be drawn up for the signature of the then Prime Minister, Chief George Matanzima, to clarify the resolution.

"Either we have a deal or we don't," he recalled saying.

Mr Ntloko was asked to get in touch with Chief George and Mr Rosevear and Mr Heron drew up a letter which was later typewritten by Mr Ntloko's secretary on the letterhead of the Office of the Prime Minister. The letter was signed by Chief George on December 15.

The commissioners indicated they had been concerned by this letter as they wanted to know why it included wider rights than those applied for as well as those resolved by the cabinet. Mr Kerzner explained that the letter had been written under extreme pressure.

On November 21, 1986, Mr Kerzner said, he had a meeting with Chief George after hearing about an application for casino rights by another company, Joe-Lexie. Mr Rosevear told the commission that years earlier, before Joe-Lexie came into the picture, Sun International had undertaken a feasibility study for a hotel in Umtata and established that the hotel would be viable only if it had a casino. At the time Paramount Chief Kaiser Matanzima was against a casino in Umtata so the idea was dropped.

However, when the rumours of an application for casino rights sur-

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faced, and in the light of the proposed stock exchange listing of Transun, Mr Kerzner said it made good sense to try to acquire those rights and put Sun International's case to the government.

At the meeting he told Chief George of the company's good track record as was shown by the growth of the Mzamba casino. He told Chief George that if casino rights were granted there could be problems in terms of exclusivity of Transgames, and pointed out that Transun was going to be listed to allow Transkeians to participate in the shareholding.

Mr Kerzner said December 10 was an important date if the Umtata casino were to be included in the listing.

After the meeting with the prime minister he did not know where Sun International stood as Chief George was non-committal as to whether it had his support.

The commission was told that at this time there were rumours circulating that Mr Hans Enderlie and Mr Nigel Matthews could be linked to Joe-Lexie which was seeking casino rights at a site at the Umtata dam.

Earlier evidence was that Chief George had told Mrs Lexie Ceza her company would have to pay R2 million in return for those rights.

The commission was told that negotiations with a Cape Town attorney, Mr David Bloomberg, who was acting for the holders of the 55 per cent shares of Transgames which Sun International wanted to acquire, were dependent on whether the Wild

Coast Sun received the rights for the Umtata casino. Mr Kerzner said Mr Bloomberg had approached Sun International as early as 1984 and indicated that the 55 per cent of shares it did not hold were for sale.

Mr Kerzner said Mr Bloomberg indicated he was sure the application for the Umtata casino would go through. Mr Bloomberg indicated at a meeting, possibly because of Mr Kerzner's pessimistic view, that Mrs Ceza might not get the rights and Sun International might not get the rights — but he would get the rights.

When the deal was finalised for the purchase of the 55 per cent of Transgames shares, the sum paid was, in effect, R7,7 million. Although the negotiations with Mr Bloomberg had been tough, Mr Kerzner said: "I'd like to do this sort of deal every day."

On December 3, 1986, there was an encouraging note from Mr Ntloko who said Sun International's application was on the agenda for December 10 and subsequently the cabinet agreed in principle to the hotel-casino in Umtata.

Counsel for the Auditor-General asked Mr Kerzner about the connection with Mr Chris van Rensburg.

Mr Kerzner replied that Sun International was not aware of any involvement of Mr Van Rensburg and it came as a surprise to find he had a shareholding in Transgames. The evidence revealed that Mr Van Rensburg held some of the ten per cent of the shares ostensibly held by Mr V. Mbotoli.

Mr Kerzner said that Jalc Holdings had approached Sun International in connection with proposed projects in Mauritius, Lesotho and other areas, which were turned down.

The chairman, Mr Gerald Alexander SC, said he was completely satisfied with the way Mr Kerzner and his delegation had co-operated in answering questions put to them as it helped the commission get to the truth.

The commission continues today.

Holomisa: recognition official

UMTATA — Transkei's ^{Min} Government was ⁱⁿ⁻diated by his government formed by the South African Ambassador to Transkei, Mr Gert Terblanche, that the South African Government formally recognised the military government of the country unconditionally.

This was revealed by the new head of the military government, Major-General Bantu Holomisa here yesterday.

He said the recogni- Gen Holomisa said his

government re-affirmed that it would honour treaties, agreements and arrangements entered into in the past between Transkei and South Africa and reassured investors that their interests would not be in any way prejudiced by the change of government.

He said his government also guaranteed the safety of South African citizens and tourists in Transkei — Sapa

UMTATA — The former adviser to the ex-prime minister of Transkei, Chief George Matanzima, Mr Liston Ntshongwana, yesterday called on the state to charge him together with Chief George or release him from custody.

Mr Ntshongwana, who was arrested in July last year on charges of corruption, asked the magistrate, Mr J. M. N. Barnes, to allow him to make some submissions about his arrest and imprisonment for the last six months.

He said he had been given a copy of the indictment against him, and in one of the three counts he is facing, he was charged together with Chief Matanzima for corruption involving a cheque for R20 000 from Builders

George's ex-adviser appeals for release

and Developers, a company in which he was a shareholder.

He said another count related to a complaint by an Umtata attorney, Mr Arnold Immerman, that he attempted to secure a bribe of R20 000 in return for the withdrawal of deportation orders served on the attorney and his partners in a legal firm.

Mr Ntshongwana said he found it curious that he had allegedly committed the offence in March 1987 while Mr Immerman made the complaint to the police months after his arrest.

The third count, he said, was subdivided into about 20 minor changes involving a total of R21 000, which arose from an affidavit submitted by an employee of a subsidiary company in which he (Mr Ntshongwana) had a 51 per cent share.

The employee, Mr John Seiler, had made an affidavit about the theft of the money, and Mr Ntshongwana said Mr Seiler was not authorised to make the affidavit or represent the company, and he had now left the company.

Mr Ntshongwana said

he had failed in his bid to be released on bail because he was linked to Chief Matanzima, whose whereabouts were unknown to the court at the time.

He said he found it strange that when Chief George returned to Transkei, he was not arrested by the police.

"The government of the day has even welcomed back home all the ex-ministers and ex-prime ministers, including my co-accused, who are men mentioned in allegations of corruption during sittings of the commission of inquiry.

"I request that if I have a co-accused in the person of Chief George, he joins me in prison, or I join him in freedom."

The magistrate said copies of Mr Ntshongwana's submissions would be forwarded to the Attorney-General for his consideration.

The case was postponed to January 26.

School for all to open in Umtata

Daily Dispatch Reporter

UMTATA — An international school which will admit pupils of various nationalities, including resident foreigners, will be opened here next month.

The school will initially admit pre-primary, Sub A, B and Std 1 pupils, the school's public relations officers, Dr D. Eghan and Dr E. Nxiweni, said yesterday.

The school is the brain-child of the headmaster of the Umtata High School, Mr Tom Wanklin, who is also chairman of the Umtata High School's Parents and Teachers Association.

He was supported by a number of people including doctors, academics, educationalists and expatriates in Transkei.

The school was registered this week with the Department of Education and it was hoped that the government would soon subsidise it.

So far over 200 applications have been received for the school.

Dr Nxiweni said the Cape education syllabus would be used as a basis.

Ron's tax freebee

The investigation into Transkei's government comes after years of poor administration and lack of financial control. One of the beneficiaries of this era of largesse was former Selous Scout Ron Reid-Daly. His company, Transkei Security Services (TSS), was exempted from paying tax.

Reid-Daly and other ex-Rhodesian soldiers acted as advisers to the Transkei Defence Force (TDF) until they were expelled last year, after the rise to power of General Bantu Holomisa (who replaced the pro-Reid-Daly General Zondwa Mtirara as TDF Commander).

Holomisa says the tax exemption cost the homeland R4,7m. Reid-Daly has refused to comment on the allegation. However, Jiyana Maqubela, formerly Auditor General and

FIM 22/1/88

now a commissioner on the inquiry into the Department of Works and Energy, confirms that such a contract was implemented. According to him, the matter is in the hands of the Commissioner for Inland Revenue, for a decision on whether to try to recover the outstanding taxes.

In Maqubela's view, whoever drafted the contract exceeded his authority, as the homeland's tax laws allow only the state president to be exempted from tax. Commenting on the contract in his 1981/1982 report, Maqubela noted that the contract with TSS was entered into without Treasury approval. According to the report, during the 1981/1982 financial year alone, unauthorised expenditure in the homeland was more than R25m. Not surprising that Maqubela also noted that "the decline in the level of checks and controls may encourage corruption."

Warnings from Maqubela, however, were ignored. He says departments continued to be lax, and documentation of expenditure was not kept. By 1984, he was warning of the collapse of the homeland's financial administration and said that he foresaw a time when he would not be able to submit his report. ■

(103) W/Mail
22-28/1/88

The skeletons emerge in 'Kei ... one of them real

By LOUISE FLANAGAN,
East London

MORE skeletons were found in the closet of disgraced Transkeian ex-ministers this week, with a former prime minister accusing the intelligence service of running a disinformation campaign, a former state president admitting that he hadn't paid tax for seven years and a real skull surfacing in the prime minister's office.

However, what should have been the highlight of the week turned out to be the biggest non-event.

The report of the commission of enquiry into the department of commerce, industries and tourism, accused the Matanzima brothers of defrauding the government of at least R42-million.

Chief Kaizer Matanzima simply blamed his brother, ex-prime minister Chief George. And former prime minister Stella Sigcau shifted attention away from the corruption claims by accusing the army of overthrowing her as a result of rumours spread by a national intelligence officer.

Sigcau, deposed in December due to her alleged involvement in taking bribes, claimed that the unnamed officer, who was apparently out of the president's staff, had told the Transkei Defence Force that she planned to arrest top ranking officers. She denied the rumours.

Likewise, Chief Kaizer emerged relatively unscathed after evading questions, simply denying allegations and generally dumping the blame on his absent brother.

Although the current commission is investigating the department of works and energy, evidence has pointed to Matanzima involvement in corruption and bribery.

Although the evidence was only around gambling rights, the names of both brothers — particularly Chief George's — had been repeatedly mentioned. One witness subsequently described Chief Kaizer as "the man who sold Transkei down the river".

Evidence before the commission indicated that Chief Kaizer had originally made a verbal agreement with Holiday Inn's offering them first refusal on the sole gambling rights in Transkei. In contradiction with this and a cabinet decision, he granted the rights to the Mzamba Development Company.

In the ensuing fiasco, the rights were sold back to the government and the Holiday Inns in a joint deal thus keeping the Inns happy, saving Chief Kaizer and the government from litigation and enabling a few sharp dealers to make a fast R500 000.

The sole registered shareholder in the Mzamba company admitted to the commission that he was merely a front for a group that included a South African lawyer and a businessman, and that he knew little of what they did.

When questioned by the commission, Chief Kaizer declared himself to be completely opposed to gambling — "corruption of a people taken advantage of by the whites" — and said he had only granted the rights to Mzamba after pressure from his brother.

Earlier this week it seemed unlikely that Chief George would be seen in Umtata again after police confirmed that a skull and bones had been found in the prime minister's office shortly after he was deposed last year. However, police have now announced that the remains were an exhibit from an unsolved murder case.

Holomisa rejects Sigcau allegation ⁽¹⁰³⁾

22/1/88

B/day

ROGER SMITH

UMTATA — Any allegation that the military coup in Transkei on December 30 was motivated by reasons other than to clean up corruption was rejected by coup-leader Major-General Bantu Holomisa here yesterday.

He was responding to a statement made to the commission of inquiry into government corruption by deposed Prime Minister Stella Sigcau in which she claimed corruption allegations against her

were not the reasons for the coup, but disinformation that she had been about to arrest senior Transkei Defence Force (TDF) members.

Holomisa said the ruling military council insisted the cause of the coup was the *prima facie* evidence of widespread bribery and corruption among Transkei's political leaders.

He said: "When the TDF came

into possession of documentary evidence of the involvement of the deposed Prime Minister, it was decided to effect the change in government and clean up the evil of bribery and corruption that had bedevilled our country for so long.

"The TDF has never and will never take decisions based on mere rumour and speculation."

Allegations the coup was motivated by any other reason were malicious and should be ignored.

NOVEMBER

1987

GROUP AREAS — GENERAL

HUMAN SKULL IN PM'S SAFE - GOP'S STORY

THE skull which was found in a safe in the Transkei Prime Minister's office last year belonged to Tsolo housewife, Mrs Magaba Zibi, who disappeared from her home in 1976, the police liaison officer in Umtata, Lieutenant-Colonel S S Mokoatle, said in Umtata.

Remains of Tsolo housewife

Col Mokoatle said the missing woman's remains were exhumed three years later in a forest in the Mganduli district.

Investigations led to the arrest of her step-son. He said the garment found with the bones

turned out to be a jersey the dead woman was last seen wearing.

It was recovered from another woman who was to give evidence in the murder case in 1979. The case was with-

drawn by the public prosecutor and the reasons given were that there was insufficient evidence. The two policemen who had been investigating the case, a Col

Jekubeni and a Sgt Mzilikazi, were not happy with the decision to withdraw the case, and approached the then commissioner of police, Maj-Gen Martin Ngceba and the Prime Minister,



GEORGE MATANZIMA

Chief George Matanzima, to have the case reopened.

Col Mokoatle said the two policemen were asked to bring the exhibits to the prime minister's office and Chief Matanzima promised to discuss the matter with the attorney-general.

The exhibits were left in his custody and locked in this safe.

Col Jekubeni, who was the head of the murder and robbery squad, was later transferred to Butterworth and Sgt Mzilikazi moved to another station.

Their successors never followed up the matter.

Col Mokoatle said the exhibits found last year were still intact, just as they were when they were put away.

He said it appeared there was no ulterior motive in having the exhibits kept in the prime minister's safe as Chief Matanzima had been approached to assist in getting the case reopened. — Sapa.

D.D. 23/1/88

KD's banishment lifted

UMTATA — The former State President Paramount Chief Kaiser Matanzima, became a free man yesterday after the Transkei Government failed to oppose his application challenging a restriction order.

The order had banished him to Qamata and had been issued by the short-lived government of Miss Stella Sigcau, last year.

Paramount Chief Matanzima was banished to his Great Place after a few days' detention by the Transkei security police. He was later ad-

mitted to a hospital in Lusitani then a hospital in Bloemfontein.

Last Friday, the Transkei Supreme Court provisionally set aside the restriction order pending its termination if the present Transkei government failed to file an opposing affidavit by noon yesterday.

The provisional order was granted by Mr Justice J. Mitchell in response to an application by Paramount Chief Matanzima challenging the restriction order which was issued on his return on December 14, after

the police had pronounced him free from detention.

A spokesman for the Registrar of the Supreme Court's office said the government had failed to give notice to file or to file the opposing affidavits by noon yesterday and, therefore, the provisional order was automatically final, setting aside the banishment order.

One of the requirements of the order setting aside Paramount Chief Matanzima's restriction was that each party pay its own costs.

— DDR

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Daily Dispatch Reporter

UMTATA — Counsel for the Auditor-General told the commission of inquiry into the Department of Works and Energy yesterday that the government of Transkei would receive over R7 million from South Africa for claims which were the result of information from a previous inquiry into the Department of Commerce, Industry and Tourism.

Counsel handed in a letter from the Decentralisation Board to the director-general of the South African Department of Foreign Affairs relating to outstanding claims from Transkei for the period from April 1

Past inquiry leads to R7m for Transkei

D/D 23/1/88

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to June 30, 1986.

The letter said that based on information received, the claim presented by Transkei had been verified and found in order.

The approved portions of the claim now payable was R7 034 156.

Counsel led this evidence in light of criticism that commissions were costly to the country, and said that the R7 million would not have been forthcoming with-

out a commission.

Former Prime Minister of Transkei, Chief George Matanzima, did not appear.

The commission chairman, Mr Gerald Alexander, SC, said that a statement he made had been put in the form of a question during the testimony of Mr Sol Kerzner because he did not want the public to be misled.

He had asked Mr Kerzner if he felt that

Chief George obviously knew better than to ask him for money, as Mr Kerzner would never have gone along with that sort of deal, to which Mr Kerzner agreed.

A document handed into the commission yesterday revealed that a Cape Town attorney, Mr David Bloomberg, had a general power of attorney for Etablissement Sports et Loisirs (ESL), based in Lichtenstein, which had wide powers.

Counsel for the Auditor-General told the commission that they had discovered that ESL could be termed a "beneficiary discretionary trust."

In such a body the person who held a general power of attorney was the ultimate beneficiary, counsel said.

The chairman commented that it was well known that Lichtenstein was a tax haven.

Invitations to address the commission will be sent to various people in South Africa including Mr Hans Enderlie, Mr A. Del Veccio, Mr David White, Mr M. T. Brerton, Mr A. T. Nelison and Mr Doug Hayward.



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Former Transkei Prime Minister Stella Sigcau chats with her legal advisers Dave Shaw (left) and Peter Rowan during the commission of inquiry into corruption.

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et, Kimberley

Light thrown on skeleton in govt cupboard mystery

CITY Press

24/11/87

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THE much-talked about Transkei skull mystery seems to have been cleared up — with no foul play involved. The skull, which was found in a safe in deposed Prime Minister Stella Sigcau's office, apparently belonged to a woman who was murdered 12 years ago. Tsolo housewife Magaba

CP Correspondents

Zibi. Sigcau had ordered that a locked safe in her office be forced open. Workers were shocked when they found the skull, a number of bones and a vest. Attempts were made to

keep the incident quiet, but the news was leaked to the Press last week. Umtata's police liaison officer, Lt Col SS Mokoate, said the woman's remains were found in 1979 in a forest in Mqanduli.

Investigations led to the arrest of her stepson. However, charges were withdrawn because of a lack of evidence. The investigating officers were unhappy that the charges had been withdrawn and approached then Prime Minister Chief George Matanzima with the evidence, including the

remains. The chief locked the remains in the safe and promised to approach the Attorney-General. The investigating officers were then transferred to other departments and their successors failed to follow up the case. The matter was then apparently forgotten.

Mokoate said the remains had not been interfered with since they were put into the safe. Meanwhile, Sigcau has called on the commission of inquiry investigating corruption in Transkei to clear her name so she can be returned to office. The former Prime Minister of 86 days said she had not been deposed because of corruption. She claimed defence force officials had seen her as a threat. This had prompted coup organiser Gen Bantu Hlomisa to get rid of her. She, however, admitted that she had received a number of gifts from Chief George. A R50 000 cheque towards her daughter's overseas education had been the "answer to many prayers".

I do SOLEMNLY swear . . .

SUN king Sol Kerzner gave a flawless performance at the Transkei's "Jobola" probe as his hotel group gambled on full disclosure in defence of its lucrative casino rights.

Surrounded by a battery of lawyers and Sun International executives the nuggety hotel magnate — spectacles thrust back on his head and with worry beads clicking — gave minute details of an operation which made a profit of almost R36-million last year.

By **BILL KRIGE**
Umtata

His five-hour effort — with a meticulous recall of detailed transactions years before — highlighted a week of tension and confusion at the probe into Transkei's Department of Works and Energy.

Miss Stella Sigcau, deposed Prime Minister denied any wrongdoing in accepting R150 000 from her predecessor, Chief George Matanzima, and said the gift was for the university education of her daughter in Britain.

She was one of several of Transkei's former captains and kings to testify about their roles in allegations of a multi-million rand rip-off of the dirt-poor State.

But Chief George Matanzima, the ex-Premier whose activities have become a focus of the inquiry, failed to appear on Friday to view documents and evidence detailing allegations that he had enriched himself.

FAVOURS

Except for a brief visit after the coup earlier this month, Chief George has not been in Transkei since his Cabinet was purged four months ago. He is due to give oral evidence on Tuesday.

The commission heard he sought "hobols" or "tobacco" for the chief, amounting to millions of rands in return for business favours.

The commission, whose terms of reference have been broadened to include an investigation into the granting of gambling rights in Trans-

The day the Sun King told it like it was

kei, this week probed the history of those concessions.

It heard about the formation of a company which was granted casino rights in 1978 despite a promise to Holiday Inns — before independence that it would have the right of first refusal.

On the board of the successful company, Mzamba Development Pty Ltd, was Chief Kaiser Matanzima's estranged wife and Mrs E Pamela, wife of a Cabinet Minister. Both were nominee shareholders.

After Holiday Inns threatened legal action, the rights were sold to it for R200 000 and the sum distributed among the shareholders.

But while Holiday Inns, and later Southern Sun, pursued the deal gave them exclusive rights, the possibility of gambling rights being granted in Umtata gained currency when Chief George became Premier in 1986.

Ex-Durban policeman

John Trickey, whose expertise was sought by Transkei's Auditor-General in rooting out corruption, told the commission that, after some initial successes (he recovered R300 000 within a week), official enthusiasm for his work cooled. Apparently President Kaiser Matanzima objected.

He perceived his task to be hopeless and decided "to jump on the bandwagon" and make money. He became involved with a Transkei firm, Joe Lexie (Pty) Ltd, which sought casino rights near the Umtata dam.

Mr Trickey accompanied a group to see Chief George about the granting of gambling rights. The Premier allegedly demanded R2-million for himself.

The Chief needed the money to buy a farm owned by Mr G Gouws in the Ugie district.

Sun International, having for years been denied per-

Involved

mission to build a casino in Umtata, but hearing at the end of 1986 that just such a deal was pending, approached Chief George.

The Prime Minister was noncommittal, Mr Kerzner told the commission.

The Sun group became involved in negotiations for the balance of shares in Transgames, a company which held slot-machine and other lucrative gambling rights.

Negotiations were conducted through Cape Town attorney David Bloomberg, and eventually Sun International concluded a deal worth some T7.5-million, R3-million of which was in cash.

It was R2-million of this sum, the commission was told, which found its way into the account of Mr Gouws and was used to buy his farm and distribute money to Cabinet Ministers and officials.

Police this week admitted that a small box found in the safe contained a human skull, some bones and a tattered vest.

It wasn't the Head of State, they said, but belonged to a woman from Transkei's Tsolo district whose body was exhumed three years after she had disappeared from home in 1976.

Mrs Magaba Zibi's remains came to be buried in the Prime Minister's office after Transkei's Attorney-General refused to prosecute a man arrested for murder.

Dissatisfied detectives approached the police commissioner, General Martin Ngceba, who took the evidence to Chief George — where it stayed until found by the workmen.

Meanwhile Chief George, at the centre of Transkei's "Jobola" scandal, is staying in the Eastern Cape while ex-police chief Ngceba appeared in court this week charged with the theft of R28 000 in government funds.

And police liaison officer Lieutenant-Colonel S S Mokoatle insists that the Zibi case hasn't been closed.



Sol Kerzner, Ian Heron, chief executive of Sun International, and Ken Roseveare, Sun's MD, take the oath at the Transkei corruption hearing this week

Transkei skull causes furore

By **BILL KRIGE**

IT HAS long been a talking point in Umtata that ex-Premier George Matanzima, hounded out of office amid allegations of corruption, had a skeleton in his cupboard.

Three weeks ago, after workmen broke into a disused strongroom in the Prime Minister's office, it was found to be true.

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Judge: change in Transkei does not affect court

D/D 25/1/88

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UMTATA — The Supreme Court of Transkei recognises the de facto government of Transkei — the military government, which is the President and military council — so far as the legislative and executive powers of the state are concerned.

This was said by Mr Justice Mitchell during judgment in a case regarding Paramount Chief Kaiser Matanzima in which he said that the manner in which the new authority assumed office was not relevant to the court.

He said the question of whether or not it was a de jure government was not a question which concerned the court at this stage.

"The question of whether the government is a de jure government is considered, in public international law, to be rather like a good wine — given time, it becomes acceptable," he said.

"The recognition or non-recognition by other

countries or members of the international community of that de facto government is quite irrelevant to the questions which this court must consider, and that is whether internally it is the de facto government."

Quoting from *Birth and Death of the State as Legal Problems*, Mr Justice Mitchell said the legal order remained the same even if the order should be changed in a way other than that prescribed by the constitution by means of a revolution or coup d'etat.

A victorious revolution or coup d'etat had to be considered as a modification of the old order, not as a new order, he quoted.

"The government brought into permanent power by a revolution or coup d'etat is, according to international law, the legitimate government of the state, whose identity is not affected by these events." — DDR

ARCUS 26/1/88

Transkei inquiry: Witness warned about interruptions

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UMTATA. — A witness before the commission of inquiry investigating gambling rights was warned about her attitude towards the commission's chairman, Mr Gerald Alexander, SC.

The managing director of Joe-Lexie Pty Ltd, Mrs Lexie Ceza, was giving evidence. She interrupted the chairman repeatedly and counsel for the auditor-general warned her that it was an offence to interrupt the chairman and if she interrupted once more she could be arrested.

During the evidence the chairman was trying to clarify her testimony in which she said that in Transkei "lobola" did not mean corruption.

The chairman asked her if it was at Ugie where the Prime Minister asked for R2-million, and if her company was pre-

pared to go along with that, would she not say they were dabbling in corruption?

She replied: "That is a good question."

She said people living in a tribal land had to pay when they wanted land or a favour. For example, a chief may want a "bottle"; a sheep would be slaughtered or the chief may ask for tobacco.

The chairman asked if it was part of Transkei culture to agree if the Prime Minister asked for R2-million. She replied they were against paying, and had never intended paying, even though they told Chief George Matanzima they would pay.

The chairman asked her about the inclusion of the name of Chief George's wife on the letterhead. Mrs Ceza said it

was not strange because in the Transkei, when someone formed a company, people asked to have their names included, and if such persons were liked, then they would be included. This did not mean they would be paid.

Counsel asked her what the company would have done if the names of the Ministers Chief George directed to be inserted as directors came to them and asked for payment.

She said they would not have been paid.

Mrs Ceza was asked why Chief George treated Joe-Lexie (Pty) Ltd as if it were his company.

In her evidence, the former Prime Minister, Miss Stella Sigcau, said Chief George had approached her to join a company he was forming with Mrs Ceza. — Sapa.

Casino is Transkei's birthright — witness

D/B 26/1/88

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Daily Dispatch Reporter
UMTATA — A director of a company seeking a licence for casino rights in Transkei, Dr. A. B. L. Pupuma, told the commission of inquiry here yesterday that gambling was not his hobby and he was only seeking the licence to protect a birthright of Transkeians.

Dr. Pupuma said he had never been inside the Mzamba Wild Coast Casino or any other gambling centre, but what he envisaged was an amusement park and an entertainment centre, so that "our kids" would not have to wait for the circus for playground entertainment.

He said he had taken exception to the fact that Mr Sol Kerzner had

tried to "outwit" his company by using a black man, the TDC managing director, Mr Monty Ntloko, to get his company, Joe-Lexie, to relinquish their birthright.

Dr Pupuma said whatever offer Mr Kerzner would have made to the managing director of Joe-Lexie, Mrs Lexie Ceza, that would have been equivalent to selling the birthright of Transkeians to a foreigner.

He said Mrs Ceza had told him after she returned from a meeting with Chief George Ugie that the former prime minister had demanded to be paid R2-million for the casino rights.

He had commended Mrs Ceza for having re-

fused be part of a strange deal, as Chief George was said to have needed the money to buy a farm in South Africa.

He could not understand how a black man could want to buy land in South Africa when there was still the Group Areas Act.

"He could not ask for lobola from us as Transkeians, so I found it funny that she said Chief George wanted a bribe, in fact the word lobola has another context when used to Transkeians. This did not sound honest," Dr Pupuma said.

Regarding the other directors of his company, he said they had been imposed on his company by an individual, and he had been

surprised by all these distinguished names on their application, three cabinet ministers and the wives of the prime minister and a former minister.

He said he had assumed that when the application was through the situation would be regularised by getting them out afterwards.

Dr Pupuma claimed that his company had never been involved in corruption and they had never expected to be called before the commission, and that Joe-Lexie was "dragged into this to spite us as our company is new".

The co-commissioner, Mr Jiyana Maqubela, said Mrs Ceza had approached the commission to be allowed to give evidence.

Ntloko: Kerzner tried to buy off opposition

Daily Dispatch Reporter
UMTATA — The managing director of the Transkei Development Corporation, Mr Monty Ntloko, yesterday said he could not deny that the deputy-chairman of Sun International, Mr Sol Kerzner, had aimed, at a meeting, to buy off the opposition in his bid for casino rights in Transkei.

Mr Ntloko, who was recalled to give evidence before the commission of inquiry investigating gambling rights, told the chairman of the commission, Mr Gerald Alexander, SC, who is sitting with co-commissioner, Mr Jiyana Maqubela, that he had ar-

ranged the meeting which was attended by the former Transkei prime minister, Chief George Matanzima and Mr Kerzner.

He said he had phoned Chief George to tell him that Mr Kerzner wished to talk about the Umtata Casino Hotel. Mr Ntloko said Mr Kerzner did much of the talking as he seemed to try to show the prime minister that he was the one who had the experience and expertise to run such a project.

He said he had also been requested by the chief executive of Sun International, Mr Ken Rosevear, to negotiate with Mrs Lexie Ceza, of

Joe-Lexie, which had also applied for a casino licence.

Mr Rosevear had told him not to negotiate beyond R300 000 and had not mentioned anything about options to shares, but it appeared Mrs Ceza would only back down for R350 000 plus about 500 000 shares.

Earlier Mr Ntloko testified about attempts by Mr Vulindlela Mbotoli, a spokesman of a construction company, Jalc Holdings, to purchase the TDC's shareholding in Mzamba at the par value of R50 000 as against a price of R12-million by Mr Kerzner's group.

He said Mr Mbotoli's

Commission warns wi

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UMTATA — A witness testifying before the Commission of Inquiry into the Department of Works and Energy was warned yesterday she would be arrested if she continued interrupting the chairman.

The managing director of Joe-Lexie Pty Ltd, Mrs Lexie Ceza, was warned by counsel for the auditor-general that it was an offence to interrupt the chairman, Mr Gerald Alexander, SC.

Mrs Ceza said she was in corruption and the commission because the application for casino rights in Mzamba, was different name of Joe-Lexie.

Senior counsel for the Ceza it was against the non-existent company.

D/D 26/1/88
No sign
of Chief
George (103)

UMTATA — The Commission of Inquiry into the Department of Works and Energy has been told that the whereabouts of the former Prime Minister, Chief George Matanzima, are unknown.

Counsel for the Auditor-General said the commission had waited until 4.30 pm on Friday for Chief George to view the transcripts of the commission, as he had requested, but he failed to appear.

Chief George had earlier confirmed in writing to the commission that he would appear.

The hearing was told that the report on Mbuqe Park, which formed a major portion of the commission's inquiry, was nearly completed. — DDR.

Yesterday's evidence

on page 3

CAE Tuzk
26/1/88
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Kei bribery witness warned

Own Correspondent

UMTATA. — A witness before the Commission of Inquiry now investigating gambling rights nearly had herself arrested yesterday for her attitude to the commission's chairman, Mr Gerald Alexander, SC.

The managing director of Joe-Lexie (Pty) Ltd, Mrs Lexie Ceza, was giving evidence and had interrupted the chairman repeatedly when counsel for the auditor-general warned her that it was an offence and if she did so again she could be arrested.

During evidence, the chairman was trying to clarify her testimony in which she said that in Transkei "lobola" did not mean corruption.

The chairman asked if it was at Ugie where the prime minister asked for R2 million; and if her company was prepared to go along with that, then would she not say they were dabbling in corruption?

Favour

She replied: "That is a good question."

She said people living in a tribal land had to pay when they wanted land or a favour. For example a chief may want a "bottle"; or a sheep would be slaughtered; or the chief might ask for tobacco.

The chairman asked if it was part of Transkei culture to agree if the prime minister wanted R2 million.

She replied that they were against paying and although they told Chief George they would pay, in fact they never intended doing so.

Mrs Ceza told the commission that before the meeting in Ugie at which Chief George had asked for R2 million, she already knew he could not dispense those rights in terms of the Gambling Act.

"But at that stage it was rule by directive," she said.

The commission continues today.

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Casino is Transkei's birthright — witness

D/B 26/1/88

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He had commended Mrs Ceza for having re-

fused be part of a strange deal, as Chief George was said to have needed the money to buy a farm in South Africa.

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surprised by all these distinguished names on their application, three cabinet ministers and the wives of the prime minister and a former minister

He said he had assumed that when the application was through the situation would be regularised by getting them out afterwards.

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Ntloko: Kerzner tried to buy off opposition

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He said he had phoned Chief George to tell him that Mr Kerzner wished to talk about the Umtata Casino Hotel. Mr Ntloko said Mr Kerzner did much of the talking as he seemed to try to show the prime minister that he was the one who had the experience and expertise to run such a project.

He said he had also been requested to by the chief executive of Sun International, Mr Ken Rosevear, to negotiate with Mrs Lexie Ceza, of

Joe-Lexie, which had also applied for a casino licence.

Mr Rosevear had told him not to negotiate beyond R300 000 and had not mentioned anything about options to shares, but it appeared Mrs Ceza would only back down for R350 000 plus about 500 000 shares

Earlier Mr Ntloko testified about attempts by Mr Vutindlela Mbotoli, a spokesman of a construction company, Jale Holdings, to purchase the TDC's shareholding in Mzamba at the par value of R50 000 as against a price of R12-million by Mr Kerzner's group.

He said Mr Mbotoli's



MR NTLOKO

approaches seemed to have the support of Chief George, but he had managed to stall this with the help of the then Minister of Commerce, Mr Gordon Nota

Mr Ntloko is expected to continue his evidence today, and Mrs Ceza has been asked to avail herself again on Thursday.

Commission warns witness

Daily Dispatch Reporter
 UMTATA — A witness testifying before the Commission of Inquiry into the Department of Works and Energy was warned yesterday she would be arrested if she continued interrupting the chairman.

The managing director of Joe-Lexie Pty Ltd, Mrs Dexie Ceza, was warned by counsel for the auditor-general that it was an offence to interrupt the chairman, Mr Gerald Alexander, SC.

Referring to her earlier evidence that the former Prime Minister, Chief George Matanzima, had asked for R2 million in return for granting her company gambling rights, Mr Alexander asked Mrs Ceza if she would not say this was corruption.

She replied: "That is a good question".

Her reply when asked what was implied by "lobola", if not bribery, prompted Mr Alexander to warn her to reply without impudence.

Mr Alexander asked if it was part of Transkei culture to agree to a prime minister's request for R2 million. Mrs Ceza replied they had never intended paying the money.

"In Western culture they say you're paying bribery but not in Xhosa culture," she added.

According to earlier evidence Mrs Ceza and her financiers showed Chief George a bank guarantee for R1 million at the Ugie meeting, with the understanding that the other million would be forthcoming once they had the gambling rights.

Mr Alexander said it must be amusing to pay out R2 million and asked Mrs Ceza if her associates obtained the bank guarantee for a joke.

She said they had just wanted to introduce themselves.

Mrs Ceza said she was not involved in any corruption and the commission could not tie her to corruption because the name she used on her application for casino rights, Joe-Lexie Entertainment Centre, was different from the registered name of Joe-Lexie.

Senior counsel for the auditor-general told Mrs Ceza it was against the law to use the name of a non-existent company.

Asked about a meeting with the managing director of the Transkei Development Corporation, Mr Monty Ntloko, Mrs Ceza said Mr Ntloko had told her he had just taken Mr Sol Kerzner to the airport. They had seen the land granted to Joe-Lexie at the Umtata dam and decided to offer her R300 000 for it.

She said Mr Ntloko told her that Sun International was sure to get the rights but did not have land.

Mrs Ceza was asked why Chief George treated Joe-Lexie (Pty) Ltd as if it were his company.

In her evidence, the former Prime Minister, Miss Stella Sigcau, said that Chief George had approached her to join a company he was forming with Mrs Ceza.

Mrs Ceza agreed that Chief George treated the company as if it were his own and explained that she was from the Sihele clan who were regarded by the Matanzimas as their children.

The commission noted that Mr Monde Sihele was the man to whom Paramount Chief Kaiser Matanzima had granted casino rights at Mzamba in spite of assurances made to Holiday Inns.

Mrs Ceza said Mr Sihele was her brother's son.

The commission continues today.

uesday January 26 1988

(103) 26/1/88

Director warned in Umtata gambling probe

Lobola doesn't mean corruption — witness

UMTATA — A witness before the commission of inquiry investigating gambling rights came close to being arrested in Umtata yesterday for her attitude towards the commission's chairman, Mr Gerald Alexander, SC.

The managing director of Joe-Lexie (Pty) Ltd, Mrs Lexie Ceza, began interrupting the chairman repeatedly when counsel for the auditor-general warned her that it was an offence to interrupt the chairman and if she interrupted once more she could be arrested.

During evidence, the chairman was trying to clarify her testimony in which she said that in Transkei "lobola" did not mean corruption.

The chairman asked if she would not say that her company was dabbling in corruption when at Ugie the prime minister had asked for R2 million and if her company was prepared to go along with that.

She replied: "That is a good question."

At this point, Mrs Ceza, although she has appeared on more than one occasion before the commission, said she wanted an interpreter.

She said that people living in tribal land had to pay when they wanted land or a favour — for example a chief may want a "bottle" or a sheep would be slaughtered or the chief may ask for tobacco.

The chairman asked if it was part of Transkei culture to agree if the prime minister wanted R2 million. She replied that they were against paying and although they told Chief George Matanzima they would pay, in fact they never intended paying.

Mrs Ceza told the commission that before the meeting in Ugie in which Chief George asked for R2 million, she already knew that he could not dis-

pense with those rights in terms of the Gambling Act. Earlier evidence revealed that at the Ugie meeting, Mrs Ceza and her financiers showed Chief George a bank-guaranteed cheque for R1 million with the understanding that the other million would be forthcoming once they had the gambling rights.

Mrs Ceza was asked why Chief George treated Joe-Lexie (Pty) Ltd as if it was his company.

Mrs Ceza agreed that Chief George treated the company as if it was his and she explained that she was from the Sihele clan which was taken by the Matanzimas as if they were their children.

The commission is continuing. — Sapa.

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Kei inquiry hears of mystery letter

103/ AR645
27/1/88

UMTATA. — The managing director of the Transkei Development Corporation and chairman of the Transkei Agricultural Corporation, Mr Monty Ntloko, has been recalled by the commission of inquiry.

He was questioned yesterday about a telefax which originated from the number 26881 and which was a letter signed by Mrs Lexie Ceza addressed to Mr Sol Kerzner saying she accepted an offer of R300 000 and half a million shares in Transun to buy her out.

Mr Ntloko said he did not write the letter, nor did it emanate from his office, as that was not the number of the telefax.

Counter-offer

Investigations revealed that 26881 was the general telephone number of the TDC and when attempts were made to send a telefax through that number the operator said the number could not be used for a telefax.

Mr Ntloko said the document he had drafted for Mrs Ceza alluded only to payment of R300 000 for the land, but not to shares, to which she counter-offered R350 000. In her evidence Mrs Ceza had said that Mr Ntloko had given her a document to sign which referred also to half a million shares.

The chairman of the inquiry said he did not understand why the document Mr Ntloko had prepared for Mrs Ceza's signature, relating to her selling

the land for R300 000, could not be found in any file or on any computer disc in Mr Ntloko's office as it was a crucial document which Mr Ntloko could have shown Sun International so they would know there was nothing more to worry about from Mrs Ceza.

Mr Ntloko said he had phoned Mr Ken Rosevear (chief executive of Sun International) to say that she had agreed, but could not recall if Mr Rosevear had asked for a copy of the document.

Counsel for the Auditor-General put it to Mr Ntloko that R1,5-million was paid into East London businessman Mr J G Gouws's account on December 15, the day Chief George Matanzima signed a letter which granted exclusivity, in spite of the Cabinet resolution recommending against exclusivity.

Two days later Mr Ntloko was invited to the farm Chief George was going to buy at Ugie, and he received a cheque for R50 000.

Asked if the money was for any special favours he did for Chief George, Mr Ntloko said "No".

The inquiry continues. — Sapa.

NRP discuss joint policy

THE federal council of the New Republic Party will meet in Cape Town on Saturday to discuss a joint policy document for the party and Dr Denis Worrall's Independent Movement. — Political Staff.

Ntshongwana appeals for bail, release

Daily Dispatch Reporter

UMTATA — The former chief adviser to the Prime Minister, Mr Liston Ntshongwana, appeared briefly before Mr M. Barnes in the magistrates' court here yesterday on fraud charges.

Mr Ntshongwana was not asked to plead and no evidence was led.

He was remanded until today when a bail application will be considered.

Mr Ntshongwana was arrested in July last year together with a Butterworth businessman, Mr Lungelo Maccanda, who was later released.

In a number of submissions to the court yesterday, Mr Ntshongwana, who was not represented, detailed how he had made an unsuccessful bail application and an appeal to the supreme court, which had also been turned down.

He said it had been considered by the court at one stage that he could not be released on bail because he might leave the country.

Mr Ntshongwana said four months had now elapsed since his last bail application and six months since his arrest.

He said it was important for the court to consider whether his continued incarceration was necessary.

Mr Ntshongwana said the state should allow the court to exercise its discretion in the matter.

He said the Attorney-General had announced that he would appear in the Supreme Court in February "but the question of my individual liberty will be prejudiced by such administrative arrangements".

"Even if bail had been refused previously in another court, surely that must have been for different reasons, and it is for this court to decide whether those reasons have a legal basis today.

"It is my submission that during the four months since my last application for bail, new facts have emerged which, as applicant, I would wish to submit to this court," he said.

Ntloko recalled to commission

DID 27/1/88
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Daily Dispatch Reporter

UMTATA — The managing director of the Transkei Development Corporation (TDC) and the chairman of the Transkei Agricultural Corporation (Tracor), Mr Monty Ntloko, was recalled to the commission of inquiry into the Department of Works and Energy yesterday.

He was questioned about a telefax, described as "strange", which originated from the number 26881.

It was a letter signed by Mrs Lexie Ceza, the managing director of Joe-Lexie, addressed to Mr Sol Kerzner saying she accepted their offer of R300 000 and half a million shares in Transun to buy her out.

Mr Ntloko said he did not write the letter nor did it emanate from his office, as that was not his telefax number.

Later investigations yesterday morning revealed that 26881 was the general telephone number of the TDC.

When attempts were made to send a telefax through that number, the operator said the number could not be used for a telefax.

Mr Ntloko said the document he had drafted for Mrs Ceza referred only to payment of R300 000 for the land, but not to any shares.

She had counter-offered a price of R350 000 for the land.

In her evidence, Mrs Ceza had said that Mr Ntloko had given her a document to sign which referred to half a million shares.

The chairman said that he did not understand how the document Mr Ntloko had prepared for Mrs Ceza's signature, relating to her selling the land for R300 000, could not be found in any file or on any computer disc in Mr Ntloko's office.

It was a crucial document, which Mr Ntloko could have shown Sun International to convince them that Mrs Ceza had been dealt with, he said.

Mr Ntloko said he had telephoned Mr Ken

Rosevear (chief executive of Sun International) to say that she had agreed, but could not recall if Mr Rosevear had asked for a copy of the document.

Counsel for the Auditor-General put it to Mr Ntloko that R1.5 million was paid into the account of a Mr Gouws on the day Chief George signed a letter on December 15 which granted exclusive casino rights.



MR NTLOKO

This was in spite of a cabinet resolution against this.

Two days later, Mr Ntloko was invited to the farm Chief George was going to buy at Ugie and received a cheque for R50 000.

Mr Ntloko replied that he did not realise the consequences then.

Asked if the money was for any special favours he did for Chief George, Mr Ntloko replied that it was not.

In earlier evidence Mr Ntloko had said that at the time of receiving the cheque, Chief George had told him it was for everything he had done for him and now he was giving Mr Ntloko his "sweets".

He said he had asked Chief George how he could buy a farm in South Africa, in the light of the Group Areas Act, and Chief George had told him he would have no problem getting the farm registered.

Mr Ntloko was asked if, like Miss Stella Sigcau, he made his receipt of the R50 000 well-known.

He replied he had not. A letter from Mr Ntloko to the secretary-

general of Commerce, Industry and Tourism was handed in as an exhibit. In it Mr Ntloko had requested the department to speed up the process of attaining a cabinet resolution as it was their intention to announce the Umtata casino development together with the Transun listing.

Replying to a question, Mr Ntloko said he had never had any discussions with Mr David Bloomberg or Mr V. Mbotlo, and the only discussions he had were with Sun International.

He was asked about the letter of December 15 which Chief George had signed granting rights to Transun and which went beyond the cabinet resolution recommending a prohibition of exclusive rights or a monopoly for slot machines.

Earlier evidence revealed that Mr Ntloko was instructed to get the letter signed by Chief George, and he was asked whether or not he thought it strange that Chief George would sign a letter which went beyond a cabinet resolution.

Mr Ntloko replied that Chief George had indicated he would get the cabinet to ratify the changes.

He had told Chief George that Sun International was not happy with the exclusion of exclusive rights on their application.

Mr Ntloko said the latest figure of the amount of loans Chief George owed Tracor amounted to half a million rands.

He also mentioned another instance in which Chief George saw him because of arrears he owed TDC on his house in Butterworth.

He had requested more time to pay.

Counsel for the Auditor-General asked Mr Ntloko whether or not it had crossed his mind where Chief George got the money to buy a farm in Ugie.

Mr Ntloko said he assumed Chief George had a lot of money.

The commission continues today.

Minister denies having had close connections with casino company

Dispatch Reporter

UMTATA — The Transkei Minister of Commerce, Industry and Tourism, Mr Dowa Mgudlwa, yesterday told the commission of inquiry investigating gambling rights that he had never really believed that a casino could be built on its proposed site near Umtata because of a lack of infrastructure.

Mr Mgudlwa, who has previously appeared before the commission, was recalled to reply to questions regarding his interest in and membership of the board of directors of a company called Joe-Lexie, which had applied for a casino licence.

He said the original idea was an entertainment centre and not a casino.

Replying to a question by the chairman of the commission, Mr Gerald Alexander, SC, he said it had never occurred to him that once his company had the casino rights financiers would come from all over the world.

He told the inquiry that when he first became a director of Joe-Lexie he had not been officially approached, but the managing director of the new company, Mrs Lexie Ceza, was a relative of his. He had assisted her a number of times.

He said his interest was in the piece of land which the company had rights to, and he had paid for the lawyers and for the surveyors as he had hoped to gain by being involved in the investment.

He recalled how, after it became apparent that Joe-Lexie would not get a casino licence, it was resolved at a meeting of their company not to sell its rights to the land to Mr Sol Kerzner of Sun International, but to rather concentrate on other enter-

tainment projects.

Mr Mgudlwa said he felt it would not be fair to sell the piece of land for R300 000, and nothing was ever said about R1 million in shares.

He could not remember a number of details such as whether his name was included in the list of directors before the application for a licence was first submitted.

He said Mrs Ceza did most of the work.

He disputed claims that he held 593 shares in Joe-Lexie. He said he got to know about the names of the other directors from Mrs Ceza, who had told him that the then prime minister, Chief George Matanzima, had wanted the names of these people to help their application go through quickly.

Mr Mgudlwa said he had merely indicated that he did not like the idea of these names being used as directors as they had contributed nothing to the company.

His reaction had been that these were people he had never even thought of going into business with. He regarded them as being dummy directors, just "padding" to please the authorities.

He also recounted how Mrs Ceza, at a meeting with Chief George, had produced documents from the office of the prime minister's adviser. He had got the impression that the documents must have been leaked to Mrs Ceza.

He said Chief George did not show any surprise that she had the documents but merely remarked that (Mr Liston) Ntshongwana was "silly" and then took the papers and put them in his own pocket.

The commission continues today.

Work halted at casino site

UMTATA — Work on the site of the Umtata hotel casino has been stopped until the Transkei Government reviewed an application for a casino licence, the chief executive of Sun International, Mr Ken Rosevear, confirmed yesterday.

He said the application was submitted in December 1987 and when it was due for adjudication there was a change of government.

It would be presumptuous to work without such approval, he said.

The first phase of the work was complete. Although the tender for the main phase of building had been called, it had not yet been awarded.

The company was in contact with the government on the position of the licence application, he said.

It was believed the government was waiting for the outcome of the inquiry into the granting of gambling rights in the country before acting on any applications. — DDR

ground.

MP to inspect squatter site

Daily Dispatch Reporter

EAST LONDON — An on site inspection of the Cambridge squatter site in Cambridge Location will be conducted today by the MP for East London North, Mr Callé Badenhorst.

Mr Badenhorst said he was meeting the chairman of the Border branch of the Black-Sash, Mrs Sue Power, at the site to familiarise himself with the situation there, with a view to seeking a solution to the peoples' plight.

About 70 people, whose homes were burnt down after a South African Police and East London Municipal Police raid on their camp in the

early hours of November 6 last year, have been temporarily accommodated in eight Red Cross tents in the Cambridge Location.

The people, most of whom have jobs in the city, have been living in a state of limbo waiting to be told where they will be able to settle permanently.

They have been told by lawyers acting on behalf of the Gomoa Town mayor, Mr Eddie Makeba, under whose jurisdiction the area falls, that they are illegal residents and are not entitled to put their names down on the housing list.

Council backs Reeston plan

EAST LONDON — The East London City Council unanimously supported the proposed development of a black township on a portion of the land at Reeston, at a meeting last night.

The council, however, recommended that the portion of the area along the "transportational corridor" be developed for industrial purposes as an extension of the Wilsonia Industrial area

in order to provide employment opportunities for the proposed residential development.

In its resolution, the council agreed that the exclusion of this land would reduce the area available for development from 270 to 150 hectares, which would not be adequate to accommodate the overflow of black residents of Gomoa (Duncan Village).

On the basis of an action committee recommendation, the council decided that it would not support a proposal by the Chief City Engineer, Mr Brian Keppie, that Phase Two and Three be reserved for future extension of black residential areas, in view of the security problems which would arise from a black town straddling a national route into the city.

Transkei recognition plan

UMTATA — President Tutor Ndumase arrived from Cape Town yesterday with an assurance that the military government enjoyed full recognition by Pretoria.

At a ceremony after his arrival it was announced by the Minister of Foreign Affairs, Brigadier Rodney Keswa, that the Transkei Government would embark on a public relations programme for world recognition.

He said the private visit of the president had paved the way for recognition of the military government.

President Ndumase told the reception ceremony that he had visited South Africa at a time when there were doubts about how to tackle the problem of recognition for the new

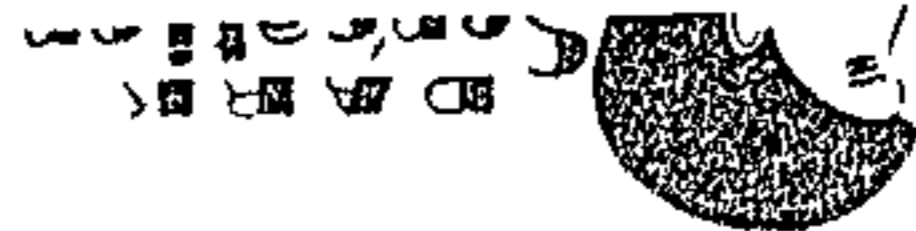
military government.

He said South African officials appreciated the fact that the military government was prepared to inherit all treaties and pacts signed by Transkei.

The chairman of Transkei's ruling military council, Major-General Bantu Holomisa, confirmed here yesterday that two Transkei Government officials suspended from service by the previous government had been reinstated.

They were the secretary-general of the Public Service Commission (PSC), Mr Arthur Gcali, and the former director of industries attached to the Department of Commerce, Industry and Tourism, Mr Bongani Soldati.

BS



Order of

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Holomisa tells Sats to protect passengers

UMTATA — The theft of wages from Transkei migrants travelling to Transkei on board South African Transport Services buses (Sats), has disturbed the military government of Transkei.

In a statement yesterday, the chairman of the military council, Major-General Bantu Holomisa, said: "Sats must take immediate steps to protect our citizens from the ruthless thugs who seem to operate with impunity on Sats buses".

The military government's statement follows a report this week that police were searching for a gang of thieves, who drugged passengers on a bus travelling between the Reef and Transkei, and robbed them of more than R5 000.

"Besides the threat to the lives of these Transkeians due to the actions of these thugs, the robberies cause devastating misery to the families of the victims.

"It is now time that Sats and all other bus operators from the Reef and other areas to Transkei took effective steps to protect our people and other passengers from these criminal and inhuman acts committed on their buses," he said. — DDR

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27/1/88

27/1/88

Chief George told he will give evidence

(103)

2/11/62

Daily Dispatch Reporter
UMTATA — A former Prime Minister of Transkei, Chief George Matanzima, made a surprise appearance before the commission of inquiry now investigating gambling rights here yesterday.

Chief George, who was subpoenaed yesterday morning, took his old seat in the front row of Parliament, where the commission is sitting, for about ten minutes. No evidence was led.

The commission's chairman, Mr Gerald Alexander, SC, said Chief George sought an application to seek legal advice.

Mr Alexander said that at 9.30 am, Chief George had visited him and had said he was responding to newspaper reports that he would be giving evidence.

Chief George told the chairman that he had already offered his explanations.

Mr Alexander said he then told Chief George that the Mbuqe Park matter was not before

the commission of inquiry and that the commission was now investigating the granting of gambling rights.

Chief George had said he was not prepared to give evidence on this aspect, Mr Alexander said.

The chairman told Chief George he was obliged to give evidence even if it incriminated him, and if he refused he would be in contempt of the commission and his conduct would be referred to the Attorney-

General for suitable action.

Mr Alexander said that he agreed that it was desirable for Chief George to seek legal representation.

He instructed Chief George to return tomorrow to inform the commission about what his attitude would be towards giving evidence, to which Chief George had said he had no alternative but to give evidence.

More reports page 3

BUSINESS

D/D 28/11/88 (103) Tea

Magwa blends up R3m

by Matthew Moonleya
business editor
EAST LONDON —
Magwa Tea Corporation
deserved a substantially
greater share of Trans-
kei government funds,
the chairman, Mr Archie
Nkonyeni, said in his an-
nual report which re-
flected a profit of
R3 446 680.

The profits, recorded
in the 10th year of oper-
ation of the tea planta-
tions at Lusikisiki, were
recorded after writing
off R1 328 065 of devel-
opment expenditure.

Mr Nkonyeni
said: "The corporation
has proved its worth, in-
tegrity and capability of
using capital effectively
to promote development
and deserves a substan-
tially greater share of
government funds.

"I am only to dream of
the greater things which
would have been
achieved by the corpora-
tion if not faced with
these constraints."

Favourable climatic
conditions, a substantial
increase in the producer
price of tea and produc-
tivity gains had contrib-
uted to the successful
year.

Tea production ex-
ceeded that of 1985-86 by
571 tons to register a
crop of 3 010 tons for the
year. This is the first
time the 3 000 ton level
had been bettered.

"A closer analysis of
the corporation's results
reveal significant im-
provement in virtually
every financial and
physical aspect. An ex-
ception is the net inter-
est position which re-
flects a relatively
significant turnaround
from R168 385 in 1986 to
minus R244 147."

Mr Nkonyeni said the
season was character-
ised by heavy cropping
which exceeded the
budget by 65 per cent
following record rainfall
in August. Favourable
growing conditions in



Mr Nkonyeni... proved
worth.

December resulted in
exceptional daily vol-
umes and factories were
tested to the limit.

Dealing with pro-
spects and strategy for
the season, Mr Nkonyeni
predicted a more chal-
lenging and difficult
season in the light of the
Industrial Development
Corporation's in depth
report on the Southern
African tea industry.

He said the full impli-
cations of the report

were not known but it
would appear that tea
growers would be grad-
ually exposed to market
related pricing mechan-
isms.

"This would no doubt
necessitate a far greater
involvement in active
marketing."

Mr Nkonyeni said the
corporation had already
made the decision for a
new strategy to be for-
mulated which would be
initiated through a think
tank process involving
management, local auth-
orities and government
representatives.

Some of the more im-
portant issues to be con-
sidered and needing
clear cut decision were
land ownership, privati-
sation and expansion of
the industry.

"I deem it vital that
Transkei continues to
press for some dispensa-
tion from South Africa
to continue expansion of
its tea industry," he
said.

Cape Times 28/1/88

Casino application not officially OK'd

Own Correspondent

103

JOHANNESBURG. — Transkei coup leader Major-General Bantu Holomisa said yesterday that the question of the Umtata casino licence application by Sun International had not yet been tabled in the cabinet or the ruling military council.

The company confirmed on Tuesday that work on the casino site had been suspended pending proper approval of the application.

Gen Holomisa described as "speculation" the belief that government was waiting for the outcome of the commission of inquiry into government corruption, which has dealt with the gambling rights issue, before acting on any application.

But he said it would be normal when an investigation was going on for the authorities to wait to be advised before taking action.

He said it might not be in the public interest to process any applications till the inquiry made its recommendations.

The inquiry is due to wind up proceedings by the end of March.

Some Umtata residents have complained that they have neither a country clubhouse nor a casino. The clubhouse was demolished as part of the casino project.

Gambling corruption

103

GETTING casino and slot machine rights in the Transkei is itself a bit of a gamble. Evidence of massive bribes, manipulation and double-dealing was brought to light by the Commission of Inquiry into Gambling this week..

Last week the commission heard how the Mzamba Development Company had been set up by a group of seven people. Of the seven, only one was a registered shareholder, two were the wives or ex-wives of cabinet ministers, one was a Durban businessman and one a Kokstad lawyer.

While on paper the group appeared to have sufficient credentials to be awarded coastal gambling rights, one of the registered shareholders, Monde Sihele, admitted that he knew very little about the company's activities or other shareholders and that the lawyer in fact controlled everything.

Evidence was that the lawyer, Mike Brereton, had power of attorney

for the company and was subsequently able to sell the gambling rights to the Holiday Inns and parastatal Transkei Development Corporation (TDC) without even consulting the other shareholders.

A subsequent attempt by Sun International to secure sole gambling rights led to the company's name being linked to the payment of a R2-million bribe mainly to the now deposed prime minister George Matanzima.

When the allegations became public, the firm immediately launched a major initiative to clear its name, which culminated in Sol Kerzner giving evidence for five hours last week.

Meanwhile, there is still uncertainty about whether George Matanzima will appear before the commission.

His evidence is likely to be crucial, as there have been numerous allegations that he benefited to the tune of several million rand in the scramble for casino rights.

Sarkis
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Court order on Chief Matanzima

UMTATA.— An order placing the estate of former Transkei Prime Minister Chief George Matanzima under provisional sequestration has been granted in the Supreme Court here.

The application for the order was brought by the Transkei Development Corporation (TDC).

The Chief Justice, Mr Justice Beck, issued a rule nisi calling on Chief George to show cause on February 25 why the order should not be made final.

The secretary and senior legal adviser of the TDC, Mr Peter Barrable, said in an affidavit it was a matter of public knowledge that Chief George had recently received large sums of money and that he had many business interests.

The exact nature of these business interests and whereabouts of Chief George's assets needed to be investigated urgently, he said.

TRANSUN STOCK

Mr Barrable said Chief George was, to the TDC's knowledge, the holder of shares in Transun stock. He said information given to the TDC in the past 24 hours indicated there was a strong probability that Chief George was trying to realise these shares or had already done so.

Mr Barrable said that the TDC last year agreed to sell premises at 9 Old Hospital Road, Butterworth, to Chief George for R84 654.

In terms of the agreement, Chief George would pay R705 monthly rental until the transfer was registered in his name, but he had failed to make any payments and was indebted to the TDC in the sum of R14 243.

Information obtained from a senior official of the Transkei Agricultural Corporation (Tracor) indicated that Chief George owed Tracor about R800 000.

Mr Barrable said Tracor has been obliged to institute two actions against Chief George in the Supreme Court for the recovery of R539 418 and R242 980. —Sapa.

UMTATA — An order placing the estate of the former Transkei Prime Minister, Chief George Matanzima, under provisional sequestration was granted in the Supreme Court here yesterday.

The application for the order was brought by the Transkei Development Corporation (TDC).

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The secretary and senior legal adviser of the TDC, Mr Peter Barrable, said in an affidavit it was a matter of public knowledge that Chief George had recently received large sums of money and that he had many business interests.

The exact nature of these business interests and whereabouts of Chief George's assets needed to be investigated urgently.

Mr Barrable said that Chief George was, to the TDC's knowledge, the holder of shares in Transun Ltd which was listed on the Johannesburg Stock Exchange.

He said information given to the TDC within the previous 24 hours indicated there was a strong probability that Chief George was attempting to realise these shares or had already done so.

"It is submitted that such action on behalf of the respondent indicates an attempt to dispose of some of his assets to prejudice his creditors in general, or to prefer one creditor above another."

Mr Barrable said that on January 7, 1987, the TDC and Chief George had entered into an agreement whereby the TDC would sell him the premises at 9 Old Hospital Road, Butterworth, for R84 654.

Chief George was already in occupation of the premises and, at his request, the TDC had effected additional capital expenditure of R9 300 to the premises.

In terms of the agreement, Chief George would pay R705 monthly rental until the transfer was registered in his name, but to date he had failed to make any payments and was indebted to the TDC to the sum of R14 243.

"The financial affairs of Chief George have become public knowledge within Transkei and the publication of certain details relating to the financial affairs of Chief George have caused the TDC concern."

Information obtained from a senior official of the Transkei Agricultural Corporation (Tracor) indicated that Chief George owed Tracor about R800 000.

"According to Tracor these funds are in respect of loans granted to the respondent, and it appears from the records of Tracor that, since the date of granting these loans, the respondent has failed to make any payment what-

soever in reduction of the loans."

Mr Barrable said Tracor has been obliged to institute two actions against Chief George in the Supreme Court for the recovery of R539 418 and R242 980.

An inspection of the court records revealed further judgments against Chief George in the Supreme Court in cases brought by Dukel Motors (R1 893) on October 29, 1987, and Z. Mzimbe (R24 000) on November 18, 1987.

Mr Barrable said inquiries he had made indicated that neither of the judgments had been satisfied and a writ of execution issued.

He submitted Chief George's estate should be sequestrated as a matter of urgency for the following reasons:

- He was unable to pay his debts.

- He had failed to satisfy the judgments granted against him by the Supreme court.

- It was a matter of public knowledge that Chief George had absented himself from Transkei for a considerable period and during his absence had made no attempt to satisfy his indebtedness either to the TDC or any of his other creditors.

It was submitted that, prima facie, one of Chief George's intentions in absenting himself from Transkei was to evade or delay the payment of his debts.

The affidavit noted that on December 4, 1986, Chief George purported to buy three farms from Mr G. J. Gouws, for the sum of R1.2 million, which had been paid.

Mr Barrable referred to a clause in the deed of sale which stated:

"It is specifically recorded that the immovable properties will remain registered in the name of the seller until such time as the purchaser can legally transfer the properties into his name or that of his nominee."

Mr Barrable submitted that the properties cited in the deed were situated in South Africa and in terms of the law Chief George, being a Transkeian, would not be entitled to take transfer of the properties registered in his name.

Mr Barrable said the trustee would be able to investigate the legality of Chief George's purchase of the properties from Mr Gouws as well as the possibility of realising any interest which Chief George might have in the properties for the benefit of his creditors.

He submitted it would be necessary for the trustee's authority to be recognised by the relevant provincial division of the Supreme Court of South Africa.

Chief George's estate: court order issued

28/1/88 910 (102)

^{(103) 28/1/88}
Fraud to answer
fraud, inquiry told

Daily Dispatch
Reporter

UMTATA — A director of Joe-Lexie Pty Ltd told the commission of inquiry here yesterday that because the former Prime Minister, Chief George Matanzima, was going to commit "fraud" against the company by demanding R2 million for casino rights, the company would in turn commit "fraud" against him by not paying that money.

The director, Mrs Tabitha Dubeni, told the commission: "It's fraud on fraud."

The chairman, Mr Gerald Alexander, SC, asked her if she was willing to go along with this irregular practice of paying Chief George R2 million for the rights, and if not, why she did not resign.

She replied that she did not want to leave her money behind.

Mr Alexander, however, pointed out that she did not contribute any money to the company.

The chairman asked Mrs Dubeni whether, once Chief George had given them the rights, they would have told him they would not pay.

She agreed and he commented that this might be legally described as "theft."

Another witness who appeared before the commission, Mrs E. Pamla, denied she ever received any money from the sale of rights of Mzamba Development Corporation to Holiday Inns in 1978.

Two earlier witnesses had mentioned Mrs Pamla, the wife of a late Minister of the Interior, in relation to Mzamba Development.

Their evidence stated that she was one of the interested parties who received a part of the R500 000 when Mr

Monde Sihele sold his sole share.

She said she did not know that Paramount Chief Kaiser Matanzima received a cheque for R130 000 which was supposed to have been split between her and Mrs A. N. Matanzima. Mrs Pamla said she received nothing.

The first time she heard about any of this was when she read of it in the newspaper.

Mr Alexander assured her that her side of the story would also be given publicity and carry her denials of any knowledge or involvement in the matter.

Mrs Lexie Ceza told the commission yesterday that when she and Mr John Trickey and a Mr Del Veccio visited the former prime minister, Chief George Matanzima, and he had demanded R2 million "lobola" for the granting of a casino licence to her company, Joe-Lexie, she had regarded this as a ridiculous joke.

She admitted under questioning by Mr Alexander that she had not warned Mr Trickey and Mr Del Veccio about her attitude towards the whole venture, and that she had only been leaning on Chief George when he demanded "lobola".

Mrs Ceza said Mr Trickey became upset at this and said he could not, as a lawman, conduct business in that fashion.

Mrs Ceza also told about the time she realised that her company was a loser in the casino licence stakes when Mr Monty Ntloko, the managing director of the TDC, showed her a confidential telex message from Mr David Bloomberg of Cape Town, the TDC, enumerating all the undertakings South International intended in certain Transkei districts.

LADIES'
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dents can, however, fol-
low the course independ-
ently of their school

Another highlight for
the music department
this year will be the sec-

28/1/88 PD (103)
**Terrorism charges:
3 in Umtata court**

Dispatch Reporter

UMTATA — Three men
appeared briefly in the
magistrate's court here
yesterday on charges re-
lating to terrorism.

The three, Mr Neo
Zulu Mzimba, Mr Mzim-
kulu Tukela and Mr Son-
wabo Mbekela, were not
asked to plead and no
evidence was led.

They were remanded
in custody until Feb-
ruary 12.

The public prosecu-
tor, Mr D. M. Mdletye,
produced a certificate
from the Attorney-Gen-
eral, Mr Christo Nel, in
terms of section 48 of the
Public Security act, re-
fusing bail in respect of
Mr Mzimba.

He said that in respect
of the other two, the
matter would still be re-
ferred to Mr Nel in
terms of the same sec-
tion of the act.

No indictment had yet
been prepared for the
three accused, he said.

The attorney for the
defence, Mr Lungisile
Stofile, submitted, for
the record, that Mr
Mzimba was arrested
in September last year
and that he had instruc-
tions to apply for bail,
but was prevented from
doing so because the
matter was referred to
the Attorney-General.

He pressed for com-
prehensive charges, say-
ing the word terrorism
was a blanket charge
which was not specific.

He asked that the
state bring a compre-
hensive charge on the
date of remand, in order
for him to be able to pre-
pare a defence case.

Mr Mzimba's co-ac-
cused were arrested this
week.

From PATRICK LAURENCE
JOHANNESBURG — The jailing for five years on 15 counts of theft of former Deputy Minister Hennie van der Walt may be a sign of more than the moral frailty of one man.

It may point to a wider malaise in South Africa: Societal vulnerability to the moral cancer of corruption.

Van der Walt was the Deputy Minister of Development and Land Affairs until his resignation in August 1983. He was chairman of the Commission for Co-operation and Development, the parliamentary body which dealt with black affairs.

Shortly before his resignation, he admitted advising the Chief Minister of KaNgwane, Mr Enos Mabuza, to keep the door open for the establishment of a casino in his territory. He admitted, too, that he

Taking the lid off fruit-machine scandals

had been present when Mabuza received an unsolicited visit from Pretoria-based businessmen who attempted to persuade him to grant them casino rights.

Casino

Van der Walt, whose primary task as Deputy Minister was to plan the consolidation of "black homelands," was cleared of gaining personally from his involvement in casino concessions in KaNgwane and KwaNdebele.

But the Government recognised the danger of casinos serving as the

harbingers of corruption.

The Department of Co-operation and Development had earlier warned its officials to be on their guard against unscrupulous concession hunters seeking to win gambling rights for themselves by bribery.

The most spectacular recent evidence of corruption has, of course, emerged before two commissions of inquiry in Transkei: The first into the Department of Commerce and Industry and the second — still proceeding — into the Department of Works and Energy.

Evidence heard last year was that the former Prime Minister, Chief George Matanzima, was paid R1-million by a South African-based construction company to ensure it was granted a multi-million rand housing contract. He was forced to resign last September.

Matanzima

Since then there has been further evidence of corruption in Transkei, with Chief Matanzima again emerging as a central figure.

According to the evidence, Chief Matanzima,

his brother, ex-President Kaiser Matanzima, and selected members of his cabinet were the beneficiaries of tens of thousands of rands after a R3-million cash deal gave Sun International (SI) a monopoly on gambling rights in Transkei.

SI, which purchased the rights from another company, Transgames, denied involvement in or knowledge of the payments to the Transkei notables.

The payments were made from the account of a farmer, Mr G J Gouws, who sold his farm to

Chief Matanzima for R1.4-million. Two million had earlier been paid into Gouws' account by Mr David Bloomberg, a former Mayor of Cape Town.

Bloomberg negotiated the R3-million cash deal with SI which gave it the gambling monopoly in Transkei.

Farm

When the payments made to Chief Matanzima and his co-beneficiaries from Gouws' account are deducted from the R2-million, the amount left is R1.4-million — the price of the farm sold to Chief Matanzima.

But evidence of corruption is not confined to Transkei. In Ciskei, the former Minister of Health, Dr Hendrik Beukes, and his director-general, Mr H H Mdleleni, were found guilty of corruption in 1985 by a commission headed by the Chief Justice.

Questions have been asked about the role of a Russian-born Israeli, Mr Shabati Kalmonowitch, in another of South Africa's theoretically sovereign black states: Bophuthatswana.

Kalmonowitch combined his role as Bophuthatswana's representative in Israel with his activities as an entrepreneur in Bophuthatswana.

He started to amass a fortune in Bophuthatswana, where his construction company was awarded the tender to build a shopping complex. Its tender was for R23-million, against tenders of R18-million from South African companies. Having won the tender, Kalmonowitch then subcontracted to a South African company to build the complex, pocketing the surplus R5-million as a management fee.

Later Kalmonowitch was granted a multi-million rand contract to build a new stadium. Tenders were not called for.

Detained

Last year Kalmonowitch was detained in Britain at the request of the United States. Authorities in the US wanted to question him about forged cheques. He protested his innocence and was released on bail.

But, in a touch worthy of Kafka, Kalmonowitch has now been arrested in Israel on suspicion of being a spy for the Soviet Union.

Ten years ago South Africa itself, rather than its dependencies, suffered an attack from the same insidious disease of corruption.

Its earlier manifestation was, of course, the "Information Scandal." At its core, the scandal involved the use of secret funds to wage a clandestine propaganda war on behalf of the South African government.

Its best known project was the use of R32-million of taxpayer's money to launch The Citizen as an auxiliary of Pretoria's propaganda machine.

The Erasmus Commission found that large scale irregularities had taken

place, including possible theft and fraud, in the handling of the secret funds. One top official, the then Secretary for Information, Dr Eschel Rhoodie, was prosecuted for fraud. He was acquitted on appeal.

The Information Scandal did, however, lead to the fall of the then Minister of Information and "crown prince" of the ruling National Party, Dr Connie Mulder, and to the resignation of President John Vorster only eight months after he was elected to that post following his decision to quit as Prime Minister for "health reasons."

Mr PW Botha, who succeeded Vorster first as Prime Minister and then as President, promised to establish a "clean administration." But since then there have been increasing, perhaps even inexorable, signs of a resurgence of corruption.

A clear warning was given in December 1984 by Professor Tjant Van der Walt, Rector of Potchefstroom University, in his report on the outbreak of violence in September of that year in black townships of the Vaal Triangle.

Van der Walt found there were widespread complaints from the people of the townships that many town councillors were "corrupt and self interested."

"There were," he wrote, "incredibly many allegations of bribery, which in many cases is said to run to four figures."

Botha

The Vaal townships fell under the Lekoa Town Council, which, in turn, was part of the broader system of local government established in 1983 by the Botha administration.

In his report of nearly 60 pages, Van der Walt recommended that an investigation be conducted into the "personal financial positions" of the town councillors to "identify the guilty ones and rid innocent people of the cloud of suspicion hanging over them."

A respected member of the Afrikaner Broederbond and by no means a government foe, Van der Walt labelled suspicion of corruption in the town council "the most important cause of the current bitterness."

The recommended investigation was not conducted. Since then, one Lekoa councillor has been prosecuted and convicted of corruption. As important, there is evidence that corruption has spread from the Vaal Triangle to a string of black town councils in the heavily populated Witwatersrand.

The Deputy Mayor of Dobsonville, Mr Alex Jaca, was convicted of theft. Jaca was one of several Dobsonville councillors accused of corruption-related offences. They included the Mayor, Mr Steve Nkato who faced 52 charges of theft, and the chairman of the management committee, Mr Steve Kgane, who was charged with bribery. The charges against Jaca's confederates were later withdrawn, however.

Late last year the Transvaal Provincial Administration warned that further town councils it would be dissolved if they were found guilty of "misconduct" or did not keep proper financial records.



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They wanted casino 'by hook or by crook'

Director was willing to defraud Matanzima

UMTATA — A director of Joe-Lexie Pty Ltd told the commission of inquiry in Umtata yesterday that because the former Prime Minister, Chief George Matanzima, was going to commit "fraud" against the company by demanding R2 million for casino rights, the company would in turn commit "fraud" against him by not paying the money.

The director, Mrs Tabitha Dubeni, told the commission: "It's fraud on fraud."

The chairman, Mr Gerald Alexander, SC, asked her if she was willing to go along with this irregular practice of paying Chief George R2 million for the rights, and if not, why she did not resign. She replied that she did not want to leave her money behind.

R2 MILLION 'RIDICULOUS'

Mr Alexander pointed out, however, that she did not contribute any money to the company.

He asked her to define "lobola" and she replied that one must pay this before getting something in return. Payment of R2 million was ridiculous because it would have been tantamount to bribery, she said.

Senior counsel for the auditor-general asked her if she did not think it wrong to pretend to pay and the chairman commented that this was known by another legal name — fraud.

The chairman asked Mrs Dubeni whether, once

Chief George had given them the rights, they would have told him they would not pay.

She agreed and he commented that this might be legally described as theft.

Mrs Dubeni told the commission that Chief George was going to defraud the company so they were going to do the same. She said that no one could say anything against Chief George and if someone did not accept what he said they would just have to keep quiet.

The commission heard that the company would have tried to get the casino rights "by hook or by crook".

Asked by counsel if she remembered any of the directors saying that this payment of lobola was wrong, Mrs Dubeni replied that they all felt it was wrong but they had to comply with Chief George's request to get the casino rights.

According to earlier evidence, the directors of the company were Mrs Lexie Ceza, Mr Dowa Mgudlwa, Dr A B L Pupuma and Mrs Dubeni.

It was suggested to Mrs Dubeni that the only reason the company rejected an offer from Mr Sol Kerzner to buy their land for R300 000 was that they felt they would get the rights, and he would not, if they went along with the Prime Minister's directive.

— Sapa.



Mrs Lexie Ceza, a director of Joe-Lexie Ltd.

Probe witness to apply for licence

Daily Dispatch Reporter
EAST LONDON — A director of a company under investigation by the Transkei Commission of Inquiry into the allocation of gambling rights, Mrs Lexie Ceza, has indicated that she intends applying for another gambling licence.

Mrs Ceza, a director of Joe-Lexie (Pty) Ltd, said in a legal notice published today that she intended submitting an application for a grant to Joe-Lexie (Pty) Ltd of a casino licence and gambling apparatus licence.

She said the application was in respect of premises "situated at No 1 of Ncise administrative area, portion of Umtata district (as they are presently de-

scribed), Ncise administrative area in Umtata".

The application, in terms of the country's Gambling Act, would be lodged with the secretary for justice in Umtata on March 1 this year, Mrs Ceza's notice stated.

The notice said that the application and all documents in support of it would be open to inspection at the office of the secretary for justice for 30 days from March 1, and anyone may, within that time period, lodge an objection to the application.

Mrs Ceza has already given evidence before the commission of inquiry, as have other directors of the company, concerning the allocation of gambling rights in Transkei.

Chief George at inquiry

D/D
29/1/88
Daily Dispatch
Reporter (103)

UMTATA — The former Prime Minister of Transkei, Chief George Matanzima, appeared briefly yesterday before the commission of inquiry investigating the granting of casino rights in Transkei.

Senior counsel for the Auditor-General told the commission that certain exhibits and transcripts would be placed before Chief George's legal representatives to enable them to make an assessment.

He asked the chairman to warn Chief George to return at 10 am today, and his representative, Mr J. J. Vlok, brother of the South African Minister of Law and Order, Mr Adriaan Vlok, assured the commission they would be present.

Counsel said there was uncertainty about the dates of future sittings of the commission. It was hoped to have the dates confirmed by this morning so Chief George and his legal representative could make arrangements for their attendance.

During yesterday's hearing, a director of Joe-Lexie, Dr A. B. L. Pupuma, was questioned on his evidence that he had destroyed notes after he had transcribed them into a minute book subpoenaed by the commission.

Another witness, Miss Noxolo Bunn, private secretary of the managing director of the Transkei Development Corporation, Mr Monty Ntloko, testified that a letter before the commission was not the same as one she had typed for Mr Ntloko in November 1986.

Today is the last day on which Mr Jiyana Maqubela, who has resigned for "personal reasons", will be sitting as co-commissioner, and the chairman, Mr Gerald Alexander, SC, has commitments on the bench in the near future.

Counsel for the commission that Town attorney, Mr David Bloomberg, had volunteered to give evidence and had made arrangements to fly to Umtata on Monday.

However, this was not suitable because of the present uncertainty and a new date would be arranged for Mr Bloomberg to testify.

Three other people, Mr David White, Mr M. T. Brereton and Mr A. Del Veccio, had indicated their willingness to assist the commission and a date would be arranged.

The commission had not yet been able to make contact with Mr Hans Enderlie, Mr Chris van Rensburg or his brother, Mr F. S. J. van Rensburg, to ascertain if they were willing to give evidence.

Counsel said Mrs Nowetu Matanzima and Mr H. B. Tsengwa would be subpoenaed to give evidence and Mr Liston Ntshongwana had indicated he would give evidence, but counsel was having difficulty making contact with him while his bail application was pending.

The position of Sun International has been reserved until all the evidence has been heard.

Yesterday's hearing P 2

Daily Dispatch Reporter
UMTATA — A director of Joe-Lexie (Pty) Ltd yesterday told the commission of inquiry into the granting of gambling rights that he had destroyed notes, which he had kept for over a year in an envelope, after he had transcribed the notes into a minute book subpoenaed by the commission.

The witness, Dr Alphabetus Benjamin Langa Pupuma, told the commission that the directors did not keep records at their meetings but took notes and "then went home".

When the chairman, Mr Gerald Alexander, SC, asked Dr Pupuma where the notes were, he replied that he had destroyed them.

Asked why they had been destroyed, Dr Pupuma said he had already transcribed them.

The chairman said Dr Pupuma was trying to give a false impression to the commission of an original minute book which was compiled from documents which

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Daily Dispatch Reporter
UMTATA — The private secretary of the managing director of the Transkei Development Corporation (TDC), Miss Noxolo Bunn, yesterday told the commission of inquiry investigating gambling rights in Transkei that a letter exhibited at the inquiry was not the same letter she had typed for Mr Monty Ntloko in November 1986.

Miss Bunn had been

Former licence requests traced

Daily Dispatch Reporter

UMTATA — The secretary-general of the Transkei Department of Transport, Mr Linda Mbabama, yesterday traced the history of the applications for licences and for exclusive rights by the Mzamba Hotel and gambling complexes, during the time he was with the Department of Local Government and Land Tenure.

He told the commission of inquiry investigating gambling rights that the original application was submitted before 1980 by Holiday Inns, represented by Mr Roger Curry, and the principals were Mr Charles Fiddian-Green and Mr Nigel Matthews, with whom the agreement was concluded.

He said there had been discussions with Holiday Inns, later Sun International, and their representatives.

Mr Mbabama also told of an application by a company called Mtamvuna Hotels to lease about 20 hectares near the site of Mzamba for a hotel and racecourse.

Minute notes destroyed says witness

had since been destroyed.

Dr Pupuma said he had told an official of the Auditor-General's office who went to fetch the minute book that it was not the original.

Counsel for the Auditor-General asked Dr Pupuma why he had not pointed out in his earlier evidence that the minute book had been reconstructed for the commission of inquiry.

Dr Pupuma said that after the official from the Auditor-General's office had left his home he telephoned the managing director, Mrs Lexie Ceza, and told her he had prepared a new book because he had lost the other one.

He explained that he had not destroyed the original minute book but only the notes which

he had used. The original book had been lost or misplaced in his house, he said.

Dr Pupuma was asked why the directors' telephonic discussion of the offer from Mr Sol Kerzner, conveyed by Mr Monty Ntloko, to buy their land for R300 000 had not been recorded in the minutes as a telephonic meeting.

The minutes revealed that the telephonic meeting at which Mr Ntloko's offer was discussed was recorded as if it had taken place at the Holiday Inn on April 5, 1986.

Dr Pupuma was asked how he could record that a telephone meeting took place at the Holiday Inn.

According to Dr Pupuma's evidence, another

director, Mr Dowa Mgudlwa, was telephoned to notify him about the shares of the company of Joe-Lexie and if he would accept them.

The earlier evidence of Mrs Ceza and another director, Mrs Tabitha Dubeni, indicated that Mr Mgudlwa was present at a meeting when the shares were discussed.

The witness from the Auditor-General's office who was sent to fetch the minute book from Dr Pupuma said he waited for over two-and-a-half hours at the surgery, and then after 8 pm Dr Pupuma returned with the minute book and told him that he must go via Mrs Ceza's house for her signature.

The witness was asked if Dr Pupuma had asked him to convey a message to the commission, such as the fact that Dr Pupuma was bringing the minute book up to date. The witness replied that he had not been given such a message.

The commission continues today.

rights would be granted to Mr Kerzner.

The chairman of the commission, Mr Gerald Alexander, SC, said this was a serious allegation and gave Mrs Ceza an opportunity to write down the name of her informant otherwise the matter might be referred to the Attorney General.

She was given time to think and decide whether she wanted to co-operate or not.

Inquiry told letter not the original

called to identify the letter and said even the type style differed from all letters she had typed for Mr Ntloko, and that the telefax number supposed to have been used was not the right one.

Earlier Mrs Lexie Ceza refused to reveal the name of the informant who, she alleged,

had told her that she would not get casino rights because she and white partners were not playing ball.

Mrs Ceza had told the commission that the person who told her this had seen a letter in which Chief George Matanzima had said casino

The departments of agriculture and forestry and works and energy were consulted and they gave their approval and the matter was passed on to the cabinet which approved the lease of the land. The land was then surveyed.

He said Mtamvuna wanted a ceremonial signing, apparently as a publicity exercise, even though they already had the approval.

It was then, Mr Mbabama said, that the then state president, Paramount Chief Kaiser Matanzima, questioned the whole deal as he claimed that because of his position he was the custodian of all Transkei's land and was the only one who could dispose of it.

Mr Mbabama explained that prior to the independence of Transkei, the sale of land could only be approved by the Minister of Bantu Administration and Development in Pretoria, and in terms of the Transkei Constitution Act from October 1976 these powers were taken over by the Minister of Local Government and Land Tenure, and not the state president.

News in Brief

CMS Temp 29/1/88
2 killed in prison brawl *(102)*

UMTATA. — Two prisoners died in a fight between prison warders and prisoners yesterday. A third prisoner is in a critical condition, while two policemen were treated for minor injuries. Officials said the scuffle came after an argument between a warder and a prisoner who was on special diet.

Mrs Matanzima tells of her involvement in casino bid

Daily Dispatch Reporter

UMTATA — The wife of the former prime minister of Transkei, Chief George Matanzima, yesterday told the commission of inquiry investigating gambling rights in Transkei of her involvement in a company which had sought casino rights.

Mrs. Matanzima told the commission she had been approached by Mrs Lexie Ceza to become a director of Joe-Lexie (Pty) Ltd. No reasons had been given for her being approached, except that Mrs Ceza had wanted her to have money.

She said she had attended a meeting with Mrs Ceza and two white men, but nobody had suggested that she would have to invest any money in the company as a director.

Replying to questions by the chairman, Mr Gerald Alexander, SC, she said it had never occurred to her that she

had been approached because she was the wife of the prime minister and was not aware of Chief George promising to grant a casino licence to Joe-Lexie.

She said she had never attended a meeting with Mr Dowa Mgudlwa or spoken to him over the telephone. She said she was not related to Mrs Ceza, but just a social acquaintance.

Mrs Matanzima said she had realised later that the whole thing had fallen through, when the people who had been visiting her did not come to see her anymore.

She said she did not expect anything, even if Joe-Lexie were granted a casino licence, since she did not know whether she was still a member of the company.

She was surprised when shares were allocated to certain directors of the company and she was excluded.

Mrs Matanzima said she had never discussed her participation in Joe-Lexie with the former state president, Paramount Chief Kaiser Matanzima, and was not aware that he was against gambling in the country.

Another witness, a Butterworth businessman, Mr Monde Sihele, said he had acquired R10 000 worth of shares in Mzamba Development and later sold the shares back to Holiday Inns for R300 000.

Mr Sihele, described in earlier evidence as having been the sole shareholder in Mzamba Development, said that, after he had acquired the shares, they were transferred to a company called Qolora Development.

Mr Sihele said he could not explain details relating to the transfer of the shares, their price and why they were transferred back to Holiday Inns three months later.

He said he received R150 000 of the R300 000, and the balance was paid to Paramount Chief Kaiser Matanzima by cheque on June 6, 1982. He did not know why Paramount Chief Matanzima had to receive this money.

Mr Sihele said he had given Paramount Chief Matanzima a cheque for R129 500 which the chief endorsed.

The cheque represented the joint interests of Paramount Chief Matanzima's wife and Mrs E. Pamla.

● Chief George was warned to appear on February 23 and might be required up until February 26.

The commission was adjourned to February 15.

Ill Maqubela thanked by commission

Daily Dispatch Reporter

UMTATA — The former Transkei Auditor-General, Mr Jiyana Maqubela, yesterday took his leave of the commission of inquiry into the Department of Works and Energy.

He has resigned from the commission for personal reasons.

Mr Maqubela, who retired as auditor-general early last year, was co-opted to sit on the commission with the chairman, Mr Gerald Alexander, SC.

When he arrived for yesterday's session, Mr Maqubela was supported by a government official, followed closely by his doctor, Professor Marina Xaba-Mokoena, who is a mem-

ber of the council of ministers.

He had drips in both arms and twice during the sitting he had to be helped out of the chamber to be attended by his doctor.

Counsel for the Auditor-General expressed his team's thanks to Mr Maqubela for the services he had rendered.

Mr Alexander also expressed his gratitude and said he was sorry that Mr Maqubela had to leave.

Mr Maqubela replied that it had been an honour for him to be associated with the important work as done by the commission and he was grateful for the opportunity of serving.

(103)

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30/1/88



In better days . . . Sol Kerzner and Chief George Matanzima examine a model of the Wild Coast Sun. *c/pms 31/1/88 (103)*

Arrest Chief George, says fraud accused

A FORMER adviser to Chief George Matanzima this week urged an Umtata magistrate to have the deposed Prime Minister arrested.

Liston Ntshongwana - who is due to face charges of fraud involving R4-million in Umtata's Supreme Court next month - called for the arrest of Chief George while pleading for bail.

He told Magistrate JN Barnes the chief should be a "co-accused" and "should join me in prison or else I should join him in freedom".

Ntshongwana said it seemed the police were afraid of Chief George, who had been "moving in and out of Transkei".

Ntshongwana, who has been in deten-

tion for over six months, is facing further charges of theft, alternatively fraud, involving R38 000 from a company of which he was a director, defrauding a school of R1 000 and extortion of R20 000 from three Umtata lawyers who had been served with deportation orders.

He allegedly claimed he would see to it they did not get deported.

Ntshongwana has made five bail applications in the past, all of which have been turned down.

Brig Spalding Dengana told the court it would be taking a risk if it granted Ntshongwana bail because six years ago when arrested for security matters, he had fled the country to London.

Court gets tough on George's debts

UNLESS former Transkei Prime Minister George Matanzima comes up with good reasons why he should not be stripped of all his riches by February 25, he will be as poor as a church mouse.

Wealthy Matanzima, the centre of controversy in the corruption scandal, this week suffered a heavy financial blow when he was stopped from using any of his monies.

An order placing the estate of Chief George Matanzima, under provisional sequestration was this

week granted in the Umtata Supreme Court.

The application for the order was brought by the Transkei Development Corporation.

Chief Justice Beck issued a rule nisi calling on Chief George to show cause on February 25, why the order should not be made final.

The secretary and senior legal adviser of the TDC, Peter Barrable, said in an affidavit it was a matter of public knowledge that Chief George had recently received large sums of money and that he had many business interests.

The exact nature of the business interests and whereabouts of George's assets needed to be investigated urgently, he said.

Barrable said that on January 7, 1987, the TDC and George Matanzima had entered into an agreement whereby the TDC would sell premises in Butterworth to him for R8 4654.

In terms of the agreement, Chief George would pay R705 monthly rental until the transfer was registered in his name, but to date he had failed to make any payments

and was indebted to the TDC to the sum of R14 243.

Information obtained from a senior official of the Transkei Agricultural Corporation indicated that Chief George owed Tracor about R800 000.

Barrable said Tracor has been obliged to institute two actions against Chief George in the Supreme Court for the recovery of R539 9418 and R242 980.

He submitted Chief George's estate should be sequestrated as a matter of urgency. Sapa.

C/P 31/1/88

103

Executives ask to give evidence today

Daily Dispatch Reporter

UMTATA — Senior executives of Sun International and Transun will fly from Johannesburg to Umtata today to give evidence before the Commission of Inquiry into the Department of Works and Energy which is investigating the granting of casino rights in Transkei.

Counsel for the Auditor-General stressed to the commission at the opening of yesterday's session that the officers of the commission had had excellent co-operation from executives of Sun International and its associated Transkei companies.

He said there was no question of any cover-up of Sun International relating to the queries.

An attorney representing Sun International, Mr Alastair Buchan, said the company was perturbed about the negative publicity which could be drawn from evidence led before the commission on Monday.

He said his clients requested the right to be heard as a matter of extreme urgency.

The chairman, Mr G. Alexander SC, said it was the commission's policy to give anyone concerned the right to address the commission.

He said it was also necessary that all the recipients of cheques paid out of a trust account should be given an opportunity to address the commission.

According to previous evidence, R2 million was transferred by a Cape Town attorney to a Ugie farmer, Mr G. J. Gouws, who then issued nine cheques which went to senior officials, including two former Prime Ministers, Chief George Matanzima, and Miss Stella Sigcau.

Evidence was also given that R100 000 was issued to Chief George who on the same day issued a cheque of R50 000 to Paramount Chief Kaiser Matanzima.

Miss Sigcau was present throughout yester-

day's proceedings accompanied by her attorney and she is expected to give evidence before the commission today.

Senior counsel for the Auditor-General led almost an hour's argument to the commission regarding the contract, signed by Chief George on behalf of the Transkei Government, entered into with the Wild Coast Sun for the building of a casino hotel in Umtata.

Senior counsel submitted that legally, no one had the right to contractually grant exclusive gambling rights to a company.

The commission was told that one could not contract in advance the right for a licence and officials of the commission were investigating if there were any irregularities such as the passing of monies which preceded the granting of a licence.

Counsel for the Auditor-General led evidence about the allocation of the shares of Transun.

Reading from the Transun register, counsel told the commission that a former secretary-general, Mr Ashton Dunjwa, had applied in his name for 65 000 share at the value of R1,50 per share and he was allocated 15 900.

Then another application was made in the same name but with a different box number for which 7 000 shares were allocated.

A query was made about the ex-Minister of Commerce, Industry and Tourism, Chief Gladstone Gwadiso, who applied for 750 000 shares and was allocated 183 500 with almost R850 000 refunded to him.

The other larger allocations read out to the commission included:

● Mr V. Mbotoli, described as a shareholder and director of Transgames and a former employee of Jalc, who applied for 916 500 shares

and received 224 200 with a refund of more than R1 million.

● The managing director of the TDC, Mr Monty Ntloko, who applied for one million shares and was allocated 244 600 with a refund of just over R1,1 million.

● A company called VMB Nominees Pty Ltd who applied for two million shares and received 62 400 with a refund of nearly R3 million.

● An ex-minister, Mr M. Lujabe, who applied for 130 000 and received 31 800 shares.

● Chief George who applied for 200 000 and received 48 900.

Counsel for the Auditor General said that it appeared as if a large number of people resident in wealthy areas such as Houghton, Hout Bay and Sandton applied for large numbers of shares but with the names of Transkeians — with the inference that they were used.

Similarly in Transkei, it was alleged that possibly numerous applications were made with the same address in which not so wealthy people were used to apply for shares.

The question was raised whether the company VMB was eligible for the shares as the eligibility generally centred on the shares being allocated to Transkeians or Transkeian interests.

A member of the allocations committee, and a secretary/legal adviser for the TDC, Mr Peter Barrable, told the commission that Rand Merchant Bank had made available R8 million to assist Transkeians to purchase such shares and VMB was involved in this regard.

He also told the commission that two million applications were processed and a large number were rejected as fronts in the listing of Transun and that due care was taken by the allocations committee chaired by the ex-Chief Justice of Transkei.

Ex-Ministers to explain payments of R50 000 each

By Martin Challenor

UMTATA — Two former Cabinet Ministers are to begin explaining to the Transkei corruption hearing today why money was paid to them from Cape Town attorney Mr David Bloomberg's trust account.

The money was paid through Ugie hotelier Mr G J Gouws.

The Ministers are Mr T T Letlaka, who received R50 000 on January 23 1987, and Mr M Lujabe, who received R50 000 on January 29 1987.

Mr Gerald Alexander, SC, chairman of the commission, subpoenaed the former prime minister, Chief George Matanzima, yesterday to appear before him on Monday.

Mr Alexander said: "Chief George had visited Umtata yesterday, which would indicate that he is no longer ill in Cape St Francis."

Another former prime minister, Miss Stella Sigcau, said through her legal representative, Mr Dave Shaw of Kokstad, that she would like to give evidence on Wednesday next week.

The commission of inquiry into the Department of Works, which has been sitting since October 1986, was restrained both by Chief George and Miss Sig-

cau over what it could focus on, but had its scope expanded after the military coup on December 30.

The military expanded the commission's terms of reference to look at the granting of gambling rights in Transkei.

Sun International executives' counsel, Mr Fanie Cilliers, SC, asked yesterday for a transcript of all evidence that could have a bearing on Sun International. He is to address the hearing on this evidence next week.

From documents handed in to the commission it emerged that the Transkei Cabinet gave the Wild Coast Sun Company the right to build a R30 million casino hotel in Umtata in an agreement signed on December 12 1986.

The Transkei government undertook that no other company would be allowed to operate the casino within 100 km of Umtata and Butterworth for 15 years.

The Secretary-General of Commerce, Industry and Tourism had asked the Cabinet to prohibit a monopoly or exclusive right on the operation of slot machines in Transkei, but was overruled.

Wild Coast Sun was then owned by Sun International and Transkei Development Corpor-

tation.

Transgames at that stage held exclusive rights to operate slot machines in the Transkei. Transun, a subsidiary, held 45 per cent of the Transgames shares.

Transun bought out Transgames completely on January 1 1987.

Transun paid R3 million cash to Cape Town attorney Mr Bloomberg, who was acting for the other owners of Transgames, Butterworth businessman Mr V Mbotoli, Queenstown businessman Mr Fred van Rensburg and a Swiss company, ESL.

Evidence presented to the commission already was that R2 million was paid from Mr Bloomberg's trust account into Mr Gouws's bank account — R1,5 million on December 15 1986 and R500 000 on January 15 1987.

Mr Sol Kerzner wrote to Mr Bloomberg on December 10 1986 that R1,5 million would be paid when permission to run the casino was received.

The chairman of Sun International, Mr Ian Heron, has said that if Mr Bloomberg made payment to anyone other than Mr van Rensburg, Mr Mbotoli and ESL, Sun International was in no way involved and it utterly rejected any link with improper suggestions.

Daily Dispatch Reporter
UMTATA — The Transkei Minister of Commerce, Industry and Tourism, Mr Dowa Mgudlwa, has called on education authorities to replace the principal of a Cofimvaba High School.

Mr Mgudlwa said Professor C. H. T. Lalendle, who has been principal at Daliwonga High School since the beginning of last year, should lecture at the university and not in high schools.

Prof Lalendle dismissed Mr Mgudlwa's claims as untrue. He defended his record at the school, saying that exam results had in fact improved significantly. He also said his relations with the school committee were "very good."

The minister, who comes from the area, complained of conditions at the school.

Mr Mgudlwa said that since Professor Lalendle had taken over, nine teachers, and some clerks had resigned.

Mr Mgudlwa said he noticed the poor conditions when he took his child to the school for admission.

Among the "conditions" he mentioned were:

● The compound was too bushy and filthy.

● Classrooms had no blackboards.

● The windows in hostels and dining halls had all been smashed without replacement.

● The 1987 matric results were "not enviable".

The minister praised the patience and hard work of the remaining staff members.

He said there had been a lack of discipline among students, which had resulted in unrest at the school. This in turn had led to the damage of property and had been "a matter of grave concern" last year.

Principal defends record at school

Mr Mgudlwa said Prof Lalendle had had to leave Fort Hare University where he had been a lecturer. He had then taken up an appointment at Lennox Sebe Training College in Ciskei but again had had to leave.

The chairman of the Daliwonga school committee, Mr Bangilizwe Daba, said it was true that conditions at the school were deplorable.



MR MGUDLWA

Mr Daba said students had misbehaved at the end of the 1987 academic year, breaking tables, chairs and smashing windows.

He admitted many teachers and other staff members had resigned last year.

Mr Daba said there had been a number of complaints against the principal.

Asked if Prof Lalendle should be replaced, he said: "Yes, I definitely agree".

"We were given this man by the Department of Education. As we usually take what the

department gives us we are never accorded an opportunity to make a choice," he said.

After a brief consultation, in which he was assisted by a panel of education planners, the acting secretary-general of education, Mr C. V. Makasi, expressed shock at the complaints, and said he could not comment on the matter "at this stage".

Prof Lalendle denied that conditions at the school were deplorable and said one or two windows were broken after an end-of-year disco.

He rejected Mr Mgudlwa's statement that last year's results were "not enviable", saying that he had, in fact, improved results since his arrival.

Prof Lalendle said that, according to records, the school had 14 matric exemptions in 1985, 36 exemptions in 1986 under his principalship, and 42 exemptions last year.

He said the school enjoyed a pass rate of more than 50 per cent with four first class passes last year.

He denied that nine teachers had resigned from the school last year, saying one man had died, one had been expelled for misconduct and one had asked for a transfer to Umtata in order to further his studies.

Prof Lalendle said morals at the school were under control and not much different from other schools where students were punished for misconduct such as drunkenness.

He denied knowledge of any moves by parents to have him replaced, and said his relations with the school committee were "cordial and very good".

Asked whether he enjoyed being at a high school in view of his academic qualifications, he said he was "merely idling here waiting for a placement to a tertiary institution, a college or



PROF LALENDLE

university in the near future".

Prof Lalendle said he left Jongabantu Senior Secondary School in Nqamakwe in order to protect his salary and took up an appointment to a bigger school in Cofimvaba.

He also denied that he had been dismissed from Fort Hare and that he had been chased away from the Lennox Sebe Training College in Zwelitsha, Ciskei, by President Lennox Sebe.

He referred to certain aspects of the accusations against him as "blatant untruths".

PAC trial

D/Dispatch

resumes

11/02/88

(103)

UMTATA — The trial of seven people facing charges relating to activities of the banned Pan Africanist Congress will resume in the regional court here this week.

The accused are Mr Leo Rubusana Kantolo, Mr Salakaty Villiers Simuku, Mr Siggibo Agreement Mpendulo, Mr Synod Madlebe, Miss Nomthandazo Lusizi, Mr Vivien Mzinkulu Swaartbooi and Mr Victor Ntsokolo Zamela.

The seven have all pleaded not guilty to charges of being members of the PAC, engaging in activities to promote the PAC and arranging PAC meetings. — DDR

Daily Dispatch Reporter

UMTATA — A state witness in the trial of seven people accused of Pan Africanist Congress (PAC) activities, which resumed in the regional court here yesterday, Mr Victor Soga, said security policemen stuck pins on his shoulders and slapped him across the face while interrogating him.

Appearing before Mr R. N. Mickelsfield are Mr Leo Rubusana Kantolo, Mr Salakatyia Villiers Simuku, Mr Agreement Siggibo Mpendulo, Miss Nomthandazo Lusizi, Mr Vivien Mzimkhulu Swaartbooi and Mr Victor Ntsokolo Zamela.

The seventh accused, Mr Synod Madlebe, has not attended court since he was admitted to hospital last year after suffering a stroke.

Mr Madlebe, a former Robben Island prisoner, was granted bail of R2 000 with certain conditions after he was released from hospital, and has not been able to attend the court hearings.

The accused have all pleaded not guilty to charges of being members of the PAC, engaging to promote the PAC by recruiting members

W. D/D 02/02/88
**Witness says
 police slapped,
 pricked him**

and arranging meetings for the organisation.

Mr Soga said that apart from being pricked with straight pins, he was threatened by the policemen with being put on a "Boeing" which, he said, a fellow detainee had told him meant being tied around the wrists and suspended from a table while being assaulted.

He was also told he would get the "TV" treatment if he did not speak the truth, and to explain this a policeman showed him a bucket of water.

He told the court that the pinpricks were no longer visible as he had developed a rash of pimples over the area where the pins had been stuck, and was now covered in black spots.

He said he had become afraid of the policemen because of the torture he received during his first detention, and the assaults

only stopped when he answered the way the police wanted him to answer.

During his second detention, he said he was held for one night and released the next morning "on warning".

When questioned by the defence counsel, Mr Justice Poswa, Mr Soga said one of the accused, Mr Kantolo, had given him a pamphlet called The political career of John Pokela, which he had read, but could not remember the contents, as he was poor in reading English.

He said he had also got a book called Strategies and Tactics of the ANC from a friend, Mr Andile Gqalane, which again he could not read.

The witness said he had kept the book for a long time among his other books, which were detective novels. He said he had never read any political books

other than those given to him by Mr Gqalane and Mr Kantolo.

When Mr Poswa suggested that Mr Soga was misleading the court and that there were things he did not want to state accurately, Mr Soga said it was only because he had a poor memory.

Mr Soga told the court that he had just come out of detention at the end of 1985 when he first met Mr Kantolo in the office of a lawyer, Mr Mda. He said Mr Kantolo was going to organise a bursary for him to go to university.

He said he was still expecting to be charged at the time, and had also gone because his father arranged that he be defended in court by Mr Mda.

He agreed with the defence counsel that the police felt that the bursary was not the only reason for meeting Mr Kantolo, but that there was also a political reason.

He said this feeling had also been expressed by some of the investigating officers because of the pamphlet received from Mr Kantolo.

The trial continues today.

MD resigns from T'kei corporation

D/D 02/02/83

103

Daily Dispatch
Reporter

loko, had tendered his resignation.

UMTATA — The public relations officer of the Transkei Development Corporation, Mr Ignatius Mdlekeza, confirmed yesterday that the managing director of the corporation, Mr Monty Nt-

Mr Mdlekeza said Mr Ntloko's resignation would only take effect when ratified by the board of directors.

He said the matter was high on the agenda of the board's meeting to be held at the end of the month.

He said Mr Ntloko would only make a statement concerning his resignation through the public relations office after it had been approved.

Last month Mr Ntloko, who has given evidence to the Commission of Inquiry into the Department of Works and Energy, did not deny he was resigning but said he was not able to comment "at this stage".

D/D 3/02/88

Interim order for Fingo Chiefs

Daily Dispatch Reporter

103

UMTATA — An interim interdict restraining the Transkei Premier Soccer League from appointing a former attorney to arbitrate between two local teams, Fingo Chiefs and Liverpool United, was granted in the Supreme Court here.

The interdict was granted following an application by Fingo Chiefs for, among other things, the setting aside of a decision by the arbitrator, Mr Luvo Tetyana, to fine them R800 or one season suspension, after they were found guilty of causing the abandonment of the Leopards Breweries semi-final clash between them and Liverpool United last year.

The respondents in the matter are the Transkei Premier Soccer League, Liverpool United Football Club and Mr Luvo Tetyana.

The order, granted by Mr Justice Davies, also carries a rule nisi calling upon the respondents to show cause by tomorrow why the dispute between Liverpool United and Fingo Chiefs, or between Transkei Premier Soccer League and Fingo Chiefs and Liverpool United on the one hand and Fingo Chiefs and another team, Ncise Real Hunters, should not be stayed and postponed.

It also calls for the review and setting aside of Mr Tetyana's decision, referring to it as irregular and unconstitutional.

The order also seeks the respondents to show cause why the Loser's Final match (which was never played) scheduled for January 31 between Fingo Chiefs and Ncise Real Hunters should not be regarded as stayed and postponed.

The respondents are also required to show cause why the final match between Liverpool Football Club and Umtata City Football 1988 scheduled for Sunday, February 7, should not be stayed and postponed.

The respondents are also required to say why they should not be ordered to pay the costs of the application.

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elborne College's second
be held in Grahamstown
man, Shane McAlister,

Four detained after shootout

D/D 3102/88 103

Daily Dispatch
Reporter

UMTATA — Four people have been detained in terms of the Public Security Act following a reported shootout between police and suspected terrorists in the Mount Fletcher area.

The detentions were confirmed yesterday by the Minister of Police, the Rev B. N. Dlamini, after the Commissioner of Police, the head of the Security Police and the police public relations officer had declined to comment.

Mr Dlamini said Dr Lundi Collin Madinga, Mr Bafana Gcola, Mr Zolisa Mbityana and Mr Nyakombi Mankayi had been detained.

When asked to confirm the shootout, in which one suspected terrorist was said to have been killed, Mr Dlamini said he had only received the information verbally and was awaiting a report.

An attorney, Mr Dumisa Ntsebeza, said here yesterday he was taking instructions regarding Dr Madinga's detention.

Mr Ntsebeza said that, according to his information, Dr Madinga was detained after completing his morning rounds at the Mount Fletcher hospital.

Dr Madinga's family had only become aware of his detention when the police telephoned them later in the day asking them to bring a change of clothing for him.

Mr Ntsebeza said he had been told the detention followed a shootout last week between police and two suspected terrorists. One was killed and the other was being sought by police. Helicopters had been used in the search on the day of the incident.

Mr Dlamini said he could not comment on this aspect until he received further details.

Mr Ntsebeza said that Mr Gcola, who had served time on Robben Island for ANC-related activities and who had been working as a carpenter at Dr Madinga's surgery, had also been detained after the shootout.

an Lesbians

by LAWRENCE NGOZI
UMTATA — The chairman of Transkei's ruling military council, Major-General Bantu Holomisa, yesterday dismissed as speculation, talk that the military government would call for civilian elections in April this year.

However, the general said there should be no doubt that the military government intended to hand over to a civilian government.

In a speech welcoming President Tutor Ndamase back from holiday, Gen Holomisa said the public would be given six months notice of an impending election.

He said the present Transkei Government had made the political bid out of concern for the welfare of the people.

"It is our plan to give tangible expression to this by holding public consultations with the people in all their spheres of activity.

"Our intention to hand over the instruments of government to the civilian government is not in question," he said.

General Holomisa also assured investors in the country of guaranteed protection on condition they conformed with the laws of the country.

"We welcome their investments and guarantee protection to their interests, in return for a positive economic involvement that benefits the country."

Poll rumours dismissed by Holomisa

D/D 3/02/88
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The general said the government would like to win the confidence of all investors, especially those whose integrity had been made questionable by the published proceedings of commissions of inquiry.

"We would like to say to those investors we do not hold them responsible for any improper conduct that may have been revealed in their transactions by the inquiry.

"The minimum demand by any country on investors and businessmen of all categories is that they conform to the laws of the country.

"The laws of our country are designed to enhance the profit-making mechanism in an orderly free-market economy mechanism."

General Holomisa also said the military government was concerned at the acute shortage of accommodation in the country which made the common man prey to some unscrupulous landlords.

He said the Van Renen Commission of In-

quiry into the Department of Commerce, Industry and Tourism had probed the procedures followed in the allocation of properties.

The findings and recommendations of the inquiry were being studied by the minister and heads of departments concerned.

A Rent Board to control rentals was planned.

He also announced that it had been decided to establish an Economic Advisory Council to assist in the planning for the country.

The Development Secretariat who were charged with co-ordinating national planning was looking into this aspect.

Gen Holomisa said the Department of Finance had been requested to monitor tenders for state contracts.

"In this regard each tenderer must be able to produce a certificate of its last tax payment before submitting its tender," he said.

He said the need for an ombudsman had long

been felt in Transkei to ensure good government and the protection of individual rights.

"Mr Caledon Mda has been appointed to this position."

He also announced that to keep the public informed on state programmes and projects, a government spokesman, responsible for the issuing of press releases, would be appointed.

● President Tutor Ndamase yesterday sounded a call to all Transkeians to rededicate themselves to the service of the country.

On his arrival from his annual holiday he said it was only with hard work and full co-operation "that we can achieve our goal of laying a sound foundation for a prosperous Transkei".

The president said the momentum of development must not only be sustained but it must be accelerated.

He said he had spent a fruitful holiday in South Africa. He had visited a wine estate and been assured certain parts of Transkei were suitable for viticulture.

He had also visited low cost housing and other schemes which Transkei could look to with benefit.

DP 4/21/88
**No details
of T'kei
shootout** (103)

UMTATA — No further details of the shootout between police and suspected terrorists in the Mount Fletcher area have been released.

Nor has the identity of the suspected terrorist been released.

The Minister of Police, the Reverend Benjamin Dlamini, said he had not yet received a report on the shootout. The report is expected once the police have completed their interrogations. — DDR

D/D 4/2/88

Transkei police arrest PAC trial witness

103

Daily Dispatch Reporter
UMTATA — The Transkei security police yesterday arrested Mr Vuyisile Mnyani, described in the regional court as a hostile witness during the trial of seven people charged with being members of the banned Pan-Africanist Congress.

The public prosecutor, Mr D. Sankey, had earlier asked the presiding magistrate, Mr R. N. Mickelsfield, to declare Mr Mnyani a hostile witness because there were many discrepancies and contradictions in his evidence, compared to the statement he made to the police.

When Mr Mnyani first gave evidence on Tuesday he explained to the court that his written statement to the police

was what the police had wanted him to say.

He described how he had been assaulted and ill-treated until he agreed to sign the statement.

The hearing was held up for about 90 minutes, because the investigating officer, Detective Sergeant Zolani Madikizela, was not available to take the stand. He was busy processing Mr Mnyani's arrest.

When Sgt Madikizela took the witness stand

he told the court that he had and other security policemen had arrested Mr Simuku in Kentane and Mr Zamela in Butterworth.

He said he had not found anything at Mr Simuku's residence, but had found a number of books, documents and posters at Mr Zamela's home.

He told the court that a member of his team, Sergeant Habe, had taken down in free hand the list of items found at Mr Zamela's home, but

the list had to be corrected and typed later so that a proper docket could be prepared.

Written on Sgt Habe's original list, were the books, On trial for my country, Steve Biko's I write what I like, Muthobi Motloatse's Reconstruction, Detained, Mao Tse Tung, Chief Albert Luthuli's Let my people go, a Steve Biko poster and a January 8, 1986 speech by Oliver Tambo.

There was also a Book of Life and travel documents belonging to Mr Zamela, and Sgt Madikizela said there were 28 ordinary music cassette tapes which were left behind in the office of the Butterworth security police.

The trial continues today.

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Holomisa calls for Christian peace and reconciliation

Daily Dispatch Reporter

UMTATA — Transkei's military ruler, Major-General Bantu Holomisa, has appealed to the Christian community in Transkei to embark on a new Christian note of peace and reconciliation.

Gen Holomisa condemned what he described as a Christian community torn apart by internal strife in the United Methodist Church of Southern Africa (UMCSA).

"While this message is directed to my brothers and sisters, fathers and mothers in all walks of life, I would like to direct a special appeal to the active Christian community in Transkei who have permitted Christ's community to be torn apart and be at log-

gerheads in the UMCSA.

"We have held discussions with various leaders in the current dispute and we have appealed to them to find a permanent solution to their dispute.

"This is out of concern at the divisiveness of the altercation and the danger to which it exposes the country if unscrupulous elements should endeavour to exploit this division for their selfish ends," he said.

"I make a fervent prayer to the Holy fathers and elders involved in this dispute to submit to humility and the dictates of their consciences, submitting themselves to the greater spiritual and social concerns so that the spirit of peace and reconciliation can find a place in our hearts," he said.



Major-General Bantu Holomisa appeals to the Christian community for peace.

DIP
4/2/88
103

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Pitched battle after mass breakout bid

by LAWRENCE NGOZI
UMTATA — Details of a pitched battle between prisoners and warders at the Umtata prison here last week, after which two prisoners died, were revealed for the first time yesterday.

The Minister of Justice and Prisons, Chief Pondolwendlovu Ndamase, said the riot had erupted after an attempted mass escape from a section of the

prison containing the most dangerous criminals.

Teargas had to be used to subdue the prisoners and restore order after two warders were overpowered — one was knocked unconscious — when warders at the prison rushed to the section after being alerted by a prisoner.

It was the first statement issued by Chief Ndamase since the inci-

dent occurred last Tuesday.

Chief Ndamase identified the two dead prisoners as the riot ring-leader, Mzwandile Norman Fihla, 30, a long-term prisoner and Mgcameli Mandondo, 39.

A third prisoner, whose name could not be released for security reasons, was still undergoing treatment at the Umtata Hospital for injuries sustained during the fight.

He said all indications were that there had been a planned escape during the lunch hour, but the section head's safety precaution of keeping a gateman outside a grillgate had stopped the escape.

Chief Ndamase said the riot had broken out in C section of the prison in which "very bad" categories of prisoners, referred to as unclassified prisoners, were confined. There were 414 prisoners as against only three staff members.

"When meals were served, Fihla was given

his normal dish of food but he demanded a second plate of food," he said.

When a section supervisor intervened, Fihla became aggressive and a scuffle ensued between the two. The supervisor slipped and fell.

Another prisoner helped to knock the supervisor unconscious before the prisoners snatched the key from him. A sergeant intervened, but he was also overpowered.

One prisoner rushed to the office and cut the telephone cord, giving the prisoners complete control of the section, the minister continued.

Fihla and other prisoners forced the grille gate open after finding that they had taken the wrong key.

Other warders were alerted when one of the prisoners, assisted by two others, dragged the unconscious supervisor into the offices and blew the supervisor's whistle. The prison siren was sounded.

As more and more prisoners crowded round the gate, teargas was used which temporarily forced them to take cover in their cells.

However, Chief Ndamasa said, fighting continued in the cells, but the prisoners were ultimately subdued and disarmed.

After the battle, it was found that 180 prisoners had been injured, three seriously.

The seriously injured were transferred to hospital were Fihla and Mandondo died shortly after.

The weapons used by the prisoners included food dishes, mugs suspended on belts, iron pipes, brooms and broom sticks, sticks, and stones placed in socks.

SOWETAN news editor, Thami Mazwal, was in Umtata recently to interview Major General Bantu Holomisa, the new ruler in the territory. Here are excerpts:

QUESTION: The first question that comes to mind is why you did not take control of the Transkei when you deposed Chief George Matanzima's government? You allowed another civilian Government that still had some of the old faces in it? Did you hope there were still some politicians in the old administration not tainted by corruption?

Answer: At the time we were involved in the Chief Matanzima issue we considered many aspects and did a complete appraisal of the situation. We took into account that some members of the government could be innocent and we decided against taking over and let the civilians continue to rule the country. Early in December we were informed of a scandal concerning the casinos.

We also learnt that the commissions of inquiry set up were being interfered with. We conducted investigations and dug up more information. We called in civil servants and questioned them. Fingers pointed at some cabinet figures.

We had two avenues open to us. We could have taken the same action we took when we toppled Chief Matanzima. The problem with this course of action was that we would again have to remove the incoming government because corruption had affected nearly everybody in government. We then decided on the second course of action, and that was a complete take-over.

FOCUS

Transkei's strong man speaks out



MAJOR-GENERAL Holomisa



EX-PM Stella Sigcau



FORMER President Matanzima

I may mention here that every member of the army supported our move. All senior officers had a meeting. We then consulted with senior non-commissioned officers and they and their men supported us.

Q: Did South Africa know of your plans?

A: We in the Transkei Defence Force do things in the interests of the Transkei. Right from the days of the Reid-Daly's we did things our own way without consulting whites in South Africa.

We made appraisals as professional soldiers. If there is a similarity between the coup in Lesotho and that in the

Transkei then it is an unfortunate situation. In any case we did not implement coups that you find in other parts of the world which are accompanied by bloodshed. In Lesotho it was peaceful and we learnt from that type of coup.

Q: I am trying to understand how the SA Government could allow this coup when it is concerned about which government rules in the Transkei or the other TBVC countries. The SA Government will not tolerate a government that will be hostile towards it. One is trying to understand the type of relations you will have with South Africa.

A: We are addressing ourselves to the corruption in the country and have no political card. Perhaps this is one of the reasons why they have not intervened. We are talking about the taxpayers' money — both Transkei and South African taxpayers. Obviously if South Africa had to intervene then she would have been bluffing in 1976 when she said the Transkei was independent.

Q: When do you see yourself handing over power to the civilians?

A: I cannot answer that. We have an obligation to ensure that there is clean administration in the country. There are commissions of inquiry in progress and other departmental investigations. We have also appointed an ombudsman. We will only be able to say when we will hand over power after we have received reports and then assess when we can start telling the politicians to prepare for civilian rule. Only people cleared by the courts will be able to participate in the elections.

Q: Will you introduce a code of conduct or standards?

A: We will enforce existing standards set by the public service commission and the normal procedures to acquire business sites. These were ignored by the corrupt administrations of the past.

Q: The commissions of inquiry have opened up a can of worms and the same names appear over and over. Your administration dismissed two Governments to correct the situation. Don't you think such drastic action should continue, like for instance arresting and charging those already

mentioned, and who as far as the *prima facie* evidence goes, have concrete charges to face?

A: In terms of the regulations surrounding the commissions presently in session we have to wait for reports. After we receive these reports we will pass them on to the police and the Attorney-General for action. But I can tell you that with the commission of commerce and industry charges are already being framed against specific individuals. With the others we have to wait.

Q: The Matanzima brothers passed a law that made it an offence to expose Government corruption in the Press. Civil servants who broke this law faced severe penalties. Is this law still in force?

A: It stands to reason that if we encouraged such laws it would be contradictory to our policies. That law still has to be reviewed by the next government with the intention of abolishing it. Meanwhile everybody is now free to reveal everything.

Q: Corruption in the Transkei is at all levels of government. Nepotism is also the order of the day. What are you doing about the junior clerk who charges people for a stamp and the question of nepotism, which has now been accepted as normal in the area?

A: I think we will rely on reports from the ombudsman. His primary goal is to look into the public service and all aspects relating to malpractices in this sector.

• To be continued Monday



Political comment in this issue by J Latakgomo and A Klaaste. Sub-editing, headlines and posters by S Matlhaku. All of 61 Commando Road, Industria West, Johannesburg.

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Mid-day shoot-out with guerrillas at shopping centre

TWO shootouts between police and guerrillas took place last week — and police only confirmed the incidents once details were uncovered through unofficial sources.

The clashes — in the small Transkei town of Mount Fletcher and the South African town of Ugie 80 kilometres away — come less than two months after news of another violent clash emerged inadvertently.

In December, the *Weekly Mail* reported that a major clash between between a lone guerrilla and a combined security force took place almost a year before in Transkei's Willowmore district.

Prominent citizens of Mount Fletcher were among those detained after the shootout on January 27. News of it leaked out only this week when an Umtata lawyer acting for one of those detained disclosed details.

The other detainees include district surgeon Lundi Madinga, former school principal Zolisa Mbityana and Nyakombi Mankayi. Their detention has been confirmed by the Transkei's Minister of Police, Reverend BN Dlamini.

The shootout took place between noon and 1pm — right in front of a supermarket owned by the mayor. An eyewitness who did not want to be named said police in a combi had stopped a saloon car with an East London registration outside the shop.

The witness said he had been inside the shop, when he heard shooting which carried on for about two minutes. "There was a big noise, people were running into the shop, screaming," he said.

By FRANZ KRUGER
in East London

One bystander was injured in the thigh, he added. He had heard two suspected guerrillas in the car had escaped on foot and were pursued by the police. He believed one was shot dead.

For two days, police mounted a major search in the area. He believed the other man involved in the fight was caught a few days later in Matatiele.

Transkei police have not yet given any details of the incident. Police representative Colonel Sepula Mokoatle said yesterday he was still awaiting a written report.

The mayor was detained on the same day as the shootout. He was released the next morning after police apologised for mistaking him for his brother. His brother served nine years on Robben Island for ANC activities, and worked as a carpenter at district surgeon Madinga's surgery.

Madinga's lawyer, Dumisa Ntsebeza, said he was told his client was detained on Thursday morning at his surgery after he returned from doing his morning rounds at Mount Fletcher hospital.

Further inquiries revealed that two days before, on January 25, a South African constable was shot and wounded in another attack just outside Ugie, across the South African border.

In the Mount Fletcher incident, the town's mayor, VT Gqola, was detained overnight — apparently because he was mistaken for his brother, former Robben Island prisoner Bafana Gqola. Bafana was also detained, and is still being held.

In the Ugie incident, two policemen were fired on by the occupants of two cars when they stopped them just before midnight on January 25.

According to the Pretoria police liaison division, the policemen were on patrol when they came upon the vehicles "under suspicious circumstances." "They stopped the vehicles, and as they approached them, the occupants fired a number of shots at the police."

The police returned fire, but the attackers sped away. One constable was wounded in the left arm and groin, and was admitted to the Macclear hospital where he is in a satisfactory condition, the police representative said.

Asked whether the attackers were believed to be guerrillas, he said "every possibility is being investigated". — elnews

R20m shops project

D/D 5/2/88 103

Daily Dispatch Reporter
UMTATA — Proposals have been submitted to the government for a R20 million shopping centre and bus terminus to be built here.

A press statement from the legal representatives of Kei Commercial Centres (Pty) said the developers were awaiting approval by the Minister of Local Government and Land Tenure of a lease agreement between the municipality of Umtata and the development company.

Kei Commercial

Centres is a wholly owned Transkeian property development company.

The statement said development of the 15 000 square metre shopping complex and bus terminus — the first of such magnitude in Transkei — had reached an advanced stage.

One of the proposed tenants was OK Bazaars which was currently negotiating with the Transkei Chamber of Commerce to become joint shareholders.

It was hoped that the centre would encourage

local consumers to shop in Transkei rather than across the borders, the statement said.

The complex would provide parking for over 400 vehicles.

It was hoped that construction would begin in April this year, enabling tenants to take occupation in April 1989.

The statement said the developers had been encouraged by recent public statements by Transkei's leaders encouraging private investors to invest in the country.

"It has taken almost four years to complete negotiations with the municipality, the tenants and the financiers. The project will pose no risk to the Transkei Government and the municipality of Umtata; the sole risk would be borne by the development company."

The statement said the company had begun negotiations with the municipality for a 50-year lease for a portion of the municipal commonage in early 1984.

The city council had been attempting to fund the construction of a new bus terminus to replace the inadequate existing bus terminus since 1978.

"The rentals to be generated from the lease of the proposed site to the development company will be utilised to finance construction of the bus terminus and taxi ranks, thus saving Umtata ratepayers the burden of having to finance the construction of the bus terminus estimated at a sum of R2 million.

"Not only will the project generate substantial income to the Umtata municipality in the form of rentals and municipal rates and taxes, but it will house over 40 new shops and will provide much needed employment to the local community."

Two major tenants would be supermarket outlets which would either trade jointly with Transkei organisations or with Transkeian citizens holding shares in their operations.

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Support for Holomisa's peace call

EAST LONDON — The Mfesane Christian Service has offered its full support and co-operation to the military ruler of Transkei, Major-General Bantu Holomisa, who appealed to the Christian community in Transkei to embark on a new Christian note of peace.

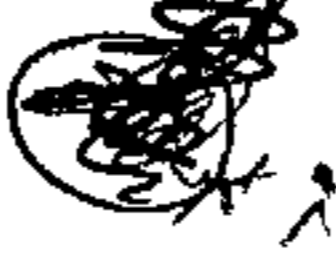
Gen Holomisa con-

demned what he described as a Christian community torn apart by internal strife in the United Methodist Church of Southern Africa.

The managing director of the service, the Reverend Almero Cloete, said that they gladly associated themselves with the

call for peace.

"As a Christian service organisation with long established ministries in Transkei, we give the assurance of our full support and co-operation with all the efforts by Christians aimed at bringing peace, stability and prosperity." —
DDR



Daily Dispatch Reporter

UMTATA — A former official of the Department of Agriculture and Forestry was convicted on 81 counts of fraud, amounting to close onto one million rands, by the Supreme Court of Transkei here yesterday.

Livo Solomon Yalezo, 31, who was the officer in charge of the department at Mount Ayliff, and who was arrested in July of 1987, pleaded guilty to the charges on September 28, 1987, in the Mount Ayliff magistrate's court.

Appearing for the state, Mr G. Buchler said the magistrate then referred the matter to the Supreme Court for sentence.

Mr Justice Lombard was told that Mr Yalezo had embezzled R887 704 by compiling paysheets for fictitious persons.

The summary of facts stated that Mr Yalezo would submit the paysheets to the expenditure clerk and obtained the cheques which he cashed and used for his own purposes.

D/D 6/2/88 103

Former T'kei government official convicted on 81 counts of fraud

The charge sheet said that during the period from March 22, 1982, to May 20, 1987, near Mount Ayliff and Tabankulu, Mr Yalezo stole money which was the property of the Paymaster-General in the Department of Finance.

The papers before the court revealed that Mr Yalezo was responsible for the employment of labourers, determining their wages, preparing, compiling and presenting payment vouchers, and for submitting the particulars of new employees.

An inspection of certain paysheets revealed the names of people who did not exist or were not employed by the department.

A witness, Warrant Officer Vuyile Gcaba, told the court that the accused, and his family at times, would compile paysheets with fictitious names.

He said the fraud was exposed when the accused took a voucher to the magistrate's office which he was supposed to collect, however, another clerk from the office had gone to the office to pick up two cheques and found three cheques.

When this clerk made further inquiries about the matter, the fraud came to light.

The court was told it was only by co-incidence that the whole scheme had been uncovered.

The witness was asked about the assets of the accused and he said that he had six tractors, five ploughs, two tractor trailers, a ten-ton truck, a 1987 four by four, a 1987 Mercedes Benz 230E, a 1986 sedan, two 1987 combis and seven bank accounts in South Africa and Transkei.

The court spent time trying to assess what had happened to the assets and how much could be recovered to the department.

Appearing for the accused, Mr D. Pillay, who was sworn in as an advocate to practise in Transkei before the court yesterday, said that his client did not want to testify.

He asked the court for

the punishment to be tempered with mercy although he conceded that punishment for the accused was inescapable.

Mr Justice Lombard said that the court would like to know what happened to all the money.

Mr Pillay said that there were approximately R40 000 worth of assets in the household which could be attached and perhaps about R100 000 of the amount had been or could be recovered.

He also said that the purchase of the tractors amounted to R240 000.

The court was told that almost all the documents had been checked by the department annually, but even then the discrepancies were not detected.

Mr Pillay told the court that one would have thought the superiors of the department would have picked up what was happening.

Sentence was postponed to Tuesday.

D/D 6/2/88

Gunmen kill three in 103 Umtata street

by GILBERT ZWAKALA

UMTATA — Three people were killed and another seriously injured during a shooting yesterday afternoon in the Ncambedlana suburb, on the outskirts of Umtata, in which a car was left with several bullet holes and blood splattered seats.

Two hours later the car was still parked at the spot where the three died next to the front gate of a house occupied by several people. The only signs of the incident were two pools of congealed blood one on each side of the car which had Butterworth registration plates.

Inside the car were bundles of a company's promotional pamphlets and posters and there were documents which indicated that the car belonged to a Butterworth brewery.

All the bullets appeared to have entered from the rear and the left-hand side and exited through the front and the right-hand side, but the engine was unaffected as the car could be driven away.

On the front passenger seat was an off-white windbreaker completely drenched in blood and the upholstery was ripped in many places and all the windows were shattered.

Eyewitness accounts said two cars were travelling in the same direction when the occupants of the vehicle behind started shooting and the car in front immediately stopped with a burst tyre.

An elderly man who saw the shooting said a man with what appeared

to be a rifle alighted from the vehicle behind and started firing into the front car.

The witness said the four young men in the attacked car had no chance at all as two men then finished them off with handguns.

Witnesses said they saw two white men arrive on the scene and pull out the victims, lay them on the ground, photographed the dead and injured and then removed them.

The shooting occurred about 200 metres from the farm of the former Transkei prime minister, Chief George Matanzima. A woman labourer there described how she and another woman had to duck for cover when they heard bullets whizzing above their heads.

A Butterworth attorney, Mr Tembá Sangoni, said he positively identified two of the victims at the Umtata mortuary, and the injured man was immediately taken to the operating theatre.

Mr Sangoni said he did not want to release the names — adding that they would have to be released officially.

The commissioner of the Transkei Police, General Leonard Kawe, said he had not been informed of the incident as he had been in a meeting all afternoon. He said, perhaps, someone was waiting to tell him about it, and referred all inquiries to the police liaison officer, Lieutenant-Colonel S. S. Mokoatle.

Col Mokoatle and the head of the security police, General H. Gladile, could not be reached for comment.

1 500 new students attend orientation

D/P 4/2/8

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UMTATA — More than 1 500 new students attended orientation courses for admission to the University of Transkei this week.

The University's student registration officer, Mr M. Molefe, said the university was expected to register over 4 000 students this year.

He said that since the beginning of the week, registration was open to senior students.

1 000 senior students have already registered.

He said the official registration day when all students, including

new students, would be registered, was Monday, February 8.

Mr Molefe said accommodation at the residences would be given on a first come first served basis, but would definitely be accorded to students who qualified, that is who had good matriculation passes.

The last day for registering at Unitra would be February 12, while the final day for late registration with the payment of an extra R509 was February 19.

Mr Molefe said lectures would begin on February 15. — DDR

PAC trial continues in Umtata

CP Correspondent

A MAJOR trial of seven people accused of being members of the Pan Africanist Congress, has resumed in Umtata.

The seven are accused of being members of the PAC, furthering its aims, harbouring two guerillas and helping people to undergo military training.

All have pleaded not guilty.

They are: Leo Rubusana Kantolo, Salakaty Villiers Simuku, Agreement Sgqiboppendulo, Nomthandazo Lusizi, Vivien Mzimkhulu Swartbooi, Victor Ntsokolo Zamela and Synod Madlebe. - E-news.

7/2/74 CP

Inside the 'Kei . . .

FOCUS

Q: The Matanzimas and other people amassed fortunes while in power. Will they be allowed to keep them?

A: There was a resolution taken by the people of the Transkei through their parliament

During the reign of the Matanzimas, Bathandwa Ndondo, from Cala, was shot to death while in the custody of the police. Your government is cleaning up the Transkei. But here we have a man in the custody of the police, Sthembele Zokwe, being shot to death while in the custody of security

Sowetan news editor, Thami Mazwai, was in Umtata recently to interview Major-General Bantu Holomisa, the new ruler in the territory. Here are more excerpts, following the first section that was printed on Friday.

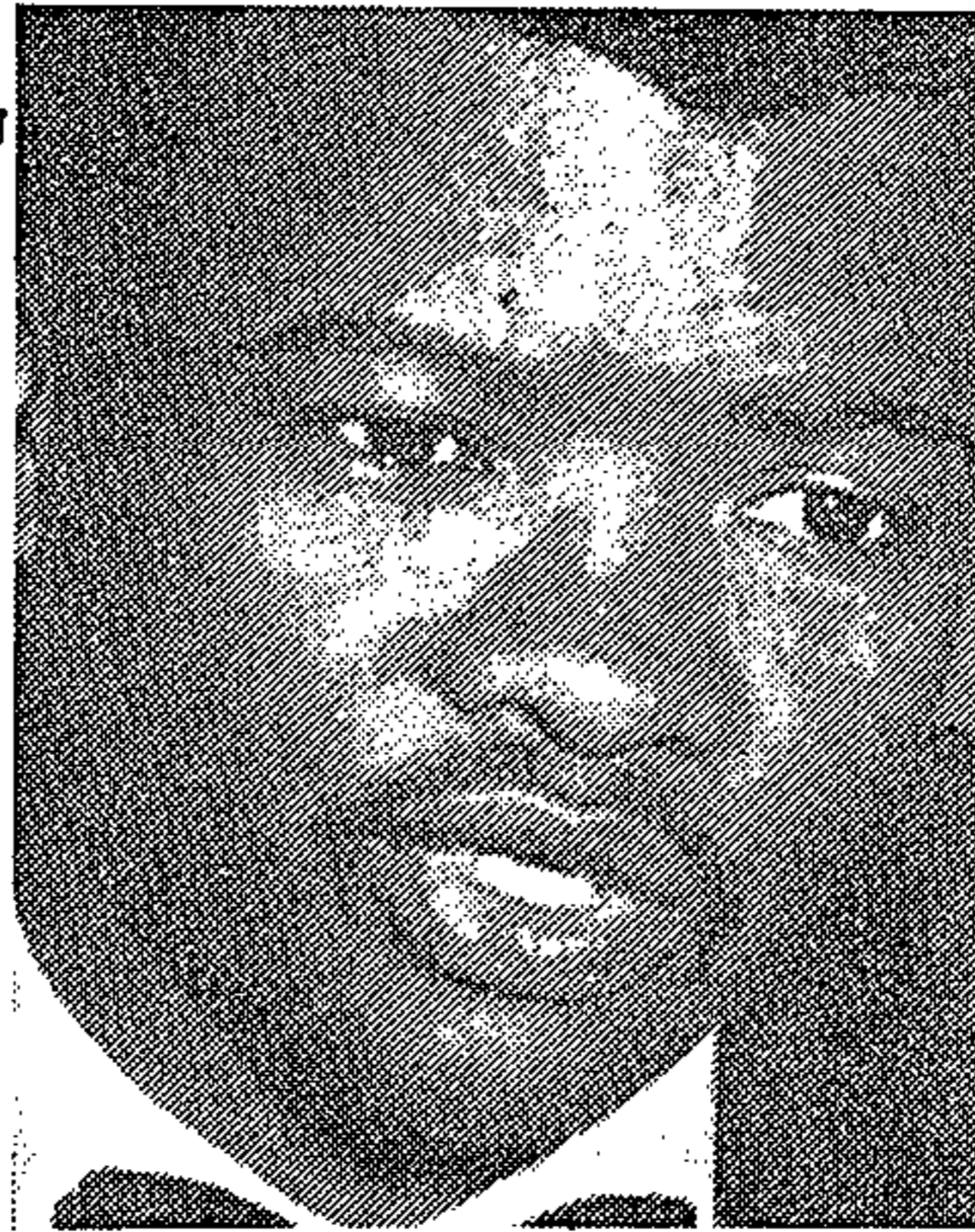
that properties should be returned to their rightful places. Let me make an example. If somebody was sold a house worth R40 000 for R2 000 then the buyer will now have to pay the balance or hand it back to the government which will sell it to somebody prepared to pay its full value. But all these things will depend on the briefings and recommendations we will get from the commissions and previous decisions by bodies such as parliament.

Q: It is significant that within a few weeks of your take over a man detained by the security police has been shot to death while in custody, an excess similar to the ones prevalent during the reign of the Matanzimas.

police who had gone to search his home after arresting him. Is this going to be a feature of the operations of the security police in the Transkei despite your having promised clean government?

A: This last shooting was embarrassing. The Commissioner of Police reported to me about this. Let me make it quite clear. We are not here to protect malpractices or promote the interests of individuals. I have outlined this in the past. A murder docket has been opened on the shooting of Zokwe.

Q: A murder docket was also opened in the case of Ndondo. Instead, people who were pressurising the govern-



MAJOR-GENERAL Holomisa

ment to act against the culprits were banished. Is this not going to happen again?

A: We are looking at the Bathandwa Ndondo issue again. Concerned citizens of the Transkei have raised this. I do not want to give harsh decisions only when it concerns corruption.

We are also going to look at other aspects of public life. In the case of Ndondo the police must still brief the military council. The case of Ndondo will be followed depending on reasons why it could not come to court. Last year we were informed that a State witness was missing.

Q: Let us come back to the Zokwe case. What has happened to the policemen involved? Have they been arrested?

A: Once a murder docket has been opened the person involved is arrested or suspended from duty. This is what we do in the army, and the police follow the same procedure.

Q: Are you hoping it has been done in this case?

A: Yes, but in this particular case I am also waiting for the police briefing. I can assure you that once the police say they have opened a murder docket, those people will be suspended or arrested. The army even assisted the police when some of our members were being investigated after being involved in mismanagement.

(• Lawyers acting for

Zokwe's family confirmed on Saturday that two Transkei security policemen have been charged and have appeared in court).

Q: You have said that you have no political programme. What do you mean? Ruling a country is a political programme.

A: It is. What I was trying to say is that my priority at the present moment is to normalise administration. Of course there are going to be political issues. The Transkei is a member of the multilateral or multinational organisation with South Africa and other homeland and independent states. If a political decision is taken we will have to address it. We have to make sure, as the military council, that whatever decision we take must not embarrass a future Government.

Q: You have a situation now in which the presence of the African National Congress and Pan Africanist Congress in South Africa and the Transkei is a reality and something you must address. Are you going to adopt the same attitude South Africa has adopted?

A: The ANC and PAC is homework for the politicians who are now busy drafting their manifestos. These politicians will detail their policies on these two organisations and then try and sell themselves to the people of the Transkei. It is up to the politicians to address this issue.

However it is a fact

Tricky problem of ANC and PAC

that whatever country neighbours South Africa, especially if it is economically dependant on South Africa, it has to be careful when addressing the question of these two organisations, the ANC and PAC.

Transkei's future politicians must go hand in hand with the intended reforms of South Africa. Also, these days, we see people going to Lusaka to talk to the ANC. These people include right-wingers and church leaders. This is recognition that these organisations are fighting for a cause. However we would not like to be seen as planning future political strategies and ideologies.

Q: But you have a problem right now with these organisations. What is your policy about them. You have said Transkei politicians must work hand in hand with Botha's reform policies. Are you saying that while organisations inside South Africa reject these reforms Transkei is prepared to accommodate them?

A: Do not quote me otherwise. What I mean is that we attend these meetings of the national states. If an issue is raised which is going to affect the region we are in, or affects the future political dispensation of the region, we will participate because we are representing people. But when it comes to accepting or rejecting their reforms we are not the people to say so. We will put our feelings across. We will not commit our country on any issue.

• To be continued on this page tomorrow



THE *Sowetan* today remembers journalists around the country who are in detention.



T'kei shooting still shrouded in mystery

D/D 8/2/88
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Daily Dispatch Reporter

UMTATA — Mystery still surrounds the shooting incident here on Friday in which three people died.

While police declined to throw any light on the incident, the father of one of the men who was shot told of a visit by people said to be policemen to his son's rented room in Mbuqe Park on the afternoon of the incident.

Mr A. Mayapi said armed security police, both black and white, were reported to have surrounded the room of his son Zonwabele and broken a window.

A visit to the house showed that a window pane had been broken but the burglar proofing was not dislodged.

A neighbour, Miss N. Madotyeni, said a large number of policemen armed with rifles and pistols arrived at the house at about 4.25 pm and immediately surrounded it. A white man broke the pane with the butt of his gun and peered inside.

Other eyewitnesses said two white men arrived in an East London registered four-wheel drive van, followed by a white minibus carrying some men and three women, and a number of cars carrying armed

policemen.

Miss Madotyeni said the house was locked but somehow they managed to get inside, though there was no sign of forced entry. A brief inspection showed that nothing was upset in the house, except for an inspection cover on the ceiling which was left open.

Mr Mayapi said he had not been able to see his son's body at the mortuary as police at the Umtata Hospital, guarding the fourth man who survived the shooting, told him that the incident was a security matter.

The man who survived the shooting, Mr Tozamide Nkume, was admitted to the hospital's intensive care unit with three bullet wounds in the back and one in the side.

He said yesterday none of the bullets had been removed and doctors had told him one was lodged in his left knee. He was able to sit up in bed and eat.

Mr Nkume, of Nyhwarwa, Idutywa, said he was still in great pain and could not believe

that he was alive.

He said he had not lost consciousness during the shooting and he and one of the other men who later died were rushed to hospital in an ambulance.

Eyewitnesses said on Friday that shots were fired at the men's vehicle from a pursuing vehicle, bringing them to a halt. A person with a rifle then alighted from the back vehicle and fired into the men's car.

New eyewitness accounts at the weekend were that two women armed with handguns and a man with a rifle in a white minibus were responsible for the shooting of the occupants of the car.

The eyewitnesses also said that two white men who arrived shortly afterwards and photographed the dead and injured were travelling in a four-wheel-drive van.

The Commissioner of Police in Transkei, General Leonard Kgwane, said last night he had nothing to say on the incident at this stage.

Yacht missing after capsizing

CAPE TOWN — A howling south easter forced two dramatic sea rescues in False Bay at the weekend — and a major air search was launched early yesterday for a missing Durban yacht and its two-man crew which ran into trouble in the teeth of the gale.

Three air force planes spent most of yesterday fruitlessly combing a 500 square sea-mile area for Durban sailors Robert Hare, 23, and Richard Dallas, 38, on board the 7.5m yacht Seanuts.

The missing yacht had contacted Cape Town Radio early on Saturday night and reported their boat had overturned.

The rescue co-ordinator at Southern Air Command, Colonel Ben Kriegler, said Seanuts made radio contact a second time with a foreign trawler, the Eben-Millik, at about 4 am yesterday.

The search will continue today.

Meanwhile a relieved crew of the Polysius praised rescuers who towed them out of

danger off Cape Point on Saturday evening.

A Piketberg civil engineer, Mr Jeremy Luckin, said his yacht's rudder broke seven miles east of Cape Point.

Three hours after signalling their position and with land looming a mile away, the Simon's Town NSRI boat arrived.

The tow was attached after several failed attempts and then broke four times en route home.

"The NSRI's coxswain displayed the best seamanship I've ever seen, passing within two metres of us in six metre swells to attach the tow," Mr Luckin said.

Across the bay, the navy yacht, Southern Floe, damaged her boom while trying to locate the stricken Polysius, a crew member said.

"When we heard somebody was tending to them, we decided to head for Gordon's Bay, but thought it prudent to ask for a tow in," he added. — DDC

Daily Dispatch Reporter

UMTATA — The Minister of Local Government and Land Tenure, Chief D. D. Mlindazwe, has called on local authorities to clean up Transkei's towns.

At an indaba, Chief Mlindazwe, told representatives from throughout the country that the influx rate into Transkei towns exceeded the level of development.

This led to "appalling conditions", he said.

Chief Mlindazwe told the officials that as the watchdogs of the people, the military council had expressed its concern about the conditions in towns.

He noted the challenge of the future and urged the towns to take part in urban renewal.

By the year 2000, 57 per cent of the population would live in urban areas because of rapid urbanisation and the concentration of work opportunities in towns.

Centralisation was influenced by the infrastructure present in urban areas. This rural areas did not have.

He said that the facilities in some towns were inadequate or non-existent — and in some towns it was difficult for municipalities to remove refuse.

"The standard of maintenance in most towns has deteriorated, the main reason being that our communities are badly conversant with by-laws which govern urban areas."

He said little was done to motivate urban dwellers in Transkei.

"Rural life is different to urban life and they still practice rural ways in towns, hence the endeavours of the present government."

PRETORIA BAKNYWERHEID

General Secretary:

Registered for: Blar in Pretoria.

Industrial Council:

Closed-shop agreements

Minister announces plan to clean up Transkei

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D/D 8/2/58

In the wake of urbanisation, Chief Mlindazwe said the complexity of services for urbanites would rise rapidly.

Inadequate or non-existent housing facilities, together with a lack of employment, which prevented essential services, would cause the destruction of the social fibre of the community.

"The goal of local urban authorities should be to obtain satisfactory urbanisation," he said.

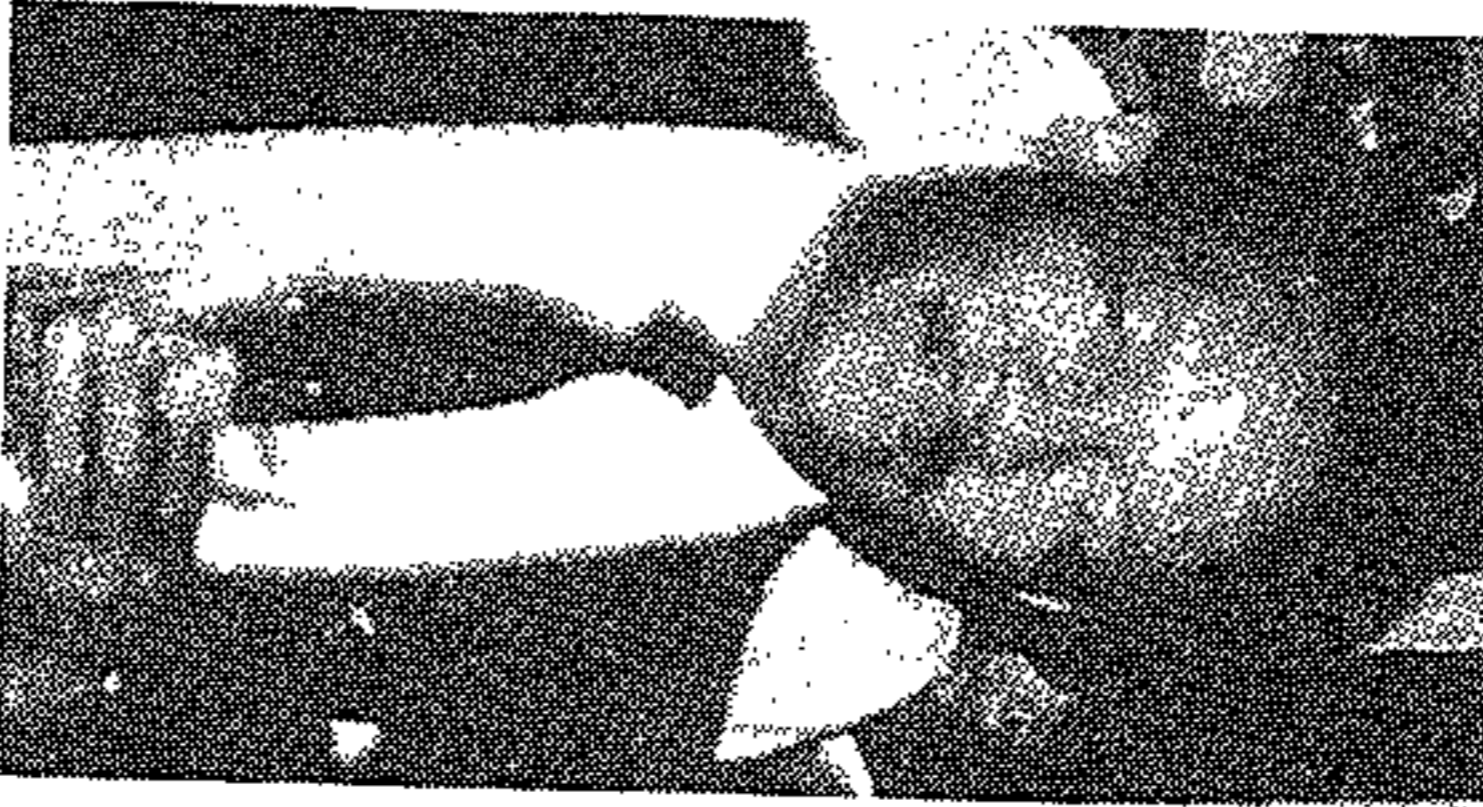
One of the major problems which contributed to the present state of Transkei towns was overcrowding.

This problem, where a single premises could house five to ten families — resulting in a lack of toilet facilities — was due to the scarcity of accommodation.

He said in these congested conditions, septic tanks were overloaded and overflowing.

The solution was more housing, the expansion of the water supply and efficient sewerage disposal.

Chief Mlindazwe noted that most municipalities failed to apply by-laws which would make the situ-



CHIEF MLINDAZWE

ation easier to control.

He told the group that he realised that there were government buildings which were not good examples of the cleanliness the government was trying to promote.

Chief Mlindazwe said the problem of rabies was also a real threat and that control of animals was necessary.

Animals should be kept out of the residential areas and all cats and dogs should be licenced, he said.

Most natural rivers were polluted because of the rampant uncontrolled dumping and typhoid was endemic in Transkei.

Chief Mlindazwe urged that refuse tips be fenced off and dumping controlled.

Chief Mlindazwe said hawking, which was a third world problem, compounded the litter problem and did not provide many jobs. Indiscriminate hawking also caused congestion on the pavements and he called for proper market stalls to be provided for at strategic points.

Local authorities should pay attention to important community goals. He cited the following as residential goals for all municipalities:

- The maintainance of a proper residential image.
- The encouragement of a full range of housing types for all segments of the community.
- The utilisation of open space to create attractive living environment.
- An investigation into the potential of city participation in future housing programmes.
- The development of vacant land in accordance with adopted housing goals.
- For commerce and industry he recommended the following:
 - The encouragement of increased development to raise revenue and employment.
 - That light industrial development without significant environmental impact be pursued.
 - The development of a cultural complex for the arts with facilities for classes, exhibits and performances.
- On the topic of town services and finance goals he stated the following:
 - Development should be fostered to expand the property tax base for financing new services.
 - Property owners should be assisted with development in the central business district.
 - Cultural and recreational services must be provided.
 - All cultural and recreational facilities should be made self-supportive in the future.

PID 9/2/88 (D3)

Arms seized after Umtata car shooting

Daily Dispatch
Reporter

UMTATA — Police opened fire on a vehicle in Ncambedlana here last Friday when a terrorist in it was about to set off a hand grenade, a police spokesman said yesterday.

In the first official account of the shooting, which left three men dead and one wounded, the Transkei Police public relations officer, Lieut-Colonel S. S. Mokoatle, said a number of Russian weapons had been found in the bullet-ridden vehicle.

He said one of the three dead men was a trained terrorist, Mr M. K. Gift. He identified the other two as Mr Zolile Sangoni and Mr Zonwabele Mayapi.

Mr Gift was being followed by the anti-terrorist unit of the Transkei Police. They had spotted him in Norwood and followed his movements to confirm his identity.

Col Mokoatle said the police pursued the vehicle and stopped it in Ncambedlana.

The rear door next to which the terrorist had been sitting was opened and a member of the security police approached the man.

He saw the terrorist handling a hand grenade and warned him to stop. When the terrorist ignored the warning, the policeman opened fire. Shots were then fired by a second policeman, Col Mokoatle said.

Among the weapons and ammunition of Russian origin recovered were a Makarov pistol with one round of ammunition in the chamber, two fully loaded Makarov magazines found on the body of the terrorist, 32 rounds of Makarov ammunition in a cardboard

box and an M75 hand grenade.

Col Mokoatle said the man injured in the shooting, Mr Tozamile Nkune, was under police guard in hospital. Police wanted to question him about the weapons found in the car and about his presence in the car with a terrorist.

Mr Nkune is in the intensive care unit with three bullet wounds in the back and one in the side.

Col Mokoatle confirmed that the scene of the shooting had been visited by two members of the South African Police who were experts in security matters such as terrorism.

Eyewitnesses reported earlier that two white men had removed the bodies from the car, placed them on the ground and photographed them.

Col Mokoatle said Friday's incident was not related to the recent shooting at Mount Fletcher in which two suspected terrorists died or to the shooting of a security detainee, Mr Sthembele Zokwe. The only thing the incidents had in common was that they all involved terrorism.

He said there were many suspected ANC or PAC cells in Transkei, as was evident from the recent occurrences and many past ones.

He denied that two security policewomen had been involved in Friday's shooting. Unlike men, he said, the women did not work in the field in the course of their duties.

Eye-witnesses reported earlier that two women with hand guns and a man with a rifle had been responsible for the shooting.

ARGUS 9/2/88

Transkei police name 3 killed in shoot-out

Argus Correspondent

UMTATA. — Transkei police have identified the three men shot dead by the police on Friday near the farm of ousted Premier Chief George Matanzima outside Umtata.

They were Mr Zolile Sangoni, younger brother of a prominent Butterworth lawyer Mr Temba Sangoni, Mr Zonwabele Mayapi, son of a school inspector employed by a brewery firm in Butterworth and "MK Gift", described by police as a "highly trained terrorist".

A police spokesman said "Gift", which might be his true name, was spotted by police in a car they were following.

"After they were stopped, one of the policemen approached the car.

"He saw "Gift" fiddling a hand grenade and the police opened fire.

A fourth person in the car, Mr

Tozamile Nkune, was under police guard at the Umtata General Hospital with serious gunshot wounds.

Colonel Mokoatle said when the police searched the car they found a Makarov pistol with a bullet in the chamber, two full Makarov magazines, 32 bullets in a cardboard box and a hand grenade.

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5/D 10/2/88

Transkei acts on kidnapping (103)

UMTATA — The military government of Transkei has ordered the country's security forces to stamp down on kidnappings in the country.

In a statement, which expressed the military government's concern at

incidents of kidnapping of people in the country by unknown persons, the chairman of the military council, Major-General Bantu Holomisa, said the security forces had been ordered to take all necessary steps to protect Transkeians from kidnappers. — DDR

SOWETAN

Daily Mirror

WEDNESDAY, FEBRUARY 10, 1988 MORNING FINAL PWV 30c (27 + 3c GST) COUNTRY 35c

Transkei police shoot 3 dead

THREE men were shot dead and another seriously wounded when the Transkei police opened fire on them near the farm of ousted premier, Chief George Matanzima outside Umtata last Friday.

The dead men were Mr Zolile Sangoni, younger brother of prominent Butterworth lawyer, Mr Themba Sangoni, Mr Zonwabele Mayapi, son of a school inspector and a third known as "M K Giff". They were killed in Ncambedlana, near Umtata.

The fourth man, Mr Thozamile Nkune, is in the intensive care unit of the Umtata Hospital. He was still

SOWETAN Reporter

critical, officials said yesterday. He is under police guard.

Lawyers acting for families of the four victims are demanding an inquiry into circumstances leading to the incident.

The police claim they shot at "terrorists."

Sapa reports that police opened fire on a vehicle near Umtata last Friday when a terrorist in it was about to get off a handgrenade, a police spokesman said.

The Transkei police public

relations officer, Lieutenant-Colonel S S Mokoate said a number of Soviet made weapons had been found in the vehicle.

He said Mr Giff, who is a trained "terrorist", had been followed by the anti-terrorist unit of the Transkei Police after spotting him in Norwood township.

The police pursued the vehicle and stopped it at Ncambedlana. Police saw a man handling a handgrenade and warned him to stop. When the man ignored the warning, the police opened fire.

Shots were fired by a second

policeman, Colonel Mokoate said. Among the weapons and ammunition of Russian origin recovered, were a Makarov pistol with one round of ammunition in the chamber, two fully loaded Makarov magazines found on the body of one man, 20 rounds of Makarov ammunition in a cardboard box and an M75 handgrenade.

He said the incident was not related to the recent shooting at Mount Fletcher in which two suspected terrorists died or the shooting of security detainee, Mr Sithembele Zokwe.

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 8/2/88

Daily Dispatch
Reporter

UMTATA — The former chief adviser to the Prime Minister of Transkei, Mr Liston Mpenduli Ntshongwana, 39, was convicted by the Supreme Court here yesterday on two counts of corruption and two counts of theft.

In a signed plea of guilty handed into the court, Mr Ntshongwana implicated the former Prime Minister, Chief George Matanzima, in the two counts of corruption.

Mr Ntshongwana had faced two charges of corruption and 21 charges of fraud, alternatively theft, but the state withdrew 19 fraud charges.

On the first corruption count, Mr Ntshongwana was charged with using his position of influence in an attempt to obtain R20 000 in cash from an attorney, Mr Arnold Immerman, who had been deported.

In his plea Mr Ntshongwana said Mr Immerman and his partners, Mr David Shaw and Mr Alister Buchan, had been deported from Transkei on December 5, 1986, in terms of an order issued by the Department of Interior and signed by Chief George.

They were later allowed to return to Transkei for a period to enable them to wind up their legal practice.

Mr Ntshongwana said he contacted Mr Immerman in March last year and indicated that the deportation order would be lifted by Chief George in exchange for R20 000 in cash. This was rejected by Mr Immerman and his partners.

Mr Ntshongwana drew the court's attention to the fact "that the offer was made by me upon the express instructions of the Prime Minister".

On the second count of corruption, Mr Ntshongwana was charged with receiving, without authority, benefits in relation to the affairs of the state.

It was alleged that he, together with Chief George, corruptly accepted a share of 10 per cent each in the township development company of Messrs Visser and Jooste and that he had accepted a subsequent payment of R20 000.

Messrs Visser and/or Jooste had been involved in township development and prospec-

Ex-PM's aide guilty of corruption

tive schemes with the municipalities of Umtata and Butterworth and had registered a company known as Builders and Developers (Pty) Ltd, the charge sheet said.

Mr Ntshongwana said he had been asked by Mr Visser and Mr Jooste to become a shareholder in their company. They told him Chief George had already indicated his willingness to become a shareholder.

He accepted the offer but asked that his shareholding be registered in the name of a nominee. He paid Mr Visser R10 for his ten per cent shareholding.

During one of their visits to Transkei last year, Mr Ntshongwana said, he told Mr Visser and Mr Jooste he intended expanding his business interests in Umtata and asked them if they would lend him R20 000 against future dividends.

On July 17 last year, at the Umtata home of the former Minister of Local Government and Land Tenure, Mr H. B. Tsengwa, he was handed a cheque for R20 000 by Mr Tsengwa drawn from the account of Builders and Developers (Pty) Ltd and signed by both Mr Visser and Mr Jooste.

"I understand that Chief George Matanzima was also paid a loan on future dividends to the amount of approximately R80 000," he said.

The two alternative charges of theft related to the signing in May last year of two cheques for R529,10 and R3 157,28 when Mr Ntshongwana was director of Transversal Industries (Pty) Ltd, a registered company whose main objective was to subsidise, finance, develop and invest in industry and commerce in the country.

Mr Ntshongwana admitted he had met Mr John William Sieler, Mr Peregreney Samuel Smit and a Mr Nelson who were interested in doing business in Transkei.

He said it was agreed that a subsidiary company of Transversal In-

dustries (Holdings) (Pty) Ltd, namely Transversal Industries (Mechanical) (Pty) Ltd, would be formed and that he would be given the controlling share in it.

An account was opened at the Umtata branch of the Bank of Transkei and Mr Ntshongwana later took personal responsibility for the finances and general administration of the company.

He admitted that in May last year he had drawn a cheque for R529,10 made payable to Cane Furniture in respect of furniture bought for his personal use.

He admitted that on May 27, 1987, he had drawn a cheque for R3 157,28 made payable to Elco and that he was not entitled to draw the cheques.

In his address to the court, the senior state advocate, Mr J. P. M. Marais, asked that a heavy sentence be imposed.

He said the most alarming feature of the wave of corruption to which Mr Ntshongwana had fallen prey was the fact that "they failed to spare even respected members of our legal fraternity in their despicable craving for money; fortunately they failed."

It was evident from Mr Ntshongwana's plea explanation that he had been "in cahoots with" Chief Matanzima.

He submitted that Mr Ntshongwana should serve as an example to "those gutless people who are too timid to earn a decent living in an orderly and competitive free market system and seek to corrupt our people."

Counsel for Mr Ntshongwana, Mr L. C. A. Winchester, said the defence accepted that the offences for which Mr Ntshongwana had been convicted were serious, but he asked the court to exercise mercy.

The Chief Justice, Mr Justice Beck, said he would pass sentence this morning.

D/D 10/7/88
103

D/D 10/2/88

EL car seen at shootout

Daily Dispatch Reporter (103)

UMTATA — Details of the shootout between Transkei police and two suspected terrorists in Mount Fletcher have been revealed by police.

One suspected terrorist was shot dead in the incident but another escaped.

The police public relations officer, Lieutenant Colonel S. S. Mokoatle, said yesterday that details of the incident, which took place last week, had not been released earlier because police were still investigating the matter.

He said the two suspects were driving a white van with East London registration plates, when they noticed a police anti-terrorist unit vehicle approaching them.

The suspected terrorists moved their van forward to smash the door of the police vehicle, so that the policemen would not be able to get out, he said.

The terrorists then started shooting and the police returned the fire. Col Mokoatle said the terrorists fled and two policemen gave chase on foot. One policeman chased a terrorist who

ran towards the hills, but he gave up the chase, and joined his colleague who was pursuing the other man.

The suspect ran towards the house of a Mrs Mbeta. He entered her house, which was still under construction, and set the bed on fire.

Col Mokoatle said the suspect climbed onto the ceiling, at which point he was shot dead.

Police later found weapons and ammunition of Russian origin behind the seat in the suspects' van. These included a Makarov pistol, hand grenades, detonators, two Makarov magazines with eight rounds each, 16 Makarov bullets, and a 9 mm pistol.

Col Mokoatle said the man shot dead had been identified as a trained terrorist known by the code name of M. K. Bobo.

He could not confirm yesterday whether this incident had any connection with the wounding by terrorists of a South African policeman at Ugie, near the Tranksei border.

He said he would confer with the South African authorities.

General names new minister

Daily Dispatch Reporter
UMTATA — A mini-Transkei cabinet reshuffle was announced by Major-General Bantu Holomisa yesterday with the appointment of the former secretary to the military council, Mr Theophilus Mvelase Mbambisa, to the newly-created portfolio of Minister of State attached to the military council.

103 The Minister of State would co-ordinate all state departments in matters of administration and would deal with matters such as complaints or requests brought by members of the public.

The appointments will take effect next month.

Gen Holomisa also announced a major reshuffle of departmental secretaries-general.

The former secretary of the Department of the Prime Minister, Mr Welsh Lusu, now managing director of Capital Radio, will take over as secretary-general for Foreign Affairs and Information.

Mr Mbambisa will be succeeded by the former postmaster-general, Mr C. S. Calaza.

The military government has also announced its intention to convert the commissions of inquiry into internal departmental inquiries in terms of the Exchequer and Audit Act.

An education planner, Mr T. N. Betela, has been appointed to the new post of government press liaison officer. He will also serve as Mr Calaza's deputy.

Gen Holomisa said the creation of Mr Mbambisa's new portfolio was intended to relieve the chairman of the military council of routine administration to give him more time to deal with important national matters.

Gen Holomisa said while the commission of inquiry into the Department of Works and Energy was winding up its work "it has proved very expensive to keep the current commission of inquiry any longer".

Transkei told SA ⁽¹⁰³⁾ not to ^{stal} _{11/4/88} interfere

On the day of Transkei's December 30 bloodless coup — which ousted Prime Minister Mrs Stella Sigau after only 86 days in office — Major General Bantu Holomisa requested the South African Government not to interfere in what was “an internal arrangement to normalise an abnormal situation”.

The official response to this “hands-off” request — delivered by Foreign Minister Mr Pik Botha in Pretoria on December 31 — was that the SA Government's position towards the new military council would be determined “as soon as greater clarity emerged in regard to the events in the Transkei”.

The Government's statement said Major-General Holomisa had promised that an urgent meeting with SA authorities at political and administrative levels would be arranged “in due course”.

Mr Botha told media representatives he was continually informing the State President, Mr P W Botha, of developments.

The SA Government had taken note of assurances by Major-General Holomisa that South Africans in the Transkei were in no danger and, Mr Botha said, he trusted no action would be taken that would jeopardise stability in the region.

He added he had asked the SA ambassador in Umtata, Mr Gert Ferblanche, to request that adequate protection be given to the South African embassy and its personnel.

One week later, on a television programme, Mr Botha reiterated that the Government was awaiting “clarity” on the Transkei situation before officially recognising the military council adding he was “hesitant to discuss internal affairs of neighbouring states”.

The rule of the Transkei military council was finally recognised on January 31, when President Botha issued a statement saying:

“The South African Government recognises the Transkei as a sovereign independent state and, as it is in the interests of both countries and their peoples to continue the co-operation which has traditionally existed between them, will in future conduct its bilateral relations with the new Government.”

Holomisa denies KD behind scene

D/D 11/21/88 (103)

Daily Dispatch Reporter

UMTATA — The chairman of the military council, Major-General Bantu Holomisa, yesterday denied allegations that Transkei was being ruled from behind the scenes by the former State President, Paramount Chief Kaiser Matanzima.

The allegations appeared in a report in a weekly newspaper and have also been made by some residents here.

Gen Holomisa said in a statement that, while he realised it was not wise to react to every rumour that was "bandied" about by newspaper reporters, he felt it necessary to say something about the latest allegations.

He reiterated the reasons given at press conference after the coup — namely that the

Transkei Defence Force (TDF) had decided to take power to eradicate the corruption which was rampant in the country.

He also recalled that when he had been asked at the press conference if there was any possibility of either of the Matanzimas being returned to power, he had replied that the military council had no plans to return them to power.

Gen Holomisa said the aim of the TDF was to eradicate corruption and it would be foolhardy for anyone in the army to be seen to support any political leader whose hands were tainted.

Reacting to a statement in the newspaper that certain government officials were closely associated with Paramount Chief Matanzima,

Gen Holomisa said that the military council had taken into account the qualifications and expertise of those people who were to be appointed ministers.

He denied an allegation that he had attended a braai at Qamata, Paramount Chief Matanzima's great place, following the appointment of the council of ministers.

"I call on all Transkeians to analyse objectively all newspaper reports dealing with reasons for the coup d'etat in Transkei. The TDF is aware that many of those who were used to receiving large sums of money by way of bribes are out to besmirch its image.

"We will forge ahead with our plans to bring corruption and bribery to an end in this country."

Daily Dispatch Reporter

UMTATA — The former chief adviser to the Prime Minister of Transkei and head of the Development and Cabinet Secretariat, Liston Ntshongwana, 39, was sentenced to seven years' imprisonment by the Chief Justice, Mr Justice C. L. Beck, in the Supreme Court here yesterday.

Part of the sentence was conditionally suspended and Ntshongwana will serve an effective term of three years and eight months.

Ntshongwana, who has been in custody for over six months, had pleaded guilty to two counts of corruption and two of theft involving a total of R23 157,28.

He had originally faced two counts of corruption and 21 charges of fraud, alternatively theft, but 19 charges were withdrawn by the state.

Delivering sentence, Mr Justice Beck said there was no dodging the fact that the first two counts were very serious offences.

Ntshongwana

D/D 10/2/88

sentenced (103)

On the first count of corruption, Ntshongwana had admitted indicating to a deported attorney, Mr Arnold Charles Immerman, that the deportation order against him and his partners would be lifted by Chief George Matanzima in exchange for R20 000. This was rejected by the attorneys.

Mr Justice Beck said: "The contemplation that the chief adviser to the prime minister would invite a man threatened with deportation to pay R20 000, in order to buy the prime minister's withdrawal of the deportation order is almost beyond belief."

On the second count Ntshongwana admitted having corruptly accepted R20 000 as advance payment on future dividends from the township development company of Messrs Visser and Jooste, in which

he had acquired a 10 per cent share for R10.

Mr Justice Beck said the threat to fair and honest administration posed by Ntshongwana's conduct was also insidious.

The two theft counts related to Ntshongwana's signing two cheques for R529,10 and for R3 157,28 when he was director of Transversal Industries in May last year and using them for his own purposes.

Ntshongwana was sentenced to three years imprisonment on the first count of corruption and three years on the second count, two-and-a-half of which were suspended for five years on the conditions that he was not convicted of a similar offence during that period and that he paid R20 000 to Builders and Developers (Pty) (Ltd) in liquidation on

or before December 31, 1989.

The two counts of theft were taken as one for the purpose of sentence, and Ntshongwana was sentenced to 12 months imprisonment, nine months of which was suspended for five years, on condition that during that period of suspension he was not convicted of either theft or fraud, and that he repaid R3 686,38 to Transversal Industries (Mechanical) (Pty) Ltd before December 31 next year.

Ntshongwana, who looked cheerful earlier and acknowledged the packed crowd, looked pale and drawn after sentence was passed as his relatives flocked around him to say goodbye.

**TC says
Umtata
not
involved**

D/D
12/28/88

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Daily Dispatch
Reporter

UMTATA — The town clerk of Umtata, Mr Larry Goss, yesterday denied that the Umtata municipality was part of any development schemes initiated by Mr Herman Visser and Mr Andrew Jooste.

It was indicated to the Supreme Court in the indictment of the former chief adviser to the Prime Minister, Liston Ntshongwana, that Mr Visser and/or Mr Jooste had been involved in large scale town development or prospective schemes with the municipalities of Umtata and Butterworth.

They had registered a company, known as Builders and Developers (Pty) Ltd., in Transkei for this purpose.

Mr Goss said he did not know and had never met either Mr Visser or Mr Jooste.

Six shot dead by police in past month

Transkei killings fields

103
C. M. P.
14/2/88

By STAN NZIMBA
THE killing of six people by Transkei police in the past month has led a number of locals to describe the country as the "killing fields".

First to die at the hands of the security police was former Cosatu member Sthembele Zokwe who was

gunned down at his Nqamakwe home late last month. Police said they had detained him in a Butterworth street. After a brief questioning session at the local police station, he was taken to his home so his

room could be searched. Police said Zokwe, who was handcuffed at the time, attempted to toss a handgrenade at two policemen who had entered his room with him. He was then shot.

Two weeks later, police were engaged in a shootout at Mount Fletcher with people who they later alleged were "terrorists". Two people were killed and a third escaped. A policeman was reported to have been seriously injured.

A week ago, three people were killed and a fourth was seriously wounded during a shootout with police near former Prime Minister Chief George Matanzima's farm outside Umtata.

Police version does not make sense - lawyers

CP Correspondent

THE Transkei police version of last Friday's shooting of suspected "terrorists" in Ncambedlane "does not make sense", according to lawyers for two of the deceased's families.

Three people were killed and a fourth seriously injured when police opened fire on their car in the Umtata suburb.

The police only confirmed they were responsible for the action on the Monday after the incident.

They said arms had been found in the car and one of the men was a trained guerrilla.

Transkei police liaison officer Colonel Sepula Mokoatlle also confirmed the scene had been visited by two security experts from the South African Police.

A spokesman for the lawyers said the police account did not "square with eye-witness accounts his legal firm had obtained".

He said lawyers had spoken to the survivor, Thozamile Nkume, in hospital and he had denied there were arms in the car.

The lawyer's spokesman said police had arrived during their interview with Nkume and said that he was in detention and was not allowed contact with lawyers.

He added that none of the eye-witnesses' accounts had mentioned a hand grenade. He also questioned the need to kill three people, even if there was a hand grenade.

He said that while investigating the incident the day after the shooting, a mini-bus fitting the description of the one in the attack had appeared.

He had followed the van to the Umtata police station.

He had gone inside to ask that the "murder suspects" be arrested. He was, however, told they were security police.

Two white men, presumably the same two who were reported to have been on the scene after the shooting, also appeared and seemed to take charge, he said.

The lawyer's car was searched, and one of his companions was detained. - Elnews

The dead have been identified as Zolile Sangu of Qokolweni near Umtata, Zombwabele Mayapi of Idutywa and a man thought to be MK Gift.

The injured man was Thozamile Nkume. He is in serious condition in the intensive care unit at Umtata General Hospital.

Police liaison officer, Colonel SS Mokoatlle told City Press that the police had spotted a suspicious car with four occupants at Norwood and followed it to Ncambedlane.

"While the police were following the car, they spotted Gift, who been sought for quite some time. The car was finally stopped at Ncambedlane. When police approached, Gift was seen fiddling with an object which was later found to have been a handgrenade."

"The police retreated, took cover and started firing at the car," Mokoatlle said.

He said Gift, who he described as a "highly trained, terrorist", was found to be in possession of a Makarov pistol and ammunition.

A box with 32 rounds of ammunition and a handgrenade were also found on the floor of the car.

Hours after that incident, a member of the Transkei Prisoners Welfare Program, Yuma Ntinkina, was detained by police while apparently taking photographs of the bullet-riddled car.

His camera has since been returned to his lawyers. The film, however, was missing.

Soon after the shooting, police in a panel van arrived at Mayapi's Mbuge Park home. A rifle butt was allegedly used to break a window, whereafter police entered the house.

The same vehicle arrived at the home the next day. When people gathered around the house approached it "to see who was inside" it sped off.

A number of vehicles followed it to the Umtata police station but the occupants went inside the police station before their pursuers could approach them.

The civilians then went into the police station and demanded to see the occupants of the van. Uniformed policemen in the charge office refused them permission.

Meanwhile, a number of people had gathered at the police station and were milling around outside.

A spokesman for the Transkei Police said he could not comment on the incidents.

Former adviser to PM is jailed ¹⁰³

^{S+V 11/21/88}
UMTATA — The former chief adviser to the Prime Minister of Transkei, Liston Ntshongwana (39), was sentenced to seven years' jail by the Chief Justice, Mr Justice C L Beck, in the Supreme Court here yesterday.

Part of the sentence was conditionally suspended and he will serve an effective three years and eight months.

Ntshongwana had pleaded guilty to two counts of corruption and two of theft involving a total R23 157,28.

He had originally faced 23 charges, but 19 were withdrawn.

— Sapa.

of hammer

Inquiry hears (103) of contrived win

UMTATA — A man who was a partner in Transkei Tattersalls before he emigrated to Australia, Mr Richard Kurland, yesterday told the commission of inquiry into gambling rights how it had been contrived for the former Transkei prime minister, Chief George Matanzima, to have a winning bet at the Milnerton race course.

He said Chief Matanzima and another prominent Transkeian were being entertained by his former partner, Mr Abe Bloomberg, when their host announced that he had a "good thing" for the next race.

Mr Bloomberg went downstairs to take bets for the two Transkeians and did not return until after the next race had been run, and excitedly showed Chief Matanzima and his companion two betting tickets reflecting winnings of R3 350 for the former prime minister and R1 200 for his colleague.

Mr Kurland described the scene when the Transkeians collected their winnings as a farce and a sort of circus, as in a prize-giving.

Mr Kurland said Mr Bloomberg had expressed the view that he was entitled to a bigger cut in the company because he had to look after Chief Matanzima, and also said a Mr Mbotoli, who was a close relative of the prime minister, had been entertained a number of times to keep Chief George happy.

Earlier Mr Kurland told the commission he was a partner with Mr Bloomberg, Mr Louis Miller and Mr Gus Wisenberg, known as Wise, in a company which sought gambling rights in Transkei.

Each of the partners had to pay R10 000 into a trust account at Mr Bloomberg's legal firm and later R40 000 was paid into a banking account which had been opened for Transkei Tattersalls.

Mr Bloomberg undertook to talk to Chief Matanzima and the appropriate officials and said his legal firm, Bloomberg and Co, would apply to the Transkei government for the appropriate rights.

He and Mr Bloomberg had then decided that if the venture got off the ground they would hold their interest "offshore" and Mr Bloomberg suggested a friend of his in Europe, Mr Walter Reif.

He said some delays were encountered in the granting of the necessary licences.

At the end of February 1978, he was told telephonically by Mr Van Rensburg at 2 am that the rights would be granted.

Mr Kurland was told by a Mr Baldwin Madabane, who was deputy-secretary for Interior, that there had been several other applications for Tattersall rights in Transkei and that the

suggested tax in all the applications was five per cent.

Mr Madabane suggested that if Bloomberg and Co indicated that they were prepared to pay seven-and-a-half per cent it would facilitate the granting of the application.

A letter was written giving the impression that Bloomberg and Co were acting for Mr Reif, though he had never been contacted in regard to the grant of rights.

This was an attempt by Mr Bloomberg to maintain a facade that they were acting on behalf of a real client, Mr Reif.

At about the time that the partners heard that the rights would be granted Mr Bloomberg introduced his son, Mr David Bloomberg, and this resulted in the 25 per cent stake of each of the four being reduced to 20 per cent.

In the meantime the younger Bloomberg was engaged with establishing ESL through his attorneys in Zurich, and then went through the ruse of reporting and taking instructions for ESL.

On occasions he would type letters on ESL letterheads in his office in Cape Town, and Mr Bloomberg senior used to take great delight in his son's subterfuge.

Mr Kurland said as soon as the rights were granted they arranged for the necessary licence to be issued for the conduct of the Tattersalls business and two branches were opened in Umtata and Butterworth.

Not all the takings were put through the books and substantial amounts of cash were taken from the business. During meetings at Mr Bloomberg's office the cash was divided among the participants.

At the final split up of the cash when Mr Kurland left Bloomberg and Co in 1981 he said he received about R8 000.

He said the company experienced difficulties in 1979 in obtaining licences for slot machines as it emerged that the Holiday Inns group claimed to have been granted rights similar to those they had. To resolve the impasse it was suggested by Chief Matanzima that a joint company be formed to conduct the slot operations.

After a heated discussion it was agreed on a joint 50/50 company that would be named Transgames Pty Ltd.

The agreement provided for the formation of the joint company; that each would cede to the new company their respective gambling rights; that the government confirm the validity of the rights; and that the new company would apply for the relevant licences in terms of the Gambling Act. —
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Transun's earnings enhanced

SW 16/2/88
103
By Sven Lünsche

Allegations about a possible involvement in the Transkei corruption scandal must still be worrying shareholders of Sun International's subsidiary Transun.

But there is some consolation in the latest interim figures which show that attributable earnings were up 37 percent to R18,1 million for the six months to end-December 1987, on a 43 percent rise in turnover to R53,4 million. Operating income improved by 48 percent to R23,3 million.

Earnings a share rose by only 12 percent to 12,5c, recognising the dilution effect of the additional shares issued when the company was listed in February 1987. The interim dividend was raised from 9c to 10c.

The directors said that the results were satisfactory taking into account the disruption to trading caused by the Natal floods as well as the construction activities that continued throughout the year.

"Despite the disruptions, the Wild Coast Sun achieved an occupancy of 81 percent for the period, which was considerably higher than that experienced by the hotel industry," they said.

D/D 16/2/88 (103)

Commission hears of funds leaving T'Kei

Daily Dispatch Reporter

UMTATA — Nearly R2 million was transferred from Transkei to a foreign company in the form of dividends from its interests in two companies which held gambling rights, Transgames and Transkei Sporting and Tattersalls Company (Tatts), it was revealed in evidence here yesterday.

The evidence was given before the commission of inquiry which is investigating the granting of gambling rights in the country. The commission was told that Etablissement Sports et Loisiers (ESL), based in Lichtenstein, had received approximately R1,65 million in dividends from Transgames, in which it held a 45 per cent shareholding. ESL also received R390 000 from its shares in Tatts.

The commission was told the total shortfall of taxes owing to the Transkei Government on Transgames dividends was R51 293.

In a letter to the Minister of Justice, a Cape Town attorney, Mr David Bloomberg, said his client, ESL, held exclusive rights for a lottery. Counsel submitted that Mr Bloomberg was trying to persuade the minister to allow his client to start a lottery.

Counsel explained that tattersall rights had been agreed to in principle by the cabinet and that Mr Bloomberg had then written a five-page letter to the Department

of Interior asking it to confirm additional rights. The confirmation was later received.

Counsel said it had at no stage been put to the cabinet that exclusive rights were being given to a foreign company.

A chartered accountant, Mr Doug Southgate, who was sworn in yesterday, assisted the commission with regard to the analysis of various financial statements.

The commission was told that Tatts was established in July 1978 and that all 20 000 shares were allotted to ESL. On May 3, 3 000 shares were transferred to Mr F. S. Janse Van Rensburg, the brother of Mr Chris Van Rensburg.

In terms of a letter written by Bloomberg and Company, Mr Chris van Rensburg would receive 25 per cent of the pre-tax profits of Tatts.

Mr Southgate said this was not formally reflected in the financial statement.

According to documents handed in yesterday both Mr Bloomberg and Mr Chris van Rensburg became directors of Tatts on August 1, 1983. Among the alternate directors were Mr A. Bloomberg and Mr L. Painting.

Transgames was incorporated in June 1981 with two shareholders, Holiday Inns and ESL, each receiving 50 000 shares at R1 each.

According to the evidence, Mr V. Mbotoli acquired 10 000 shares in

May 1983, leaving the other shareholders with 45 000 shares each.

In terms of a resolution made in August 1983 all dividends due to ESL from Transgames were assigned to Tatts.

Counsel said it would be contended that Transgames was not entitled to make dividend payments to Zurich as ESL had assigned all rights of dividends from Transgames to Tatts in terms of the 1983 resolution. The exchange control authorities were also not aware of this resolution, but Transgames continued to send dividends out of the country, counsel said.

Another document revealed that in an agreement signed on January 7, 1988, Chief George Matanzima and Mr G. J. Gouws terminated any contract or agreement between them. Earlier evidence disclosed that Chief George had bought Mr Gouws's farm Mooihok in the Ugie district.

The agreement also recorded that R1,4 million had been paid to Mr Gouws and that a piece of land in the Ugie-Maclear area would be transferred from him to HMS Management Services Pty Ltd, which was referred to earlier in the inquiry in relation to various hospital and housing schemes.

Earlier evidence revealed that although Mr Gouws had sold his farm to Chief George, the land had not been transferred because in terms of the Group Areas Act, a Transkeian could not own land in South Africa.

The commission continues today.

● **President Tutor Ndamase** yesterday received the second interim report of the Commission of Inquiry into the Department of Works and Energy, from the chairman, Mr Gerald Alexander, SC, at the Presidential Palace.

President Ndamase said both the first and second reports would be considered and acted upon by the government.

TRANSKEI
DEVELOPMENT
CORPORATION

DD.

17/2/88

703

恭 祝
新年鴻圖大展

川斯凱開發公司敬賀

17/2/88

Inquiry probes gambling rights (103)

UMTATA — Details of a contact between a Transkei cabinet minister and a Cape Town businessman were given before the Transkei Commission of Inquiry investigating the granting of gambling rights.

The commission, chaired by Mr Gerald Alexander, SC, heard evidence from a former cabinet minister, Mr Tsepo Letlaka, concerning his communications with Mr David Bloomberg who is expected to give evidence today.

In response to a question, Mr Letlaka said that during a trip to Cape Town around November-December, 1985, Mr Bloomberg had explained that his company was interested in applying for gambling rights.

Mr Letlaka said he explained to him that the State President, Paramount Chief Kaiser Matanzima, was against gambling rights.

A letter from Bloomberg and Company to the manager of the Standard Bank was tabled and stated that Etablissement Sports et Loisiers (ESL) had received a net amount of R194 225 from the sale of its shareholding in Transkei Sporting and Tattersall Company (Tatts).

The bank was asked to apply for the usual exchange control permission to effect this transfer. Transun had acquired all shares of Tatts.

However, attached to the letter was a bank document which stated that Bloomberg and Company, acting for Tatts, a subsidiary company of ESL and registered in Vaduz, Lichtenstein, had requested that dividends be transferred to their account in Switzerland.

Counsel submitted that this money derived from the sale of ESL's shareholding in Tatts and not from dividends, and could not just be transferred out of the country.

Counsel added that if the money was treated as dividends, no non-residents' tax was deducted.

A letter from the Inland Revenue tabled yesterday listed several people who were registered as provisional taxpayers, including Mr Chris van Rensburg.

The letter stated that the office was not aware of any connection between Mr Van Rensburg and Transgames and Tatt.

The letter also said that, as regards non-residents' tax and dividends paid to Mr Van Rensburg, he had not declared dividends received and no record was maintained at the Inland Revenue office.

A former secretary-general of the Department of the Interior was asked about a letter written by Mr Bloomberg asking the department to confirm the rights granted to it by the cabinet.

The department confirmed the letter written by Mr Bloomberg.

In a letter to the then Prime Minister, Chief George Matanzima, the then State President, Paramount Chief Matanzima, said: "I have replied to Bloomberg that ... no licences for further casino gambling will be issued by the Department of Justice."

A file tabled regarding an application for gambling apparatus in Butterworth by Transgames revealed that, in April 1983, Mr Letlaka approved the application.

Other applications were made in 1984 and 1986. — DDR

5 shot during farmers' sit-in

MEERUT, India — Five people were killed when police opened fire to curb arson and violence by farmers who have staged a sit-in for the last 21 days to demand more concessions from the government, reports said. — Sapa-AP

Holomisa: SA visit a success

D/D 17/2/68 (103)
by LAWRENCE NGOZI

UMTATA.—Transkei's military ruler, Major-General Bantu Holomisa, yesterday described his one-day visit to Cape Town as a great success, and said he had been "well received" by the President, Mr P. W. Botha and his cabinet.

General Holomisa said he had visited Mr Botha officially to discuss "matters of mutual concern" affecting Transkei and South Africa.

It was his first visit to South Africa as Transkei's military leader and chairman of the military council. His visit follows a similar one by Transkei's State President, Paramount Chief Tutor Ndamase, who brought news from Cape Town that the South African Government recognised the new military government of Transkei.

In an interview, General Holomisa said his visit was a great success, as he was engaged in high level talks covering various important subjects, including those pertaining to financial assistance and the development of Transkei in general.

He said he was certain that when South Africa appropriated money during the current session of parliament, a sum of money would be received by Transkei in the form of aid for various ongoing projects.

General Holomisa said he also successfully negotiated with business leaders for sponsorship to assist young Transkeians in the field of sport.

He was also promised that South Africa would help encourage more investors to come to Transkei, so as to provide more job opportunities for Transkeians.

General Holomisa was accompanied by an unnamed member of the military council.

Transkei hotel has increased earnings

DID 17/2/88

103

JOHANNESBURG — Transkei Sun International lifted attributable earnings by 37 per cent to R18,1 million for the half-year to December 31, 1987, compared with the previous comparable period, a result which the directors term "satisfactory".

This translates into earnings of 12,5c a share, up only 12 per cent from the previous year's 11,1c, because of the dilution of the shareholding by the issue of more shares at the time of the company's listing on the JSE a year ago.

The interim dividend declared of 10c a share, up from last year's 9c, is covered 1,2 times by earnings, the same as last year.

Commenting on the company's claimed involvement in the alleged corruption of Transkei's former prime minister, Chief George Matanzima, the directors said: "The commission of inquiry currently sitting in

Umtata is investigating matters relating to the granting of gaming exclusivity and licences in Transkei. It is not possible at this stage to forecast the implications of its findings."

The chairman of the company, Mr Ian Heron, said the affair was not having any effect on operations.

The directors are satisfied with the results, given the disruptions to trading by the Natal floods and construction activities.

"Despite the disruption, the Wild Coast Sun achieved an occupancy of 81 per cent for the period — considerably higher than that experienced by the hotel industry."

Turnover for the company rose 43 per cent to R53,4m during the period, raising operating profit 48 per cent to R23,3m compared with the interim results for 1986.

The R70m expansion of the Wild Coast Sun,

which added 130 rooms and a casino-entertainment area to the hotel, raised gearing to 31 per cent from 24 per cent at the end of December 1986. No further expansion is envisaged at present. — DDC

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88/12/18/2/88
D/D
103

Kerzner ordered R2m transfer says lawyer

by GAIL WALSH

UMTATA — A Cape Town attorney yesterday told the commission of inquiry investigating the granting of gambling rights that the deputy chairman of Sun International, Mr Sol Kerzner, had instructed him to transfer R2 million to a Ugie farmer.

The farmer, Mr G. J. Gouws, later distributed the money to the then Prime Minister, Chief George Matanzima, and other cabinet ministers.

The attorney, Mr David Bloomberg, who gave evidence for six hours at an extended hearing, was accompanied by his legal counsel, Mr H. Snitcher, QC, and provided numerous documents as exhibits in support of his evidence.

Explaining the background to the transfer, Mr Bloomberg said that on December 8, 1986, he received a telephone call at his home from Mr Kerzner who said the deal (the purchase of the shares of Transgames which Sun International did not hold) was "very hot".

Mr Kerzner told Mr Bloomberg to come to Johannesburg immediately and said his private jet would fetch him, if necessary.

According to a document before the commission, precedent conditions for the deal going through were that the cabinet approved the casino hotel and that there was exclusivity of rights in accordance with an application submitted to the government.

Mr Bloomberg said he and Mr Kerzner had met privately. Mr Kerzner told him he had heard the only way to obtain cabinet approval of the casino hotel and exclus-



Mr David Bloomberg, right, with his counsel, Advocate H. Snitcher, at yesterday's sitting of the commission of inquiry in Umtata.

ivity of gambling rights was to get Joe-Lexie (Pty) Ltd "out of the way".

Mr Bloomberg said Mr Kerzner used the expression "two big ones". He understood this to mean R2 million.

Previous witnesses testified that Chief George had asked Joe-Lexie, who had applied for casino rights in Umtata, for R2 million in exchange for the rights.

Mr Bloomberg said he and Mr Kerzner discussed the restructuring of an agreement between Mr Kerzner and Mr Bloomberg on behalf of his clients, Etablissement Sports et Loisirs (ESL), who held 45 per cent of Transgames shares, Mr V. Mbotoli, who held ten per cent, and Mr F. S. J. van Rensburg, who held a beneficial interest of 6,75 per cent.

Mr Bloomberg explained that Mr F. van Rensburg was actually a nominee for his brother, Mr Chris van Rensburg.

The original agreement was for R4 million — R2 million cash which would be paid on January 15, 1987, and the remaining R2 million in

Transsun shares.

However, the new agreement called for R5,5 million — R3 million in cash which would be paid on January 15, 1987, and of which R2 million would be paid out on Mr Kerzner's instructions, and R2,5 million in Transsun shares.

Mr Bloomberg said that his clients would receive R1 million in cash, not R3 million, effectively reducing the cash price by R500 000 to the 55 per cent shareholding which he represented.

If this deal was not accepted then there would be no deal at all, Mr Bloomberg said.

Mr Kerzner had said this was the cleanest way to handle the matter and told him to have confidence in him.

"I did. I wasn't dealing with a novice, but with a brilliant, experienced businessman."

He said Mr Kerzner had made it clear he was routing the money through ESL because he did not want to disclose it and he understood that the money was to be used in a transaction to buy out rights.

Mr Kerzner told him he would fly to Umtata the next day, December 10, 1986, as a matter of urgency to negotiate the Joe-Lexie deal but Mr Kerzner would not give him any information regarding the deal.

Mr Bloomberg said he was then told that the payment of R3 million would be split in two. On December 10, he was informed by Sun International that the casino hotel had been approved by the Transkei cabinet; thus the first prerequi-

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Mr Bloomberg said he was then told that the payment of R3 million would be split in two. On December 10, he was informed by Sun International that the casino hotel had been approved by the Transkei cabinet; thus the first prerequisite for the agreement was fulfilled.

Mr Bloomberg recalled receiving a telephone call from Mr Kerzner on December 12. Mr Kerzner said his business in Umtata had been successful. He would not divulge any information but did mention that the documentation had been concluded and that Mr Bloomberg must now follow his instructions.

He said R1,5 million would be transferred on December 15, 1986, a month earlier than arranged in the agreement, and a further R1,5 million would be paid on January 15, 1987, and he instructed that the first R1,5 million payment had to be transferred telegraphically to Mr Gouws at the Standard Bank in Ugie.

Mr Kerzner stressed this was highly confidential, Mr Bloomberg told the commission.

The chairman, Mr Gerald Alexander, SC, asked Mr Bloomberg if his suspicions were aroused by Mr Kerzner's failure to divulge details of the deal. Mr Bloomberg replied that he was not happy but he was required to follow the instructions. Mr Kerzner had told him that "it had nothing to do with him."

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To page 2

Spur (103) 18/2/88

Kei leaders shared R2-m, inquiry told

ners were a Lichtenstein company, ESL, and a Butterworth businessman, a Mr Vulindlela. The company held exclusive slot machine rights in Transkei.

At the same time, December 1986, Sun International was trying to get Transkei government approval to build its R30 million casino hotel in Umtata.

Evidence was led previously that Chief George had wanted to sell gambling rights to Joe Lexie Entertainment Centre for R2 million, but they said they could only raise R1 million.

Mr Bloomberg represented the 55 percent shareholders in ESL in the sale.

EXCLUSIVE

Mr Bloomberg said that if the sale of Transkei games was to go through, the Transkei Cabinet needed, at its last meeting for 1986 on December

10, to grant Wild Coast Sun the right to the casino and hotel in Umtata, including exclusive gambling rights.

When Mr Bloomberg wanted to know who Mr Kerzner would see in Transkei and how he would arrange the matter, Mr Kerzner said: "I should not concern myself with that sort of detail and to mind my own business."

"He wasn't giving me any information at all", Mr Bloomberg said.

A DEAL

Mr Bloomberg said that on December 12 1986 Mr Kerzner telephoned him and said: "The business in Umtata has been successful. It was a deal."

Mr Kerzner refused to divulge any information to him, Mr Bloomberg said. Mr Kerzner told him R1,5 million would be transferred to his trust account on December 15 1986 and the same amount on January 15 1987. The first R1,5 million and then R500 000 from the January 15 payment had to be telegraphically transferred on the same day to Mr Gouws's bank account at Ugie.

CONFIDENTIAL

"He gave me a bank account number," Mr Bloomberg said. "He emphasised to me that this was all very confidential."

Mr Bloomberg said he was most interested and anxious to have some details about Mr Gouws. But Mr Kerzner was not able to tell him who Mr Gouws was, whether he was white or black, and did not know where Ugie was or if it was in South Africa or in Transkei.

Mr Bloomberg said when he made the arrangement with Mr Kerzner about the buying out of Joe Lexie, "I did not foresee that I would not receive details ... that he wasn't going to give me information. It came as something of a surprise."

Mr Kerzner was emphatic that the money had to be transferred the day it was placed in his trust account.

Asked by Mr Alexander if the information published in the Transun prospectus was misleading, Mr Bloomberg said: "That may be so. It was not my prospectus."

Mr Bloomberg said on June 16 1987 and then on August 28 he was visited by a colonel.

MADE CONTACT

"On both occasions I made contact with Mr Kerzner and told him there seemed to be some investigation in Transkei which related to the Transun transactions. He wouldn't discuss the matter with me. He showed no interest. I eventually gave up."

Mr Bloomberg's testimony lasted for more than seven hours.

Sun International has declined to comment on the allegations made during the inquiry.

"We will not be commenting during the inquiry," said group public relations executive Mrs Melanie Millin-Moore last night.

Mr Kerzner could not be contacted today.

Umtata

A sum of R2 million which hotel magnate Mr Sol Kerzner paid for gambling rights in the Transkei was eventually shared by Chief George Matanzima, his brother and other Cabinet Ministers, according to evidence at a commission of inquiry.

A Cape Town attorney, Mr David Bloomberg, giving evidence at the commission, made the dramatic claim yesterday. He is expected to be cross-examined later today by Mr S A Cilliers, SC, for Sun International.

Mr Bloomberg told the commission that Mr Kerzner told him at a private meeting in Johannesburg on December 9 1986 that the "two big ones" — part of the selling price of a gambling company, Transgames — were needed to buy out the casino rights of Joe Lexie Entertainment Centre. He was to pay the money into the bank account of a Ugie farmer, Mr G J Gouws. Joe Lexie held the rights in competition with Sun International's planned R30 million casino hotel project in Umtata.

Previous evidence from a top South African Government investigator seconded to help the commission of inquiry into the Department of Works and Energy being chaired by Mr Gerald Alexander, was that the R2 million Mr Bloomberg paid into Mr Gouws's bank account — after the sale of Transgames — was divided up on the instructions of Chief George Matanzima, the then Prime Minister.

Chief George and his brother, former President Kaiser Matanzima, three other Cabinet members and two business associates of Chief George shared the money.

Bought farm and car

Chief George also bought Mr Gouws's farm and a car. Mr Bloomberg said Mr Kerzner did not want the R2 million to be disclosed in the prospectus of Transun, the Sun International subsidiary involved in the purchase of Transgames.

He also did not want to have to account for the deal to the boards of directors of Wild Coast Sun and their partner in Transun, Transkei Development Corporation.

"He did not want to complicate the prospectus of Transun any further," Mr Bloomberg said.

Mr Bloomberg said in evidence to the commission yesterday: "I believe that what I am really required to do is say on whose instructions I paid R2 million to Mr Gouws.

"I paid R2 million to Mr Gouws on the instructions of Mr Sol Kerzner."

Mr Bloomberg said Mr Kerzner telephoned him at home in Cape Town on December 8 1986 and told him "that this deal was very hot". Mr Kerzner called him to a meeting in Johannesburg on December 9.

They were alone, there except for a waiter who served lunch.

"Mr Kerzner told me that, according to information he had, the only way to get a Cabinet resolution in respect of a casino hotel and exclusive gambling rights was to get Joe Lexie out of the way.

"He had found out that Mrs Lexie Ceza had a lot of muscle and was a stumbling block."

"The Prime Minister had given her a letter assuring her of these rights and would now have difficulty giving these same rights to some other party.

"He told me that according to his information the R2 million was needed in order to buy out her rights and get her out of the way.

"He said 'There has

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Probe hears evidence of how Sol's money was divided

'shared Kerzner's R2-m'

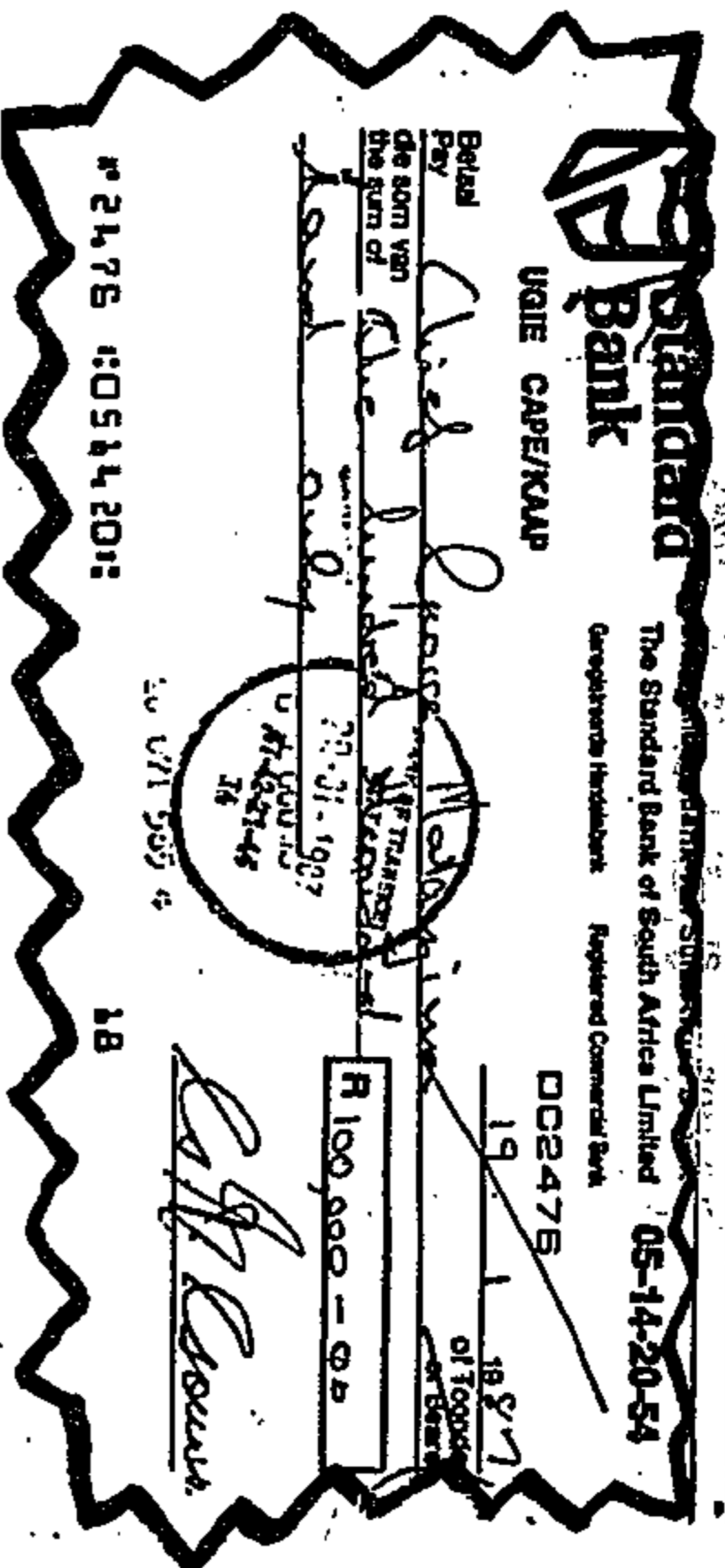
Kei leaders

103
18/12/87



Mr Sol Kerzner.

A copy of a cheque made out to Chief George Matanzima for R100 000 from Mr G J Gouws.



● From Page 1

been enough messing around and if one wants to do this deal, one must be a realist."

They discussed the royalties and share components in the sale of Transgames.

Mr Bloomberg said: "He then spoke of R3 million in cash.

"Of that, R2 million would have to be paid out on his directions."

Mr Bloomberg said Mr Kerzner told him: "I want a clean deal. I want to show one transaction where I buy out the 55 percent.

"Your clients must then take care of whatever arrangements I reach with Joe Lexie Company."

Mr Bloomberg told the commission he had confidence in Mr Kerzner because "I was dealing with a brilliant experienced businessman who had done many such deals in many parts of the world".

PARTNERS

"I did have confidence in him that he was going to buy out Joe Lexie rights."

Transun bought out the remaining 55 percent shareholding of Transgames from their partners in Transgames on January 1 1987. The part-

Business Day

WEDNESDAY, FEBRUARY 18 1988

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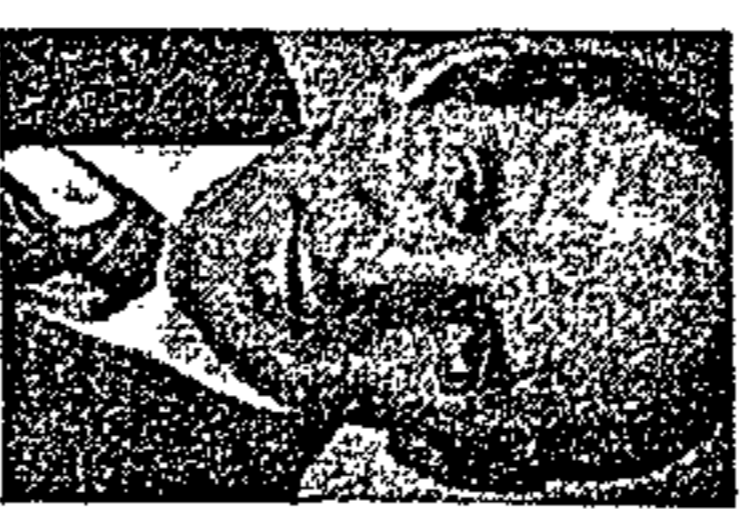
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THE GOLD INVESTMENT CORPORATION

Lawyer tells of transferring funds on Kerzner's instructions



● BLOOMBERG

UMTATA — A Cape Town lawyer yesterday testified before a commission of inquiry about discussions with Sun International (SI) deputy chairman Sol Kerzner on securing exclusive gambling rights for Transkei.

David Bloomberg alleged he received R2m from SI which he transferred from his trust account to a Ugle farmer, G J Govwa, who in turn wrote out a series of cheques to the then Transkei Prime Minister, George Matanzima, and various cabinet ministers.

Bloomberg also said he transferred

Own Correspondent

those funds on the instructions of Kerzner.

In an extended sitting, in which Bloomberg appeared voluntarily, he gave evidence for six hours, accompanied by the legal counsel of Advocate H Smitzer, SC, and provided numerous documents as exhibits in support of his evidence.

Explaining the background to those instructions, Bloomberg said that on December 8, 1986, he received a telephone

call at his home from Kerzner who said the deal (the purchase of the shares of Transgames which SI did not hold) was "very hot". He told Bloomberg he must come to Johannesburg immediately and, if necessary, his private jet would fetch him.

A document before the commission showed that included in conditions precedent to the deal going through were that cabinet approved the casino hotel and exclusivity of rights according to the application as was submitted to government.

During the lunchtime meeting in which only Kerzner and Bloomberg were present, Kerzner told Bloomberg that according to his information he heard the only way to obtain the cabinet resolution in respect of the casino hotel and exclusivity in respect of gambling rights was to get Joe Lexie (Pty) Ltd "out of the way".

Previous evidence from various witnesses was that Matanzima had been

● To Page 2



● KERZNER

Lawyer tells of transferring funds

asking Joe-Lexie (Pty) Ltd, who had applied for casino rights in Umtata, for R2m in exchange for those rights.

Bloomberg said Kerzner and he then discussed the restructuring of the original agreement between Kerzner and Bloomberg on behalf of his clients, who were Establishment Sports et Loisirs, V Mbotoli, who held 10%, and F S J van Rensburg, who held a beneficial interest of 6,75%.

The original agreement was for R4m to the value of cash and shares which Bloomberg asked from Kerzner — R2m cash which would be paid on January 15, 1987, and the remaining R2m on Transun shares.

● From Page 1

However, the new agreement called for R5,5m in cash and shares — R3m in cash which would be paid on January 15, 1987, of which R2m would be paid out on Kerzner's instruction and R2,5m in Transun shares.

Bloomberg said the cash his clients would receive would total R1m, not R3m, effectively reducing the cash price by R500 000 to the 55% shareholding which he represented which were the shares not held by SI.

□ Melanie Millin-Moore, SI group PR executive, said: "We will not be commenting during the enquiry."

18/3/88 Bldwng

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Ciskei postpones flights

BISHO — Ciskei International Airways has postponed its first scheduled flights until further notice because of ground technical problems, the airline's managing director, Mr Laurie Kempster, said.

He said unforeseen delays with shipments of spares and equipment from the United States, which were due in Bisho before yesterday, the date of the first scheduled flight to Johannesburg, had made it necessary to delay the flight for a few days.

He said ground maintenance and servicing was a vital ingredient in any airline, and "without the complete back-up ground equipment we are not going to take any chances".

"All our personnel are ready, the aircraft is ready, but we have decided to wait for the spares and equipment before going ahead."

Alternative arrangements had been made for passengers who had booked on the first scheduled flight.

"The response from the flying public has been tremendous. We had more bookings than we had anticipated, which is an encouraging sign for the future," he said. — Sapa.



Cape Times 18/2/88

Kei probe: Bloomberg speaks on Sun deal

103

Own Correspondent

UMTATA. — A Cape Town lawyer yesterday testified before a commission of inquiry about discussions with Sun International (SI) deputy chairman Mr Sol Kerzner on securing exclusive gambling rights for Transkei.

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Alleged pay-offs for Transkei business favours

By Martin Challenor

By seizing power at the end of 1987, the Transkei Defence Force has allowed investigators working for the Department of the Auditor-General to make public the dossiers they compiled on various alleged irregular pay-offs for business favours in Transkei.

Their work is emerging in evidence before the commission of inquiry, sitting in Umtata, into the department of works and energy.

One area the commission is looking at is the granting of rights to Sun International and the Transkei Development Corporation for a R30 million casino hotel in Umtata, that would enjoy exclusive gambling rights.

At the time this deal was being negotiated with the Transkei government, Sun International was negotiating to buy out a company, Transgames, that it was already part owner of and which held gambling rights in Transkei.

The question of who owned the 55 percent majority of Transgames at the time of the sale has as yet gone unanswered.

Sun International owns approximately 53 percent of Transkei Sun International (Transun). Transun had owned 45 percent of Transgames since Transgames was formed in 1981. Transgames conducted slot-machine operations in Transkei and earned a profit after tax of R1,6 million for the year ended June 30 1986.

Following negotiations in which the vendors were represented by Cape Town attorney Mr David Bloomberg, Transun acquired the 55 percent of Transgames for R3 million in cash, plus shares and royalties.

Divided

For the purpose of disclosure in the Transun prospectus, Mr Bloomberg told Transun he divided the R3 million, royalties and shares as follows:

- Etablissement Sports et Loisirs, a Lichtenstein-based company, R2 037 500 in cash, 72,5 percent of the slot-machine royalty and 12,5 percent of the issued shares of Newco. Newco was to be formed as a subsidiary of Transun to operate casino resorts, including the Umtata project;

- Mr Frederick Salomon Janse van Rensburg of Queenstown, R387 873,14 in cash, 11,08 percent of the slot-machine royalty and 5,04 percent of the issued shares of Newco;

- Mr Vulindlela Mbotoli of Butterworth R574 626,86 in cash, 16,42 percent of the slot machine royalty and 7,46 percent of the issued shares of Newco.

The deal was concluded on January 1 1987.

Evidence before the commission by the investigators was that R2 million of this money was paid by Mr Bloomberg into the account of a Ugie farmer, Mr G J Gouws and then distributed by Chief George Matanzima. Sun International undertook a nationwide advertising campaign distancing itself from this part of the saga.

Drama unfolded

This is how the run-up to the drama unfolded in evidence before the commission:

October 9 1986: Prime Minister Chief George Matanzima signed a letter on his office stationery to the managing director of Joe-Lexie Entertainment Centre confirming "that my government will make it possible for your group to be afforded a licence for casino rights and for other related forms of entertainment, including a lottery licence".

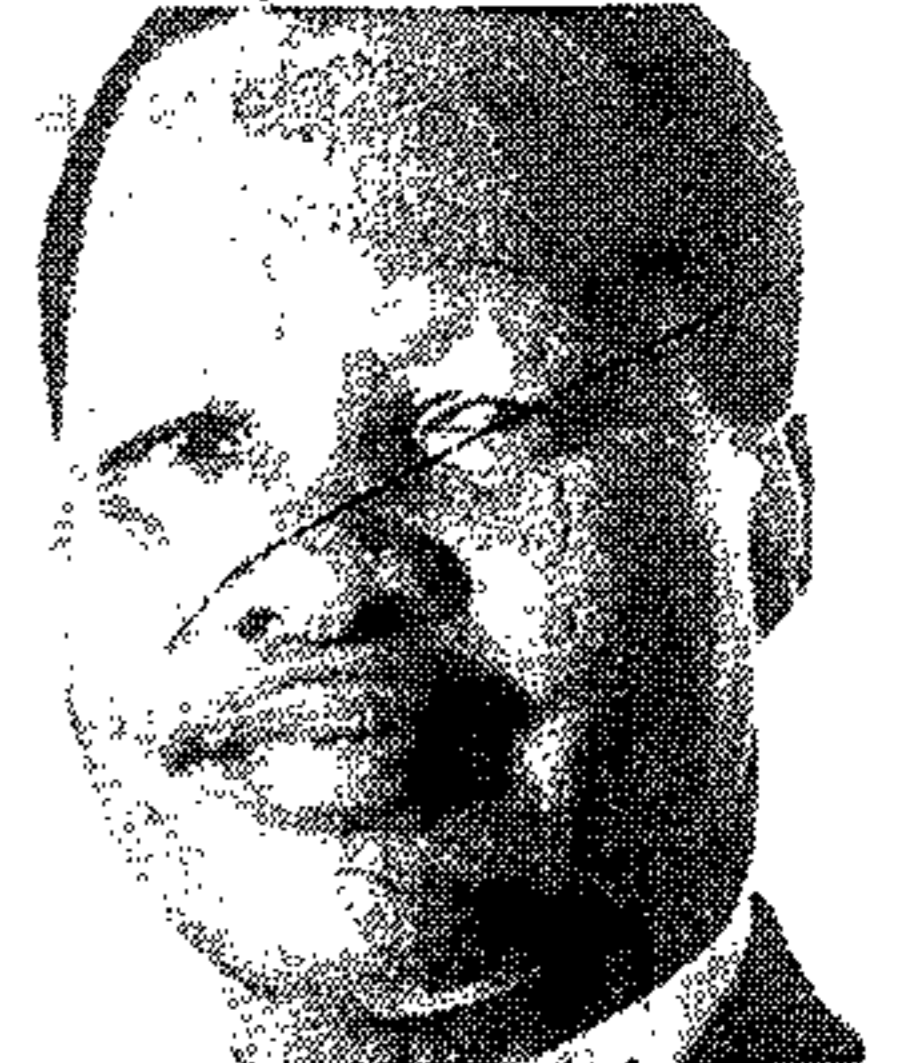
A meeting was subsequently held at an Ugie hotel attended by Chief George, Mr Jon Trickey, the former head of the SAP commercial branch in Durban, Mr Hans Enderlie and Mr Gouws. Chief George allegedly tried to sell the casino rights for R2 million "lobola" to Joe-

Coup allowed dossiers on probe to be made public

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Mrs Stella Sigcau



Chief Kaizer Matanzima

kei for 15 years, and R1,5 million on January 15 1987.

The vendors of Transgames also received R2,5 million in shares in Wild Coast Sun Limited, and a royalty of 25 percent of Transgames operations in Idutywa and Mount Frere, on condition that Transgames obtained licences to operate slot machines there, and 25 percent of the shares of Newco.

"ESL will cede to Transgames all gambling and gaming rights, other than rights to operate Tattersalls off-course betting operations, which ESL presently has title to, including lotteries and sports pools. The sellers will obtain and provide to Transgames all government permissions required to transfer the rights," Mr Kerzner wrote.

By December 20 1986 formal agreements regarding the exclusive rights had to be signed between the government and Wild Coast Sun, Mr Kerzner said.

On December 12 1986 the Transkei government granted to Wild Coast Sun (Wildsun) all licences, permits and consents required to establish a casino hotel in Umtata. For 15 years no other person or company "will have the right to establish or operate ... slot machines, electronic and mechanical gaming machines, and all table and card games" for money inside and within 100 km of Umtata and Butterworth.

Payments

This summary of payments into and made from the current account of Mr G J Gouws stemming from the R2 million deposited into his account by Bloomberg and Co was prepared by a top South African seconded to help the auditor-general and submitted to the inquiry as evidence:

December 15 1986, deposit by Bloomberg and Co of R1,5 million.

December 23 cheque number 2450, Mr Monty Ntloko, R50 000.

January 15 1987, deposit by Bloomberg and Co R500 000.

January 21 cheque number 2475, cash Miss Stella Sigcau, former Prime Minister, R50 000.

January 21 cheque number 2476 Chief George, R100 000.

January 23 cheque number 2474 cash Mr T T Letlaka, Minister of Commerce, Industries and Tourism R50 000.

January 23 cheque number 2478 Coetzer Motors, purchase of a Mercedes Benz for Chief George R26 000.

January 26 cheque number 5081 Mr Kenneth Magidigidi, a close business associate of Chief George, R30 000.

January 29 cheque number 2473 cash Mr Mtutuzeli Lujabe, Minister of Foreign Affairs, R50 000.

February 3 cheque number 2480 cash Chief George R194 000.

February 19 cheque number 5096 Chief George R50 000.

The remaining R1,4 million was for the purchase of Mr Gouws's farm by Chief George.

20.1.1987

Pay to the order of: G.J. Gouws

Total cash: R50 000.00

Account number: 801011807884

FOR BANK USE ONLY: Total 50 000.00

The payment that felled a Prime Minister. Transkei's Defence Force chiefs said when they seized power at the end of last year they had evidence that Miss Stella Sigcau, the then Prime Minister, had received payoffs. This is alleged proof of a payoff.

20.1.1987

Pay to the order of: G.M. Matanzima

Total cash: R50 000.00

Account number: 801010000815

FOR BANK USE ONLY: Total 50 000.00

Money paid to Transkei's first Prime Minister, Paramount Chief Kaizer Matanzima, by his brother, Chief George, after the sale of a gambling company.

LEDGER CARD				
THE STATE PRESIDENT CHIEF K D MATANZIMA NO 1 A/C NO 11 MILLER STREET UMTATA 5100				
ACCOUNT No.	DATE OF STATEMENT	DELIVERY INSTR.	STATEMENT No.	
8010 000 085	27:01:87	Mail	111	
DATE	DESCRIPTION OR CHEQUE No.	SERVICE FEE	DEBIT (-)/CREDIT	BALANCE
20:01	BALANCE BROUGHT FORWARD			435.459,2900
20:01	Deposit		50.000,00+	385.459,2900
20:01	03631	3,60	800,00-	386.259,2900
20:01	03631	2,70	100,00-	386.859,2900

Lexie as he wanted to buy Mr Gouws's farm. However, only R1 million could be raised.

November 10 1986: The secretary-general of the department of commerce, industries and tourism recommends to his Minister in writing "that approval of Cabinet be sought for the establishment of a hotel and casino by Sun International Limited and the Transkei Development Corporation as soon as possible."

"That Cabinet be requested to prohibit monopoly or exclusivity of rights in regard to slot machines."

This followed letters on October 31 1986 and November 25 1986 from the Transkei Development Corporation to the secretary-general asking the department to approach the Cabinet "on our behalf to get an in-principle approval for us

to go ahead with the preparations."

It was signed by Mr Monty Ntloko, managing director. The second letter asked the department to speed up the process of attaining a Cabinet resolution "as it is our intention to announce this together with public listing at the Johannesburg Stock Exchange of the company Wild Coast Sun."

On October 30 1986 Mr Ken Rosevear, managing director of Sun International, had sent Mr Ntloko a telex saying exclusivity rights were essential "to ensure the commercial viability of the project".

The Minister approved this on November 27 1986, retaining the prohibition on monopoly.

December 10 1986: Cabinet approved the hotel casino to be built "as soon as possible", still retaining the prohibition on

monopoly or exclusivity of rights in regard to the operation of slot machines.

December 10 1986: In a letter to Mr Bloomberg, Mr Sol Kerzner, MD of Sun International, acknowledged receipt of his telex of November 26 1986 in which Mr Bloomberg said he had authority to act on behalf of the 55 percent shareholders of Transgames (Pty) Limited, including Etablissement Sports et Loisirs (ESL).

Wild Coast Sun (Pty) Limited offered the shareholders of Transgames a cash settlement of R3 million, with R1,5 million payable one day after all conditions were met, including that by no later than December 10 1986 the Cabinet granted to Wild Coast Sun the right to operate a casino hotel in Umtata together with the exclusive casino rights for the entire Trans-

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cabinet resolution in respect of the casino hotel and exclusivity in respect of gambling rights was to get Joe Lexie (Pty) Ltd "out of the way".

Previous evidence from various witnesses was that Mr Matanzima had been asking Joe-Lexie (Pty) Ltd, who had applied for casino rights in Umtata, for R2m in exchange for those rights.

Mr Bloomberg said Mr Kerzner and he then discussed the restructuring of their original agreement on behalf of his clients, Etablissement Sports et Loisirs (ESL), who held 45% of Transgames shares, V Mbotoli, who held 10%, and F S J van Rensburg, who held a beneficial interest of 6,75%.

The original agreement was for R4m to the value of cash and shares which Mr Bloomberg asked from Mr Kerzner

— R2m cash which would be paid on January 15, 1987, and the remaining R2m in Transun shares.

However, the new agreement called for R5,5m in cash and shares — R3m in cash which would be paid on January 15, 1987, of which R2m would be paid out on Mr Kerzner's instruction and R2,5m in Transun shares.

Mr Bloomberg said the cash his clients would receive would total R1m, not R3m, effectively reducing the cash price by R500 000 to the 55% shareholding which he represented — the shares not held by SI.

However, he said, if that deal was not accepted then there would be no deal at all. He said Mr Kerzner had stated that this was the cleanest way to handle the matter and that Mr Bloomberg should have confidence in him.

Mr Kerzner made it clear he was routing the money through ESL because he did not want to disclose it and he understood that the money was to be used in a transaction to buy out rights.

Mr Kerzner told him he was flying to Umtata the next day, December 10, 1986, as a matter of urgency to buy out and negotiate the Joe-Lexie deal but Mr Kerzner would not give him any information regarding the deal.

On December 10, he was advised by SI the casino hotel had been approved by the Transkei cabinet, thus the first precedent for the agreement was fulfilled.

On December 12, Mr Bloomberg recalled a phone call from Mr Kerzner personally saying his business in Umtata was successful. However, he refused to divulge any information but did mention the documentation had been concluded and that Mr Bloomberg must now follow his (Kerzner's) instructions.

Mr Kerzner said R1,5m would be transferred on December 15, 1986, a month earlier than arranged in the agreement and another R1,5m would be paid on January 15, 1987, and that the first R1,5m payment had to be telegraphically transferred to G J Gouws at Standard bank in Umtata.

Mr Bloomberg said Mr Kerzner stressed this was highly confidential.

Melanie Millin-Moore, SI group PR executive said: "We will not be commenting during the inquiry."

'Two big ones' paid by Kerzner, inquiry hears

From MARTIN CHALLENGOR
The Argus Correspondent

UMTATA. — R2-million which hotel magnate Mr Sol Kerzner paid for gambling rights in the Transkei was eventually shared by Chief George Matanzima, his brother and other Cabinet Ministers, according to evidence at a commission of inquiry here.

Cape Town attorney Mr David Bloomberg told the commission yesterday that Mr Kerzner told him at a private meeting in Johannesburg on December 9 1986 that "two big ones" — part of the selling price of the gambling company Transgames — were needed to buy out the casino rights of Joe Lexie Entertainment Centre.

Mr Bloomberg was to pay the money into the bank account of a Ugie farmer, Mr G J Gouws. Joe Lexie held the rights in competition with Sun International's planned R30-

million casino hotel project in Umtata.

Previous evidence from a top South African Government investigator seconded to help the commission of inquiry, was that the R2-million Mr Bloomberg paid into Mr Gouws's bank account after the sale of Transgames was divided up on the instructions of then Prime Minister Chief George Matanzima.

Chief George and his brother, former President Kaiser Matanzima, three other Cabinet members and two business associates of Chief George shared the money.

Chief George also bought Mr Gouws's farm and a car.

Mr Bloomberg said Mr Kerzner did not want the R2-million to be disclosed in the prospectus of Transun, the Sun International subsidiary involved in the purchase of Transgames.

He also did not want to have to account for the deal to the

boards of directors of Wild Coast Sun and their partners in Transun, Transkei Development Corporation.

Mr Bloomberg said: "I believe that what I am really required to do is say on whose instructions I paid R2-million to Mr Gouws."

"I paid R2-million to Mr Gouws on the instructions of Mr Sol Kerzner."

Mr Bloomberg said Mr Kerzner phoned him at home on December 8 1986 and told him "this deal is very hot". Mr Kerzner called him to a meeting in Johannesburg on December 9.

They were alone except for a waiter who served lunch.

"Mr Kerzner said that the only way to get a cabinet resolution agreeing to a casino hotel and exclusive gambling rights was to get Lexie Joe out of the way."

"He had found out that Mrs Lexie Ceza had a lot of muscle and was a stumbling block."

"The Prime Minister had given her a letter assuring her of these rights and would now have difficulty giving these same rights to some other party."

"He told me that according to his information the R2-million was needed to buy out her rights and get her out of the way."

Mr Bloomberg said Mr Kerzner told him: "I want a clean deal. I want to show one transaction where I buy out the 55 percent."

Transun bought out the remaining 55 percent shareholding of Transgames from their partners in Transgames on January 1 1987. The partners were a Lichtenstein company, ESL, and a Butterworth businessman, a Mr Vulindlela. The company held exclusive slot machine rights in Transkei.

Mr Bloomberg represented the 55 percent shareholders in ESL.

At the same time, December 1986, Sun International was trying to get Transkei Government approval to build a R30-million casino hotel in Umtata.

When Mr Bloomberg wanted to know who Mr Kerzner would see in Transkei and how he would arrange the matter, "Mr Kerzner said I should not concern myself with that sort of detail and to mind my own business".

"It's a deal"

Mr Bloomberg said that on December 12 1986 Mr Kerzner telephoned him and said: "The business in Umtata has been successful. It was a deal".

Mr Kerzner refused to divulge any information to him, Mr Bloomberg said. Mr Kerzner told him R1.5-million would be transferred to his trust account on December 15 1986 and the same amount on January 15 1987. The first R1.5-million and then R500 000 from the January 15 payment had to be telegraphically transferred on the same day to Mr Gouws's bank account at Ugie.

"He gave me a bank account number and emphasised that this was all very confidential," Mr Bloomberg said.

Mr Bloomberg's testimony lasted for more than seven hours. Mr SA Cilliers SC for Sun International reserved the right to cross-examine Mr Bloomberg, who will continue his evidence today.

• Sun International has declined to comment. "We will not be commenting during the inquiry," said group public relations executive, Mrs Melanie Millin-Moore.

Found guilty of stealing UCT computers

Court Reporter

A TEACHING assistant at the University of Cape Town and a friend have been convicted of breaking into the UCT Graduate School of Business and stealing computer equipment and typewriters worth R63 890.

They are Manooj Singh, 28, of Sandringham Court, Rosebank, and Morgan Padayachi, 27, of Mains Road, Athlone.

A third man, Charles Naidoo, 25, of Rawalpindi Road, Merebank, Durban, was convicted of theft.

All three pleaded not guilty.

Evidence was that three computers, three printers and a typewriter belonging to UCT were found at the homes of Naidoo's aunt and brother in Durban.

Naidoo said he stayed overnight at Singh's flat on July 23 last year and about 11.15pm Singh and Padayachi went out, returning several hours later with boxes they said contained computer equipment belonging to Singh.

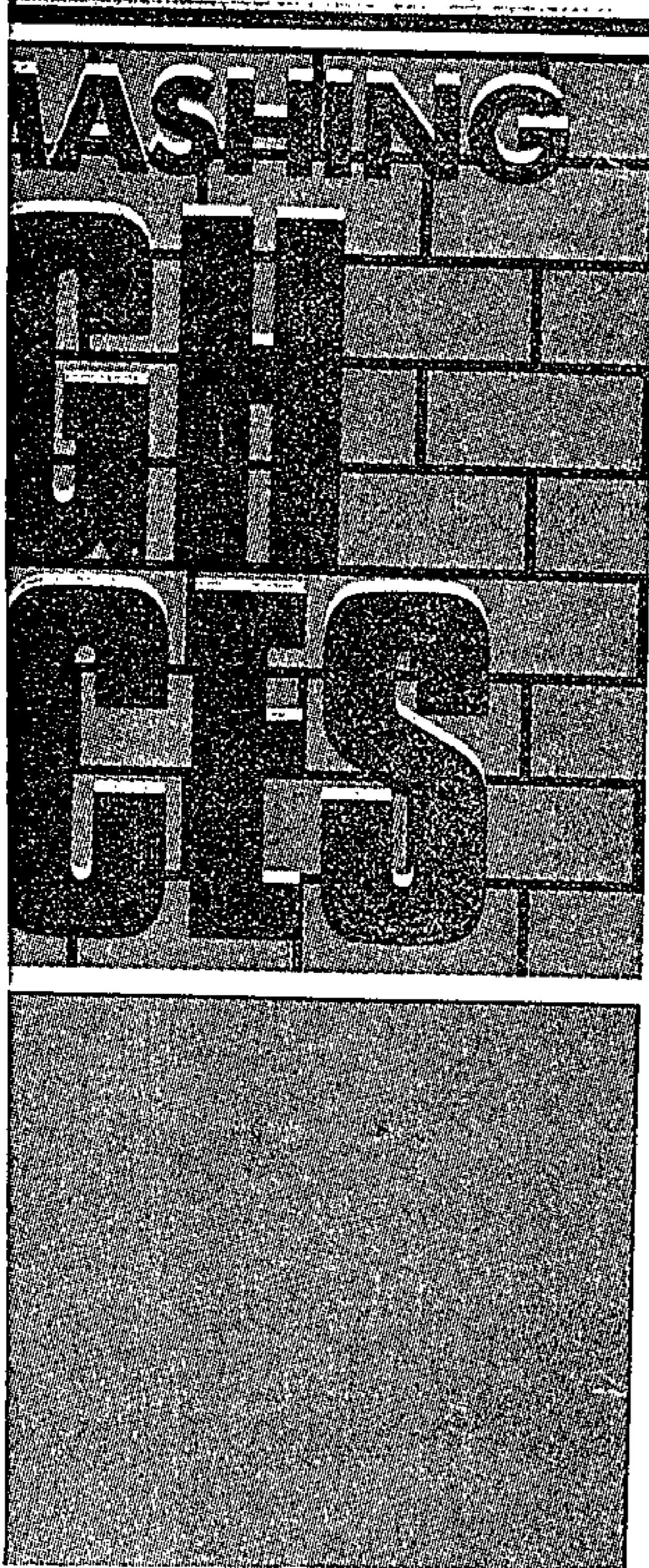
Singh and Padayachi told the court they both went to bed about 11pm that night and that Naidoo borrowed Singh's car saying he had to finish work for the SABC. He returned about 1.30am with two large boxes which he said contained SABC equipment.

Evidence was that one box was taken to Durban by Naidoo and two by Singh and Padayachi.

The magistrate, Mr MS Knox, said Singh was the only one of the three who knew where the computer equipment was kept and that it was bolted to the wall.

He was the only one familiar with security at UCT.

Sentence will be passed today.



DID 19/12/88

I'm a scapegoat ⁽¹⁰³⁾ says ex-PM's aide

Daily Dispatch
Reporter

UMTATA — Two former Transkei prime ministers and former cabinet ministers should have been charged with corruption, the former chief adviser to the Transkei prime minister, Liston Ntshongwana, told the commission of inquiry here yesterday.

Ntshongwana, who was jailed last week for corruption and fraud, told the commission investigating the granting of gambling rights in Transkei that he had been used as a scapegoat in the corruption scandal in the government.

He said if justice was to be seen to be done, then Chief George Matanzima, Paramount Chief K. D. Matanzima, Mr Monde Sihele, Mr M. Lujabe, Mr T. T. Letlaka, Miss Stella Sigcau, Mr

Monty Ntloko, Mrs Lexie Ceza, Mr H. Visser, a Mr Jooste, Mr H. B. Tsengwa, Mr S. Qaba, Mr D. S. Koyana, to name but a few, should be in custody facing charges of corruption.

Ntshongwana, 39, pleaded guilty in the Supreme Court to two counts of corruption and two of theft involving a total of R23 157 and was sentenced to an effective term of three years and nine months.

He told the commission he had decided to expose "the facade of indifference that has become the hallmark of the Transkei Government today, under military rule, giving the false impression that something was being done about corruption.

"I have observed with disdain and alarm that I have been used as a sacrificial lamb, if not a scapegoat, in order to

fool the general public that something is being done about corruption.

"My responsibility to this commission of inquiry is to reveal the extent of corruption in the government of Transkei.

"This corruption has been perpetrated by cabinet ministers in tandem with officials who work in government departments and state corporations.

"I was the official closest to the goings-on in the exercise of executive authority by the then prime minister and his cabinet ministers.

"I was privy to certain classified information and the daily conduct of some of them. I saw the Sol Kerzners, the Visser, the Huisamens, the Gouwses and others come in and out of the corridors of our executive authorities."

Ntshongwana said he had seen how checks and balances which existed to protect the taxpayer were bypassed with impunity.

"Chief George Matanzima and his cabinet ministers had absolutely no regard for these conventional procedures, whenever they had either an economic or a commercial or pecuniary interest in the matters before them," he said.

Ntshongwana said there were many examples of "ministerial discretion being transformed into single-minded directive" which he said were exercised for the benefit of them, their friends and relatives.

He gave a recent example of what he called the "ministerial discretion" when he said a cabinet minister used his ministerial and traditional position to deny a fellow citizen his legitimate and contractual right.

He said examples of this type of conduct were strewn all over the filing cabinets of government offices, where decisions were given by the executive to allocate huge contracts to specially selected businesses or bogus businessmen, from the days of El Hajj, Panigel and others.

To page 3



fourth fours prepare their craft for the day: Preview page 24

DID 19/2/88

Ntshongwana: I'm a scapegoat 103

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Referring to the processing of the casino licence for Transun in 1986, he said the prime minister, with careful and strategically chosen cabinet ministers and officials, had made sure that the Sun International group, and no-one else, got the casino licence.

"They ignored departments and divisions relevant to the processing of such an application, and which would have insisted on certain policy issues being clarified by the executive before such a licence could be issued," he said.

He told the commission he felt aggrieved that he was the only person who had been arrested, charged, found guilty and sentenced on charges relating to corruption, while the architects of corruption in Transkei were left by the government of today to lead their normal lives with their families.

He said the prime minister of that time and his "henchmen" had received a financial consideration from Sun International which was distributed accordingly by Chief George.

"All these financial hand-outs by George, affectionately referred to by the recipients as 'tickeys', 'scholarships', 'sweets', etc, were for services rendered.

"Incidentally, it is public knowledge that the million rands and other amounts Chief George and others received through the Mbuge Park housing project were from the Bank of Transkei against a Transkeian Government guarantee, which the government had to honour when the Bank of Transkei demanded so."

Ntshongwana told the commission that on several occasions he had been informed by the officers investigating his case that they had completed most of their investigations and were awaiting the military council's go-ahead to make arrests.

"The military council must realise that their credibility is under question from people like myself, as to why they have not yet prosecuted these persons. Their justification for the December coup was their commitment to fighting corruption.

"Is the government of

today not guilty of an omission to see to it that these persons are brought and charged with corruption as I was?

"Was the coup d'état precipitated to protect a certain band of persons from prosecution? Where is the even hand of justice in Transkei?"

Ntshongwana said he still saw vestiges of the old corruption habits in government circles.

Questioned by counsel for the Auditor-General, Ntshongwana told the commission that Chief George had been "groping around" for money to buy a Ugie farm which he was "bent on buying at all costs".

Chief George told him he had received money to buy the farm from Mr Sol Kerzner in lieu of his dividends from what he thought was Wild Coast Sun.

He said the chairman of the Transkei Development Corporation, Mr Monty Ntloko, had been with Mr Kerzner one time to see the Prime Minister.

Ntshongwana told the commission that he que-

ried the urgency of the Umtata Sun proposal, but Chief George told him that if the application of Sun International was not processed urgently there would be trouble for Transkei.

He said Mrs Lexie Ceza of Joe-Lexie (Pty) Ltd, who also applied for rights and who was known to be a relative of Paramount Chief Kaiser Matanzima, complained to him that Chief George was double-crossing her and abandoning her scheme for a casino.

Asked why he had made a certain telex concerning the matter available to Mrs Ceza, he replied that he wanted to expose what the prime minister was doing.

Senior counsel for Sun International, Advocate S. R. Cilliers, told the commission that at the appropriate time he would apply to cross-examine Ntshongwana, as well as Mr David Bloomberg, as their evidence was related to issues directly implicating his client.

The commission continues today.

UMTATA — The commission of inquiry investigating the granting of gambling rights in the country took a short adjournment yesterday afternoon because "everyone was getting a bit hot under the collar".

The adjournment was called after disagreement arose about disclosing the name of a man who had an alleged interest in Etablissement Sports et Loisirs (ESL).

Disagreement arose after Cape Town attorney, Mr David Bloomberg, who appeared voluntarily, was asked if there was ever any Transkeian interest in the Lichtenstein-based ESL.

He replied no.

Mr Bloomberg was then asked if there was any South African interest, and he replied that there was an alleged interest claimed about six or seven years ago. This interest was subsequently bought out, but he was not sure whether to disclose the name or not.

Senior counsel for Sun International, Advocate S. R. Cilliers, pointed out to the commission that the inquiry was a public hearing and the witness had to answer the question.

He also said that if proceedings were not going to be public then an application for in camera evidence to be led had to be made, with the relevant submissions.

The chairman called for an adjournment, in the hope that the parties would resolve the matter.

INQUIRY adjourns to resolve disagreement

However, upon reconvening, Advocate H. Snitcher QC, appearing for Mr Bloomberg, told the commission that the matter could not be resolved.

But he disclosed the name of Mr R. Curlin, now an Australian citizen.

Mr Curlin had previously resided in South Africa.

The name of Mr Curlin had already been mentioned as a former partner in the firm of Bloomberg and Company.

Mr Bloomberg explained that Mr Curlin was not a shareholder of ESL, but alleged he had an interest which resulted in an acrimonious discussion about the matter with ESL's founder and former chairman, the late Mr Walter Reif.

This led to his being bought out.

Mr Bloomberg also said that Mr Chris van Rensburg wanted an interest in ESL. This Mr Reif refused.

Mr Cilliers, who said he would apply to the commission to cross-examine Mr Bloomberg, asked for an assurance that Mr Bloomberg would return to the commission.

Mr Snitcher replied that "on a reciprocal undertaking from Mr Sol Kerzner, yes."

After some debate between the legal representatives of the two sides, the chairman, Mr Gerald Alexander SC, who has the discretion to allow cross-examination, ruled that both sides could apply for the right to conduct a cross-examination into how R2 million found its way to the account of Mr Gouws.

At the time of adjournment, a date had not yet been fixed for Mr Bloomberg to return to attend the commission.

During questioning, Mr Bloomberg said an investigating officer from the commission, under the impression

that Chief George had an interest in ESL, came to see him.

The officer said later that he was investigating allegations of corruption concerning a tremendous amount of money which was missing from state coffers — and in particular the affairs of Chief George.

Regarding the full page announcements, placed in newspapers nationwide, by Sun International shortly after the commission commenced, Mr Bloomberg said Mr Kerzner was aware of the transfer and there was no basis for his claim that he was totally unaware.

He said there was also no basis for similar statements made by Mr Ian Heron at a press conference.

After the newspapers disclosed the existence of the R2 million Mr Bloomberg said he had had no communication from Mr Kerzner and the full page advertisements appeared immediately thereafter.

"If they were totally unaware, I would have expected a call requesting some sort of explanation before rushing to the press."

The chairman commented that he could not resolve the difference between Mr Bloomberg and Mr Kerzner without recalling Mr Kerzner.

Mr Cilliers, arguing for an application for cross-examination, said that according to his instruction, Mr Bloomberg's version, was at variance with the true facts, and this represented one of the reasons for wanting cross-examination.

Explaining the background of ESL, Mr Bloomberg said he wanted to dispel any element of mystery surrounding the granting of certain exclusive rights in 1978 to the company.

The founder, Mr Walter Reif, a British national who was resident in Switzerland, did exist and was not a

front, he said. Apart from being described as an economist and commodity trader, Mr Reif was said to be affluent, well travelled and well connected.

He explained that Mr Chris van Rensburg came to Cape Town in 1977, accompanied by at least one of Transkei's administrative officials.

Mr Reif was told about the possibility of certain gambling rights becoming available in Transkei, and he received a mandate to explore rights to be obtained in his name.

Mr Reif was then to form a company overseas to raise capital, Mr Bloomberg said.

The licence for tattersalls was forthcoming, he said, but they did not get a licence to open slot outfits.

Four years elapsed before the government would honour their undertaking in this regard.

Tatts was formed as a wholly owned subsidiary of ESL, and Mr Van Rensburg, by virtue of having introduced the concept of running tattersalls, was given the title of Tatts' public relations officer.

He also received 25 per cent of Tatts' profits. This was later converted to a 15 per cent shareholding, which he registered in the name of his brother, Mr F. S. J. van Rensburg.

Mr Bloomberg said in 1981 they learned that Holiday Inns claimed to have certain rights and an impasse was reached, because they both objected to licences being granted to the other.

He said that ESL threatened legal action against the Transkei Government — in the form of a declaration of rights and an interdict to stop Holiday Inns from proceeding.

According to Mr Bloomberg, in April of 1981, Chief George asked the parties to come to his office to resolve the matter. He prevailed

upon them not to embarrass the Transkei Government with legal action and asked them to pool their rights — hence the origin of Transgames.

Mr Abe Bloomberg, Mr Chris van Rensburg, Mr Charles Fiddian-Green, Mr Nigel Matthew and Chief George were present at the meeting.

In terms of the tripartite agreement between Tatts, Holiday Inns and the Transkei Government, Holiday Inns, later taken over by Sun International, would manage the operations.

Mr Bloomberg said Mr Reif realised he did not have to send in expertise or equipment and his involvement became a passive one. The first slot licence was granted to the Umtata Holiday Inn in 1982.

Mr Bloomberg said that when Transgames was formed, it was necessary to devise a way for Mr Van Rensburg to get his 15 per cent cut, and subsequently authority was given to Transgames in terms of a resolution to make dividends for Transgames payable through Tatts.

He added that Tatts was used as a conduit, so the amount owing to Mr Van Rensburg could be deducted.

Mr Bloomberg said that one of the reasons they had heard the licences for slot machines were not forthcoming, was because there was no local black shareholder.

Mr Bloomberg said Mr Van Rensburg introduced Mr V. Mbotoli to him and convinced him that he should be the shareholder.

Mr Bloomberg added that they also opposed the application for a casino by Joe-Lexi Pty Ltd., because they feared a casino in Umtata would kill Transgames.

Too Late For Classification

Lost and Found

LOST Black and White Wire-haired Terrier Puppy, nine weeks old, lost in vicinity of Bonza Bay beach. Please contact Pullen at tel 471016. Reward.

Sol, Bloomberg conflict on why R2-m was paid

19/2/88
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Sun International's managing director, Mr Sol Kerzner, and a Cape Town attorney, Mr David Bloomberg, had given a commission of inquiry "diametrically opposed" versions of a business deal which resulted in Sun International gaining casino rights in the Transkei, the Commission chairman said yesterday.

Mr Gerald Alexander, SC, the chairman of the Commission, said: "It is obvious to me that I could in no way resolve the argument between Mr Bloomberg and Mr Kerzner without recalling Mr Kerzner. The two versions are diametrically opposed."

Mr Bloomberg told the Commission on Wednesday he had paid R2 million into the bank account of a Ugie farmer, Mr G J Gouws, on the instruction of Mr Kerzner. Sun International counsel told the Commission yesterday that Mr Bloomberg's version varied from the facts.

Previous evidence given to the Commission by a top South African investigator appointed to help it with its work was that the R2 million was divided on the instructions of Chief George Matanzima, then Transkei Prime Minister.

No comment

Chief George and his brother, former President Kaiser Matanzima, three other Cabinet Ministers and two business associates shared the money. Chief George bought Mr Gouws's farm from the R2 million and Mr Gouws also received a farm and a car.

Sun International has refused comment during the inquiry, but in January placed full-page advertisements denying it had been party to any improper payments.

Mr Bloomberg handed in at least 45 exhibits, mostly correspondence about Transgames.

His legal representative, Mr Harry Snitcher, QC, said Mr Bloomberg would present himself for cross-examination if Mr Kerzner and Sun International (SI) executives Mr Ian Heron

By Martin Challenor

and Mr Ken Rosevear were present.

There were sharp exchanges between Mr Snitcher and Mr Fanie Cilliers, SC, one of five SI legal representatives.

Mr Cilliers said: "The version which Mr Bloomberg has given to this Commission is in material respects at variance with the true facts."

Mr Alexander said that he would permit cross-examination by both parties on the circumstances under which the money was transferred to Mr Gouws.

Mr Kerzner and Mr Bloomberg could, therefore, both appear gain.

At issue is why Mr Bloomberg paid the money — part of R5,5 million that Sun International paid into Mr Bloomberg's trust account — as his client's share of the proceeds of the sale of Transgames.

Mr Bloomberg told the Commission on Wednesday that Mr Kerzner instructed him to transfer the money. It was needed to buy casino rights held by Joe Lexie Entertainment Centre, which SI needed to build its R30 million Umtata casino.

SI has distanced itself from the R2 million transfer.

Referring to the full-scale advertisements which SI placed, distancing itself from the transfer, Mr Bloomberg said: "If they were totally unaware, I would have expected them to be in touch with me to ask for some sort of clarification before they rushed into print."

He said he had had no contact with SI on the transfer.

Commission told of casino deal

103
Sowetan
19/2/88

THE processing of the casino licence for Sun International subsidiary, Transun, in Transkei in 1986 was fraught with corruption, Mr Liston Ntshongwana, once one of chief George Matanzima's closest aides, told the commission of inquiry in Umtata yesterday.

"The Prime Minister, and a few carefully chosen Cabinet Ministers, made sure that Sun International and no one else got the casino licence," Mr Ntshongwana told the commission's chairman, Mr Gerald Alexander.

"They calculated it with deliberateness and avoided addressing themselves to procedural matters related to the application and ignored government departments like the department of justice," Mr Ntshongwana said.

Henchmen

"The Prime Minister at the time, and his henchmen, received a financial consideration from Sun International which was distributed

SOWETAN Correspondent,

accordingly by Chief George. The financial consideration came from Mr Sol Kerzner's group because Chief George told me so. He also told his brother so when he asked Chief George as to where he got the money from to buy the Ugie farm," Mr Ntshongwana said.

Mr Ntshongwana left his prison cell in Umtata's Wellington Jail to give evidence before the commission of inquiry into the department of works and energy.

ARGUS 19/2/88 103

Kei commission 'hot under collar' over naming man

UMTATA. — The commission of inquiry investigating the granting of gambling rights in Transkei took a short adjournment because "everyone was getting a bit hot under the collar".

The adjournment was called yesterday afternoon after disagreement about disclosing the name of a man who had an alleged interest in Etablissent Sports et Loisirs (ESL).

The matter began when Mr David Bloomberg, a Cape Town attorney who volunteered to appear, was asked if there was ever any Transkeian interest in ESL, which was based in Lichtenstein, and he replied there was not.

Then he was asked if there was any South African interest, and Mr Bloomberg replied that there was an alleged interest claimed about six or seven years ago which was subsequently bought out, but he was not sure whether to disclose the name.

The senior counsel for Sun International, Mr S R Cilliers, pointed out to the commission that this was a public hearing and the witness had to answer the question put to him.

The chairman called for an adjournment in the hope that the parties would resolve the matter.

However, when the commission reconvened, Mr Harry Snitcher QC, appearing for Mr Bloomberg, told the commission the matter could not be resolved and disclosed the name of Mr R Curlin who was no longer resident in South Africa and was now an Australian citizen.

Mr Bloomberg explained that Mr Curlin was not a shareholder of ESL but alleged he had an interest which resulted in an acrimonious discussion about this matter with the founder and former chairman, the late Mr Walter Reif, and his being bought out.

Mr Cilliers, who said he would apply to the commission to cross-examine Mr Bloomberg, asked for an assurance that Mr Bloomberg would return. Mr Snitcher replied that "on a reciprocal undertaking from Mr Sol Kerzner, yes".

After the two sides exchanged heated argument, the chairman, Mr Gerald Alexander SC said the dispute of fact before the commission could not be resolved on the evidence as it stood and the truth could only be extracted through cross-examination. — Sapa.

D/D 20/2/88 (103)
Former PM's estate:
sequestration order

EAST LONDON — A provisional sequestration order against the estate of the former Prime Minister of Transkei, Chief George Matanzima, in South Africa

has been issued by the Grahamstown Supreme Court.

Chief Matanzima's insolvent estate was sequestrated in Transkei, and if the application before the Grahamstown court is successful it would enable the estate's trustees to take possession of Chief Matanzima's property in South Africa.

The return date for Chief Matanzima to file notice with the Grahamstown court to contest the provisional order was given as March 3. — DDR

Shares made Transkei businessman a fortune

103
D/D 20/2/88

Daily Dispatch Reporter
UMTATA — A Transkei businessman, Mr V. Mbotoli, who was initially approached to help Transgames obtain licences in the country later, became a shareholder in the firm and made over half a million rands when he sold his shareholding to Sun International (Transun), it was said in evidence here yesterday.

The commission of inquiry into the granting of gambling rights was also told that the chairman of Jalc, Mr Chris van Rensburg, made nearly R800 000 from the sale of the Transgames shares, although he was never a Transgames shareholder.

Counsel for the Auditor-General noted that the transaction offered Mr Mbotoli, the chairman of Temba Construction, the chance of a lifetime to obtain such high returns.

According to the prospectus, Mr Mbotoli received R574 626 from the sale of his shares. He said he kept R180 000 and the remaining R394 626 went to Mr Van Rensburg to repay loans he had received from Jalc.

Mr Van Rensburg also received R387 873 for the money owing to his brother, Mr F. S. J. Van Rensburg, who was his nominee. He thus received a total of R782 499 from the transaction.

Mr Mbotoli said he had received loans from Jalc totalling R400 000, but there had never been any written agreement of indebtedness or written surety which Mr Van Rensburg had undertaken on his behalf. There were only verbal agreements.

Mr Mbotoli said that, after a year, he still owed at least a quarter of a million rands.

Mr Van Rensburg, who had been expected to give evidence before the commission yesterday, did not appear.

Counsel for the Auditor-General said the commission could not force Mr Van Rensburg to appear but said he was "extremely implicated" — which the chairman advised be changed to "intimately connected" — and if he came to Transkei he

would be subpoenaed. Alternatively, the commission could sit in East London to hear his evidence.

Temba Construction, which has many common shareholders with Jalc, was previously under investigation by the commission of inquiry into the Department of Works and Energy, with regard to housing contracts.

Mr Mbotoli said Mr Van Rensburg was his associate and friend and he had given him power of attorney in Transgames.

It was common cause in the commission that Transgames waited for years before acquiring licences for slot machines, as was confirmed by Mr David Bloomberg's evidence.

Mr Bloomberg, who had acted in a legal capacity for Transgames, said in his evidence that Mr Mbotoli had become involved because it had been said that one reason why the licences for slot machines were not forthcoming was that there was no local black shareholder.

Mr Bloomberg said Mr Van Rensburg had introduced Mr Mbotoli to him and persuaded him that he should be the man to fill the shortcoming.

Mr Mbotoli said he wanted to become involved in Transgames because he was interested in making profits.

He said that, although he had only been approached for his assistance, he had seen an opportunity to profit and had asked for shares in the company. "I'm a man of profits."

He said Mr Van Rensburg had good relations with the former Prime Minister, Chief George Matanzima, and he himself was a favourite with Chief George, to whom he was related.

Mr Mbotoli denied that he was a "front" for other Transkeians when he was given a ten per cent shareholding in Transgames and said nobody had ever received money through him.

However, in his later evidence, he said that of the R574 626 he received from the sale of his Transgames shares, R394 626 went to Mr Van Rensburg for the payment of loans.

Under cross-examination, Mr Mbotoli said he had never spoken to any minister about pending licences. After further questioning, he said that he had never spoken to the Prime Minister about it in his office.

When Mr Mbotoli was told that, according to a letter before the commission, he was a nominee for other Transkeian citizens, he replied that no other Transkeians had invited him into their businesses, "so why should I do it with them?"

He said he would not split his ten per cent share.

However, an exhibit before the commission stated that Mr Mbotoli had wanted to "spread" the Transkeian interest in the company, which would be a further reason for Chief George to give the go-ahead for the licences.

Mr Mbotoli then said that he had, in fact, been prepared to sell shares to Transkeians.

Another exhibit before the commission stated that Etablissement Sports et Loisirs (ESL) would make 10 000 shares available to certain Transkeians. These shares would be registered in the name of Mr Mbotoli, as a nominee.

However, Mr Mbotoli said he was not a nominee, the shares were his and he had never sold any.

The chairman put it to Mr Mbotoli that he was a front for Mr Van Rensburg and that he had held only a part of the ten per cent shares in Transgames. Mr Mbotoli replied that he had erred by not signing documents.

He said he also received the money for his loans directly from the financial director of Jalc, Mr L. Painting.

Asked whether, when he saw the name of F. S. J. Van Rensburg on the prospectus, he had asked Mr Chris van Rensburg about it, he said Mr Van Rensburg had told him he would sort it out and the money would go to him.

Counsel said it appeared as if Mr Van Rensburg had not been open and honest with Mr Mbotoli. Mr Mbotoli replied that he would not

confirm or deny this.

Mr Mbotoli said he had held the share certificate in his safe. He was then shown an agreement he had signed which stated that Mr Bloomberg would hold the shares for two years.

Mr Mbotoli then changed his evidence and said Mr Bloomberg had held the certificate.

Mr Mbotoli said he had paid R1 for each of the 10 000 shares. He was then shown a document which said he had not paid cash for the shares and that they would be paid for by deducting future dividends from Transgames.

The commission was told earlier by the jailed former adviser to the prime minister, Liston Ntshongwana, that Mr Mbotoli had come to his office after he (Ntshongwana) had seen the Prime Minister, Chief George Matanzima, about gambling licences in Mount Frere and It-dutywa. Chief George had wanted the meeting with Ntshongwana so that the process could be expedited.

Mr Mbotoli said this was not correct. Asked by the chairman why Ntshongwana's evidence was not correct, he replied that he did not know.

He then said it was because he had not spoken to Ntshongwana.

Asked if he had seen the prime minister, he said he had not because there was never any problem in obtaining the licences.

At this point, the evidence of an Umtata attorney, Mr Alastair Buchan, was interposed.

Mr Buchan told the commission that, on November 26, Mr Mbotoli had contacted him, as a Transgames attorney, to come to the office of the prime minister where they would see Ntshongwana to push the issue of licences.

Mr Mbotoli's said he must have forgotten this.

The chairman said he wanted Mr Mbotoli to dispel any thought that he was trying to distance himself from the former prime minister. Mr Mbotoli said he had no comment to make.

The commission will continue on Monday.

Developer describes how he heard Umtata gambling licence was available

103

D/D 23/2/88

Daily Dispatch Reporter
UMTATA — A Durban attorney and property developer, Mr A. del Vecchio, yesterday told the commission of inquiry into gambling rights in Transkei how he became involved in an application for a casino licence in Umtata.

Mr Del Vecchio, who together with another businessman, Mr John Trickey, was named in a previous hearing by the managing director of Joe-Lexie, Mrs Lexie Ceza, as her financiers, said he was told in October, 1986, that there was a gambling licence available for Umtata.

He said he had been told by a man from the Transvaal, whose name he could not remember, that the licence was for sale.

He had then been told by Mr Trickey that the licence in question had not been issued and was still to be applied for. He had replied that he was not very keen to apply for a licence in Transkei as he knew of the difficulties involved.

Mr Trickey showed him a letter signed by the former prime minister, Chief George Matanzima, and that was when he thought that perhaps there was some merit in the matter.

He said he still had doubts that the licence could be procured especially since there would be no exclusive rights, and to assure him, Mr Trickey had set up a meeting for them with Chief Matanzima and Mrs Ceza.

Mr Del Vecchio explained that he had been approached by Mr Trickey because of his expertise in hotel and casino development.

"The meeting was held in Butterworth and I told the prime minister that my concern was the exclusivity of the li-

cence, as I already had a fair idea of the restrictions governing the establishment of casinos such as a 10 kilometre radius and exclusive rights for 10 years such as in Mzamba."

He said he was told that the licence would be exercised in the Umtata area, about 20 km from the present slot machines in Umtata, and he already knew at that stage that the company, Joe-Lexie, had rights on land next to the Umtata Dam.

He told the commission that during the meeting in Butterworth Chief Matanzima asked him if he knew about "tobacco or lobola", and to him these words suggested something fishy.

When the meeting ended Chief Matanzima confirmed that he had written the letter he was shown by Mr Trickey to assist Joe-Lexie to acquire the gambling rights, and said it was possible that the licence would be granted with exclusivity.

Mr Del Vecchio said later, during lunch, he had asked Mrs Ceza what the prime minister had meant by "lobola or tobacco" and she explained that it was something that would have to be paid to Chief Matanzima for having assisted in acquiring the licence.

He said he got the impression that it was a lobbying fee that would be just a minimal amount, though even this did not seem to be above board, and did not think the R2 million mentioned for the licence was for Chief Matanzima.

He had thought that the R2 million was for the sale of the rights and not for the lobola the prime minister had spoken about.

Mr Del Vecchio told of

another meeting in Umtata when he, Mr Trickey and Mrs Ceza had driven to Chief Matanzima's farm. There they were told to follow the prime minister who travelled with a big procession of cars to Ugie.

At a hotel there they found the hotel owner, a Mr Gouws, and his son, and he and his partner were told that Chief Matanzima was buying a farm from Mr Gouws and a guarantee of R1,5 million would have to be paid by December 15, 1987.

Mr Del Vecchio said he understood this as meaning that if they did not put up the guarantee they would not be getting any gambling rights.

He said it appeared that Mrs Ceza seemed to have known about the situation though she had not told them about it. He said he thought that the arrangement was illegal and immediately decided that they would not be part of it.

He said he recalled mention of the problem of the Group Areas Act but then there had been talk of the farm being eventually incorporated into Transkei.

Mr Del Vecchio said he remembered being embarrassed going on with the discussion about the guarantee for the farm as he felt there was something illegal in it. He said they did not react immediately by saying they would not pay the guarantee.

During a flight to Umtata for another meeting with the prime minister and Mrs Ceza, Mr Del Vecchio said, he and his partner had looked at a number of possible sites as the Joe-Lexie site would not be suitable for their needs.

They met at the farmhouse of the prime minister outside Umtata

and the question of an alternative site was discussed, though Chief Matanzima seemed to be keen on Mrs Ceza's site.

At the meeting the question of exclusivity was raised but Mr Del Vecchio said he was not comfortable with Chief Matanzima's answer.

He said the purchase price for the casino rights would be paid by means of R1 million in cash and the balance in shares in the project, and the price of the land Mrs Ceza already had was not even discussed as it was totally unsuitable.

Asked by the chairman if it did not seem strange that there had been no mention of cabinet approval for the type of exclusivity they wanted, he said that Chief George would have overruled his juniors in the cabinet if they objected.

Regarding his idea of a lobbying fee he said he would have thought of something in the region of R20 000 to R30 000, but not the full R2 million. He agreed that it would be unusual to pay either a state president or prime minister a lobbying fee, but if that was how it was, then it was all right with him.

He said he had not asked on what basis Mrs Ceza had arrived at the figure of R2 million for the licence, but he had felt that the licence with exclusivity was worth that amount.

While in Durban he had phoned twice to check with Mrs Ceza if all was going well, but he got the impression that her enthusiasm had died down.

Mr Del Vecchio said Mrs Ceza at one stage phoned to say they had better get moving as she understood that Mr Sol Kerzner was getting to Chief Matanzima.

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DTA

Businessman ¹⁰³ tells of quarrel

D/D 23/2/88

UMTATA — A Transkei businessman, Mr Joe Tsotetsi, who said the Joe-Lexie entertainment and casino company was his brainchild, told the Commission of Inquiry into gambling rights here that he had quarrelled with his partner, Mrs Lexie Ceza, and later found that she was leaving him out in the quest for a casino licence.

Mr Tsotetsi said he first had the idea of a casino and a hotel near the Umtata dam in 1982 and he mentioned this to Mrs Ceza, who promised she would introduce him to the "big guns".

Mrs Ceza said she would even be able to get the blessing of the former State President, Paramount Chief K. D. Matanzima.

She asked him to try to find financiers and told him not to worry about the land for the proposed casino and entertainment project as she would also get that from Paramount Chief Matanzima.

Mr Tsotetsi said he

later realised there was nothing forthcoming from the State President and when he asked Mrs Ceza about this she told him to leave the company if he was becoming impatient.

He said a quarrel also arose with his partner because he was negotiating with a Johannesburg business consultant for finance from people such as Mr Sol Kerzner.

Mrs Ceza had said that there was no need for this as she was arranging for finance from Switzerland, and that she wished to involve cabinet ministers, chiefs and prominent businessmen in Transkei.

Mr Tsotetsi said he had met the former Prime Minister, Chief George Matanzima, in his farmhouse at Ncambedlana when he went to him for assistance to have his son, suspended from the University of Transkei, reinstated.

He mentioned the subject of the casino licence to Chief Matanzima, who advised him to stay away from Mrs Ceza. — DDR

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Developer describes how he heard Umtata gambling licence was available

103

D/D 23/2/88

Daily Dispatch Reporter

UMTATA — A Durban attorney and property developer, Mr A. del Vecchio, yesterday told the commission of inquiry into gambling rights in Transkei how he became involved in an application for a casino licence in Umtata.

Mr Del Vecchio, who together with another businessman, Mr John Trickey, was named in a previous hearing by the managing director of Joe-Lexie, Mrs Lexie Ceza, as her financiers, said he was told in October, 1986, that there was a gambling licence available for Umtata.

He said he had been told by a man from the Transvaal, whose name he could not remember, that the licence was for sale.

He had then been told by Mr Trickey that the licence in question had not been issued and was still to be applied for. He had replied that he was not very keen to apply for a licence in Transkei as he knew of the difficulties involved.

Mr Trickey showed him a letter signed by the former prime minister, Chief George Matanzima, and that was when he thought that perhaps there was some merit in the matter.

He said he still had doubts that the licence could be procured especially since there would be no exclusive rights, and to assure him, Mr Trickey had set up a meeting for them with Chief Matanzima and Mrs Ceza.

Mr Del Vecchio explained that he had been approached by Mr Trickey because of his expertise in hotel and casino development.

"The meeting was held in Butterworth and I told the prime minister that my concern was the exclusivity of the li-

cence, as I already had a fair idea of the restrictions governing the establishment of casinos such as a 10 kilometre radius and exclusive rights for 10 years such as in Mzamba."

He said he was told that the licence would be exercised in the Umtata area, about 20 km from the present slot machines in Umtata, and he already knew at that stage that the company, Joe-Lexie, had rights on land next to the Umtata Dam.

He told the commission that during the meeting in Butterworth Chief Matanzima asked him if he knew about "tobacco or lobola", and to him these words suggested something fishy.

When the meeting ended Chief Matanzima confirmed that he had written the letter he was shown by Mr Trickey to assist Joe-Lexie to acquire the gambling rights, and said it was possible that the licence would be granted with exclusivity.

Mr Del Vecchio said later, during lunch, he had asked Mrs Ceza what the prime minister had meant by "lobola or tobacco" and she explained that it was something that would have to be paid to Chief Matanzima for having assisted in acquiring the licence.

He said he got the impression that it was a lobbying fee that would be just a minimal amount, though even this did not seem to be above board, and did not think the R2 million mentioned for the licence was for Chief Matanzima.

He had thought that the R2 million was for the sale of the rights and not for the lobola the prime minister had spoken about.

Mr Del Vecchio told of

another meeting in Umtata when he, Mr Trickey and Mrs Ceza had driven to Chief Matanzima's farm. There they were told to follow the prime minister who travelled with a big procession of cars to Ugie.

At a hotel there they found the hotel owner, a Mr Gouws, and his son, and he and his partner were told that Chief Matanzima was buying a farm from Mr Gouws and a guarantee of R1,5 million would have to be paid by December 15, 1987.

Mr Del Vecchio said he understood this as meaning that if they did not put up the guarantee they would not be getting any gambling rights.

He said it appeared that Mrs Ceza seemed to have known about the situation though she had not told them about it. He said he thought that the arrangement was illegal and immediately decided that they would not be part of it.

He said he recalled mention of the problem of the Group Areas Act but then there had been talk of the farm being eventually incorporated into Transkei.

Mr Del Vecchio said he remembered being embarrassed going on with the discussion about the guarantee for the farm as he felt there was something illegal in it. He said they did not react immediately by saying they would not pay the guarantee.

During a flight to Umtata for another meeting with the prime minister and Mrs Ceza, Mr Del Vecchio said, he and his partner had looked at a number of possible sites as the Joe-Lexie site would not be suitable for their needs.

They met at the farmhouse of the prime minister outside Umtata

and the question of an alternative site was discussed, though Chief Matanzima seemed to be keen on Mrs Ceza's site.

At the meeting the question of exclusivity was raised but Mr Del Vecchio said he was not comfortable with Chief Matanzima's answer.

He said the purchase price for the casino rights would be paid by means of R1 million in cash and the balance in shares in the project, and the price of the land Mrs Ceza already had was not even discussed as it was totally unsuitable.

Asked by the chairman if it did not seem strange that there had been no mention of cabinet approval for the type of exclusivity they wanted, he said that Chief George would have overruled his juniors in the cabinet if they objected.

Regarding his idea of a lobbying fee he said he would have thought of something in the region of R20 000 to R30 000, but not the full R2 million. He agreed that it would be unusual to pay either a state president or prime minister a lobbying fee, but if that was how it was, then it was all right with him.

He said he had not asked on what basis Mrs Ceza had arrived at the figure of R2 million for the licence, but he had felt that the licence with exclusivity was worth that amount.

While in Durban he had phoned twice to check with Mrs Ceza if all was going well, but he got the impression that her enthusiasm had died down.

Mr Del Vecchio said Mrs Ceza at one stage phoned to say they had better get moving as she understood that Mr Sol Kerzner was getting to Chief Matanzima.

70 23/2/88 (103)

New automatic exchange, number changes scheduled

Daily Dispatch Reporter

UMTATA — Telephone subscribers at eZibeleni and industries now connected to the Queenstown exchange will be transferred to the new automatic eZibeleni exchange at noon tomorrow.

This was announced yesterday by Transkei's postmaster-general, Mr H. S. Calaza.

At the same time the old telephone numbers will change to five digit numbers and the dialling code for eZibeleni appearing in the 1987/88 telephone directory will be used.

"On the same day, direct dialling facilities will be provided at Lady Frere and Ilinge, where subscribers connected to these automatic exchanges will have access by dialling the codes 047982 and 047992 respectively and thereafter asking the telephonists for the required telephone numbers."

Mr Calaza announced that a continuous service would be introduced at the Ilinge telephone exchange on Thursday and subscribers connected to that exchange, including those who had not had after-hours service in the past, would enjoy the same grade of service during the day, at night, over weekends and during public holidays.

Surprise witness tells Kei inquiry of gifts

24/2/88
SM
A surprise witness in the Transkei corruption hearings has made further allegations about payoffs in exchange for gambling rights in the territory.

Mr Richard Kurland, who now lives in Australia, submitted a 299-page affidavit with claims that gifts including cattle were made to former Prime Minister Chief George Matanzima.

Questioned at the commission hearing in Umtata yesterday, Mr Kurland said he was a principal of the Lichenstein-registered company, ESL, that owned a big proportion of Transgames, holders of the slot machine and Tattersalls rights for Umtata.

He described it as a "sham" company, through which dividends were to be paid overseas.

Mr Kurland said that a company he was a partner in, Tatts, had bought some Friesland cattle for Chief George Matanzima.

The hearing is continuing.

● See Page 4M.

(103) 11/29/88

Inquiry told of cattle for Matanzima

by GILBERT ZWAKALA
UMTATA — A witness who arrived in South Africa a few weeks ago from Australia, Mr Richard Kurland, yesterday told the commission of inquiry into gambling rights that a company he was a partner in, Tatts, had bought Friesland cattle for Chief George Matanzima.

Mr Kurland said one of his business ventures in 1977 was to run pin-ball machines in various outlets in Cape Town.

He had met Mr Chris van Rensburg, of Jalc, who told him he could get gambling rights in Transkei because he was well connected there.

He said he did not trust Mr Van Rensburg, who told him that he knew Chief George extremely well and that the Prime Minister had assured him that if an

application for gambling rights was made it would be granted.

Mr Kurland said Mr Van Rensburg also told him he was a "front for Matanzima" and operated a banking account for him.

He said he had discussed this with Mr Abe Bloomberg, an experienced racing personality in Cape Town, who suggested that they include Mr Louis Miller and Mr Gus Wisenberg.

It was agreed that each would contribute 25 per cent.

It was agreed that Mr Miller, Mr Wise and Mr Kurland would each pay R10 000 into a trust account at Bloomberg and Co.

The funds in the Transkei trust would be used to pay for the incorporation of a company to be called Tatts as well as for travelling

expenses and advances to Mr Van Rensburg and a Mr Poulos, who worked for Mr Kurland.

The other aim of the account was to buy some Friesland stud cattle and a racehorse for Chief George.

Mr Kurland said he had arranged with an experienced cattleman, Mr Joey Scher, to buy the cattle for R11 000.

He said Mr Bloomberg had suggested it should

appear that they had bought the cattle for themselves and were selling them on hire purchase to Chief Matanzima.

After this they were told that their application for rights would be put before the cabinet.

●Chief George Matanzima did not testify at the inquiry yesterday as scheduled and is expected to appear today.

(The following table contains extremely faint and illegible text, likely bleed-through from the reverse side of the page. It appears to be a list or ledger with multiple columns.)

D/D 25/2/86 103

R2 m: Matanzima denial

UMTATA — The former Transkei prime minister, Chief George Matanzima, yesterday denied he had sought a R2 million inducement in exchange for gambling rights.

Chief George told the commission of inquiry into the granting of gambling rights that he was fed-up with repeated mention of R2 million "lobola or tobacco".

Chief George told the commission he had

come to an agreement with Mr G.J. Gouws to buy his Ugie farm for R1,2 million plus R225 000 for equipment.

He said he had received a telephone call one night from an anonymous caller who said he and a group of people who were friends of Transkei intended to donate enough money to enable him to pay for the farm together with stock and equipment.

Chief George said he

suggested to the caller that the money be paid directly to Mr Gouws.

He had later presented a number of people with amounts of R50 000 each from funds he had in Mr Gouws's account.

Another witness told the inquiry that correspondence between a firm of Cape Town attorneys and a Lichtenstein-based company, ESL, was a "ruse". —DDR.

Full reports page 2

D/D 25/2/88 (103)

Chief: money was gift

Daily Dispatch Reporter UMTATA — The former Transkei prime minister, Chief George Matanzima, yesterday denied he had sought a R2 million inducement in exchange for gambling rights.

Appearing before the commission of inquiry into the granting of gambling rights in the country, Chief George said, after being questioned by the chairman, counsel for the auditor-general and his own legal representative, that he was fed-up with the repeated mention of R2 million "lobola or tobacco".

Chief George was given a schedule of questions prepared by counsel and in reply to one regarding his dealings with Mr G. J. Gouws, a Ugie hotel owner and farmer, he said he had first heard from a friend, Mr K. Magidigidi, in August 1986 that Mr Gouws was selling a farm.

He said he had been impressed with the farm. After negotiations, the owner agreed to a price of R1,2 million plus R225 000 for equipment.

Asked how he ex-

pected to take transfer of the farm as it was in South Africa, Chief George said he had intended to go to Pretoria to see officials there, but had to wait as there were to be elections at the time.

He had realised it would not be opportune to do so as there were farmers who were not happy about his presence in the area.

After the elections he discussed the purchase of the farm with the South African Minister of Foreign Affairs, Mr Pik Botha.

Mr Botha wanted to know how far the farm was from the Transkei border to see if it could not later be incorporated into Transkei.

Chief George said the area was one which Transkei had always claimed as its territory.

Meanwhile, he had intended having a nominee who could legally take transfer of the farm.

Chief George said he was not in a financial position to pay for the farm and had planned to seek a bond from a bank in Transkei.

He signed a formal

deed of sale in December 1986.

He was telephoned "out of the blue" one night by an anonymous caller who said he and a group of people who were friends of Transkei intended to donate enough money to enable him to pay for the Ugie farm together with stock and equipment.

The caller refused to divulge his name or those of his group, saying they had been following the political progress of Transkei since 1963 and his contribution to it.

Chief George said the caller had not indicated that his group knew the purchase price of the farm, but this had been no secret and was widely known.

He was told to furnish particulars of his banking account but he suggested that the money be paid directly to Mr Gouws.

Chief George disputed earlier evidence that he had seemed to be in a hurry and anxious to pay for the farm and said he was under no pressure since Mr Gouws was his friend.

It was not true that he

had told Mr A. del Vecchio and Mr John Trickey, two prospective financiers of Joe-Lexie, a company that was seeking casino rights, that they should put up a R1,4 million guarantee needed for the farm.

Regarding his dealings with the managing director of Joe-Lexie, Mrs Lexie Ceza, he said he had never had any negotiations with her or her financiers but only interviews.

He said Mrs Ceza had kept on pestering him for casino rights though he had told her that Transkei was not in favour of casinos, except on the borders.

She had visited him at his house in Butterworth, accompanied by Mr Del Vecchio and Mr Trickey, and he had agreed to assist her with her application, "just to get her off my back".

He had been made apprehensive by the presence of Mr Trickey as he remembered a Mr Trickey who was a police detective in the commercial branch and was said to be investigating his affairs.

Replying to questions, Chief George denied that an amount of R2 million was ever discussed in any of the interviews with Mrs Ceza and her associates, and evidence that he had talked about "lobola or tobacco" was untrue.

He said the word "lobola" was held in reverence in African tradition and he could not have used it even if he had wanted anything from anybody.

A second meeting at Ugie was not arranged but Mrs Ceza and the two men had followed him from his farm at Ncambediana to Ugie where they requested another interview.

Mr Gouws had not been present during the interview and there was no talk about the sale of the farm or any guarantee to be put up for it.

Chief George said he had presented a number of people with amounts of R50 000 each from funds he had in Mr Gouws' account and these were paid with cheques signed by Mr Gouws.

He had given the former prime minister, Miss Siella Sigcau, R50 000 to help her with the education of her child, and equal amounts to two former cabinet ministers, Mr M. Lujabe and Mr T. T. Letlaka, for having helped to canvass for him during the September 1986 general elections.

Another R50 000 was given to the managing director of the Transkei Development Corporation, Mr Mbulelo Ntloko, in appreciation for his services when he had been sent on private errands.

Sums of money he had transferred to the account of the former state president, Paramount Chief K. D. Matanzima, were presents as they had always given each other gifts.

mildness
taste

Rothmans of Pall Mall

BY SPECIAL APPOINTMENT

price of R1,2 million plus R225 000 for equipment.

Asked how he ex-

planned to seek a bond from a bank in Transkei.

He signed a formal

said he was under no pressure since Mr Gouws was his friend.

It was not true that he

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Sums of money he had transferred to the account of the former state president, Paramount Chief K. D. Matanzima, were presents as they had always given each other gifts.

Asked why the paramount chief did not know about a sum of money sent to his account, Chief George said it could be because his brother was an old man and might have forgotten.

Regarding the money in Mr Gouws' account, he said he had never asked who had sent it as the unknown caller had refused to identify himself or his friends.

Told by the chairman that two versions had been given in evidence — that it had been sent by Mr Sol Kerzner or Mr David Bloomberg — he said he could not deny any of those versions as he did not know.

Chief George told the commission Mr Ntloko had arranged a meeting with Mr Kerzner, who said that he was keen to extend the operations of Transun and that he intended building a casino in Umtata.

He had never committed himself or the government to assisting Mr Kerzner.

Chief George was warned to appear before the commission again on March 4. The commission was postponed to tomorrow.

mildness taste



My right to overrule the Cabinet — Matanzima

By Dan Side

UMTATA — Former Transkeian Prime Minister Chief George Matanzima told a commission of inquiry into gambling rights yesterday that it was his right to overrule his Cabinet.

Chief George told the head of the commission, Mr Gerald Alexander SC, that, on November 21 1986, he told Mr Sol Kerzner of Sun International that he would not support an application for exclusive gaming rights for a proposed hotel in Umtata.

Earlier, the commission was told that Mr Kerzner was bitterly disappointed and left the meeting feeling the application had been refused outright.

On December 10 1986, a Cabinet resolution in favour of Sun International was passed. But it excluded sole slot machine rights.

Chief Matanzima signed the resolution but it was discovered later that the limiting clause had been removed.

Mr Matanzima said: "As Prime Minister I believe that I am the custodian of the policy of the government and I

believe that I am also responsible to see that the government is not involved in litigation."

He said the only valid application on the agenda was from Sun International and dismissed out of hand the claim by Joe-Lexie, headed by Mrs Lexie Ceza, that the company had been given exclusive Umtata gambling rights.

"She pestered me in connection with casino rights," said Chief George. "I said the only places we were interested in were the extreme ends of Transkei, Mzamba and Kei Mouth. I was not negotiating with her."

"The letter of support for the gambling rights in Umtata — which is, of course, not my policy — I signed merely to get her off my back. She had already seen KD (Paramount Chief K Matanzima) and that was the reason for signing."

Chief George has insisted throughout the inquiry that it was not his policy to grant exclusive gambling rights anywhere in the Transkei.

The commission resumes tomorrow.

Transkei inquiry told of vendetta

By Dan Side

UMTATA — An alleged vendetta against former Cape Town mayor Mr Abe Bloomberg was caused by a "rumour-mongering campaign" against Mr Richard Kurland to frighten him into selling his shares in an off-shore company set up to control certain gambling rights in the Transkei.

Mr Kurland told the commission of inquiry into the Transkei Department of Works and Energy that this "vendetta" was the result of not being given details of his shares in Establisement Sports Et Loisirs (ESL).

He referred to his affidavit in which he said Mr Bloomberg and his son David had spread rumours that he had stolen R3 million from them.

These rumours, he said, started about two months after Mr Kurland, a former partner in the law firm, A Bloomberg and Co., had left Cape Town in December 1981 to live in Australia.

Mr Kurland said his father heard the rumours and contacted Mr Abe Bloomberg.

"FABRICATED"

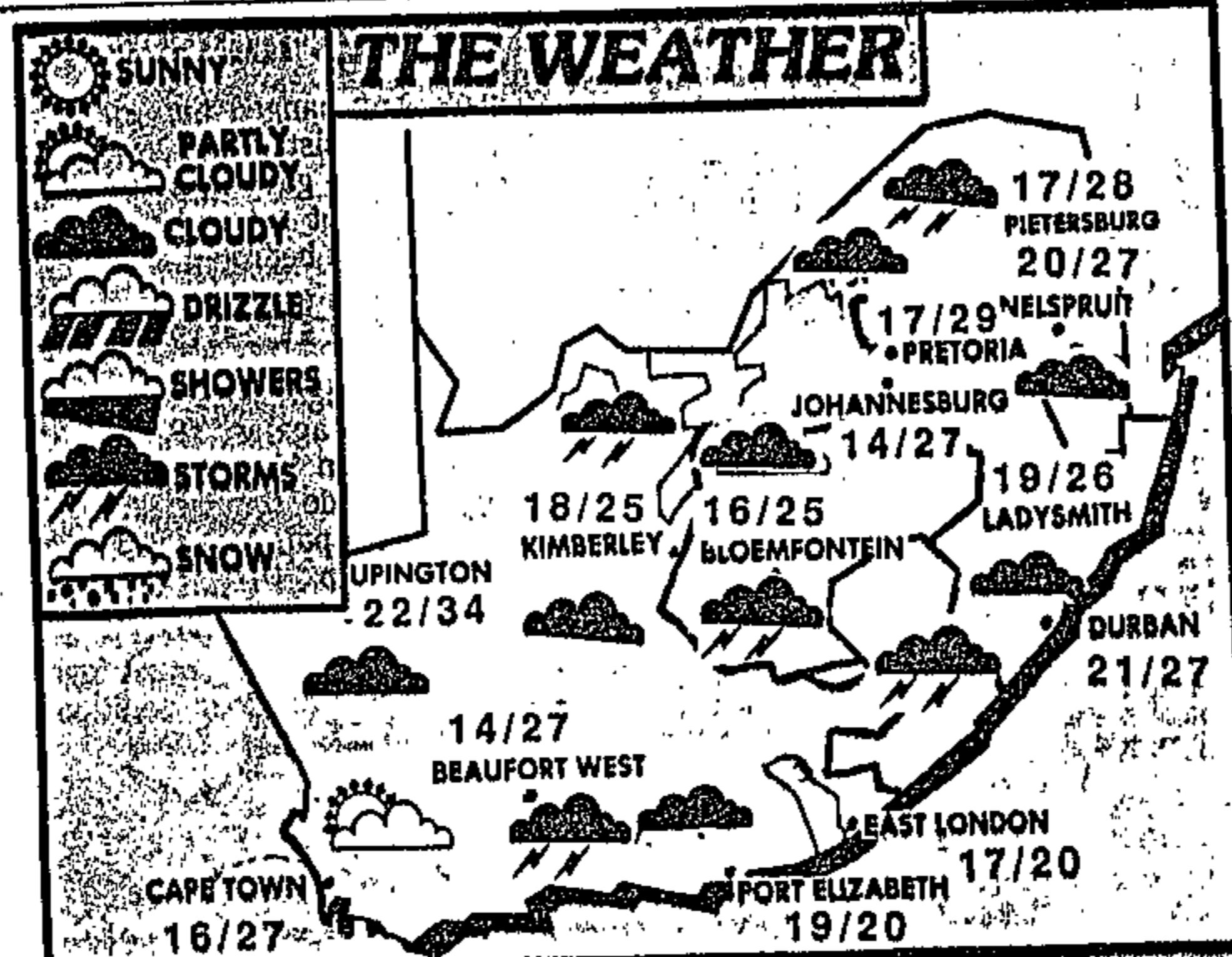
"Mr Bloomberg fabricated certain claims against me and alleged that I had kept certain fees which belonged to the firm for myself," said Mr Kurland.

"The latter allegation was correct. I was wrong in not accounting to the firm for those fees. My loan account at the firm was also in debt."

Mr Bloomberg said the debit was about R250 000, but Mr Kurland said that a settlement was made of between "R80 000 and R90 000".

"After the settlement had been arrived at, Mr David Bloomberg asked me what I intended doing about my interests in ESL and I told him we would deal with that later," said Mr Kurland.

"Mr David Bloomberg advised me not to keep the interest because he did not know if he would be able to protect me against Miller and Wise." Mr Louis Miller and Mr Gus Wise were Cape Town bookmakers who were partners with Mr Abe Bloomberg and Mr Kurland in ESL.



TRANSVAAL — Cloudy and warm with scattered thundershowers but isolated in the west. It will be cool over the eastern escarpment with rain. Moderate to heavy falls are possible in places along the eastern escarpment and over Northern Transvaal.
JOHANNESBURG CENTRAL — Today: 8 am 18 deg C; yesterday: max 25 deg C; min 17 deg C; rainfall . mm; so far this month 44, 1 mm;

SUNSET today, 6.50; sunrise tomorrow, 5.54; sunset tomorrow, 6.49.
 MOONRISE today, 1.55 pm.

ROUND THE WORLD:

	Max	Min		Max	Min		Max	Min
Amsterdam	04	02	Lisbon	16	11	Rome	13	-2
Athens	12	03	Los Angeles	21	11	Rio de Janeiro	29	20
Bermuda	21	16	London	05	02	Sydney	28	21
Brussels	08	02	Moscow	-8	-16	Taipei	21	15
Copenhagen	06	00	New Delhi	25	13	Tel Aviv	14	07
Frankfurt	07	02	New York	17	08	Tokyo	09	07
Geneva	11	-4	Paris	08	03	Toronto	-1	-8
Hong Kong	19	18	Perth	28	17	Vienna	07	03

Golfer 'harassed' at Randpark

By Grant Winter

There was a bizarre incident involving black golfer Vincent Tshabalala at Randpark yesterday.

After Tshabalala had played several holes, a PGA official on the course radioed the club saying Tshabalala was concerned for his safety.

An armed man, said to be a plain-clothes policeman, was later seen on the course.

A source said Tshabalala was being harassed by a group objecting to him

playing on the Sunshine Circuit. This was presumably because a call has been made for a black boycott.

It was also suggested that Tshabalala was followed by a "suspicious-looking" car as he drove to the course.

Asked to comment about the armed man, tournament director Mr Dennis Bruyns said: "Lots of people carry guns on the golf course."

Two other black golfers, Peter Mkata and John Mashego, are playing. Alan Modiba and Jimmy Nkatswang entered but failed to turn up.

WRITING more than 15 years ago, former Minister of Bantu Administration MC Botha, an apostle of grand apartheid, declared: "The Bantu homelands have already become the fatherlands of the various nations, where peace and prosperity have been achieved."

Today, after two successful coups and two attempted coups in three of South Africa's four nominally sovereign black states, they can no longer be presented as thriving havens of tranquility.

The successful coups were carried out in Transkei, where, in less than three months, the commander of the Transkei Defence Force, General Bantu Holomisa, first helped overthrow Prime Minister George Matanzima and then deposed his successor, Stella Sigcau.

Before that in June 1984, Charles Sebe, the former generalissimo of Ciskei and a brother of President-for-Life Lennox Sebe, was sent to jail for 12 years for endangering the authority of the state.

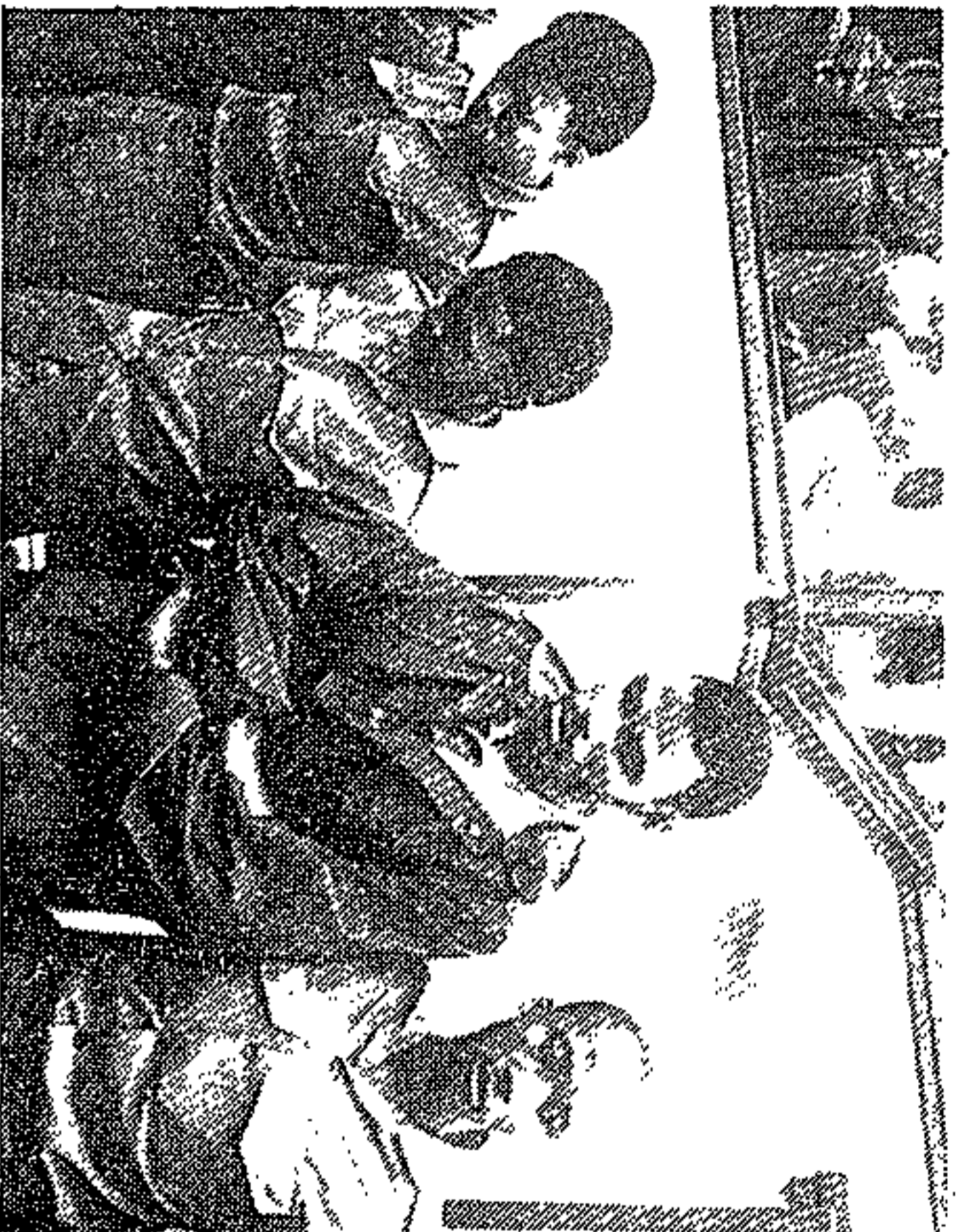
Charles Sebe, a former South African security policeman and intelligence agent, was freed from jail in 1986 by armed men suspected of being Selous Scouts on contract to the Transkei Defence Force. He later surfaced in Transkei, where he remains in exile.

Bophuthatswana was the scene of a short-lived coup attempt last week. It ended when South African soldiers and police intervened to crush the rebels and rescue President Lucas Mangope from captivity in the Independence Stadium.

The coups and attempted coups blot the Ver-

Lucas Mangope is back on the throne, courtesy of his friends. George Matanzima and Stella Sigcau were less lucky. Charles Sebe was jailed by his own brother, then freed by the enemy. In KwanaNdebele, Skosana fought with Skosana. In apartheid's vassal states, the politics remain feudal.

PATRICK LAURENCE reports on the aftermath of the coup



Bop rebels in custody after the coup
Picture: GUY TILLIM

The Empire bites back... and it hurts

Weekly Mail 19-25 Feb '88

Lucas Mangope's revenge has been swift: Some four hundred arrested, including the coup leader's wife. VUSI GUNENE reports

with their four children and taken to Matikeng," he said.

"We do not know her whereabouts except we were told she was taken for questioning and she would return. We are worried about her because of her health, which started to deteriorate after her husband's disappearance. We cannot understand her continuing detention, as she had nothing to do with the coup or even the PPP."

"The children were taken to her sister's home in Bapong near Brits by police two days after her arrest and we are also worried about them, as three of them are supposed to be at school."

"We view this as an outrageous harassment by the Bophuthatswana police, in an attempt to get the Bophuthatswana's laws, let her be brought to court. We are concerned about her safety and the future of her children."

The family member said the authorities had warned that Malebane's hardware shop in Mogwase will be auctioned, along with his personal belongings, if he does not pay R13 000 he owes for the site within the next two weeks.

He said Malebane-Metsing, born 39 years ago in Rietpruit, near Rustenburg, is a regular churchgoer and has been "charismatic" ever since his youth.

He has held the position of chairman in the Faith Mission's youth club and later higher positions within the church. He was also chairman of a school committee in Mogwase.

In 1974 he joined the ruling Bophuthatswana National Democratic Party. He was elected MP in 1982 for the Bafokeng region, a position he held until his resignation from the party in January 1984 to found the PPP.

Last year's election results were challenged by the PPP, the court hearing is still pending.

"We do not know if the court case will continue as we suspect that the PPP's arrest of candidates who brought the case leaves us with no doubt that they are to be charged," he said.

Mogwase residents expressed discontent this week with the rule of "homeland" President Lucas Mangope.

Vendor Miriam Sege said she was disillusioned about Bophuthatswana: "I do not care who rules us as long as it is not Mangope and his government. We have experienced a lot of hardships and his independence is meaningless to us."

"What we saw here on Monday in Bafokeng is a good example of where we are heading. People were arrested and slambokked for no reason. I am sure some of them do not even know about the coup. But we know that during last year's election we did not vote and that pensioners here were threatened."

"It is time Mangope admits that people here do not want him. It is not Malebane-Metsing alone; it is the people."

Thomas Malebogwe of Hlabane High School said he did not understand why the SADF intervened in the coup "when we are told Bophuthatswana is independent."

The announcement of the coup was met with jubilation here because we thought we would have brighter educational opportunities. The fees have been raised considerably this year and the Bophuthatswana matric certificate will close opportunities for us. We will be forced to go through the University of Bophuthatswana and prospects of jobs elsewhere will be nil."

National Seoposengwe Party leader Victor Sefera blamed the South African government for the coup attempt.

"The system of government of South Africa is not only oppressive but dishonest. It is also divisive and fraudulent of the South African nation, black and white, and the solution is not greater separateness, however equal, but greater togetherness in a common and equal South Africa."

The attempted coup, he added, "solved nothing as demonstrated in the outcome. It perhaps multiplied problems in Bop and South Africa."

of the e... te ous... — or tr... ec... to oust... — another. But these conflicts are debilitating and may render the politics vulnerable to more radical change.

That appears to have happened in 1986 in KwanaNdebele, where a squabble within the ruling elite — Chief Minister Simon Skosana and his lieutenants vs Ngwenyama David Mapoch and his sons — enabled a popular revolt against independence to succeed temporarily when the KwanaNdebele Legislative Assembly decided in August 1986 to rescind an earlier decision to opt for independence.

A subsequent counter-revolution re-instated the original pro-independence decision. KwanaNdebele's white commissioner of police, Hertzog Lern, is suspected of playing a major role in restoring the independence decision. He was appointed after the August 1986 decision to reject independence.

Significantly, however, President PW Botha made his approval of KwanaNdebele independence conditional on its rulers demonstrating that their independence drive had popular support and that it could be achieved in an orderly fashion.

Botha's stand suggested that he suspected the revived quest for independence may not have had popular backing and that, consequently, it might precipitate turmoil rather than lead to stability.

The coups and attempted coups took place against a common backdrop: actual or suspected corruption.

In Transkei two commissions of inquiry have identified Matanzima as the alleged recipient of huge bribes worth about R3-million.

According to evidence before the first commission, one bribe was for R1-million; it came from a contracting company. The second bribe, worth R2-million, came, a later commission heard, after the sale of a gambling monopoly by Transgames to Sun International. Some of the largesse was reportedly given by Matanzima to his faithful cabinet ministers. One of the recipients was Stella Sigcau. She acknowledged receiving R50 000.

In Ciskei a commission of inquiry found in 1985 that the former minister of health, Herbert Benkes, and the secretary of health, HH Middelani, were guilty of bribery and corruption.

In Bophuthatswana, last week's rebels gave corruption as a reason for their coup, naming the Russian-born Itzeli, Shabhai Kalmanowitch, as the man at the centre of the alleged corruption. He is alleged to have been a business partner of one of Mangope's sons.

Kalmanowitch certainly started to amass his tune in Bophuthatswana after ingratiating himself with Mangope Sr. His company, Liat, was awarded two multi-million rand building contracts. In the first his tender was higher than those of rival South Africa companies. In the second no tenders were called for.

Questions are now being asked. Why were the contracts awarded to Kalmanowitch? How did he secure them? What did he offer in return and to whom? If so, was it money or services? If it was money, was it in the form of a cut of his profits?

Harry Schwarz, finance spokesman of the Progressive Federal Party, said: "One would assume that the Bophuthatswana government will decide to have an independent investigation into the allegations of corruption. Failure to do so will be a matter for considerable comment."

The issue is of direct relevance to South African taxpayers: in the financial year 1986-87, South Africa paid nearly R245-million into Bophuthatswana's coffers, accounting for nearly a quarter of its budget.

Like its political siblings — Transkei, Ciskei and Venda — Bophuthatswana cannot balance its budget without loans from commercial banks.

These loans, however, are guaranteed by the South African government, which, as Schwarz points out, means the taxpayer in the last resort.

Whether Bophuthatswana will ever be able to repay its loans is a moot point. Its published



President Lucas Mangope... imperial-style rule and unreliable soldiers
Picture: WALTER DHLADHLA, AP

debts are estimated at R800-million, according to the publication *Africa Confidential*.

Bophuthatswana admitted in 1985 to an overdraft of more than R300-million. As a sign of Pretoria's concern, in the same year, Chris Strydom, the official in charge of transferring funds in the SA Department of Foreign Affairs, visited Bophuthatswana.

The overall picture which emerges is not one of prosperous statelets run by popular governments. The vista is one of poverty-stricken politics governed by frightened men fearful of their own soldiers.

South Africa's independent black states have become dependencies in the fullest sense of the word. Their governments rely on South Africa financially and, in the final analysis, militarily. Designed to bolster South Africa by serving as its loyal and grateful allies, they increasingly force Pretoria to divert resources to salvage them from financial ruin and internal revolt.

Far from evolving into a commonwealth of nations, the nominally independent states have become *de facto* satellites with, ironically, Pretoria playing the role of Moscow and PW Botha applaying an equivalent of the "Brezhnev doctrine" intervening or not in the "homelands" depending on demands of South African security interests.

Emperors on teetering thrones

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WEEKLY MAIL, February 19 to February 25, 1988

Kei winds down its corruption inquiry

By FRANZ KRÜGER, East London

THE Transkei is winding down the commissions of inquiry which uncovered the misuse of millions of rands of state funds and put the issue of "homeland" corruption on the national map.

The territory's military ruler, Major-General Bantu Holomisa, said the current commission would soon complete its work, and the task of uncovering further instances of corruption would be handed to the Auditor-General's Department.

The move is likely to emerge as a major test of political will for the new administration which took power at the new year, citing corruption in the government of newly-elected Prime Minister Stella Sigcau.

Already, the new military government has had to face charges that it used the allegation of cor-

ruption as an excuse to seize power, and that the retired state president, Paramount Chief Kaiser Matanzima, was behind the coup.

Holomisa took the trouble of issuing a statement last week in which he denied newspaper reports that Matanzima was once again ruling the Transkei from behind the scenes.

Dealing with criticisms that a number of officials of the new government had close links with Matanzima, he said the military council had taken into account the qualifications and expertise of those people who were to be appointed ministers.

The current commission of inquiry, into the Department of Works and Energy, is the second. A report by the first commission, which probed the Department of Commerce and Industry, estimated directives by the Matanzima brothers had cost the Transkei some R45-million.

Its report contributed directly to the overthrow of the Matanzima regime. The second probe's public hearings have attracted increasing attention as it turned its attention to the issuing of casino

rights.

Such figures as Sun International's Sol Kerzner and former Cape Town mayor David Bloomberg have given evidence.

The works and energy commission recently completed an interim report, but the document has not yet been made public. The commission is expected to complete its work in April or May, and no new commissions are immediately envisaged, Holomisa said.

Instead, the auditor general would be entrusted with the task of investigating further allegations of corruption. Internal departmental inquiries

would also be used in some cases.

Holomisa said the commissions had become too costly, and although the South African government was sharing the costs, the Transkei could not afford even its share. Pretoria had also been "complaining about the costs, as their economy is not right", he said.

The auditor general would be able to work faster, as "sometimes these commissions delay matters", and he would be able to refer his investigations directly to the police if necessary.

Asked whether he believed the new regime was on top of the problem of corruption, he laughed and said: "No, not yet."

Nor has much money yet been recovered, said Holomisa — c/mews

A flurry of promotions as the Bop Blues afflict Sebe

WEEKLY MAIL REPORTER,
Bisho

CISKEI Defence Force soldiers have received a sudden burst of praise — and several promotions — from the "homeland's" President Lennox Sebe, following last week's abortive military coup in Bophuthatswana.

Sebe announced the promotion of at least 25 CDF officers to ranks ranging from major to full general at a ceremony in Bisho on Tuesday.

In contrast to the recent events in Bophuthatswana — where members of the defence force rebelled against President Lucas Mangope's government — Sebe said he did not expect a situation in Ciskei where the "dog bites the hand that feeds it".

At an earlier rally in Zwelitsha on Saturday, he told supporters: "I pledge my loyalty to our defence force, and I expect their loyalty in return."

In addition, the Ciskei government has declared February 19 a public holiday — "Heroes' Day" — in honour of the "successful repulsion (by Ciskeian security forces) of an attack on President Sebe's residence in the early hours of February 19, 1987." The attack had been part of an attempted coup.

Ciskeians "from all walks of life" will be called upon to congregate at the "national shrine", *Ntaba-Ka-Ndoda*, to celebrate the holiday.

Before introducing the officers to Sebe and the government caucus, Ciskei's Minister of Defence Chief DN Mavuso told them: "I am appealing to you gentlemen promoted today, be honest to your government, your nation and yourselves. By doing so ... generations will benefit out of your honesty and sincerity."

"Behind solid and dedicated security of a country, development and human upliftment is guaranteed."

Lieutenant General ND Mlandu, commander of the CDF, is promoted to full general with effect from April 1. He joined the CDF in 1984, and took charge in 1985, when "South African Defence Force personnel were withdrawn."

Mavuso said the government had decided upon after "it became clear there are limitations which ... per the expected progress of the CDF in future. In order to rectify and remedy these foreseen difficulties, it was approved that a certain number of officers in certain key posts must be promoted."

The promotions were intended, among other things, to provide for: leader elements of an envisaged new second battalion; the creation of a new division for manpower planning and force development planning; and a decrease in the vacuum in the present command structure.

He added: "These promotions will alleviate the congested middle management and will help to earmark the leaders of tomorrow in the force."

● Meanwhile, unconfirmed reports allege that at a meeting called in KwaNdebele last Friday — two days after the Bophuthatswana rebellion — local MPs were addressed on the "dangers" of coups. KwaNdebele Police have denied that Commissioner HC Lerm attended the meeting, as sources had claimed. In a statement to the *Weekly Mail*, a KwaNdebele Police representative said: "Brig Lerm was not present at such a meeting and has no knowledge of it."

Reason to town... Major General Bantu Holomisa says his Transkei regime really can't afford any more corruption commissions
Picture: ERIC MILLER, Afrapix



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Mr David Bloomberg



Chief George Matanzima



Mr Abe Bloomberg

Bloombergs feature in corruption case

Own Correspondent

JOHANNESBURG. — Evidence on the nature and workings of the Lichtenstein-based company Etablissement Sports et Loisirs (ESL), involving its representative Cape Town attorney Mr David Bloomberg and his father Mr Abe Bloomberg, was the focus of the inquiry into Transkei government corruption in Umtata this week.

During the inquiry there have been repeated questions about ESL in view of its role in the Transgames deal, which resulted in R2 million being paid to then Transkei prime minister Chief George Matanzima and other cabinet ministers.

Some answers could be provided by the evidence of Mr Richard Kurland who had had an interest in ESL and its wholly owned subsidiary Transkei Tattersalls. Mr Kurland, who was flown in from Australia to testify, was a former partner of the Bloombergs, prominent Capetonians who have both been mayor of the city.

Allegations in Mr Kurland's affidavit submitted to the inquiry included:

- Identification of the Bloombergs as the key people behind ESL;
- ESL was set up specifically to pursue

gambling ventures in Transkei;

● Mr Abe Bloomberg and Mr Kurland decided to hold their interests in ESL offshore, and retired SA businessman Mr Walter Reif provided a front for them in Switzerland;

● Mr Reif was never informed or consulted on numerous important issues affecting ESL, and his appointment as a director of Transkei Tattersalls was "window dressing" by the Bloombergs;

● Mr David Bloomberg's correspondence with ESL was a "subterfuge" as letters on ESL letterheads emanated from Mr Bloomberg's own offices, or were dictated by him to Mr Reif over the telephone;

● Mr Abe Bloomberg and Mr Kurland accepted a proposition from Jalc Holdings MD Mr Chris van Rensburg that Chief George wanted an interest in the business;

● Chief George received R4 550 in the form of winning betting tickets and was given cattle at a cost of R11 000;

● Profits from Transkei Tattersalls did not all go through the books and substantial amounts from the business were paid out in cash to the five shareholders of ESL, including the Bloombergs, at periodic meetings in Mr Abe Bloomberg's offices.

After the Transkei payoffs scandal broke earlier this year, Mr David Bloomberg, as ESL's representative, refused to

identify his clients.

According to Mr Kurland, ESL was initially set up with four investors — himself, Mr Abe Bloomberg, Mr Louis Miller and Mr Gus Wisenberg — each with a 25% share, to undertake gambling ventures in Transkei.

The impetus had been given by the assurances given by Mr Van Rensburg to Mr Abe Bloomberg that he knew Chief George extremely well and was able to get gambling rights in Transkei.

Mr Kurland said Mr Abe Bloomberg later insisted that Mr David Bloomberg should be given an interest, and "the original participants and David Bloomberg each ended up with 20% of the venture".

Mr Kurland said that at the time of the setting up of ESL he, Mr Miller and Mr "Wise", and possibly Mr Abe Bloomberg as well, were each to pay R10 000 into a trust account at Bloomberg and Co entitled Transkei.

However, Mr Miller paid only R8 800 and Mr Wise R6 650. Mr Kurland said the reason was that the balances of R1 200 and R3 250 were given by Mr Abe Bloomberg to Chief George in the form of winning betting tickets, in the names of Mr Miller and Mr Wise, at a race meeting at Milnerton race course. Mr Abe Bloomberg is chairman of the turf club.

Bloomberg's interests in ESL hidden — witness

D/D 24/2/88 103

Daily Dispatch Reporter

UMTATA — A witness who flew from Australia to give evidence at the Transkei commission of inquiry into gambling rights, Mr Richard Kurland, said in papers that his former partners had tried to throw up a "smokescreen" to conceal their interests in a Lichtenstein-based company, Etablissement Sports et Loisirs (ESL).

Mr Kurland, giving evidence on his association with a Cape Town company, Bloomberg and Co, said that two of the five shareholders in the company, Mr Abe Bloomberg and his son David, had arranged for the establishment of ESL through their attorneys in Zurich.

He said his group was arranging the incorporation in Transkei of Sporting and Tattersalls Company (Tatts) incorporated in Transkei.

The company was registered on July 26, 1978, and the issued share capital was R20 000 divided into 20 000 shares of R1 each. The other two shareholders were Mr Louis Miller and Mr Gus Wisenberg.

Mr Kurland said he had subscribed for one share and that was transferred to ESL. The remaining 19 999 shares were allotted to ESL. The total of 20 000 was paid for by a transfer of funds from abroad arranged by Mr David Bloomberg.

Mr Kurland said he had emigrated to Australia in December 1981 and had received a letter from Bloomberg and Co on May 25, 1983, asking if he wished to dispose of his ESL interest.

He said it appeared they wished to buy his interest on favourable terms by trying to convince him there were difficulties in the company.

This had been converted from an interest in ESL to a direct shareholding in Tatts, which operated gambling machines in Transkei.

He had come to an agreement with Mr Abe Bloomberg, who undertook to pay R145 000 to Mr Kurland's attorneys in Cape Town on certain terms and conditions.

There was also a memorandum between himself and ESL in terms of which ESL bought his interest in Tatts for R450 000, of which R40 000 in Swiss francs was to be paid to his Geneva attorney and R50 000 to his Cape Town attorney.

Mr Kurland said he had seen a Tatts minute book which showed that Mr Walter Reif was appointed a director of Tatts on October 31, 1978, and he had regarded this as "window dressing".

He had resigned from Tatts by letter in November 1981 and this was accepted in December. He then emigrated.

On the formation of Transgames, he said after a disagreement between Tatts and the Holiday Inns group which claimed to have been granted similar rights, a shareholders' agreement was drawn up.

The parties to the agreement were Tatts, ESL, Wild Coast Holiday Inn (Pty) Ltd (Wild Coast), and Holiday Inns Ltd.

Mr Kurland signed on behalf of Tatts, Mr David Bloomberg on behalf of ESL, and Mr Nigel Matthews on behalf of Wild Coast and Holiday Inns Ltd, and Transgames was registered on June 26, 1981.

The first board meeting, on the same day, was attended by Mr Charles Fiddian-Green, Mr David Bloomberg, Mr Nigel Matthews, Mr Winston Coetzer and Mr J. R. Trathen.

Mr Fiddian-Green was chairman, and Mr Matthews, Mr Coetzer, Mr Trathen, Mr Reif, Mr Graubart, a diamond dealer in Belgium, Mr David Bloomberg and Mr Easton, a partner in a London firm of solicitors, were appointed directors of Transgames.

About two months after he had left South Africa he heard that the Bloombergs were spreading rumours in Cape Town that he had stolen R3 million.

He said Mr Bloomberg had fabricated certain claims against him and had said he had kept certain fees which belonged to the firm. This was true, Mr Kurland said, but he had appointed a Mr Maltz to represent him about matters outstanding between them.

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

He became concerned when he heard nothing about the progress of Tatts and Transgames and he tried to have his interest in ESL registered in his own name. This led to numerous telexes and letters between him and the Bloombergs.

During this communication the Bloombergs painted a bleak picture of Tatts and Transgames.

Mr David Bloomberg had advised him not to keep his interest and he realised that this was part of their smokescreen to conceal their interests and those of Mr Wisenberg and Mr Miller in ESL.

He finally agreed to sell his interest and a deed of settlement was made for a total of R600 000.

A legal representative of Bloomberg and Co, Mr D. van Zyl, told the commission his clients wished to cross-examine Mr Kurland.

The commission, which did not sit, resumes today.

'Smear' against Bloomberg

Staff Reporter

CAPE TOWN
NR64 26/2/88 103
CAPE Town attorney Mr David Bloomberg has denied allegations made recently by his former partner, Mr Richard Kurland, before the commission of inquiry into alleged Transkei government corruption.

They include one that he fabricated letters emanating from a Mr Reif.

In a statement read to the commission in Umtata today, Mr Bloomberg's counsel, Mr Harry Snitcher QC, said Mr Bloomberg would say certain allegations made by Mr Kurland were devoid of truth.

Mr Bloomberg is a central figure in the operations of the Lichtenstein-based Establishment Sports et Loisirs (ESL), reportedly formed to hold gambling rights in Transkei.

Mr Kurland testified in an affidavit this week that Mr Bloomberg had fabricated letters purporting to have been sent from abroad by ESL.

In his statement to the commission in Umtata today Mr Snitcher said he and Mr Bloomberg had not been given the opportunity to study the affidavit beforehand to object to possible "irrelevant, extraneous, peripheral and scandalous matters".

This had the effect of "gravely prejudicing" Mr David Bloomberg and his father, Mr Abe Bloomberg, in the public eye.

Mr Snitcher said Mr Kurland had been in South Africa for several weeks and chose to submit the affidavit a few days before leaving for Australia.

It was only late on the night of February 22 that Mr Snitcher learnt Mr Kurland was to give evidence the next day. At that stage Mr David Bloomberg and his senior counsel had already returned to Cape Town.

"We do not have the facilities of private jet transport at a moment's notice as Mr Kurland had," he said.

Mr Bloomberg would deny fabricating letters, said Mr Snitcher.

er 2, Letters 10, Parliament 13, Finance 16-17, Racing 20-21, Sport 2

T'kei bill to stop rent exploitation

PLD 27/2/88

103



GENERAL HOLOMISA

Daily Dispatch Reporter
UMTATA — A bill to provide for a rent board for the purpose of eliminating any exploitation of Transkeians and the control of rent charges was being prepared by the military government.

In a speech delivered in Qumbu, the chairman of the military council, Major-General Bantu Holomisa, said the bill would soon be ready for publication.

He said the exploitation presently experienced by tenants due to exorbitant rentals charged for accommodation had been noted with grave concern by the government.

Gen Holomisa said the military government had inherited problems from the previous government and one of them was the poor road network.

He said gravel roads were hampering economic growth and this was aggravated by recent floods.

On the allocation of rural sites, he stressed that it was illegal to allocate sites whether for residential or for arable purposes without the approval of the Minister of Agriculture and Forestry as this resulted in soil erosion and disorderly settlement.

"I have instructed the Department of Agriculture and Forestry to take stock of all such sites illegally allocated and the government will decide the next step against such offenders," he said.

General Holomisa also warned against veld and forest fires saying "my government is considering high punishments for anyone found responsible for veld and forest fires.

"Chiefs, Headmen and communities in general are reminded that it is their responsibility to safeguard their grazing areas from fires and to apprehend those responsible so that they are brought before the law.

"When I am in this region, I will have failed if I do not warn all thieves

that stock-theft which is stealing of people's wealth will not be tolerated at all and if it is necessary to strengthen the stock theft unit here I will be ready to do so," he said.

He also announced the approval of R16,5 million for the development of the Kwabhaca Rural Water Supplies.

"This development will take place over a period of four years starting in the next financial year 1988/89," he said.

Cape Times 27/2/88
103

No questions for 'surprise' T'kei witness

UMTATA. — A former Cape Town attorney who gave "surprise" evidence on his dealings with Cape Town businessman Mr David Bloomberg at the Transkei inquiry into alleged government corruption will not be cross-examined.

The commission was told yesterday that Mr Bloomberg's legal representative, Mr D van Zyl, had decided not to cross-examine Mr Richard Kurland, who flew from Australia a few weeks ago to give evidence at the inquiry.

Earlier in the week, before Mr Kurland began his testimony, Mr Van Zyl told the commission that his clients were surprised by the presence of Mr Kurland, and that they would consider if they wished to cross-examine him.

The leader of the Bloomberg legal team, Mr Harry Snitcher, QC, yesterday released a statement to the Cape Times that his clients did not have the facilities of private jet transport at a moment's notice as Mr Kurland had and it was extremely difficult, costly and time-consuming to go to Umtata from Cape Town.

The statement, which was also read at the inquiry, said that Mr Bloomberg "will in further evidence to be given at a date to be arranged with the commission, deal fully with the matters raised by Mr Kurland".

The statement said Mr Snitcher had no idea that Mr Kurland's evidence would be adduced by an affidavit which had been prepared in advance, as such a method lacked the usual safeguards which were present when oral evidence was presented.

Moreover a copy of the affidavit which was presented had not been given to them as would be usual where evidence was given by affidavit. This was not possible in the present case and had had the effect of gravely prejudicing the Bloombergs in the public eye.

Mr Snitcher said it would be "submitted by senior counsel that the affidavit as submitted, itself reveals that Mr Kurland has used the opportunity of appearing before the commission in furtherance of a malicious intent to damage, besmirch and harm the reputations of the Bloombergs".

"An example is his statement that Mr David Bloomberg has been guilty of fabricating letters. Mr Bloomberg will say that these allegations are devoid of truth." Sapa

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T'kei bill to stop rent exploitation

Inquiry witness not to be cross-examined



GENERAL HOLOMISA

Daily Dispatch Reporter
 UNTATA — A bill to provide for a rent board for the purpose of eliminating any exploitation of Transkeians and the control of rent charges was being prepared by the military government in Qumbu, the chairman of the military council, Major-General Bantu Holomisa, said the bill would soon be ready for publication.

He said the exploitation presently experienced by tenants due to

exorbitant rents charged for accommodation had been noted with grave concern by the government.

Gen Holomisa said the military government had inherited problems from the previous government and one of them was the poor road system.

He said gravel roads were hampering the economic growth and this was aggravated by recent floods.

On the allocation of rural sites, he stressed

that it was illegal to allocate sites whether for residential or for arable purposes without the approval of the Minister of Agriculture and Forestry as this resulted in soil erosion and disorderly settlement.

"I have instructed the Department of Agriculture and Forestry to take stock of all such sites illegally allocated and the government will decide the next step against such offenders," he said.

also warned against veld and forest fires saying "my government is considering high punishments for anyone found responsible for veld and forest fires.

"Chiefs, Headmen and communities in general are reminded that it is their responsibility to safeguard their grazing areas from fires and to apprehend those responsible so that they are brought before the law.

"When I am in this region, I will have failed if I do not warn all thieves

that stock theft which is stealing of people's wealth will not be tolerated at all and if it is necessary to strengthen the stock theft unit here I will be ready to do so," he said.

He also announced the approval of R165 million for the development of the Kwabaha Rural Water Supplies.

"This development will take place over a period of four years starting in the next financial year 1988/89," he said.

Daily Dispatch Reporter
 UNTATA — The commission of inquiry into gambling rights in Transkei yesterday heard that the Bloomberg and Company legal representative had decided not to cross-examine Mr Richard Kurland, who flew from Australia a few weeks ago to give evidence at the inquiry.

Before Mr Kurland began his testimony on

Tuesday morning, the legal representative, Mr D. van Zyl, told the commission that his clients were surprised by the presence of the witness, and that they would consider or not to cross-examine him.

The chairman of the commission, Mr Gerald Alexander, SC, said he had received a call from the leader of the Bloomberg legal team, Mr Harry Snitcher QC, who expressed his concern about the inquiry going beyond its proper boundaries.

Yesterday, Mr Van Zyl read a statement by Mr Snitcher to the commission, in which he said they were only informed the night before that Mr Kurland was to be interviewed as a witness.

The statement said Mr Snitcher had no idea that Mr Kurland's evidence would be adduced by a prepared affidavit.

The method lacked the usual safeguards which were present when oral evidence was presented, he said.

An important safeguard was that irrelevant, scandalous and peripheral matters could immediately be objected to and dealt with, the statement added.

A copy of the affidavit was not given to them as usually would have been done.

This had had the effect of prejudicing Mr A. Bloomberg and Mr D. Bloomberg in the public eye.

Mr Kurland had been in South Africa before February 22 and he presented his affidavit a few days before he was to depart for Australia and after Mr D. Bloomberg and his senior

counsel had returned to Cape Town.

It was only when the commissioner said this would not allow time for cross-examination, and if required, that Mr Kurland was prevailed upon either to postpone his departure or return to South Africa if required to do so.

Mr Kurland had used the opportunity to give evidence to "despatch and harm the reputations of Mr A. Bloomberg and Mr D. Bloomberg."

"An example is his statement that Mr David Bloomberg has been guilty of fabricating letters presented by him to the commission emanating from Mr Reif.

"Mr Bloomberg will say that these allegations are devoid of truth. The commission adjourned until Monday.



Daily Dispatch Reporter
 UNTATA — People who used funerals in Transkei as political platforms were warned yesterday to stop doing so by the Commissioner of the Transkei Police, General Leonard Kawe.

General Kawe said such people would be prosecuted if they did not heed the warning.

"Some people misuse the privilege of voicing

their sympathy with the bereaved and start attacking the authorities of this country in their funeral speeches," he said.

General Kawe added

that the chairman of the military council, Major-General Bantu Holomisa, had made it clear that political activity would not be allowed during the time of mili-

tary rule.

He said political organisations and their leaders who had been banned in exile by the previous government continued to be banned.

"Nobody is allowed to voice a word of appreciation to those banned organisations and persons," he said, warning that the Transkei Police would not tolerate such behaviour."

transkei police chief warns on funeral politics

transkei police chief warns on funeral politics

transkei police chief warns on funeral politics

...iously as her father salvaged their home

Unseated PM not short of a place to sit

By BILL KRIGE

VISITORS to the homes of Chief George Matanzima never searched for a place to sit. Because the deposed Transkei Premier was a collector — of lounge suites!

Sixteen suites, most of them on the gaudy side, but all expensive, have been removed from just three of his farms.

The Supreme Court in Umtata has stopped the sale this week of furniture from Chief George's insolvent estate, but auctioneers are going ahead with arrangements for the sale of the ex-Premier's farm implements and livestock.

Under the hammer will go: More than 1 500 sheep, some 650 beef cattle, 126 calves, 226 goats, eight Siementaler bulls, a Brahman bull, and a herd of almost 100 Friesland cows and calves.

Leather

Mr Donald Andrews, an auctioneer in Elliot, estimated the value of the livestock at R600 000. The farms themselves are not part of what is described as a "monster liquidation sale".

Mr Andrews said the inventory of furniture now being withheld from sale pending the outcome of Chief Matanzima's court action, was "unbelievable."

"He seems to have had a thing about lounge suites. Most of them are brand new but very gaudy. Some are of

imported leather. Two were jammed into the passage of one farmhouse.

"There are also nine double bedroom suites. One has a round bed studded with radios."

The farms affected are Hafton near Queenstown, Grootfontein and Mooihoek, both near Ugie. Hafton was given to Chief George by a grateful South African Government shortly before independence in 1976, while Grootfontein was acquired after it was consolidated into Transkel.

R130 000 saved from the pot

By GWEN GILL

STAN'S the man in Maritzburg today. Mr Stan Fortnam, out of work since June last year, is the outright winner of R130 000 in the Sunday Times Charity Crossword No 4.

His was the only entry without a single mistake.

"I can't believe it," he gasped when he heard the news yesterday. "My last unemployment cheque arrived in the post this morning. That — and R4 000 left from selling my house in Howick — was all I had between me and the poor-house."

British-born Stan, a printer's estimator, came to South Africa in the early Fifties. He describes himself as middle-aged, divorced and a grandfather. He was left without a job after a take-over last year.

THE contents of this issue of the Sunday Times have been restricted in terms of the emergency regulations.

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D/D 29/2/88

No intent to besmirch, inquiry told

103

Daily Dispatch
Reporter

UMTATA — Senior counsel representing the Transkei auditor-general at the commission of inquiry into gambling rights here has denied there has been any malicious intent to damage the Bloomborgs of Cape Town.

The leader of the team collecting evidence to be considered by the commission was reacting to a statement made

by the leader of the legal team representing Bloomborg and Co, Mr Harry Snitcher, QC, after Mr Richard Kurland of Australia was flown in to testify at the inquiry.

Mr Snitcher said the affidavit submitted by Mr Kurland revealed that the witness had used the opportunity of appearing before the commission with malicious intent to damage, besmirch and harm the

reputations of Mr A. Bloomborg and his son, Mr D. Bloomborg.

Mr Snitcher also said that evidence in an affidavit lacked the usual safeguards which were present when oral evidence was presented, in that irrelevant and scandalous matters could immediately be objected to.

Senior counsel for the commission said the fact that an affidavit had been prepared had be-

come known to his team only shortly before the witness became available — it had been regarded as a useful aid.

He said the question of prejudice had been removed when the witness offered to submit himself to cross-examination.

This opportunity was not taken by counsel for the Bloomborgs.

The inquiry resumes today.

Call to restrict white businessmen in Transkei

D/O 29/2/88 103

Daily Dispatch Reporter

UMTATA — A Pondo chief has called on the military government in Transkei to stop South African whites from operating businesses in Transkei to the disadvantage of black Transkeian businessmen.

At a meeting of the Bizana Chamber of Commerce, Chief Johnson Blayi said the Group Areas Act, which prevented blacks from operating businesses in whites-only areas in South Africa, should be applied in Transkei to the advantage of Transkeians.

The chairman of the military council, Major-General Bantu Holomisa,

has indicated that the Licences Act, which governs the allocation of businesses in Transkei, will be amended.

He said the government was considering amending the act as it was presently favouring those who were already rich.

“The previous allocation of businesses — which was very biased — has caused dissatisfaction in the business community and has resulted in bribery and corruption.

“It has also been noted that those shares in businesses which were intended for Transkeians never reached them,” he said.

Mr. Tink 29/2/88
Counsel 103
questions
Bloomberg
policy in
T'Kei case

Own Correspondent

JOHANNESBURG. — Counsel for the Transkei auditor-general asked the inquiry into Transkei government corruption in Umtata on Friday to "draw its own conclusions" from the fact that the legal representatives of Cape Town attorney Mr David Bloomberg will not cross-examine Mr Bloomberg's former partner Mr Richard Kurland.

It was said that Mr Kurland, who had flown to South Africa from Australia, some weeks before giving evidence to the inquiry, was prepared to make himself available for cross-examination on a date to be agreed on by Mr Bloomberg.

Mr Bloomberg is ex-

pected to submit a replying affidavit to Mr Kurland's allegations.

In a statement to the inquiry by Mr Harry Snitcher, QC, for Mr Bloomberg, it was said Mr Bloomberg would deny the allegation he was guilty of fabricating letters from Mr Walter Reif. Mr Reif was described in Mr Kurland's evidence as a "front" for the people behind Etablissement Sports et Loisirs (ESL), who included Mr Bloomberg, his father Mr Abe Bloomberg and Mr Kurland himself.

ESL has been the focus of some attention at the inquiry because of its role in the Transgames deal, which was followed by R2m transferred to Mr Bloomberg by Sun International for the deal being paid out to then-Transkei prime minister Chief George Matanzima and other cabinet ministers.

Mr Snitcher's statement repeated Mr Bloomberg's offer to the inquiry of a full inspection of his file and correspondence with Mr Reif and now asked the investigating authorities to undertake a forensic examination of them as well.

Inquiry told to draw own conclusions

(103) bloom ROGER SMITH 29/2/88

COUNSEL for the Transkei Auditor-General asked the inquiry into Transkei government corruption in Umtata on Friday to "draw its own conclusions" from the fact the legal representatives of Cape Town attorney David Bloomberg will not cross-examine Bloomberg's former partner Richard Kurland.

It was pointed out that Kurland was prepared to be cross-examined on a date agreed on by Bloomberg, who is expected to submit a replying affidavit to Kurland's allegations.

In a statement to the inquiry by Harry Snitcher, QC, for Bloomberg, it was said Bloomberg would deny allegation that he was guilty of fabricating letters from Walter Reif. Reif was described in Kurland's evidence as a "front" for the people behind Establisement Sports et Loisirs (ESL), who included Bloomberg, his father Abe Bloomberg, and Kurland.

ESL has been the focus of some attention at the inquiry because of its role in the Transgames deal. This was followed by the transfer of R2m to Bloomberg by Sun International (SI) for the deal being paid out to then Transkei Prime Minister Chief George Matanzima and other Cabinet ministers.

Snitcher's statement repeated Bloomberg's offer to the inquiry of a full inspection of his file and correspondence with Reif and now asked the investigating authorities to undertake a forensic examination of them as well.

It accused Kurland of using the inquiry "in furtherance of malicious intent to damage, besmirch and harm the reputations" of the Bloombergs.

Snitcher criticised the adducement of Kurland's evidence by an affidavit prepared in advance, saying this lacked the usual safeguards which were present when oral evidence was presented.

In his affidavit, Kurland said he had approached SI's attorneys through an intermediary to make the information in the affidavit available to them, and had not been approached by anybody to make the affidavit.

103 STM 29/2/88

Transkei probes cost taxpayers in SA a bundle

Own Correspondent

DURBAN — South African taxpayers are paying more than R50 000 a week to foot the bill for the commission investigating corruption in Transkei.

The commission, sanctioned by the Matanzima brothers in January 1986, is financed by South Africa's Department of Foreign Affairs.

Fees paid weekly to five members of the commission amount to R37 500.

Commissioner Mr Gerald Alexander, SC, receives R2 800 after each sitting. He collects R14 000 in five days.

EXPENSES PAID

Three legal representatives of the Auditor-General — Durban advocate Mr Archibald Findlay, SC, and two Umtata advocates, Mr Nielen Locke and Mr Peter Barrat, are each paid R1 400 a day.

Travelling expenses for the two Durban advocates — including weekly return air tickets and hired cars, accommodation and meals are also borne by the Department of Foreign Affairs.

The commissioner's secretary, Ms Lynne Baines, is reported to claim

R500 for a day's work. Another housewife commissioned to transcribe the tapes is paid R3 for every page she transcribes. She types an average 400 pages a week.

Witnesses who are subpoenaed to testify, some of whom are allegedly implicated in the corruption, qualify to claim all expenses incurred.

The commission started its work two years ago with an investigation into the Department of Commerce and Industries. It unearthed the Mbuqe Park housing scandal, involving about R90 million. Early last year it started investigating the Department of Works, which led to further inquiries into the granting of casino and gambling rights. The commission is now looking at Radio Transkei, the Department of Education and the Bank of Transkei.

Addressing tribesmen at Qumbu last week, General Bantu Holomisa said: "All Transkeian should view the proceedings of the inquiry in a very serious light. A lot of money is being spent. Therefore people who are implicated will be dealt with."

~~2~~ HOMELANDS - TRANSKEI - GENERAL

1988 - MARCH - APRIL

Sacking from MetLife Unfair Bloomberg

w/c ARGUS 5/13/88
103

by TYRONE SEALE
Weekend Argus Reporter
FORMER Mayor of Cape Town
Mr David Bloomberg has been
fired from the board of Metro-
politan Life, following his re-
fusal to resign.

Mr Bloomberg says the re-
moval, which took effect yes-
terday, is unfair and that he
will reserve his rights "as to
what I will do" when the find-
ings of the Transkei commis-
sion of inquiry into corruption
are known. Mr Bloomberg has
given evidence to the commis-
sion.

Mr Bloomberg's former
partner, Mr Richard Kurland,
alleged that letters purporting
to be from a finance company
abroad were written in Mr
Bloomberg's office.

Mr Bloomberg has denied
the allegations.

In the face of Mr Bloom-
berg's refusal to resign, Metro-
politan's holding company, Lu-
shof Eiendomme — a member
of the Sanlam/Sankorp group
— ended his directorship.

Judgment

Mr Marinus Daling, chair-
man of Metropolitan Life and
managing director of Sankorp,
said in a statement yesterday
he had informed Mr Bloomberg
that the commission of inquiry
had been discussed with the
Metropolitan directors.

"None of us considered it
necessary or desirable to pass
any judgment on the content of
the allegations made in the
course of evidence led at the
commission," said Mr Daling.

In spite of refraining from
making any judgment, the Met-
ropolitan directors believed it
would be in the company's in-
terest if Mr Bloomberg gave
up his directorship.

Mr Daling said that particu-
lar attention had been given to
the "significant amount of busi-
ness" Metropolitan conducted
in the Transkei.

In the light of this, on more
than one occasion I invited Mr

Bloomberg to resign as a direc-
tor of Metropolitan, but he de-
clined to do so.

"I have conveyed the deci-
sion to Mr Bloomberg and have
thanked him for his participa-
tion while on the board."

Refutes allegations

Last night Mr Bloomberg
said his axing was based on un-
substantiated evidence at the
commission of inquiry.

"I refute these allegations
strongly and I believe that
there is no substance in them
at all. Mr Daling asked me to
resign as director on February
1, which was even before I
gave evidence to the commis-
sion.

"He told me he had not con-
sulted any of the other direc-
tors and I asked to be able to
put my views to the board, but
was denied even this elemen-
tary aspect of justice.

"All Sanlam companies have
a clause in their articles which
enables the controlling share-
holder to unilaterally remove a
director.

"I believe this is an unfair
provision, which is not in the
Companies Act, so that even if
Metropolitan Life had called a
board meeting it probably
would not have served any pur-
pose.

"Any director who opposes
the major shareholder could be
removed by the same facility.

"Mr Daling has said that he
and his colleagues refrained
from making any judgment,
but that is exactly what they
have done. I will reserve my
rights as to what I will do."

Mr Bloomberg said that ev-
ery other company on which he
served had been "most support-
ive".

"I am consoled also by vari-
ous messages of support from
friends and companies that I
represent.

"I have received an invita-
tion to join the board of another
life insurance company,
something I will consider in the
future."

WEEKLY ARGUS 5/3/88

'Death squad' killer sought

103

by Franz Kruger
Weekend Argus
Correspondent

EAST LONDON. — Transkei authorities are still searching for a man they believe is a South African policeman following the 1985 "death squad" killing of an activist in the territory.

A warrant for the arrest of Mbuso Enock Shabalala was issued after he failed to appear in court to face a murder charge arising out of the death of Bathandwa Ndondo, a former executive member of the Unitra SRC.

Colonel Sepula Mokoatle of the Transkei police said Shabalala was a South African policeman.

But the SAP have denied that Shabalala is in their employ. In response to a telexed inquiry this week the SAP public relations directorate said: "We have to advise that, according to our present records, no person by the name of Mbuso Enock Shabalala is presently serving in the South African Police force."

Told of this Colonel Mokoatle said: "Well, then they know his real identity." The man had identified himself to Transkei Police as Shabalala, but this might be an alias.

"Not South Africa"
"This is not South Africa where you can always demand to see a man's reference book," Colonel Mokoatle said.

Ndondo was detained by police in Cala in September 1985. He escaped by jumping through the window of the car in which he was being driven out of town, and was pursued by police.

According to witnesses at the time he was cornered and shot repeatedly as he pleaded for his life.

Shabalala and Sergeant Gciniso Lamont Dandala of the Transkei security police subsequently appeared in court to face murder charges.

When Shabalala failed to appear in court in April last year a warrant for his arrest was issued and the charges against Dandala were withdrawn.

The Attorney-General said at the time that charges could not be brought against one policeman alone. The court was told that police headquarters in Pretoria had been informed about the warrant.

A SAP spokesman said this week that as far as he knew no such approach had been made.

Taxman claiming R800 000, most major creditors are State-linked

Chief George's assets for sale

W/E ARGUS 5/3/88 103

by FRANZ KRUGER
Weekend Argus
Correspondent

EAST LONDON. — Three farms, three houses, a small holding, 1,336 sheep, 895 head of cattle, 12 lounge suites and a chandelier, these are among the assets of ousted Transkei Prime Minister Chief George Matanzima which may be sold off if a provisional sequestration order against is made final.

Trustees appointed to wind up his estate when the order was granted on January 27 are still trying to disentangle his assets and debts to establish their exact extent.

So far, investigations indicate he is in the red to the tune of R1,8-million. His confirmed assets amount to just under R2-million, while his liabilities stand at R3,8-million.

Figures disputed

Chief George disputes the figures and claims several further assets whose status the trustees regard as doubtful, but which would put him in the black by R700 000.

The figures may still change dramatically as further creditors emerge and the status of some assets are clarified.

Auctions of livestock and implements on his three farms are to begin this week, after Chief George had signed his assent.

The sale of furniture and property is to take place later, but the creditors were keen to begin the sale of the livestock because of fears of deterioration and theft.

Interdict

But Chief George approached the Umtata Supreme Court for an urgent interdict to postpone the auctions. The first sale, scheduled for Tuesday on the farm Mooihoek near Maclear, was postponed by consent.

Lawyers for Chief George began leading oral evidence, but in an 11th-hour manoeuvre late on Wednesday withdrew their application and substituted an application to review the decision of the Master of the Supreme Court to allow the sales to go ahead.

As a result, the other two sales, scheduled for Thursday and Friday were also cancelled by the trustees.

In the final irony for the man who ran the Transkei as his personal fiefdom for so many years, most of his major creditors are government departments and parastatals.

Never paid tax

The Transkei Receiver of Revenue claims R800 000. Chief George never paid tax and the amount is calculated on the basis of his salary as prime minister.

It is believed the figure could rise to R2-million if other income is included.

Other debtors include the Bank of Transkei, whose claim of R1,4 million for overdrafts and suretyships is the largest single claim, the Transkei Development Corporation and the Departments of Posts and Telecommunications and Agriculture and Forestry.

His assets include three farms, a smallholding and three houses, but the status of the farms is unclear.

Gambling rights

One is the farm Mooihoek in the Maclear district, worth R1,2 million, which Chief George bought with part of the controversial R2-million paid by Sun International when it bought out a gambling company for its rights.

The commission of inquiry currently hearing evidence in Umtata is still probing at whose instance the money was transferred into the account of Mooihoek's owner, Mr G J Gouws, who kept the lion's share as the farm's purchase price. He paid out the rest to various Transkei politicians at Chief George's behest.

Other evidence before the commission, disputed by Chief George, was that he had demanded R2-million as a bribe for granting the rights.

The farm's legal status is unclear because it is in South Africa, where Chief George as a Transkeian is not entitled to own land. To circumvent this, Chief George left the farm legally registered in Mr Gouws' name.



George Matanzima

To complicate matters, just weeks before the sequestration order was issued Chief George cancelled his purchase of the farm.

One of the joint trustees, Mr Leib van Jaarsveld, said Chief George had then concluded another agreement with Mr Gouws in terms of which Mr Gouws retained the purchase price of R1,2-million and made a new deal to sell the farm to HMS Transport, a firm in which Mr Matanzima is alleged to have an interest.

Among the movable assets on Mooihoek are no less than nine lounge suites, five double bed-room suites including fitted duvets and a chandelier.

Another farm, Grootfontein, is worth R750 000, and was donated to Chief George by the South African Government. Although he claims it as an asset, Mr van Jaarsveld said it appears to belong to the Transkei Government.

Shares

The third farm is Hafton, near his Great Place at Qamata, but this farm may not be alienated without the consent of the Transkei State President.

He also owns R48 900 shares in Transun, worth R155 000, and shares in other companies. The trustees note that "due to the paucity of the present information, no value can be placed thereon".

The official residence he still lives in and his wife's possessions — believed to be substantial — will not be sold off.

Transkei business cited as reason

Bloombergs fired

By LAWRENCE TOTILL,
Investment Editor
SANLAM yesterday
sacked Cape Town lawyer
Mr David Bloomberg from
the board of directors of
Metropolitan Life with im-
mediate effect.

This action was taken without a Metropolitan board meeting being called and solely by Sanlam/Sankorp, who as the majority shareholders of Metro-politan, have special powers which allow for the dismissing of directors. Mr Bloomberg described the action as unjust, and questioned the need of having a board of directors at all if the majority shareholder can hire or fire directors at will.

A written statement issued by Mr Marius Daling, chairman of Metro-politan and MD of Sankorp, said the board did not "consider it to be necessary" or desirable to pass any judgement on the view of the directors of Metropolitan (two could not be contacted) that having regard to the mere fact of his involvement in this matter it would be in Metropolitan's interests for Mr Bloomberg to cease to be a director of Metropolitan, particularly taking into account the fact that Metropolitan conducts a significant amount of business in the Transkei. He said he "invited" Mr Bloomberg "on more than one occasion to resign but that he had declined to do so."

"Metropolitan's holding company else."

Lushof Eienndomme, a company in the case it would be appropriate to deliver a notice to Metropolitan in terms of its articles of association.

"Following on the delivery of the notice Mr Bloomberg has ceased to be a director of Metropolitan with effect from March 4, 1988."

Reacting to Mr Daling's statement, which was released to the press yesterday afternoon, Mr Bloomberg said: "Metropolitan has taken action on unsubstantiated evidence given at the Transkei Commission of Inquiry and not even given me the opportunity to refute them at the Commission, although I have strongly denied them."

"Mr Daling invited me to resign and his request was made on February 1 before I gave evidence before the Commission and before the unsubstantiated allegations were made."

"He told me at that stage he had not consulted the other directors. I offered to address the board on the matter, but I was denied this elementary piece of justice."

"I am consoled by the innumerable messages of support from friends and from companies and these include a firm offer to join the board of another life assurance company." Mr Bloomberg said.

In yesterday's Cape Times Mr Bloomberg was described as being "prominent in racing circles". That is not correct. Mr Abe Bloomberg, Mr David Bloomberg's father, is prominent in racing. Yesterday Mr David Bloomberg told me emphatically that he is not into any racing, casinos or gambling either here or anywhere else.

5/3/88
Cape Times
A63

DID 5/31/88 (103)

Exchange handed over

QUEENSTOWN — The eZibeleni electronic telephone exchange was handed over to the chairman of the Transkei military council, Major-General Bantu Holomisa, at a function yesterday.

The Siemens EWSE system is the first of its kind in Transkei and with the link network cost R7.5 million.

The joint managing director of Siemens, Dr D. Botsch, handed over the exchange to the Transkei Government.

In his address, Gen Holomisa reiterated his pledge to stamp out corruption in the country.

He called upon the Minister of Posts and Telecommunications to improve the postal system, adding that service by exchange personnel needed prompt attention. — DDR

Exclusive rights not the rule says Letlaka

Daily Dispatch Reporter

UMTATA — The former minister of Commerce and Industry and Tourism, Mr T. T. Letlaka, yesterday told the commission of inquiry into gambling rights in Transkei that his department was against the granting of exclusive rights for any business.

He was asked by counsel for the Auditor-General about a memo, on the application by Sun International for a casino hotel in Umtata, which was regarded as too brief for such a big project.

The chairman of the commission, Mr Gerald Alexander, SC, explained that the question was being put because the former advisor to the prime minister, Liston Ntshongwana, had said in evidence there was a haste to get the application approved.

Ntshongwana had criticised the handling of the application by Mr Letlaka's department without much research and other studies having been made, and the fact that it was submitted with a scanty memo.

Earlier evidence also said the managing director of the Transkei Development Corporation, Mr Monty Ntloko, wrote a letter saying the department should approach the cabinet in connection with the establishment of the hotel, and then phoned to say the matter be given priority.

He said the views of the former state president, Paramount Chief Kaiser Matanzima, became government policy, and he was the man who had a conscientious objection, so since the establishment of a casino would alter standing policy he felt it should be submitted.

The commission resumes on Monday.

103

P/D 5/3/88



David Bloomberg ... innocent, but not much I can do

Bloomberg defies Metpol demand

4/5/88 S/T
By Ruth Golemba

CAPE TOWN attorney and tycoon David Bloomberg is angry because of Sanlam-controlled Metropolitan Life's demand that he resign from the board. Mr Bloomberg has been mentioned in the Transkei inquiry into alleged bribery.

Mr Bloomberg, who once controlled the multi-million life assurer which he nurtured from its inception more than 10 years ago, says he will not resign.

Mr Bloomberg, a member of the Cape Town City Council and prominent in racing and financial circles, was executive director of Metpol until 1981.

He is a non-executive director of Metpol, a subsidiary of Sankorp, the industrial arm of Sanlam.

Mr Bloomberg says: "I will not quit the board. I am not guilty of any offence and will continue to serve in the interests of the company, minority shareholders and policyholders."

Only a letter

But Mr Bloomberg is aware that companies in the Sanlam stable have a clause in their articles of association which allows them to remove a director without consulting shareholders.

"There is not much I can do — they can remove me by merely writing a letter.

"I have spoken to Metpol chairman Marinus Daling and he asked me to resign in the interests of the company.

"I refused. I do not believe my serving on the board has caused any embarrassment or loss of business for the company.

"Policyholders or prospective clients in the Transkei are certainly not going to cancel their policies because I serve on the board.

"If I had done anything wrong I would have resigned not only from the Metpol board from all the boards on which I sit."

Metpol is a Cape-based insurance company specialising in the lower- to middle-income market and it has many black customers.

Mr Bloomberg says he took over Metlife in

1967 on behalf of a South African consortium from its Australian parent company, expanded it and listed it on the JSE in 1969.

The shares came to the market at an issue price of 375c. The first day it traded at a 1035c premium.

Mr Bloomberg was the group's managing director until Sanlam took control.

The company was merged with Homes Trust and became Metropolitan Life.

Mr Bloomberg is a director of Afrox and several unlisted companies. He is an attorney, but is no longer in private practice. He describes his business as "financial investments".

"Testifying before the commission of inquiry in the Transkei has been bad for my business, but no other companies have asked me to resign from their boards."

Mr Bloomberg accuses Sun International (SI) of trying to break him with reflections on his credibility.

He says smokescreens are being put up to hide the real issues.

The first concerned the person who instructed him to pay R2-million into the account of Ugie famer G J Gouws and he had answered that allegation.

The second issue was whether he had an interest in the Lichtenstein-based Etablissement Sports et Loisirs (ESL). He had denied this.

Exchange control

In his evidence at the inquiry, Mr Bloomberg said he had received as ESL's representative R2-million from SI for the Transgames deal. He had paid the money into Mr Gouws's account. Mr Gouws had transferred it to Chief George Matanzima and other Transkei cabinet members on instructions from SI's Sol Kerzner.

Mr Bloomberg also denies allegations by his former partner, Richard Kurland, implicating him and his father Abe Bloomberg in exchange control contraventions.

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Horror death after Transkei match (103)

UMTATA — Football fans watched in horror yesterday as a man was dragged to his death by a taxi-combi near the Independence Stadium after the local Bush Bucks beat Witbank Aces.

gyu, who was in a state of shock after seeing his burnt-out vehicle, said the fans had threatened to kill the driver, who fled to the nearby Umtata police station.

A Umtata hospital said the three men were in a serious condition.

An eye witness and football fan said it had been a "horrific scene".

The dragged man had had no chance of surviving. — DDR

The incident occurred as hundreds of Bush Bucks supporters stormed into a street chanting in jubilation at their victory.

Three other men were injured in the incident, which ended in the combi exploding into flames after it was stoned and set alight.

The municipal fire brigade arrived to put out the flames.

Police said the driver was being held and a culpable homicide docket had been opened.

The owner of the combi, Mr Mlungisi Man-

Surfsailin

EAST LONDON — The Border Surfsailing Association's first contest had to be cancelled at the weekend because of a lack of wind at Nahoon Beach.

The chairman of the association, Mr Peter Bezuidenhout, said the event was scrapped be-



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D/D 8/3/88
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Inquiry: temporary chairman to preside

WUMTATA — The commission of inquiry into gambling rights in Transkei did not sit yesterday as counsel for the auditor-general formulated their programme.

A member of the auditor-general's legal team

said the chairman, Mr Gerald Alexander, SC, would be in the Eastern Cape division for three weeks and the former Chief Justice of Transkei, Mr. Justice J. van Reenen, would preside over the commission in his absence. — DDR

George Matanzima has debts of more than R3-m

1035
SM
1/3/88

UMTAPA — The former Prime Minister of Transkei, Chief George Matanzima, has estimated liabilities of just over R3,7 million, according to documents filed by trustees in the Transkei Supreme Court.

The document reflected Chief George's financial position as at the proposed date of sequestration. According to the document, Chief George, who successfully applied for the staying of sales of goods from his farms last week, has fixed properties to the value of R3,03 million, among them a 1 500 ha farm, Mooihoek, near Ugie, valued at R1,2 million which is registered in the name of Mr G J Gouws.

The assets also include proceeds of 48 900 Transkei shares valued at R155 000 and 15 000 bags of maize worth R450 000. A smallholding at Ncambedlana, which was Chief George's favourite house, and another house in the city were each valued at R150 000.

Chief George also had a house at Port St John's valued at R120 000 and another house worth R60 000. A farm named Grootfontein in the Elliot district is worth R750 000 while another one at Cadu in the Tambookie area near Queenstown was priced at R600 000.

Chief George's liabilities include personal overdrafts and suretyships from the Bank of Transkei totalling R1 400 000. The Receiver of Revenue's claim, which has to be computed, is in excess of R800 000, while known creditors inclusive of other suretyships are estimated to go up to R450 000.

The excess of estimated liabilities over known assets is R1 794 527, while the excess of potential assets over estimated liabilities is R665 473. The return date for Chief George's sequestration is March 25, according to a spokesman at the Supreme Court. — Sapa.

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D/D 9/3/88 103

Daily Dispatch Reporter

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According to the document, Chief George, who successfully applied for the staying of sales of property on his farms last week, has fixed properties to the value of R3,03 million, among them a 1500 hectare farm, Mooihoek, near Ugie, valued at R1,2 million which is registered in the name of Mr G. J. Gouws.

Chief George: R3m liabilities

The total potential assets, including properties in Umtata and Port St Johns, livestock and farm implements at Ugie, Elliot, Gwatyu near Queenstown, and Mtshanyana in the Cofimvaba district total R4 424 200.

The assets also include proceeds of 48 900 Transun shares valued at R155 000 and 15 000 bags of maize worth R450 000.

A smallholding at Ncambedlana near here, which was Chief George's favourite house, and another house in the city were

each valued at R150 000.

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A farm named Grootfontein in the Elliot district is worth R750 000, while another one at Cadadu in the Tambookie area near Queenstown was priced at R600 000.

Livestock in Ugie included 673 sheep and nine cows; at Elliot, 164 cattle; and at Gwatyu, 651 cattle, 432 sheep and 226 goats.

The assets at Chief George's rural Mtshanyana home include a 1011 Mercedes Benz truck and a 230E Mercedes Benz car.

The value of definite assets which are not under dispute is R1 964 200.

Chief George's liabilities include personal overdrafts and suretyships from the Bank of Transkei totalling R1 400 000.

He owes the Transkei Development Corporation a total of R173 000 which is made up of R23 000 direct liability and R150 000 suretyships.

The Transkei Agricultural Corporation is claiming a total of

R935 727 which is made up of direct liability to the value of R395 727 and suretyship totalling R540 000.

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Mooihoek farm, which was bought from Mr Gouws during December 1986, is still registered in the name of Mr Gouws.

Chief George cannot obtain legal transfer of it as it is in South Africa.

The creditors argue that the contract for the purchase of the farm may be voidable, thus entitling the trustee to cancel and claim repayment of the amount of R1 200 000 from Mr Gouws.

The whereabouts of the maize is not known, as some of the bags were said to be under the control of a Ugie co-operative and others in the custody of a Mr Baba Wenzel.

The return date for Chief George's sequestration is March 25, according to a spokesman at the supreme court.

Inquiry resumes today

D/O 9/3/88

(103)

UMTATA - The commission of inquiry into gambling rights in Transkei will resume today when evidence relating to the Public Service Commission is expected to be pres-

ented before Mr Justice J. van Reenen.

The former Chief Justice of Transkei decided to postpone yesterday's sitting after spending almost the whole day in consultation. - DDR

Inquiry deals with reports

P/D 12/3/88

UMTATA — The Transkei commission of inquiry into the Department of Works and Energy is dealing at present with departmental matters such as administration and budgets and does not lead evidence in a formal sit-

ting.

103

Counsel for the auditor-general said yesterday announcements about when evidence would be led again would be made for the benefit of the general public. — DDR

South
10-16/3/88

Chief George 103 owes R3,8-million

From FRANZ KRUGER
EAST LONDON - Ousted
Transkei Prime Minister
Chief George Matanzima
owns assets worth almost
R2 million.

His debts, however,
amount to about R3,8
million.

The man who made his
fortune in the "country" he
ruled, has now had a
provisional sequestration
order issued against him.

And the major creditors,
who are demanding he pay
up, are the same Transkei
government departments
and parastatals who not so
long ago had to bow to his
every wish.

The Transkei Supreme
Court appointed trustees on
January 27 to wind up his
estate, and since then they
have been trying to
disentangle the knot of
contracts and deals that
constitute his financial
affairs.

Last week, Chief George
was engaged in a desperate
attempt to hold off the sale
of his livestock - 1336

sheep and 895 head of
cattle.

The sale of furniture and
property is scheduled to
take place later, but the
creditors were keen to begin
the sale of the livestock
because of fears of
deterioration and theft.

Chief George had signed
his assent to the sales, but
then changed his mind and
approached the Umtata
Supreme Court for an
urgent interdict to postpone
the auctions. The first sale,
scheduled for Tuesday on
the farm Mooihoek near
Maclear, was postponed by
consent.

Lawyers for Chief George
began leading oral evidence,
but in an eleventh-hour
manoeuvre last week,
withdrew their application
and substituted an
application to review the
decision of the Master of
the Supreme Court to
allow the sales to go ahead.

The Transkei Receiver of
Revenue claims R800 000
at this stage. Chief George
never paid tax, and the

amount is calculated on the
basis of his salary as prime
minister.

It is believed the figure
could rise to R2-million if
other income is included.

His assets include three
farms, a smallholding and
three houses.

One farm is Mooihoek in
the Maclear district, worth
R1,2-million, which Chief
George bought with part of
the controversial R2-
million paid by Sun
International.

The commission of
inquiry, currently hearing
evidence in Umtata, is still
probing at whose insistence
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Mooihoek's owner, Mr GJ.
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The farm's legal status is
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To circumvent this, Chief
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To complicate matters,
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sequestration order was
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One of the joint trustees,
Mr Leib van Jaarsveld, said
Chief George had then
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not be alienated without the
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The official residence he
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possessions - believed to be
substantial - will not be
sold off. - *Elnews*

D/D 11/3/88

Two TDF men on fraud charges 103

Daily Dispatch Reporter
UMTATA — Two Trans-kei Defence Force soldiers appeared in two separate trials before Mr Lukwago Mugerwa in the magistrate's court here yesterday on charges of fraud.

stone Dikiso, 33, and W/O Vuyani Wellington Matomane, 34, were not asked to plead and no evidence was led.

They were released on R200 bail each and the cases were postponed until April 5.

cated that the cases had still to be referred to the Attorney-General for his decision.

Mr Chris Bodlani appeared for Sgt Dikiso and Mr Kwezi Nodada appeared for W/O Matomane.

Sgt Pakamile Glad-

The prosecutor indi-

Chief George's last bid to save the settees and chandelier

OUSTED Transkei Prime Minister George Matanzima is mounting a desperate attempt to prevent his possessions from being sold off.

Auctions of livestock and implements on his three farms have begun, following a provisional sequestration order against him on January 22. A total of 1 336 sheep and 895 cattle were to be sold.

According to the trustees appointed by the court to wind up his estate, Chief George had earlier signed his assent for the sale of his livestock and implements.

The sale of furniture and property is scheduled to take place later, but the

creditors were keen to begin the sale of the livestock because of fears of deterioration and theft.

But Chief George approached the Umtata Supreme Court for an urgent interdict to postpone the auctions. The first sale, scheduled for the farm Mooihoek near Maclear for last Tuesday, was postponed by consent.

Lawyers for Chief George began leading oral evidence, but in an eleven-hour manoeuvre last Wednesday withdrew their application and submitted an application to review the decision of the Master of the Supreme Court to allow the sales to go ahead.

As a result, the other two sales,

scheduled for yesterday and today, were also cancelled by the trustees.

The trustees estimate Chief George is in the red to the tune of about R1,8-million: his confirmed assets are just under R2-million, and his debts so far stand at R3,8-million.

These figures may still change as further debtors emerge, and the status of assets he claims is clarified.

Chief George claims his assets exceed his liabilities by almost R700 000, but this includes several doubtful assets.

In the final irony for the man who ran Transkei as his personal fiefdom for so many years, most of his major creditors are government departments and parastatals.

The Transkei Receiver of Revenue claims R800 000 at this stage: Chief George never paid tax, and the amount is calculated on the basis of his salary as prime minister. It is be-

lieved the figure could rise to R2-million if other income is included.

Other debtors include the Bank of Transkei, whose claim of R1,4-million for overdrafts and suretyships is the largest single claim, the Transkei Development Corporation and the Departments of Posts and Telecommunications and Agriculture and Forestry.

His assets include three farms, a smallholding and three houses, but the status of the farms is unclear.

The farm Mooihoek is worth R1,2-million, which Chief George bought with part of the controversial R2-million paid by Sun International when it bought out a gambling company for its rights.

The commission of inquiry is still probing at whose instance the money was transferred into the account of Mooihoek's owner, GJ Gouws, who kept the lion's share as the farm's purchase price. He paid out the rest to various Transkei politicians at Chief George's behest.

Other evidence before the commission, disputed by Chief George, was that he had demanded R2-million as a bribe for granting the rights. The farm's legal status is unclear because it is in South Africa where Chief George, as a Transkeian, is not entitled to own land. To circumvent this, Chief George left the farm legally registered in Gouws' name. To complicate matters, just weeks before the sequestration order was issued Chief George cancelled his purchase of the farm. One of the joint trustees, Leib van Jaarsveld, said Chief George had then concluded another agreement with Gouws in terms of which Gouws retained the purchase price of R1,2-million and made a new deal to sell the farm to HMS Transport, a firm in which Matanzima is alleged to have an interest. Among the movable assets on Mooihoek are nine lounge suites, five double bed-room suites, including fitted duvets, and a chandelier. Another farm, Grootfontein, is worth R750 000 and was donated to Chief George by the South African government. He claims it as an asset but Van Jaarsveld said it appears to belong to the Transkei government. The third farm is Hatlon, near his Great Place at Qamata, but this farm may not be alienated without the consent of the Transkei state president. Also on the list of assets are shares in companies. The trustees note that "due to the paucity of the present information, no value can be placed thereon". The official residence he still lives in and his wife's possessions — believed to be substantial — will not be sold off. — Elnews

D/D 11/3/88 (103)

Holomisa pledges effort to end church rift

Daily Dispatch Reporter UMTATA — The chairman of the military council in Transkei, Major-General Bantu Holomisa, has pledged to continue efforts to end a rift in the United Methodist Church of Southern Africa (UMCSA).

Gen Holomisa denied a report in the newspaper of the Methodist Church of Southern

Africa (MCSA) that attempts to heal the rift between the two churches suffered a setback late last year when the government of former prime minister, Miss Stella Sigcau, was overthrown by the military.

The missionary secretary of the United Methodist Church of Southern Africa, the Reverend D. D. Dabula,

denied any knowledge of talks between the UMCSA, the MCSA, which was banned in 1978, and the government.

According to the report, a delegation consisting of the president of the South African church, the Reverend Dr Khoza Mgojo, the secretary of conference, the Reverend Stanley Mo-

goba, the secretary-elect, the Reverend Vivian Harris and the past president, the Reverend Ernest Baartman, met with Miss Sigcau.

Gen Holomisa said he had not heard of such a meeting and had already called meetings of church leaders regarding the rift in the Transkei church and would continue to attempt to restore peace.

D/O 12/3/88 103

Curb on T'kei soccer violence

UMTATA — Tough new measures have been announced to curb violence involving Transkei soccer fans.

The public relations officer of the Transkei Police, Colonel S. S. Mokoatle, said yesterday

that security was being tightened to avoid a recurrence of last weekend's minibus accident which left five people injured.

The minibus was later set alight.

In future, fans at all

major matches will be searched on entering the stadium.

Firearms, liquor and bottles will be barred and the parking of vehicles near the stadium will be prohibited. —
DDR

Transkei has backlog of 3 000 classrooms says Minister of Education

by GILBERT ZWAKALA

102
CACADU — Transkei had a backlog of more than 3 000 classrooms for some 122 160 pupils, which had built up between 1984 and 1988 and which would cost R61 million to provide, the Minister of Education, Mr P. N. Tshaka, said here yesterday.

Speaking at the official opening of the Mount Arthur Junior Secondary School and the handing over of drum majorettes' equipment to the school, Mr Tshaka said the backlog in building schools and classrooms was so colossal, and resources so minimal, that it would take the country many years to catch up.

He said the 2 720 primary and junior second-

ary and 334 senior secondary school classrooms needed would not even achieve a pupil-teacher ratio of 40 to one.

"The objectives for primary, junior and senior secondary education are as different as are the ages of the pupils in these respective phases of our educational system.

"To allow them to share classroom accommodation is not only futile but can lead to disastrous consequences.

"The per capita expenditure on the black child compared to that of the white child makes a mockery of any talk of equal education. To prescribe the same syllabuses and examinations with a common certify-

ing body — these things alone do not make up for equal opportunities.

"For more than three centuries the black community in Southern Africa has been at the receiving end of a system which placed blacks in a disadvantaged position educationally, socially, economically and politically.

"Even after the granting of independence to so-called homelands, the scourge of exploitation has hung like an albatross around the neck of the black population.

"In the field of education, this has meant the denial of resources without which the black child cannot properly progress and compete fairly with his white counterpart in the search for jobs."

103
88/3/14
D/D

Holomisa pleased Matanzima feud is over

Daily Dispatch Reporter

QAMATA — The chairman of the Transkei military, Major-General Bantu Holomisa, has welcomed the reconciliation between the two Matanzima brothers.

The former state president, Paramount Chief Kaiser Matanzima, and the former prime minister, Chief George Matanzima, first began to disagree during the September 1986 general elections.

Chief George wanted only nominated party candidates to contest seats, while Chief Kaiser wanted open elections.

On the day Gen Holomisa announced the members of the military council and the council of ministers, the two brothers were present at the Umtata city hall.

The general assured Transkeians that existing laws would not be done away with.

The allocation of the budget would be done for the benefit of everybody, governed by the needs of the country.

"Communication from the lowest levels has been assured by the creation of a national advisory council.

"Transkei defence force members will monitor the problems of the people," he said.

EAST LONDON 26141

D/P 15/3/88

Warning against quacks ⁽¹⁰³⁾

UMTATA — The medical profession in Transkei has warned the public against "quacks" who profess to treat various illnesses.

The public relations officer of the Transkei Medical Association, Dr S. Beja, said here yesterday his association was greatly alarmed at the proliferation of these non-medical individuals.

Dr Beja said the incalculable damage caused by quacks, masquerading under different appellations, to the health of the unsuspecting public, should be viewed more seriously at all levels of society since concern and anxiety about health care was not the monopoly of the medical profession.

He said what was even more irksome to the medical profession was that it was the doctors who had to clean up the mess resulting from the fraudulent and criminal practices of these charlatans. — DDR

D/D 15/3/88

London office for Transkei? (103)

LONDON — The Transkei Minister of Commerce, Industry and Tourism, Mr Dowa Mgudlwa, said here yesterday his government was considering opening an office in London to represent its case.

of international attention and it would enable us to present our case more easily," he said.

Britain does not recognise Transkei or any of South Africa's other independent states.

Bophuthatswana has had an office in London for several years.

Mr Mgudlwa was visiting London after a trip to West Germany where he attended a tourism fair.

Transkei currently has an office in Vienna, but Mr Mgudlwa said London was perhaps the most important centre on the international map.

"We are considering having an office in London because it is a focus

"Investment is one of our top priorities," he said. — Sapa

D/D 15/3/88

Matanzima resigns (103)

UMTATA — The former state president of Transkei, Paramount Chief Kaiser Matanzima, has resigned as chancellor of the University of Transkei.

Paramount Chief Matanzima served as the first chancellor of the university since it ceased to be a branch of the University of Fort Hare in 1977.

The last income survey was done about three years ago and an up-
no such re-

DIP 15/3/88

300 stop work at Transkei hotel (103)

Daily Dispatch Reporter

UMTATA — About 300 black workers at the Holiday Inns hotel here downed tools and demonstrated peacefully for four hours on Saturday in support of calls for the management to redress certain grievances.

The four-hour stoppage ended after workers met a representative of the managing directorate of the group through their elected representatives.

One of the representatives said yesterday that the main grievance concerned wages which were lower than those of other Holiday Inns employees in South Africa.

A special increment, authorised by management, with back-pay retrospective to October last year was not effected in Umtata despite interventions by members of the Department of Manpower Utilisation.

The spokesman said they were not allowed to appoint a liaison committee to carry their grievances to management.

She said when the workforce assembled at the gates and demanded to speak to head office authorities, a company official who had been flown to Umtata asked them to return to work as their grievances would be heard.

The workers agreed after they were told to elect representatives who spoke to the official who in turn promised to respond to their grievances this week.

In a telephone interview, the group personnel director of both Holiday Inns and Southern Suns, Mr Carl Ludick, confirmed the work stoppage.

Mr Ludick said casual labour, including school children, was used to keep the hotel going.

D/D 16/3/88 (103)
**Unitra back
to normal
— principal**

UMTATA — A student stay-away at the University of Transkei was "nothing so big", Unitra's principal, Professor Wiseman Nkuhlu, said yesterday.

Prof Nkuhlu said he was away on Friday when the students stayed away from lectures, and had heard about it on his return.

He could not give details of the incident saying only the Registrar, Mr S. D. Majokweni, had them.

Prof Nkuhlu said the situation at the university was normal. Up to yesterday, no incidents were reported.

The lecture boycott had been called in sympathy with "detention day".

Earlier, Mr Majokweni would not comment on the stay-away and referred inquiries to Prof Nkuhlu. —DDR

D/D 16/3/88

Police: beware of gang of conmen in Transkei

Daily Dispatch Reporter
UMTATA — The Transkei Police has issued a warning about a gang of confidence tricksters who visited people in rural areas pretending to be representing their next of kin working in South Africa.

The public relations officer of the Transkei Police, Lieutenant-Colonel S. S. Mokoatle, said yesterday it had come to the notice of the police that the conmen were stealing from unsuspecting tribesmen, especially in the districts of Port St John's, Ngqeleni and Libode.

Col Mokoatle said the method used by the conmen was to visit relatives of a migrant labourer and report that he had been arrested and that money was required to bail him out or for a fine.

He said these people had already succeeded in robbing tribespeople of amounts ranging between R400 and R600, purportedly for bail, so that the arrested person could be freed to arrange for legal representation.

Information received by the police was that the conmen claimed to be workmates of the migrant worker and told the families that the worker was in police custody and needed help.

When the money was not available the tricksters would advise the family of the migrant worker to either sell some of their livestock or use the cattle as security to borrow the money from shopkeepers.

One way of detecting these criminals is that

they always avoid replying to awkward questions regarding their mission, and members of the public are therefore warned to be on the lookout as everybody is a potential victim."

D/D 18/2/88

Minister warns of threat of soil erosion in Transkei (103)

UMTATA — Transkei's land was fast becoming badly eroded and would soon be full of "dongas" if no attention was given to soil erosion, the Minister of Agriculture, Chief Ngangomhlaba Matanzima, said here yesterday.

Chief Ngangomhlaba said serious attention would have to be made to guard against soil erosion.

He called on agricul-

tural extension officers to "leave their offices" and concentrate in the land.

"We do not plough in papers or eat words," he said.

He complained that many rangers attached to the department "live in beer drinks daily" while fences snapped in grazing areas and livestock strayed all over, damaging the land.

Chief Ngangomhlaba said rangers had to be diligent because they were paid more than headmen and they should be careful lest their pay be regarded as a "waste of government funds".

He urged agricultural officers to arrange that all disused vehicles in government yards were towed into the dongas by government tractors "in order to prevent soil erosion". — DDR

D/P 5/3/88

Holomisa slates accusing rumours

103

Daily Dispatch Report

UMTATA — Certain people were busy spreading accusations against the military government of Transkei in an attempt to discredit it in the eyes of the public. Major-General Bantu Holomisa told thousands of civil servants here yesterday.

Gen Holomisa said the accusations made it necessary for him to address the people and to familiarise them with the new government.

"It is enough to say that our main objective was to rid this country of the cancer of corruption and bribery.

"What we would like to see is clean administration which is a sine qua non for future stability in this country," General Holomisa said.

Gen Holomisa said the guiding norm of the military government was speed, accuracy, control, efficiency, co-ordination and communication.

● Advances paid to civil servants and former politicians for overseas trips, would have to be recovered, Gen Holomisa said.

The Department of Foreign Affairs would have to investigate the subject of foreign missions, to see whether their existence was still in the interests of the country.

Gen Holomisa said that civil servants who were appointed as directors of state corporations should get authority from the PSC.

"But I would like to discourage civil servants from serving as directors, especially in companies which deal with the government.

"I need not elaborate on the implications of this but you will agree with me that the recent revelations of the commissions of inquiry speak volumes," he said.

On the professional brain-drain from government departments, Gen Holomisa said that causes of dissatisfaction in various departments had to be investigated and identified.

D/D 18/3/88
**Sanctions hinder
Transkei contacts**

Daily Dispatch Reporter

UMTATA — The advocacy of economic sanctions against South Africa was still posing a problem in making overseas contacts for Transkei, the Minister of Commerce, Industry and Tourism, Mr Dowa Mgudlwa, said here yesterday.

Mr Mgudlwa, who had just returned from a two week visit to West Germany and Great Britain, said he had, however, made some contacts.

He said in an interview that he had been invited by tourist organisations in Germany to attend a tourist trade fair before he flew to London.

Mr Mgudlwa said most overseas tourists in Transkei came from West Germany "and it is incumbent upon us to make all possible attempts to exploit this market to its fullest by personally visiting that area to make further contacts".

He said he had learned in Britain that, although Transkei was

not recognised in that country, it had unofficial contacts there since accommodation had been provided for it at last year's Trade Fair.

Mr Mgudlwa said his country would still be invited to attend the Trade Fair in Britain in the future.

Asked why he thought economic sanctions against South Africa affected Transkei, Mr Mgudlwa said overseas countries still regarded their investments in Transkei as extensions of their investments in South Africa.

On the question of the proposed opening of an office in London, Mr Mgudlwa said it was logical that such an office be opened because London was in the international spotlight.

UK wedding costs rise

LONDON — The cost of a traditional wedding and setting up home in Britain is about £8 000, says the annual publication You and Your Wedding.

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Alleged Umtata bomber in court

19/3/88

Daily Dispatch Correspondent **103**

CAPE TOWN — An alleged senior African National Congress (ANC) member appeared briefly in the Wynberg magistrate's court yesterday. Mr Mzwandile Vena, 32, was brought before court where Mr C. Viers, for the state, launched an application for his extradition to Transkei.

The Warrant of Apprehension issued in Umtata on March 10 said there were reasonable grounds for suspecting that Mr Vena of Qunu, "committed the crime of sabotage and terrorism" on June 26, 1985.

This is the date on which Umtata was rocked by a series of limpet mine explosions.

Mr Vena is alleged to have come to Cape Town in August last year "to take command of the Western Cape military machinery of the ANC to replace Lizo Bright Ngungwana".

This allegation was made in the charge sheet relating to 11 other trialists who appeared in the Wynberg regional court earlier this week.

Mr Tony Yengeni, who appeared this week with Miss Jenny Schreiner and nine others, is alleged to have gone to Botswana in August last year to help Mr Vena to enter South Africa.

The application for an extradition order was postponed to April 11 to allow Mr Vena's attorney, Miss Christine Burger, to prepare to oppose it.

Gov. ... is

103
Bldary
2/13/88

Matanzima sequestration hearing put off

THE return date in the proceedings for the sequestration of former Transkeian Prime Minister Chief George Matanzima has been postponed to April 21, according to one of the joint trustees, Lieb van Jaarsveld.

However, an application has been lodged with the registrar of deeds to block the transfer of ownership of the

DOMINIQUE GILBERT

Eastern Cape farm which was apparently bought by Matanzima from farmer G J Gouws for about R1,3m.

Van Jaarsveld said the application was to block anyone from taking over the farm until Matanzima's sequestration had been concluded.

Holomisa: each has duty to other

103

WILLOWVALE — Transkeians could not remain complacent while their country was being tossed about by the waves of turbulent times, the chairman of the military council, Major-General Bantu Holomisa, said here at the weekend.

He said at a function for the Minister of the Interior, Chief B. M. Dimalisile, that each Transkeian had a duty to the other.

Gen Holomisa said it was not enough that the sounds announcing the independence of Transkei should be heard only in Umtata.

"We have a duty to take the seeds of development and plant them in every district so that every Transkeian must enjoy the fruits of independence," he said.

General Holomisa called on chiefs to be involved in the education of children for the good of all the people of Transkei.

"We should take pride in those people who have attained high standards of education, but at the same time we must encourage those who already belong to the elite group to dip down and draw from the poor, pulling them up to the same standards that they have reached.

"Not only do I want to encourage parents and teachers, but also the leaders of our people should do everything in their power to assist schools, parents and teachers in the drive to have all the children, if possible, at school." —
DDR

P/D 22/3/88

Inquiry told of Umtata, eZibeleni contracts

103

Daily Dispatch Reporter

UMTATA — The Transkei commission of inquiry into the Department of Works and Energy, which resumed here yesterday dealt with a contract by Jalc Holdings for the construction of 637 houses at eZibeleni, near Queenstown, before it was split to include North Crest township in Umtata.

A member of a firm of architects in Umtata, Mr Cedric Humphries, told how the original contract was split to have 337 houses at eZibeleni and 300 at Northcrest. He also gave expert evidence on how bills of quantities are drawn up.

Counsel for the Auditor-General referred Mr Humphries to correspondence between the department of Works and Energy, Jalc Holdings, the former prime minister, Chief George Matanzima, and the ex-state president, Paramount Chief Kaiser Matanzima, and his firm.

There was also mention of an extension to the original contract of 637 houses and infrastructure, which involved a variation order as a result of directives from both the former president and prime minister.

Counsel pointed out that certain letters from Chief George to Mr Humphries' firm had the same type face and same method of splitting infinitives as those from Jalc Holdings, and the witness conceded that the technical nature of the correspondence was surprising, coming from Chief George.

The commission heard that Temba Investments initially did the survey at eZibeleni before Jalc, which was a shareholder of Temba Construction, came on the scene.

In 1984 Paramount Chief Kaiser instructed the minister of Local Government and Land Tenure to try to find funds for servicing eZibeleni where 300 houses were being built, as it would be costly to postpone the job.

The prime minister, Chief George, wrote to the same minister in June 1985 that further to Paramount Chief Kaiser's directive that the contract be extended by about 600 houses, and that infrastructure be split between Umtata and eZibeleni, the Department of Finance would communicate its approval of funds to the Department of Local Government.

Chief George said the extensions would be carried out by Jalc on the

same terms as the present contract and treated as a variation to the contract.

An extract from another letter from Chief George to the department read: "To date your department has failed to instruct the consultants to proceed with design of the above development. You are therefore directed to immediately address the attached letter to the architects.

A letter by Chief George to the firm of architects in connection with the contract for 637 houses said: "The unnecessary delays and confusion regarding the implementation of instructions given by the state president, Works and Energy and myself in respect of the above extensions will no longer be tolerated.

Mr Humphries agreed with counsel's observation that Chief George and Paramount Chief Kaiser had given directives for extensions that were beyond the financial means of the Department of Works and Energy. He said his firm had been unhappy with the instructions as they had not been ratified by the department.

He said that if a contractor wished to get a variation order for more work he would approach the employer — the department concerned — and not the prime minister or the state president.

Another witness from the same firm of architects, Mr Hugh Faragher-Thomas, said he had found it extraordinary that the state president should have given such instructions.

He said it had, in fact, become difficult to decide who to listen to, and they, as principal advisers, had been in a difficult position. He had also been surprised to see a letter signed by the prime minister displaying such technical knowledge.

Replying to a question by the chairman, Mr Justice J. van Reenen, he said it was never his concern that Paramount Chief Kaiser or Chief George could have been influenced by Jalc Holdings, as long as authority was signed by their client, the department.

Mr Bruce Webber, of the same firm of architects, added that they were aware that something did not seem right, but when they asked officials of Works and Energy whether they should act on the instructions of Chief George or those of the department, the reply was they could do as they saw fit.

Wednesday March 22 1988

Transkei inquiry hears of splitting of housing tender

22/3/88
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UMTATA — The Transkei Commission of Inquiry into the Department of Works and Energy, which resumed here yesterday, dealt with a contract by Jalc Holdings for the construction of 637 houses at Ezibeleni, near Queenstown, before it was split to include Northcrest township in Umtata.

A member of a firm of architects in Umtata, Mr Cedric Humphries, told the inquiry the original contract was split to have 337 houses at Ezibeleni and 300 at Northcrest.

Counsel for the auditor-general referred Mr Humphries to correspondence between his firm and the Department of Works and Energy, Jalc Holdings, the former Prime Minister, Chief George Matanzima, and the ex-State President, Paramount Chief Kaiser Matanzima.

EXTENSION

There was also mention of an extension to the original contract of 637 houses and infrastructure as a result of directives from both the former president and Prime Minister.

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Humphries' firm had the same type face and same method of splitting of infinitives as those from Jalc Holdings, and the witness conceded that the technical nature of the correspondence was surprising, coming from Chief George.

The commission heard that Temba Investments initially did the survey at Ezibeleni before Jalc, a shareholder of Temba construction, came on the scene.

COSTLY DELAY

In 1984 Chief Kaiser instructed the Minister of Local Government and Land Tenure to try to find funds for servicing Ezibeleni where 300 houses were being built, as it would be costly to postpone the work.

The Prime Minister, Chief George, wrote to the same Minister in June 1985 that further to Chief Kaiser's directive that the contract be extended by about 600 houses, and that infrastructure be split between Umtata and Ezibeleni, the Department of Finance would communicate its approval of funds to the Department of Local Government.

Chief George had said the extensions would be carried out by Jalc on the same terms as the present contract.

Deaths

Funeral Notices

D/O 23/3/88

Lesotho shooting: 2 arrested

EAST LONDON — Lesotho police have arrested two people in connection with the shooting of two Transkeians last week.

A Lesotho police spokesman in Maseru confirmed last night that one of the Transkeians, Mr Mazizi Maqhekeza, of Willowvale, had been shot and killed in Queen Elizabeth II Hospital while recovering from a bullet wound.

He said two suspects had been arrested in connection with the shooting but he would not give any further details.

However, relatives of Mr Maqhekeza, a student at the National University of Lesotho in Roma, said he had been travelling in a car with two friends when they had been forced off the road by a group of people said to be Lesotho police.

They were told that an instruction had been issued to kill all three of them.

Mr Thandwefika Radebe of Umtata was shot and killed instantly, while Mr Maqhezeka, was wounded in the ankle, and an unnamed companion escaped.

Mr Maqhekeza was admitted to hospital two days later, where he was allegedly shot and killed.

A report that a nurse who witnessed the incident was detained could not be confirmed. —
DDR

Holomisa calls for end to Xhosa bickering

D/D 23/3/88 Daily Dispatch Reporter 103

NQADU — The chairman of the Transkei military council, Major-General H. B. Holomisa, yesterday appealed to Paramount Chief Xolilizwe Sigcau of the Gcalekas to help restore the customary links between the two Xhosa nations of Transkei and Ciskei.

Gen Holomisa said Chief Xolilizwe should engage senior chiefs and elders of the Xhosa tribe to try and restore peace between the two houses of Phalo who were "separated by the whites".

The Xhosa should not rely on the western practice of go-betweens, but should tackle the problem themselves, as it was a matter for both groups to resolve — and not outsiders, he said.

"We were separated by the whites for the purposes of divide and rule and we can not entrust to them our aspirations of being reunited as one nation, and as such we should not allow them to mediate on our behalf.

"The Transkei Defence Force took the initiative to restore normal relations between the two countries and we would like to see reconciliation being carried further.

"The petty bickering between these two great houses should come to an end as it is not in the interests of both Transkei and Ciskei. My government would like to see a complete restoration of cultural, traditional and customary ties between the Xhosas on both sides of the Kei River," Gen Holomisa said.

Transkei raises above half of its revenue

D/D 23/3/88

103

JOHANNESBURG — At least half of the total government revenue of two of the four national states in the 1987-88 financial year came either directly or indirectly from South African central government.

The bulk of South Africa's assistance was made available in direct grants paid out by the Department of Foreign Affairs, which set aside R1,874 billion for the homelands for this financial year.

Figures supplied by the department indicate the states' financing is becoming more dependent rather than less so.

Of the four — Transkei, Bophuthatswana, Venda and Ciskei — only Bophuthatswana and Transkei raised more than half of their revenue from their own sources.

Transkei's total revenue for the year, including loans and overdraft facilities, totalled R1,48 bn of which R650 million was raised from own

sources, also excluding common monetary area money, customs union transfer and tax compensation.

The rest comprises grants totalling R450 m and guaranteed overdraft facilities of R190 m.

Ciskei's total revenue for this year, excluding loans and overdrafts, amounts to R859 m, of which only R321 m was been raised from own sources and a further R163 m through common monetary area money, customs union transfer and tax compensation.

The outstanding amount of R558 m is made up of budgetary assistance from South Africa (R250 m), and an overdraft facility (R214 m) and other loans raised (R94 m).

Bophuthatswana appears to be the most financially independent, raising R887,5 m out of a total estimated revenue of R1,517 bn.

Of the four, Venda is the most reliant on South African aid. — DDC

D/D 22/3/88

Daily Dispatch Reporter

UMTATA — The commission of inquiry into the Department of Works and Energy yesterday called an official of the department, Mr M. H. Hyde, currently under suspension, to testify on the circumstances surrounding the erection of 637 houses at Ezibeleni and Umtata.

The contract for Jalc Holdings to construct the houses and provide the necessary infrastructure was split up to provide 337 houses for Ezibeleni and 300 for Northcrest Township.

Regarding a directive Paramount Chief Kaiser Matanzima, for infrastructure for larger sites at Ezibeleni, Mr Hyde said his department had

Works official gives evidence at inquiry 103

D/D 23/3/88

said the depot would have to be moved to accommodate these sites at a cost of about R1 million.

He had not heard of another directive from Chief Kaiser for the extension of the contract with Jalc Holdings by a further 600 houses.

Jalc Holdings had told the former president that the house would cost about R22 000, but he (Mr Hyde) had told Chief Matanzima that the lowest price would

be R26 000 and the highest R42 000.

The commission was told by Mr Hugh Faragher-Thomas, of a firm of architects, that there had been warnings about the potential of cracking in the houses at Ezibeleni and Northcrest.

He said consulting engineers had discovered that there was clay in the sites and it was therefore that precautions be taken against

cracking, but the cost seemed to be too high.

Apart from the cracking it was clear that the contractors did not build the houses according to specifications.

Replying to a question by the chairman, Mr Justice J. van Reenen, he agreed that it was his duty, as an architect, to carry out the instructions of his client as well as to advise him.

He was also asked if he had advised his client about fresh feasibility studies on the new contract, and that instead of extending the contract the department of works and energy should renegotiate instead. He said he had.

The commission continues.

Inquiry probes projects

UMTATA — JALC Holdings had pushed former Transkei leaders Paramount Chief Kalzer and Chief George Matanzima into issuing directives to extend building contracts, the commission of inquiry into the Department of Works and Energy heard yesterday.

A suspended official of the department, Mr M H Hyde, testified on the circumstances surrounding the building of 637 houses at Ezibeleni and Umtata.

Referring to a directive from former President Kaiser Matanzima for infrastructure for larger sites at Ezibeleni, Mr Hyde said his department had pointed out that the bus depot would have to be moved to accommodate these sites at a cost of about R1 million.

There was never any question of adding infrastructure at Northcrest as this would have necessitated an application for more funds from the Development Bank of Southern Africa.

WOULD RESIST

Mr Hyde explained that the DBSA would not finance a project "existing without its approval".

His department had decided to resist any directives as much as possible.

He said he had not heard of another directive from Chief Matanzima for the extension of the contract with JALC holdings by a further 600

houses. It was impossible as there was no money, the contract had to go through the Tender Board and the houses at Ezibeleni were beyond the reach of most people.

JALC holdings had told the former president that a house would cost about R22 000, but he (Mr Hyde) had pointed out that, with infrastructural expenses, the lowest price would be R26 000.

ADVANTAGEOUS

He agreed with a suggestion by counsel that it would be advantageous to the contractor to get a variation order for an extended contract.

The commission was told by architect Mr Hugh Faragherthomas that there had been warnings about the danger of cracking in the houses at Ezibeleni and Northcrest.

He said consulting engineers had discovered clay in the sites and precautions were taken against cracking, but because of the high cost, they were asked to come up with something more acceptable.

Apart from the cracking it was clear that the contractors did not build the houses according to specifications, Mr Faragherthomas said.

Replying to a question by the chairman, Mr Justice J van Reenen, he agreed that it was his duty, as an architect, to carry out the instructions of his client as well as to advise him. — Sapa.

UMTATA — The managing director of the Transkei Development Corporation, Mr Mbulelo Ntloko, will relinquish his post at the end of next month.

This was announced by the chairman of the military council, Major-General Bantu Holomisa, when he addressed staff of government corporations here yesterday.

He said the post would be advertised as it would become vacant at the end of April as a result of Mr Ntloko's resignation.

Mr Mike Jackson would be appointed acting managing director.

D/D 24/3/85
103

TDC'S Ntloko to be replaced

Mr Ntloko's resignation was confirmed earlier by the TDC public relations office, which said it would take effect after it had been ratified by the board of directors.

In January Mr Ntloko gave evidence to the commission of inquiry

into the Department of Works and Energy.

His successor, Mr Jackson, is a former general manager of the Transkei Small Industries Development Organisation. He was appointed corporate planner in 1986 before he was promoted to general manager (planning and research) last year.

South African-born Mr Jackson holds a BSc in electrical engineering, a BA in economics and an MBA degree.

He is an electrical engineer by profession and has worked for AECI in Johannesburg and for ICI in Manchester, England. — DDR

D/D 24/3/88 103

Ghost shops go under spotlight

UMTATA — Trading stations which were formerly owned by whites and were now in the hands of Transkeians were "ghost shops", the chairman of the military council, Major-General Bantu Holomisa, told government corporations here yesterday.

He said it had been observed with regret Transkeian traders appeared to fail in areas established by many years of trading, like practical management, merchandising, and goodwill.

"Compare the trading stations which were formerly owned by white traders to what they are today. Most of them are ghost shops and they cannot help the government to solve the unemployment problem.

"It is common knowl-

edge that some Transkeians who fail to run their businesses profitably have decided to accept secret sponsorships by outsiders. Others are suspected to be fronts for certain foreign companies or persons."

Relaxing existing restrictions would develop local entrepreneurship, create exports, jobs and other spin-offs.

It was logical that traders complying with legislation should trade without restriction, with the proviso that new ventures have some Transkeian shareholders. This would boost the economy.

Gen Holomisa said considerable progress had been made by the government to bring about the necessary changes in the Licences Control Act of 1987.—

DDR

DD 25963/88
Retired magistrate dies at 84

UMTATA — An 84-year-old retired magistrate, teacher, clerk and church elder, Mr Harry Dumezantsi Mancotywa, has died at his Ross Mission home leaving 33 grandchildren and four great-grandchildren.

Mr Mancotywa, who is also survived by his wife, four sons and four daughters, became a

teacher, a government clerk and went on to complete his attorney's admission examination and worked as an assistant magistrate in Ngqeleni.

He studied as a teacher trainee at Blythwood from 1919 to 1921, and after doing his Junior Certificate course he started teach-

ing in 1924.

From 1933 he worked for the Department of Justice in a number of South African and Transkei towns before he was promoted to assistant magistrate at Ngqeleni.

He will be buried at Ross Mission on March 26. — DDR

103

Tributes paid to ^{did} ~~KB~~ ^{7/108}

UMTATA — The former State President of Transkei, Paramount Chief Kaiser Matanzima, was greeted in a colourful ceremony yesterday after retiring from being the first chancellor of the University of Transkei.

(103)
Tributes were paid by the speakers to Paramount Chief Matanzima, the only person to have received an honorary degree from the university.

Paramount Chief Matanzima told the gathering that he would resume his administration of three districts, namely Lady Frere, Cala and Cofimvaba and adjudicate as a judicial officer over court cases in his region. — DDR ^{26/3/88}

P/D 26/3/88 103

Transkei lifts ban on Methodist Church

Daily Dispatch Reporter
UMTATA — The military government of Transkei has unbanned the Methodist Church of Southern Africa and withdrawn some deportation orders issued by previous Transkei governments.

In a statement issued yesterday, the chairman of the military council, Major-General Bantu Holomisa, said the unbanning of the Methodist Church was in keeping with the enunciated policy of freedom of

worship within Transkei.

He said the government expected the churches to demonstrate what they preached — namely brotherhood in Christ and the fatherhood of God in Christianity.

Gen Holomisa said the government had also withdrawn the deportation orders of Mr Xakazela Kapayi, Mr Matutu Kapayi and Mr Major Dikweni of Idutywa, and Mr D. Base, Mr N. H. Dlamini, Mr Z. Mbele and Mr J. Doko of Um-

zimkulu and Mr Norman Ngcongolo.

The Methodist Church of Southern Africa was banned by the then Prime Minister of Transkei, Paramount Chief Kaiser Matanzima in 1978, after what he considered a slight on Transkei's independence published in a Methodist newspaper.

A bill, the Undesirable Organisations Bill, 1978, designed to deal with bodies outside the reach of the Public Security Act, was rushed through all stages in the Transkei National Assembly.

The decision to ban the church was met with protests from various quarters.

These included the then president of the

Methodist Conference, the Reverend Abel Hendrickse, and a prominent Methodist, and former Leader of the Opposition, Mr Knowledge Guzana.

A new church, the Methodist Church of Transkei, was created by an act of parliament with the office bearers being Methodist ministers of Transkeian origin.

The name of the church was later changed to the United Methodist Church of Southern Africa.

This created further problems, as the Transkeian church was subsequently divided into two rival churches, the official United Methodist Church of Southern Africa, and the Methodist Church of Transkei.



MAJ-GEN HOLOMISA

Holomisa praises T'kei's radio stations

Daily Dispatch Reporter

UMTATA — Transkei's two radio stations, Capital Radio and the Transkei Broadcasting Corporation (Radio Transkei), have been given a pat on the back by the chairman of the military council, Major-General Bantu Holomisa.

Gen Holomisa said that "without your efforts to disseminate information about Transkei, our existence as a free nation would have never been known in Africa".

He said the popularity of Capital Radio transcended international boundaries, and it was encouraging to note that letters had been received from listeners from a far afield as the United States and Scandinavia.

"At present Transkei is the only member of the TBVC states which has an established short wave service which can reach local and overseas countries, thus promoting Transkei's international image and that of the tourist industry.

"I would also like to pay a special tribute to Radio Transkei, its managing director, staff and members of the board of management for the wonderful service they have rendered to Transkei since independence."

He called on the station to make some of its official announcements in both English and Xhosa, and to have its news bulletin also read in English, for the sake of "our expatriate friends".

He said that some of the expatriates were in the service of the government and were keen to know about policy changes, which were sometimes broadcast.

Gen Holomisa said that in order to avoid the duplication of essential services, it was imperative that the managements of both radio stations be drawn closer together so that they could eventually operate as the Transkei Broadcasting Services.

Perhaps the idea of using English as a vehicle of communication could be easily tackled using the experience and expertise of Capital Radio, he said.

It was hoped, Gen Holomisa added, that South Africa would see Transkei's point of view for the need for of a broadcasting agreement which would bind both countries.

"There is a growing need for the sharing of resources and both Transkei and South Africa cannot afford the luxury of duplicating facilities," he said.

The general called on the corporations' staff to bear in mind that they were entrusted with the function of administering public funds, gathered from very poor tax-payers.

He also discouraged top TDC officials from owning or being directors or shareholders in lucrative businesses in the country.

"These officials have abused their positions in the corporation and enriched themselves, while the majority of people in Transkei are languishing in poverty," Gen Holomisa said.

Church move welcomed

UMTATA — The United Methodist Church of Southern Africa (UMCSA) has welcomed the decision by the Transkei military government to lift a ban on the Methodist Church of Southern Africa.

In a statement released here yesterday, the president of the UMCSA conference, the Reverend W. L. Pupuma, said: "My church's immediate reaction to the lifting of the ban is that of rejoicing with our fellow workers in the vineyard of our Lord."

DDR 243/88 DID

P/D 30/3/88
**Stayaway over
— minister** (103)

UMTATA — Students at the Cicira Teachers College near here stayed away from lectures on Monday morning in support of complaints against college authorities, the Minister of Education, Mr. P. M. Tshaka, confirmed yesterday.

Mr Tshaka said the stayaway was conducted without incident and the matter solved amicably.

The situation was "under control and they are all back in classes," he said. — DDR

Abuse of development aid alleged

Taiwanese firm makes a profit without sales

By Claire Robertson
Pretoria Bureau

A Taiwanese firm producing Christmas baubles in Umtata, Transkei, rewrote the book on business in 1984 by showing a profit after one year of operation — without having sold a single product.

The firm received R120 000 a year from the Transkei Development Corporation in "training incentives" — intended to supplement workers' wages.

This classic case of the abuse of so-called development aid in the "independent" homelands is provided in a paper delivered by Richard Haines, a senior lecturer in Unisa's department of development administration and politics.

Decentralisation policy

Recently released figures show that the South African Department of Foreign Affairs alone poured more than R1,8 billion into development aid for the TBVC countries last year.

Just who benefits from this aid comes under scrutiny in Mr Haines's paper.

The main component of homeland develop-

ment strategy is the industrial decentralisation policy, in essence the practice of paying industrialists to set up factories in areas they would otherwise avoid.

In a survey of 12 industrialists in Ciskei, 10 admitted that they would not have chosen the region without financial incentives. More than half the firms also admitted to being dependent on concessions for survival — even though some had been established for more than three years.

"There is considerable abuse of the incentive package," says Mr Haines, but the area of greatest abuse is that of wages.

There have been reports of firms in the TBVC countries employing more than 100 gardeners — and paying them far less than the subsidy of a monthly R110 per worker — and of certain firms claiming the full subsidy for workers who do not exist, or for part-time workers, said Mr Haines.

Not only is the funding of training incentives abused, but the system ultimately retards the growth of a skilled labour pool in the independent homelands.

"To put it crudely, there is generally far more profit to be made from employing or training numbers of unskilled or semi-skilled labourers rather than developing skilled workers and managers," said Mr Haines.

"It is ironic that some of the beneficiaries of the homeland system are not even residents of South Africa. The homelands have provided rich pickings for foreign business concerns with questionable credentials and often off-shore listing.

"They have proved adept at playing on the resentment of the homeland ruling elites towards the South African Government, and in exploiting the propaganda that the TBVC states are really independent states," said Mr Haines. He singled out the Gur Corporation, listed in Panama and particularly active in Ciskei and Bophuthastwana.

"Among the projects it has been involved in was a hospital in the Ciskei which was condemned even before the building was commissioned.

"As part of the bait to secure the relevant tender from the Department of Health in Ciskei, the company built a house and bottle store for the secretary and Minister of Health respectively," said Mr Haines.

Public sector

"A feature of all the TBVC bantustans has been the substantial growth of the public sector," he said. One of the main reasons for this is that an expanded public sector provides an attractive source of income "for reassignment for political reasons".

Development corporations have been used for providing housing for family and friends of politicians.

"Bottle stores and petrol stations are favoured items.

FOR SUBSCRIPTION INQUIRY

10.3
DIP
24/3/88

Call for end to school burning

UMTATA — A school principal here, Mr Rannie Bingwa, has called on students in Transkei not to adopt a negative attitude towards burning schools, and to save the state from millions of rands waste.

Mr Bingwa, the principal of Nyanga High School near Engcobo, said students should stop thinking that the burning of schools and damaging of school property was a solution to their problems.

After taking over as principal of the school recently, he organised a mass service which was held in the walls of the abandoned school classrooms burnt down by students, causing damage estimated at R500 000 in 1986.

Mr Bingwa said the building created "a pathetic scene".

Both staff and students unanimously deplored the act of arson which was perpetrated by the students.

"Violence will never solve anybody's problems and students all over should reconsider the way in which they approach their problems with the authorities," he said.

Asked what the students should do if their authorities refused to heed or sympathise with their dissatisfactions, he said it was incumbent upon the authorities to be honest in taking students' complaints.

He said he had already made representations to the government to have the burnt down classrooms replaced. — DDR

D/D 31/3/88 (103)

TDC approves R450 000 Sterkspruit factories

UMTATA — The Transkei Development Corporation has approved the building and financing of two factories at Sterkspruit in the Herschel district at a cost of R450 000.

The public relations division of the TDC said yesterday that the factories would employ 600 people.

The board approval came as a result of representations from the Sterkspruit community and because it was felt that development must be spread throughout Transkei.

The TDC was negotiating with Sterkspruit municipality to make serviced land available. — DDR

AREA A: Alberton, Bellville, Benoni, Boksburg, Brakpan, Durban, Germiston, Goodwood, Johannesburg, Kempton Park, Krugersdorp, Nigel, Oberholzer, Pinetown, Port Elizabeth, Pretoria, Randburg, Randfontein, Roodepoort, Simon's Town, Springs, The Cape, Uitenhage, Vanderbijlpark, Vereeniging, Westonaria, Wonderboom and Wynberg;

AREA B: Bloemfontein, Brits, East London, Inanda, Kimberley, and Pietermaritzburg;

AREA C: Worcester

AREA D: Harrismith

Superseding w.d. no: 326

D/D 31/3/88
Extra-long
weekend for
Transkei civil
servants (103)

UMFATA — Civil servants in Transkei will have an extra-long Easter weekend as the military government has granted them a day off on Tuesday April 5, as April 6 is a public holiday, the Transkei National Day of Prayer.

The press liaison officer, Mr. Theophilus Betela, said essential services would not be disrupted.

The extra day was given only if productivity increased.

The secretary-general to the military council, Mr. H. S. Calaza, said inter-denominational services would be held all over Transkei to observe the National Day of Prayer. — DDR

810 31/3/88

Our poor roads restrict growth, says Holomisa⁽¹⁰³⁾

Daily Dispatch Reporter

UMTATA — The Transkei military government had inherited problems of a poor road network from the previous government, the chairman of the military council, Major General Bantu Holomisa, said at Maluti.

He said gravel roads were hampering the economic growth of the country.

The position had been aggravated by the recent floods, and the Department of Works and Energy was embarking on a staff motivation programme relating to the renovation and improvement of the roads.

He said it had been discovered that the training staff, particularly those who were engaged in road maintenance, had been neglected for too long.

The progress had been made on the tarring of a road from Kinirha to Mount Fletcher and the road was expected to be completed in six months.

Another road from Mt Fletcher to Halcyon Drift was also being planned.

The general said mobile health units could not function well because of transport problems.

He also said disease prevention was sometimes delayed because of lack of pure or clean water and toilets, while contaminated water and food resulted in body infection and diseases.

The communities were educated about the common infectious diseases, and prevention, and were expected to co-operate also in immunization of infants and children up to five years of age.

School health service was also slow, due to the transport problems, but he said the problem would soon be over.

On the building of schools, he said all efforts were being undertaken to meet the educational needs of the region, while the departmental policy provided

for the tuition of pupils whose mother tongue was Sesotho.

The Maluti College of Education for Senior Secondary Teachers Diploma catered for teachers of Sesotho.

He said the government had realised the need for more Primary Teachers' Diploma teachers (PTD), and plans were being considered to turn Bensonvale into a PTD college.

He announced the government's schedule for erection of five senior secondary schools, 13 primary schools and junior secondary schools in Mt Fletcher, six senior secondary schools, 11 primary and junior secondary schools and three schools to be repaired.

He said as in all areas outside Umtata, Butterworth and Ezibeleni, some technical education in a comprehensive high school would soon be introduced in Maluti districts in addition to that which already existed in Sterkspruit.

'Ill' Matanzima can't testify

Star 4/3/88 (103)
UMTATA — The commission of inquiry into gambling rights in Transkei was told yesterday that the former Prime Minister of Transkei, Chief George Matanzima, would not appear as scheduled because of ill health.

Chief Matanzima's legal representative, Mr J J Vlok, submitted a medical certificate from the Umtata District Surgeon, Dr Tandeka Mtimkulu, which said Chief George would not be able to testify for about two weeks.

The commission heard that Dr Mtimkulu had said Chief Matanzima was suffering from hypertension and acute left ventricular cardiac failure.

The chairman, Mr Gerald Alexander, SC, commented that the doctor's certificate was made on a standard form used by people who wished to be absent from work.

The legal representative gave the commission the assurance that he would see to it that Chief Matanzima appeared before the commission on the date to be decided by counsel.

CLIENTS MISSING

Another legal representative, Mr R O S Sogoni, appeared briefly to report that he had been unable to contact his clients, Mr T T Letlaka and Mr Mtuzeli Lujabe, both former Cabinet Ministers.

He said he was still trying to trace them. Mr Sogoni requested that he be furnished with a questionnaire of what would be required of his clients.

Mr Alexander said Mr Letlaka would be questioned on his second affidavit about election ex-

penses and then in his capacity as Minister of Commerce, Industry, and Tourism regarding the application for a casino hotel in Umtata.

In further evidence before the commission, the secretary-general of Transkei's Department of Commerce, Industry and Tourism, Mr T Nkungu, said his department had had to prepare a memo for the Cabinet to approve an application for a hotel casino in Umtata.

Mr Nkungu said the managing director of the Transkei Development Corporation, Mr Monty Ntloko, had telephoned him and said the application should be given priority.

MEMO TO CABINET

He said Mr Ntloko had made the first approach on October 31 1986, when he wrote to the department asking that a memo to the Cabinet, recommending that an application for a hotel casino in Umtata by Sun International, be revived.

He said the approach to the Cabinet was said to be prompted by an urgency to have Transun listed on the Johannesburg Stock Exchange.

Asked why he had only submitted a one-page memo to the Cabinet for such an important matter, which obviously needed a number of supporting documents, he said if the Cabinet needed more information it would have been indicated.

He conceded that the scanty information in the memo was an omission on the part of his department, but added that they had recommended the application because there was an urgent need for another high standard hotel in Umtata. — Sapa.

No such man, says SAP of policeman on killing charge

TRANSKEI police believe the man wanted in connection with the death-squad killing of Bathandwa Ndong, an SRC member of the University of Transkei, is a South African policeman.

A warrant for the arrest of Mbuso Enock Shabalala was issued in the Transkei this week after he failed to appear in court to face a murder charge arising out of the death of Ndong.

Transkei police spokesman Colonel Sepula Mokoatle said Shabalala was a South African policeman.

But the SAP, through their public relations directorate, have denied Shabalala is in their employ: "We

have to advise that according to our present records, no person by the name of Mbuso Enock Shabalala is presently serving in the South African Police force".

Told that the SAP denied Shabalala was their member, Mokoatle said: "Well, then they know his real identity. This is not South Africa where you can always demand to see a man's reference book". The man had identified himself to Transkei police as Shabalala, but this might be an alias, Mokoatle said.

Ndong was detained by police in the town of Cala in September 1985. He escaped from a car in which he was being driven out of town and

Transkei wants a South African policeman to appear in court on murder charges. The South Africans say no such man exists. By FRANZ KRÜGER

was pursued by police. According to eye-witnesses at the time, he was cornered and shot repeatedly while pleading for his life.

Shabalala and Sergeant Gciniso Lamont Dandala of the Transkei security police subsequently appeared in court to face murder charges. When Shabalala failed to appear in court in April last year, a warrant for his ar-

rest was issued and the charges against Dandala withdrawn.

The Attorney General said at the time charges could not be brought against one policeman alone. The court was told that police headquarters in Pretoria had been informed about the warrant.

A representative of the SAP indicated this week that, as far as he knew, no such approach had been made.

Col Mokoatle said the Ndong docket had been returned to the Attorney General, who was investigating whether charges should be brought against Dandala alone.

Dandala was still on active service with the Transkei police's security

branch, Mokoatle said.

Meanwhile, two other members of the Transkei security police are to appear in the Umtata Supreme Court in April to face charges arising out of the death of detainee Sthembel Zokwe.

Zokwe was shot at his home in January after being taken there by police. The Commissioner of Police said Zokwe was taking police to a hidden arms cache when he threw a hand-grenade at his escort.

He did not explain how the two policemen, who were with Zokwe in an enclosed room at the time, escaped injury. — Elnews

Fears of 'Kei death squad

THE daylight shooting of three people in an Umtata suburb earlier this month has fuelled rumours of death squads operating in Transkei

The incident, for which police have admitted responsibility, was the latest in a series of unsolved killings and abductions.

At least five people are known to have been shot in public in three different incidents in the Transkei. Marked similarities have emerged between the shootings.

The first was in September 1985, when Bathandwa Ndong, a former executive member of the SRC at the University of Transkei, was picked up by police in Cala. He managed to escape from the car, was cornered against a house door and shot dead.

In January this year, police detained former ANC member Sthembel Zokwe in Butterworth, took him to his house and shot him dead.

It was speculated that Zokwe, who escaped an earlier attack on his life, had been a police informer who had outlived his usefulness. In August last year, he was allegedly taken to a quarry outside Umtata and shot in the head and neck.

In the latest incident, police in a minibus stopped a car in the Umtata suburb of Ncambedlana earlier this month and opened fire. Three people, Zolile Sangoni, Zonwabele Mayaphi and MK Gift, were killed, and the fourth occupant of the car, Thozamile Nkune, was seriously injured.

The incidents share many similarities. They were all carried out recklessly in public, without concern for the presence of eyewitnesses.

Although police have admitted responsibility for the shootings, their accounts of what happened have differed widely from those of eye-witnesses.

Accounts of a white kombi with different registration numbers recur, and in two of the incidents, witnesses spoke of women being involved directly in the shooting.

Observers have pointed to an ambivalence in official attitudes to these killings. Police have seemed unsure what attitude to take: on the one hand, there have been attempts to justify the killings as being in self-

Five people have been killed in three different shootings in Transkei. Local policemen have been involved in all

defence; on the other hand, policemen have been arrested, although no trial has yet taken place. At the same time, witnesses have been detained and victims investigated.

In the Ndong case, police admitted responsibility but no official explanation was forthcoming until then state president, Paramount Chief Kaiser Matanzima, said Ndong was shot because he was responsible for an Umtata bomb blast earlier that year.

Some time afterwards, however, two policemen were charged with murder. Charges were later dropped after one of them failed to appear in court.

Police claimed one of the men, Gift, had been a trained guerrilla and they had opened fire when he failed to heed a warning to stop handling a hand grenade. Witnesses, including the survivor, Nkune, denied the existence of a grenade.

It is clear the public shootings have embarrassed the Transkei police, which may explain the ambivalence in their attitude. It has also been speculated that the group responsible may not be entirely under their control.

In at least one case, there is an indication the group may include renegades from the ANC. In the Ndong killing, a witness claimed to have heard the apparent leader of the group say he had been with Ndong in an ANC training camp.

Family members have denied any possibility Ndong was in a camp, but the other man may have been. — elnews

His excellency

As tales about vendettas, front companies, fake race winnings and deception involving top South African businessmen are told in evidence before the commission of inquiry into Transkei corruption, new facts about the extraordinary relationship between former PM George Matanzima and East London

KM 4/3/88

businessman Chris van Rensburg have surfaced.

Van Rensburg, chairman of Jalc Holdings (a name which has cropped up during the investigations), frequently acted as unofficial ambassador for Matanzima. During his



Van Rensburg and Annenberg . . . unofficial ambassador

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various travels abroad — which he claims he paid for out of his own pocket — on behalf of Matanzima, Van Rensburg made contact with US assistant Secretary of State Chester Crocker and befriended former US ambassador Walter Annenberg.

Van Rensburg used these contacts in efforts to obtain diplomatic status for a planned visit to the US by Matanzima. On February 17 1984, Matanzima himself wrote to President Reagan to request a meeting with him to discuss official US recognition of the Transkei. To lend credibility to Matanzima's request, Van Rensburg called on Annenberg, a personal friend of Reagan, to present the Transkei leader's case.

In a letter dated March 19 1984, a Los Angeles sheriff, Peter Pitchess (who, through Van Rensburg, had also been corresponding with Foreign Affairs Minister Pik Botha) wrote to US senator Pete Wilson saying the "response to Annenberg from the White House was that 'the door was not shut' against such a visit."

According to former Cape Town attorney Richard Kurland, Van Rensburg admitted that he (Van Rensburg) was a front for Matanzima and had operated a banking account for him. Kurland, a former partner of former Cape Town mayor Abe Bloomberg, told the commission that he, Van Rensburg and Athos Paulos (a Jalc director) had approached Bloomberg to help them obtain slot machine rights in the Transkei.

A personal vendetta between two former partners disrupted the inquiry. Kurland, now living in Australia, told the commission that ESL, a company registered in Lichtenstein which had sold the exclusive gambling rights in the homelands to Sun International, was a front for a local syndicate. The real shareholders, he said, were Bloomberg and his son David (also a former mayor of Cape Town), bookmakers Louis Miller and Gus Wisenberg and Kurland himself.

But, said Bloomberg senior, there was "not a vestige of truth" in this claim. Bloomberg has also denied that he and Kurland accepted a proposition from Van Rensburg that Matanzima wanted an interest in the business. Claiming that Kurland's unscheduled appearance at the inquiry "came as no surprise" to him, Bloomberg said his former partner had "pursued a personal vendetta against me and others" since he left the firm in 1981. Kurland had flown to SA from Australia several weeks earlier.

Bloomberg's lawyer, Harry Snitcher, told the inquiry in a statement that he had been informed only late on Monday night that Kurland would testify the next day. He said he had not been given a copy of Kurland's affidavit in advance, which had "gravely prejudiced" his clients in the public eye. He said Kurland had used the opportunity of appearing before the commission "in furtherance of a malicious intent to damage, besmirch and harm" the reputations of the Bloombergs.

Kurland would not be required to attend the inquiry for cross-examination, said

Snitcher. "Mr David Bloomberg will deal fully with the matters raised by Mr Kurland in his further evidence," he said. Van Rensburg is expected to testify this week.

Kokstad lawyer M T Brereton told the commission that he had been one of the first people to seek gambling rights in Transkei's pre-independence years. Brereton said he had learnt there would be a hotel casino in Transkei after independence. He said he had several meetings with what was then the Xhosa Development Corporation (XDC) in connection with the casino.

When it seemed that the XDC was procrastinating, he and his associates decided to bypass the corporation and approached the government directly. Through an employee of a milling group, a meeting was arranged with the PM in August 1976. The meeting was brief, because Matanzima was opposed to gambling in Transkei as he felt it would corrupt the people. Brereton said Matanzima had indicated that he did not have any objection if casinos were located on the coast and said the matter should be dealt with by the XDC. Brereton said they were told to meet Franko Maritz.

One of the conditions for the granting of casino rights was that there should be a 51% Transkeian shareholding and this was represented by one Sihele (who knew Matanzima), the wife of Matanzima and the wife of former Minister of Interior Harold Pamla.

The 51% shareholding was later bought out and was held by the Transkei Development Corporation on behalf of Transkei citizens.

Matanzima owes R3m — creditors

CAPE TIMES 4/5/88 103

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Own Correspondent

JOHANNESBURG. — Former Transkei prime minister Chief George Matanzima has estimated liabilities of about R3,8 million, his creditors have claimed.

While his potential assets, including farms, livestock and other property, could amount to R4,4m, creditors say definite assets not in dispute are only R1,9m, and the excess of liabilities over assets could be more in the region of R1,8m.

At present a closed inquiry under the Insolvency Act is proceeding, while a separate Supreme Court battle is being fought over the sale of certain of Chief George's assets.

The creditors have agreed to hold back on the sale of the movable property on Chief George's Ugie farm, while lawyers for

Chief George bring an application to have consent for the sale taken on review.

The cases are expected to continue next week.

According to the creditors, Chief George owes the Bank of Transkei about R1,4m; the Transkei Development Corporation (TDC) R173 000; Tracor R935 000; the Receiver of Revenue about R800 000; and other known creditors R450 000.

They have listed fixed property worth R3m as two houses at Port St Johns, one in Umtata, a smallholding in Umtata, and three farms at Queenstown, Elliot and Ugie.

The Ugie farm is still registered in the name of G J Gouws. The on-going inquiry into Transkei government corruption has been told it was bought in December 1986 for R1,4m with money transferred into Mr Gouws's account by Cape Town attorney

Mr David Bloomberg after the Transgames deal.

Because the farm was in SA, however, Chief George was unable to take transfer. The inquiry has been told he approached the SA government with a view to having the farm, close to the Transkei border, incorporated into Transkei.

Chief George's creditors argue the purchase of the farm may be voidable, entitling them to cancel and claim repayment of R1,2m from Mr Gouws.

Chief George's movable assets are listed as livestock, vehicles, furniture and farm implements at Ugie — R122 400; at Elliot R234 800; at Gwatu R390 000; and at Mtshanyana, his official home, R42 000. The proceeds of 48 900 Transun shares are listed at R155 000; shares in other companies are unknown and the value of bags of maize (whereabouts unknown) at R450 000.

Bloombergs

Refuses

Call to quit

*Cape Town's
4/3/88*

103

By **AUDREY D'ANGELO**
Financial Editor

CAPE TOWN lawyer Mr David Bloomberg — a member of the City Council and prominent in racing circles — has been asked to resign from the board of Metropolitan Life following allegations, which he denies, that he was involved in corruption in Transkei.

But he has refused to resign. "I am not guilty of any offence at all and I have not been charged with any offence," he said last night. He said the allegations had been made "in a court of inquiry in the Transkei, of all places. People are making reckless allegations in pursuit of Madettas and this can go on indefinitely. This is a time when one looks to one's friends to stand by one."

Metropolitan Life, a Cape Town-based insurance company, specializing in the black market, was built up by Mr Bloomberg from small



Mr. David Bloomberg



Mr. Marinus Daling

beginnings and is now a subsidiary of Sankorp, the industrial arm of Sanlam.

A director of Sankorp, Mr Etienne le Roux, said yesterday that the request for Mr Bloomberg's resignation did not imply that the board believed that he was involved in corruption in the Transkei.

"But Metropolitan Life does a lot of business in the area. We don't say Mr Bloomberg has done anything wrong or not. We are thinking of the good of the company."

Agreeing with this the chairman of Metropolitan Life, Mr Marinus Daling, said: "Our request for his resignation is not based on whether

Mr Bloomberg has done right or wrong. Our action is based on the interests of the company."

Mr Daling admitted that he had not consulted all the members of the board. "But a majority were in agreement."

Mr Bloomberg said Mr Daling had threatened to remove him from the board, "and issue an appropriate press statement", if he refused to resign.

"But I refuse to be intimidated. I asked to be allowed to address the board, but that has been denied me."

Mr Bloomberg is also on the board of African Oxygen (Afrox) whose managing director, Mr Peter Joubert, said yesterday: "David assures me that he has no beneficial interest in any overseas company and at this stage I do not intend taking any action about his membership of the board."

Mr Joubert said he did not expect any evidence that would change this situation.

Mr Bloomberg said: "If I considered myself guilty of anything at all I would resign immediately, not only from Metropolitan Life but from all the boards on which I sit."

He said he was "most encouraged by the support I have received from my real friends".

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Chief George too ill to appear

103

UMTATA — The commission of inquiry into gambling rights was told yesterday that the former prime minister, Chief George Matanzima, would not appear as scheduled today because of ill health.

Chief George's legal representative, Mr J. J. Vlok, submitted a medical certificate from the Umtata district surgeon, Dr Tandeka Mtimkulu, which said Chief George would not be able to testify for about two weeks.

The commission was told Dr Mtimkulu had said Chief George was suffering from hypertension and acute left ventricular cardiac failure.

The chairman, Mr Gerald Alexander, SC, commented that the doctor's certificate was made on a standard form used by people who wished to be absent from work.

The legal representatives gave the commission the assurance that they would see to it that Chief George came to the commission on a date to be decided by counsel.

Another legal representative, Mr R. O. S. Sogoni, told the commission he had been unable to contact his clients, Mr T. T. Letlaka and Mr Mtutuzeli Lujabe, both former cabinet ministers. He said he was still trying to trace them.

Mr Sogoni asked that he be furnished with a questionnaire of what would be required of his clients.

Mr Alexander said Mr Letlaka would be questioned on his second affidavit about election expenses and then, in his capacity as minister of commerce, industry, and tourism, on the application for a casino hotel in Umtata. — DDR

Umtata hawkers D/D 4/3/88 banned in CBD

UMTATA — The Umtata city council had decided to ban hawking in certain streets of Umtata with immediate effect, according to the mayor of Umtata, Mr F. C. Ngcobo.

He told a meeting of shopkeepers and traders here the council would provide the hawkers with stalls in the new market centre.

While they recognised that many hawkers were poor people trying to make an honest living, they also realised that the shopkeepers were at a disadvantage.

They had incurred great expense in acquiring and maintaining the premises in accordance with public health regulations and paying various charges and rates, only to see vendors, who have had virtually no expenses, selling in front of their doors. — DDR

Witness explains memo on Umtata casino application

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Daily Dispatch
Reporter

UMTATA — The secretary-general of the Department of Commerce, Industry and Tourism, Mr T. Nkungu, yesterday told the commission of inquiry into gambling rights in Transkei that his department had had to prepare a memo for the cabinet to approve an application for a hotel casino in Umtata.

Mr Nkungu told the commission that the managing director of the Transkei Development Corporation, Mr Monty Ntloko, had telephoned him and said the application should be given priority.

He said Mr Ntloko had made the first approach on October 31, 1986, when he wrote to the department asking for a memo to the cabinet recommending that an application for a hotel casino in Umtata by Sun International be revived.

He said the approach to the cabinet was said to be prompted by an urgency to have Transun listed on the Johannesburg Stock Exchange.

Asked why he had only submitted a one-page memo to the cabinet for such an important matter, which obviously needed a number of supporting documents, he said if the cabinet needed more information it would have been indicated.

He said the minister's approval would only be in principle and other departments such as Justice, Local Government and Land Tenure, Posts and Telegraphs and Finance would still have to be approached.

He conceded that there was also the question of feasibility studies to be attended to and, therefore, any approval would have only been in principle.

He conceded that the scanty information in the memos was an omission on the part of his department, but added that they had recommended the application because there was an urgent need for another high standard hotel in Umtata.

He said his depart-

ment was only looking at the whole project whereas the question of licences was being looked into by the Department of Justice.

He could not remember who assisted with the drafting of the Gambling Act in 1970. Replying to questions, he said he had not met a Mr Kurland or Mr Bloomberg.

He said Mr Bongani Soldati had been in the industry section of the department and also handled TDC matters.

He had first heard of an agreement between Chief George Matanzima and Sun International when the new prime minister, Miss Stella Sigcau, called representatives of the departments of justice and commerce to her office to be given more information on the matter.

Mr Nkungu said the principle of his department was that it did not support a monopoly in any of the ventures submitted to it and could not, therefore, support an application for exclusivity.

Matanzima assets on hold

7/3/88 ROGER SMITH (103) *Adm*
CREDITORS have agreed to hold back on the sale of the assets of former Transkei PM Chief George Matanzima, as the on-going battle in the Transkei Supreme Court over his estate has still to be decided. Movable property, including cattle, were to have been sold from Chief George's Ugie farm this week. Lawyers for Chief George yesterday prepared an application to have the consent of the Master of the Supreme Court for the sale taken on review.

Kei licence deals: Lawyer's evidence

ARCUS
3/3/88
103

UMTATA — Lawyer Mr Alastair Buchan has told the commission of inquiry into gambling rights in Transkei that as the lawyer acting for Transgames, he had often received instructions from Mr David Bloomberg to meet the former adviser to the Prime Minister, Mr Liston Ntshongwana.

Mr Buchan said he relied for his records mostly on notes he made from time to time during November 1986 as he communicated with Mr Bloomberg by telephone.

He had often been contacted by Mr Bloomberg in connection with licences for new outlets for Transgames in Idutywa and Mount Frere.

PHONED

When he went to see Mr Ntshongwana on one occasion, the former adviser promised he would sort out the question of the licences with a Mr Sineke of the Department of Justice.

When he phoned the adviser's office the next morning, Mr Ntshongwana said he had spoken to Mr Sineke, and that he would be hearing from him again and asked Mr Buchan to phone the following Monday.

All this time he said he was sure he must have been phoning in connection with the granting of the licences and on one occasion he met Mr D S Koyana, who became Justice Minister. He said he thought it was at that moment that Mr Koyana had been told to grant the licences.

Replying to a question, he said he knew Mr van Rensburg and that he had indicated to Mr Bloomberg that he did not want to deal with the man.

Another witness, Mr Peter Barable, who is secretary/legal adviser to the Transkei Development Corporation (TDC), told the commission about negotiations regarding the purchase of Transgames.

He said the TDC had, up to the end of 1986, no interest or shares in Transgames. They were not given any balance sheets, but had felt the purchase price of R4-million was good.

At the time they had heard about the hotel to be built in Umtata, and he had been told by Transun executives that Transgames had been purchased because of the hotel. — Sapa.

D/P 3/3/88 (103)

2 pupils killed in accident

UMTATA — Two Standard-10 pupils at Nozuko Senior Secondary School near here, Mandla Timakwe and Paula Botha, died after being involved in an accident with an army vehicle near their school.

lala, said pupils from his school had attended a geography lecture on Monday evening and were on their way home when the accident occurred.

died in hospital. The accident had left an air of sadness over the school, he said.

The accident was confirmed by the Transkei Police public relations officer, Lieut-Col S. S. Mokoatle, who said details would be given later.

The principal of the school, Mr G. Z. Nom- He said Mandla Timakwe had died instantly and Paula Botha had

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DD 3/3/88
**Concern
over
abuse of
coastline**

MPEKWENI — Exploitation of the Transkei and Ciskei coastlines was causing concern, and the coastline could suffer permanent damage unless strict control measures were enforced.

This was said in a joint statement issued yesterday by the Secretariat for Multi-lateral Co-operation in Southern Africa and the South African National Committee for Oceanographic Research (Sancor).

It added that research is needed to identify the main problem areas and it is necessary for "planned coastal utilisation for the realisation of the area's tourist potential, while securing the stability and maintenance of this marine resource".

Marine scientists and coastal zone managers from Ciskei, South Africa and Transkei are to meet today at the Mpekweni marine resort to discuss plans and research data "to identify future research needs". — DDR

UMTATA — The Transkei Supreme Court yesterday halted the sale in execution of property from the farm Constance belonging to the former Prime Minister, Chief George Matanzima, or any other place outside the borders of Transkei.

An order staying the sale, which was scheduled for today and tomorrow, was granted by Mr Justice Lombard after Chief George had brought an urgent review application to have the sale stayed.

The review application was brought while the court was hearing evidence of the Master of the Court, Miss F. Finca, as a preliminary to the original application.

Mr C. Rosenthal, representing Chief George, said his withdrawal of the original application was not an admission that his case would not succeed in the final conclusion.

Miss Finca told the court that representatives of Chief George had approached her and asked to inspect his sequestration file. They asked if she had consented to the sale of the properties.

Court halts sale of Chief George's stock

"I told them that their client had consented to the sale," she said.

Miss Finca said trustees had checked what assets Chief George and were concerned at the large numbers of livestock, implements and other equipment.

Miss Finca said she had complied with section 80 of the Insolvency Act, which gives the master authority to consent to a sale where representations have been made by trustees following a meeting of creditors.

In an affidavit, Chief George said he had pointed out to counsel that the sale of movables scheduled for tomorrow was to take place on the farm Constance, which was in South Africa and belonged to a Mr Andrews, a South African citizen.

Chief George submitted that the master of

the Transkei Supreme Court had no jurisdiction to authorise a sale to take place outside Transkei's borders.

In previous interdict proceedings, he had sought to restrain a sale from taking place at Mooihoek farm. As the sale was to take place outside the area of jurisdiction of the master of the court, the respondents had conceded the validity of his objection and cancelled the sale.

In another affidavit, Chief George said if the court accepted the word of the master that she had consented to the sale, "I submit that her consent was improperly obtained".

The reason was that not only livestock was authorised to be sold but a variety of implements, motor vehicles, equipment and furniture.

The master was empowered to authorise

the sale of goods prior to the final sequestration of the insolvent only if urgency had been shown to her satisfaction.

"Since the provision of the Insolvency Act was not complied with, the master acted unlawfully in giving her consent since the consent of the insolvent is jurisdictionally irrelevant."

It was for the creditors to decide what action was to be taken and not the insolvent, Chief George said.

"In any event, I categorically state that the consent that I gave was not an unqualified consent, and a reserve price was to be agreed upon.

"No reserve price was agreed with me."

Chief George said he would suffer huge prejudice if the matter was not reviewed as forced sale in execution would not realise the true value of the livestock to be sold.

As an example, he said, he had bought certain breeding bulls for R14 000 each, but would not realise R3 000 for them on a forced sale.

The return date was not indicated yesterday. — DDR

Inquiry: Umtata attorney recalls receiving Bloomberg's instructions

D/D 3/3/88
(103)

Daily Dispatch Reporter

UMTATA — An Umtata lawyer, Mr Alastair Buchan, yesterday told the commission of inquiry into gambling rights in Transkei that as the lawyer acting for Transgames he had often received instructions from a Cape Town attorney, Mr David Bloomberg, to go and see the former adviser to the prime minister, Mr Liston Ntshongwana.

Mr Buchan said he relied mostly on notes he made during November 1986 while communicating with Mr Bloomberg by phone, and the notes might not show precisely what occurred.

He had often been contacted by Mr Bloomberg in connection with licences for new outlets for Transgames in Idutywa and Mount Frere, and was instructed to mention Mr Chris van Rensburg's name when he visited Mr Ntshongwana.

According to one note, he was told to mention the names of Mr Van Rensburg and Mr Bloomberg when he had to see Mr Ntshongwana, who promised he would sort out the question of the licences to be granted with Mr Sineke of the Department of Justice.

On one occasion Mr Buchan had to wait to see Mr Ntshongwana, then went home and had to go again, and waited about two hours without seeing him.

When he phoned the next morning, Mr Ntshongwana said he had spoken to Mr Sineke and he would be hearing

from him again. He asked Mr Buchan to telephone the following Monday.

All this time he said he was sure he must have been telephoning in connection with the granting of the licences and on one occasion he met Mr D. S. Koyana, whom he congratulated on becoming the new Minister of Justice.

He said he thought it was on that occasion that Mr Koyana had been told to grant the licences.

He recalled having phoned Mr Ntshongwana on December 2 and later that day having a long chat over the phone with Mr Bloomberg who wanted to know what was happening.

He also recalled having accompanied Mr V. Mbotoli to Mr Ntshongwana's office between November 10 and 26.

Replying to a question, he said he knew Mr Van Rensburg and had indicated to Mr Bloomberg that he did not want to deal with him.

Another witness, Mr Peter Barrable, who is the secretary/legal adviser of the Transkei Development Corporation, told the commission about negotiations by Sun International, a Liechtenstein company, Etablissement, Sports et Loisirs (ESL), and Mr Mbotoli regarding the purchase of Transgames.

He said the TDC had, up to the end of 1986, had no interest or shares in Transgames, and as they were not shareholders they were

not shown the draft agreement of the negotiating parties.

They were not given any balance sheets as they were not entitled to them, but they had felt the purchase price of R4 million, R2 million in cash and R2 million in shares, was good.

At the time they had heard about the hotel to be built in Umtata, and he had been told by Transun executives that Transgames had been purchased because of the hotel.

He was, however, not aware of what was happening at Transgames as all the correspondence regarding the matter went directly to the managing director, Mr Monty Ntloko.

Mr Barrable said he did not even have the opportunity of seeing the telefaxes which arrived through his office, as Mr Ntloko's private secretary collected them as soon as they arrived.

Regarding the issue of shares in Transun to Transkeians, he said it was intended to assist in expansions at Mzamba as well as to enable Transkeians to participate.

The general manager for development in the TDC, Mr Pieter Rudolph Bosch, who also gave evidence, confirmed that with the listing of Transun the TDC had decided to renounce its rights on behalf of Transkeian citizens, as well as to expand the facilities at the Wild Coast Sun.

The commission continues today.

Commission told how govt aide 'sorted out' licences

Star 3/3/88 103
UMTATA — An Umtata lawyer, Mr Alastair Buchan, told the commission of inquiry into gambling rights in Transkei yesterday that he was the lawyer acting for Transgames, and had often received instructions from Mr David Bloomberg to go and see the former advisor to the Prime Minister, Mr Liston Ntshongwana.

Mr Buchan said he relied mostly on notes he made from time to time, during November 1986, as he communicated with Mr Bloomberg by phone, and the notes might not show precisely what occurred.

He had often been contacted by Mr Bloomberg in connection with licences for new outlets for Transgames in Idutywa and Mount Frere, and was instructed to mention Mr Chris van Rensburg's and Mr Bloomberg's names when he visited Mr Ntshongwana.

When he went to see Mr Ntshongwana on one occasion, the former advisor promised that he would sort out the question of the licences with a Mr Sineke of the Department of Justice.

When he phoned the advisor's office the next morning, Mr Ntshongwana said he had spoken to Mr Sineke, and that he would be hearing from him again.

All this time, he said he was sure he

must have been phoning in connection with the granting of the licences and on one occasion he met Mr DS Koyana, who became Justice Minister. He said he thought it was at that moment that Mr Koyana had been told to grant the licences.

He recalled phoning Mr Ntshongwana on December 2 and later that day having a long chat over the phone with Mr Bloomberg, who wanted to know what was happening.

He also recalled accompanying Mr V Mbotoli to Mr Ntshongwana's office during the period between November 10 and 26.

Replying to a question, he said he knew Mr van Rensburg and that he had indicated to Mr Bloomberg that he did not want to deal with the man.

Another witness, Mr Peter Barrable, who is the legal adviser of the Transkei Development Corporation, told the commission about negotiations by Sun International, a Liechtenstein company, Etablissement Sports et Loisirs (ESL), and Mr Mbotoli regarding the purchase of Transgames.

He said the TDC had, up to the end of 1986, no interest or shares in Transgames, and they were not shown the draft agreement of the negotiating parties. — Sapa.

More Bloomberg ties

CH 6 Times 2/3/88 (103)
Own Correspondent

UMTATA. — Further allegations of close ties between Cape Town attorneys Mr David and Mr Abe Bloomberg, Jalc Holdings managing director, Mr Chris van Rensburg, and former Transkei Prime Minister Chief George Matanzima were made before the inquiry into Transkei government corruption here yesterday.

In arguing in favour of being allowed to cross-examine Jalc subsidiary Temba Holdings managing director Mr Vulindlela Mbotoli, Mr Fanie Cilliers, SC, for Sun International (SI) said evidence of a line of communication between Umtata and Cape Town had a bearing on what happened between Mr David Bloomberg and SI in the Transgames deal in 1986.

Earlier evidence was that R2m

transferred to Bloomberg by SI for the deal was paid out to Chief George and other cabinet ministers.

Mr D van Zyl, for the Bloomborgs, questioned the relevance of Mr Cilliers's questions, but inquiry chairman Mr Gerald Alexander SC allowed them on the basis it was to elicit specific facts.

Under cross-examination, Mr Mbotoli told the inquiry he was related to the Matanzimas and was "very close" to Chief George.

He agreed he was brought into Transgames with a 10% share because "a local man" was wanted in the company.

He was approached by Mr Van Rensburg whom he thought was "part of them" — Mr David Bloomberg and the Lichtenstein-based Etablissement Sports et Loisirs (ESL).

Daily Dispatch Reporter

UMTATA — A Transkei businessman, Mr Vulindlela Mbotoli, appeared before the commission of inquiry into gambling rights yesterday and was cross-examined by senior counsel for Sun International, Mr S. A. Cilliers, about the sale of his 10 per cent share in Transgames.

Mr Mbotoli said he had not been keen to sell but Mr David Bloomberg of Cape Town had told him he had no choice since the majority shareholder, who held 45 per cent,

Shares sold for R500 000 inquiry told

103

DID 2/3/88

had decided to sell.

Earlier evidence in the hearing was that the 45 per cent shareholding in Transgames was held by a Liechtenstein-based company, Etablissement Sports et Loisirs (ESL), of which members of Bloomberg and Co were directors.

Mr Mbotoli said he

was invited to go to Cape Town by Mr Bloomberg and was accompanied by Mr J. T. Strong. After the meeting he had sought the advice of Mr L. D. Painting, who told him to go ahead and sell his shares.

He gave Mr Bloomberg power of attorney to sell his shares, and

the sale went through on December 10, 1986.

He had received R574 626 from the sale of his shares. He had kept R180 000 of this and used the remaining R394 626 to repay loans he had received from Mr Chris van Rensburg's company, Jalc.

He had discussed the venture with Paramount Chief Kaiser Matanzima who told him he hated gambling and would not allow it while he was alive.

Mr Mbotoli is expected to testify again today.

Inquiry told of anger at party

D/D 2/3/88

103

Daily Dispatch Reporter

UMTATA — The commission of inquiry into gambling rights was told by a witness yesterday that he believed Mr Chris van Rensburg had considerable influence over the former Transkei prime minister, Chief George Matanzima.

The witness, Mr David White, and his business partner, Mr George Peter Poulos, who had tried unsuccessfully to acquire a lease for land to build a hotel at the Umtamvuna river gorge, told the inquiry they were among guests at the 60th birthday party of Chief George in December 1978.

Asked by counsel for the auditor-general if he had come across Mr Van Rensburg, Mr White replied that he had met him on three occasions, one of them at Chief George's birthday party.

Paramount Chief Kaiser Matanzima, who was prime minister at the time, and a number of non-Transkeians such as Mr Van Rensburg, Mr Poulos, Mr Athos Poulos, Mr A. T. Nelson were at the party.

He had attended as he had been promised by Mr Athos Poulos that he would speak to Paramount Chief Kaiser about Mzamba Development, in which he and a Kokstad attorney, Mr M. T. Brereton, had interests.

Mr Brereton told him he had been forced by Paramount Chief Kaiser to sell the Mzamba Development rights to Mr Charles Fiddian-Green, of Holiday Inns.

He told Paramount Chief Kaiser that by forcing Mr Brereton to sell, he was cheating the country.

He said Paramount Chief Kaiser looked very angry and had replied that it was not the time or place to discuss the matter. He told him to come back in February 1979.

Mr White told the commission that Chief George drove them to their aircraft.

He asked them if they realised that Paramount Chief Kaiser would no longer be prime minister in February and would have no executive powers.

Chief George said he would be the prime minister and his brother would be state president.

Asked about the role of Mr Van Rensburg, Mr White said he believed he had considerable influence over Chief George, who had a high regard for him.

Mr Van Rensburg had told him of the extent of his relationship with Chief George, and had said he was waiting for him to become prime minister.

The commission continues today.

D/D 2/3/88

Sale of ex-PM's assets: legal argument expected today

(103)

Daily Dispatch Reporter

UMTATA — The main argument by counsel in the civil application to be heard in the Transkei Supreme Court here involving the sale of all assets belonging to the former prime minister, Chief George Matanzima, is expected to begin today.

The matter had been scheduled to begin yesterday but certain legal technicalities surrounding the matter dominated the preliminary hearing.

On Monday the Supreme Court halted the sale of all movable property on the farm Chief George bought from a Ugie farmer.

The matter to be heard today is whether the sale of his farm in Ugie and all other assets scheduled for tomorrow and Friday will take place.

Monday's ruling was made in terms of an agreement by both trustees who conceded that the sale be put off, and the applicants.

Chief George was accompanied at yesterday's hearing by his brother, the former state president, Paramount Chief Kaiser Matanzima.

Leading the team of advocates representing the trustees was Advocate Dave Gordon, SC. Representing the former prime minister are Mr De Waal Lubbe, Mr J. Heher and Mr C. Rosenthal.

Mr Justice Lombard was on the bench.

Gambling shares sold for R574 626

Star 243188 103

UMTATA — A Transkei businessman, Mr Vulindlela Mbotoli, appeared before the commission of inquiry into gambling rights yesterday and was cross-examined by counsel for Sun International, Mr S A Cilliers, SC, about the sale of his 10 percent share in Transgames.

Mr Mbotoli said he had not been keen to sell but Mr David Bloomberg of Cape Town had told him he had no choice since the majority shareholder, who held 45 percent, had decided to sell.

Mr Mbotoli said he was invited to go to Cape Town and was accompanied by Mr J T Strong. After the meeting he had sought the advice of Mr L D Painting, who told him to go ahead and sell his shares.

He received R574 626 from the sale of his shares. He had kept R180 000 of this and used the remaining R394 626 to

repay loans he had received from Mr Chris van Rensburg's company, Jalc.

He had discussed the venture with Paramount Chief Kaiser Matanzima, who told him he hated gambling and would not allow it while he was alive.

Two business partners, Mr David White and Mr George Peter Poulos, who had tried unsuccessfully to acquire a lease for a piece of land to build a hotel at the Um-tamyuna River Gorge said they were among guests at the 60th birthday party of the former Transkei Premier, Chief George Matanzima, in December 1978.

Asked by counsel for the auditor-general if he had come across Mr Chris van Rensburg, Mr White replied that he had met him on three occasions, one of them at Chief George's party.

He had gone to the party because he had been promised by Mr Athos Poulos that he would be able to meet Chief Kaiser about the Mzamba Development, in which he and Mr M T Brereton, a Kokstad attorney, had interests.

He said Mr Brereton had told him he had been forced by Chief Kaiser Matanzima to sell the Mzamba Development rights to Mr Charles Fiddian-Green of Holiday Inns and he had intended to ask the chief about this.

He spoke to him at the birthday party and told him that by forcing Mr Brereton to sell, he was cheating the country and history would mark him.

He said Chief Kaiser Matanzima looked very angry and had replied that it was not the time or place to discuss the matter.

The commission continues today. — Sapa.

03

13/88

Coup widely accepted: Holomisa

UMTATA — The reasons for military takeover in Transkei were now widely accepted by the Transkei community, especially those who had been addressed by the members of the military council, Major General Bantu Holomisa said in Umtata yesterday.

Addressing members of the prison service, he said he had chosen to address the forces in order to repeat his call of re-dedication to civil servants.

Holomisa appealed to the Prisons Department to find more effective ways and means of using prison labour.

He said the time was ripe for prisoners to be used to the benefit of the community they had wronged instead of locking them away to rot physically and psychologically in cells. Without usurping employment opportunities, prison labour could be used to benefit Transkei, he said. — Sapa.

Dual drama as Matanzimas^{Blday} face accusers

UMTATA — The fortunes of the Matanzimas were bound up in dual dramas here yesterday.

In the Supreme Court hearing on an application for the sequestration of Chief George Matanzima's estate, lawyers for Chief George moved to try to prevent the sale of his assets.

Meanwhile, at the inquiry taking place nearby, evidence was led that Chief Kaiser Matanzima was to have

11/3/88 ROGER SMITH (103)

had a share in the Mzamba Development Company, to which he had granted certain gambling rights.

One of the men behind Mzamba, Margate businessman David White, said they were under the impression they had to have Transkei citizens in the company and if Chief Kaiser wanted to take part they were agreeable.

□ Business Day reported yesterday counsel for the Auditor-General had said the inquiry should draw its own conclusions from the refusal of legal representatives for Cape Town attorney David Bloomberg to cross-examine Bloomberg's former partner, Richard Kurland.

But yesterday, Archie Finlay, SC, for the Auditor-General said he had, in fact, said "conclusions may be drawn in the light of argument at a later stage".

KEY MARKET MOVEMENTS — FEBRUARY 26 1988

D/D 1/31/88 (103)

Court halts sale at Ugie farm

Daily Dispatch Reporter

UMTATA — The Transkei Supreme Court has halted the sale of movable property on Mooiplaas farm which was sold to the former prime minister of Transkei, Chief George Matanzima, by a Ugie farmer, Mr G. Gouws.

The sale of the movable property, including livestock, farm implements and furniture, had been scheduled for today.

The court accepted concession made against the sale by Chief George, who brought an application before Mr Justice Davies against the sale of his property.

The application was made in the wake of orders made by the Grahamstown and Transkei supreme courts putting under liquidation all property belonging to Chief George.

Argument will continue today on the sale of further property.

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T'kei coal mine to start up — director

Daily Dispatch Reporter
UMTATA — The first coal mine in Transkei is to begin a full-scale operation within three months in the Lady Frere district, a director of Macubeni Collieries (Pty) Ltd, Dr J. van Niekerk, said here yesterday.

Dr Van Niekerk said the coal reserves represented the biggest asset of the Republic of Transkei.

The project would involve the development of a town with associated infrastructure, and spawn a number of related industries.

The exploration results indicated a deposit of more than 100 million tons of coal reserves of an anthracitic low sulphur high ash coal.

Arrangements had been concluded with the South African Transport Services and the East

London Port Authorities, and the harbour would handle the export of a maximum 800 000 metric tons of coal and briquettes a year.

This would enable Macubeni Collieries to export its coal and other products at a most competitive free on board price.

It was believed a clay deposit existed in the immediate vicinity of the mine, ideal for brickmaking.

The projects would produce thousands of long-term job opportunities for Transkeians.

The Minister of Commerce, Industry and Tourism, Mr Dowa Mgudiwa, said the signing of the lease was historic, as it was the first major mining lease to be concluded in Transkei since independence, and marked the end of five years of negotiations.

Lawyer tells of gambling rights bid

103 Star 1/31/88
UMTATA — A Kokstad lawyer, Mr M T Brereton, told the commission of inquiry into the granting of gambling rights yesterday that he had been one of the first people to seek gambling rights in Transkei's pre-independence years.

Mr Brereton said a Mr Motsilili, an employee of a milling group, spoke to a Mr Sihele who knew the then Prime Minister, Paramount Chief K D Matanzima, well.

Through Mr Sihele a meeting was arranged with the Prime Minister in August 1976.

Mr Brereton said Chief Matanzima

had indicated that he did not have any objections if casinos were located on the coast.

One of the conditions for the granting of casino rights was that there should be a 51 percent Transkeian shareholding, and this was represented by Mr Sihele, Mrs Matanzima, wife of the Prime Minister, and the wife of the late Mr Harold Pamla, who was Minister of the Interior.

The 51 percent shareholding was later bought out and was held by the Transkei Development Corporation on behalf of Transkei citizens.

The hearing continues today. — Sapa.

Inquiry told of casino bid ^{1/3/88} 103

Daily Dispatch Reporter

UMTATA — A Kokstad lawyer, Mr M. T. Brereton, yesterday told the commission of inquiry into the granting of gambling rights that he and a Mr Heyward had learnt there would be a hotel-casino in Transkei after independence.

He said they had several meetings with the then Xhosa Development Corporation in connection with the casino project.

Mr Brereton said a Mr Motsilili, an employee of

a milling group, spoke to Mr M. Sihele who knew the then prime minister, Paramount Chief K.D. Matanzima, well and a meeting was arranged with the prime minister in August 1976.

Mr Brereton said Paramount Chief Matanzima had indicated that he did not have any objection if casinos were located on the coast and said the matter should be dealt with by the XDC.

Mr Brereton said they were told to meet Mr Franko Maritz.

One of the conditions for the granting of casino rights was that there should be a 51 per cent Transkeian shareholding, and this was represented by Mr Sihele, Mrs Matanzima, wife of the prime minister, and the wife of the late Mr Harold Pamla, who was Minister of Interior.

The 51 per cent shareholding was later bought out and was held by the Transkei Development Corporation.

The commission continues today.

Bid to save assets of Chief George

copy from
1/3/88
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Own Correspondent

UMTATA. — The fortunes of the Matanzimas — once Transkei's ruling strongmen — were bound up in dual dramas here yesterday in the Supreme Court and in the inquiry into Transkei government corruption.

In the Supreme Court hearing on an application for the sequestration of the estate of the former prime minister, Chief George Matanzima, lawyers for Chief George moved to try to prevent the sale of his assets, including the Ugie farm he bought for R1,4m as part of a deal which has featured in the inquiry.

The court hearing was barred to the general public.

Meanwhile, at the inquiry in the old parliament building nearby, evidence was led that Chief Kaizer Matanzima was to have had a share in the benefits of the Mzamba Development Company, to which he had granted certain gambling rights.

Attention has focused on the company as a result of the sale of the gambling rights for the Wild Coast casino site to Holiday Inn for R500 000.

Earlier evidence has been that a share of the money was paid to Chief Kaizer's wife, Mrs A M Matanzima, and the wife of a cabinet minister, Mr E Pamla.

One of the people behind Mzamba, Margate businessman Mr David White, said in his evidence yesterday that they were under the impression that to obtain Transkei government approval they had to have Transkei citizens in the company, and if Chief Kaizer wanted to take part they were agreeable.

Asked by inquiry chairman Mr Gerald Alexander, SC, whether Mrs Matanzima was to be a front for Chief Kaizer, Mr White said this was the impression put across by one of the other people behind Mzamba, Kokstad attorney Mr Mike Brereton.

● Yesterday's report said counsel for the auditor general had said the inquiry should draw its own conclusions from the refusal of legal representatives for Cape Town attorney Mr David Bloomberg to cross-examine his former partner, Mr Richard Kurland.

But at the inquiry yesterday, Mr Archie Finlay, SC, for the auditor general, said he had in fact said "conclusions may be drawn (by the inquiry) in the light of argument at a later stage".

Mr Finlay also pointed out that the criticism in a statement submitted by Mr Bloomberg's lawyers on Friday, that Mr Kurland's evidence "was adduced from an affidavit", was not correct. Mr Kurland had in fact given oral evidence.

News in Brief

Shoppers

have mentioned more than 20 deaths. ... described the infant's condition as criti- ... cal. ...

CHIPS ON THE TABLE

An Italian consortium is behind the first major enterprise in Transkei to be wholly financed by foreign industrialists.

Work on the proposed R45m chipboard factory will start shortly at Langeni, the forest area near Umtata, where there are already lumbermills, sawmills and a chopsticks factory.

The supply of about 100 000 m³ of timber a year for the factory has been guaranteed for 25 years by the Transkei government, which expects to recoup R3m a year in company tax from the enterprise by 1993. Annual turnover is estimated at R25m.

The company, Chipboard Industries Transkei, will initially produce for the South African market, which is undersupplied. Demand grew by 6% last year. In the long term, it will also supply material for Transkei's furniture industry, which has an annual turnover of around R130m.

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FINANCIAL MAIL APRIL 1 1988

stemmed from the use of dagga, and I have since

rently with your present sentence," he said.

tions to ensure the members to take money

Makeba responds to allocation claims

EAST LONDON — The mayor of Gomo, Mr Eddie Makeba, has given his assurance that the Gomo council allocated housing development sites to various developers only after considering recommendations by the provincial administration.

He was asked to comment on claims that allocations appeared to favour some developers.

He said phase one of the housing scheme had been tackled in two stages, by private developers, while the development of phase two had been in terms of the government's job cre-

ation scheme and had not been allocated to any developer.

In the first stage of phase one, comprising 209 sites, Quantum construction was granted 100 sites while the allocation for the other developers was: Group Five Homes (40), Arctic Construction (39) and Time Housing (30).

In the second stage, Quantum were allocated 152 sites with the others being Disa Homes (100) and Group Five (45).

This meant that out of 506 sites in phase one, Quantum were allocated 252, Disa Homes 100, Group Five Homes 95,

Arctic Construction 39 and Time Housing 30.

Mr Makeba said the allocation of sites was the council's prerogative "after consideration of recommendations by the CPA who evaluate the proposals on behalf of the council".

Mr Makeba said all decisions were subject to the approval of the administrator of the Cape, Mr Gene Louw, and that the committee acted in terms of the Black Local Authorities Act of 1982.

The provincial administration's acting regional representative for community services (Eastern Cape) in Port Elizabeth, Mr P.J.P. Kruger, had earlier referred queries on allocations to Mr Makeba.

"I wish to advise that this office does not allocate sites for private development. Sites are allocated by the town committees." — DDR

Row brews between NSL and Focotra

Daily Dispatch Reporter UMTATA — Relations between the National Soccer League (NSL) and the Football Council of Transkei (Focotra) have come to the boil amid allegations by Focotra that the NSL is not keeping to agreements between the two.

The secretary of the newly-established Transun league, Mr Zamikaya Mshumpela, said the league was being elbowed out of getting fixtures in the Independence Stadium here.

"We have been sponsored to an amount of R350 000 by Transun and

as such we have to see to it that their games are played at all the enclosed venues — but we cannot use the Independence Stadium."

The NSL was also alleged to have violated a condition that a percentage of gate takings be given to Focotra.

A Focotra official, Mr Joe Myengo, said it had been made clear to the NSL that the Transkei Government did not allow football gate takings to leave the country without Focotra's knowledge.

The NSL could not be contacted for comment.

High elect claim Mda

Daily Dispatch Reporter EAST LONDON — A number of Mdantsane residents who have allegedly not been charged for electricity for up to four years have suddenly been faced with bills for up to R750 in some cases.

Two residents who refused to be named for fear of further charges said yesterday they were shocked and angry about their bills.

D/D 1/4/86

Eight appear in courts on ANC (103) related charges

Daily Dispatch Reporter
UMTATA — Eight people charged with offences relating to the banned African National Congress in five separate cases yesterday appeared in the regional and magistrate's courts here for the hearing of the attorney-general's decisions.

Mr Mcebisi Mfo, who faces charges of terrorism and of possession of explosives and ammunition, was referred to the Butterworth regional court. The public prosecutor will decide on April 15 on a trial date.

Dr Warren Nombe and Mr Mhleli Mladaka, who are charged with unlawful possession of firearms and ammunition and undergoing terrorist training, were remanded to 15 April in the Umtata regional court. The public prosecutor will fix the trial date.

Mr Justice Ncillangisa, charged with terrorism,

appeared in the Umzimkulu magistrate's court. His trial was fixed for May 16 in the Mount Frere regional court.

Mr Ndibulele Ndzamele, Mr Pumzile Mayapi and Leonard Mdingi were committed to the Supreme Court on two counts of murder, four of terrorism and one of assisting terrorists, and their trial was set for May 30 up to June 3.

The two murder counts relate to the deaths of a child, Bhekinkosi Moffat Ntakane, and Mr Thomas Hudson, who died during an explosion at the Wild Coast Hotel at Mzamba on April 18, 1986.

Mr Teko Mokhou, is charged with sabotage and terrorism, and is alleged to have damaged the Cala Post Office by causing an explosion, and was remanded to April 15 for the attorney-general's decision as the public prosecutor said he had not been told anything.



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DID 1/4/88 103

Methodist unity the aim — church leader

Daily Dispatch Reporter
UMTATA — The president of the Methodist Church of Southern Africa, the Rev Khoza Mgojo, said yesterday it had been everybody's desire to restore Transkei Methodists into the unity enjoyed by all throughout Southern Africa and in the world Methodist family.

Dr Mgojo said the MCSA was appreciative of the step taken by the chairman of the military council, Major-General Bantu Holomisa, in lifting the ban on the

church within the jurisdiction of Transkei.

"The tearing apart of the Methodist family has always been a source of great distress to us. We have cherished the fellowship which has been a characteristic of our heritage of witness together throughout Southern Africa.

"Our desire is to follow the lifting of the ban with intensive efforts to restore the Methodist people of Transkei into the unity enjoyed by all throughout Southern

Africa and in the world Methodist family.

"We would remind all Methodists throughout Transkei that 1988 is the year of the Methodist family throughout the world when it is united in celebrating the 250th anniversary of John Wesley's conversion.

"We look forward to an early meeting with the Methodist leaders in Transkei to formulate ways expressing our common witness in Transkei and Southern Africa," Dr Mgojo said.

D/D 1/4/88

Row brews between NSL and Focotra

(103)

Daily Dispatch Reporter

UMTATA — Relations between the National Soccer League (NSL) and the Football Council of Transkei (Focotra) have come to the boil amid allegations by Focotra that the NSL is not keeping to agreements between the two.

The secretary of the newly-established Transun league, Mr Zamikaya Mshumpela, said the league was being elbowed out of getting fixtures in the Independence Stadium here.

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as such we have to see to it that their games are played at all the enclosed venues — but we cannot use the Independence Stadium."

The NSL was also alleged to have violated a condition that a percentage of gate takings be given to Focotra.

A Focotra official, Mr Joe Myengo, said it had been made clear to the NSL that the Transkei Government did not allow football gate takings to leave the country without Focotra's knowledge.

The NSL could not be contacted for comment.

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DID 6/4/88 Daily Dispatch Reporter 103

Lesotho shooting victim to be buried tomorrow

UMTATA — One of two people shot in Lesotho last month, Mr Attwell Mazizi Mapekeza, will be buried at his Mpozolo Location home in the Willowvale district tomorrow.

Mr Mapekeza was first shot, together with Mr Tandwefika Radebe, on February 25. Mr Radebe died immediately and has since been buried in Umtata, while Mr Mapekeza sustained injuries and was admitted to the Queen Elizabeth II Hospital.

He was shot again by unknown people while in the hospital under police guard on March 15 and died instantly.

Meanwhile Transkei Police have placed restrictions on Mr Mapekeza's funeral, banning the use of flags, banners, placards, pamphlets or posters during the service.

In terms of the Transkei state of emergency, the funeral service can only be held between 10 am and 2 pm by an ordained minister of a religious denomination, who will not attack or defend any political principle.

Mr Mapekeza completed his high school education at Jalamba in Elliotdale and then went to the University of Fort Hare for a degree in law which he gained in 1979.

In 1980 he enrolled for an LLB. degree but left the university because of disturbances there.

He joined the civil service as a magistrate in Idutywa in the same year before leaving the country, according to a family statement.



MR MAPEKEZA

Transkei burial for slain ANC man

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2/16/88
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The Argus Correspondent
EAST LONDON. — A member of the African National Congress who was shot dead in his Maseru hospital bed last month is to be buried in Transkei today.

Mr Mazizi Attwell Mapekeza is to be buried under strict police restrictions at his home in Mpozolo Location in the Willowvale district.

The funeral has been restricted in terms of the Transkei's emergency regulations.

Flags, banners, placards, pamphlets or posters have been banned and the service must be conducted by an ordained minister.

An unknown gunman killed Mr Mapekeza in his bed in the Queen Elizabeth II Hospital, Maseru, on March 15 where he was recuperating under armed guard from a bullet injury received in an earlier incident.

Mr Mapekeza had been wounded by Lesotho police on February 25. A friend, Mr Thandwefika Radebe, also a Transkeian, was killed in the incident and a third man escaped uninjured.

Relatives claimed that police had been on a mission to eliminate ANC members but Lesotho police said the three men had attacked the police.

Curbs on hospital shooting funeral

TRANSKEI police imposed strict conditions on the burial this week of an African National Congress guerrilla shot dead last month in a Maseru hospital bed.

Mazizi Attwell Mapekeza was to be buried yesterday at his home in Mpozolo Location in the Willowvale district. *W. Maul*

In terms of Transkei's State of Emergency regulations, the use of flags, banners, placards, pamphlets or posters was banned, and the service had to take place between 10 am and 2 pm.

The service had to be conducted by an ordained minister, who was prohibited from attacking or defending "any political principle".

An unknown gunman killed Mapekeza in his bed in the Queen Elizabeth II Hospital in Maseru on March 15, while he was recuperating from a bullet injury sustained in an earlier incident. Mapekeza had been wounded by Lesotho police on February 25.

Mapekeza was being treated under armed guard when he was killed.

elnews

8-14/4/88

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W. Maul

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Mapekeza was being treated under armed guard when he was killed.

eNews

8-14/4/88

Confiscated guns on sale

UMTATA — A collection of firearms confiscated during Transkei police raids will be sold by public auction to licensed dealers.

The Transkei police public relations officer, Colonel S. Mokoatle, said the gun sale would take place at the quartermaster's office on Monday.

He said the arms would be sold to people who could produce documentary evidence proving they were licensed dealers.

The collection included arms confiscated by police during searches and road blocks, and those taken from people who were found to possess them without valid licences. — DDR

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Bop Law Society slates govt move

By Dan Side

The Bophuthatswana Law Society has added its voice to that of Professor Marinus Wiechers of the University of South Africa in protest against an "attack" on the Declaration of Fundamental Human Rights contained in an amendment to the Bophuthatswana Constitution.

The amendment was introduced about a month after the February 10 bid by elements of the Bophuthatswana security forces to overthrow the government of President Lucas Mangope.

Representative bodies of the State's legal profession and the School of Law at the University of Bophuthatswana yesterday took exception to the denial of access to legal representation of detainees.

INSIDIOUS

Professor Wiechers, who helped draft the Declaration before Bophuthatswana became nominally independent in 1977, earlier described the amendment as an "insidious", rather than direct, assault on the Declaration of Fundamental Human Rights and challenged two clauses.

One empowers Bophuthatswana's president to delay Supreme Court proceedings brought

against the State or its Ministers or officials if, after consulting the National Security Council, he is satisfied that replying affidavits from the State, its Ministers or officials may prejudice government investigations into charges of conspiracy, rebellion, treason or insurrection.

POSTPONE

He can postpone court proceedings for an initial period of up to two months and thereafter for a further maximum period of one month.

The other clause is the one that yesterday drew criticism from the legal profession.

It empowers the Minister of Law and Order to deny "any person", including lawyers, access to people detained on suspicion of plotting to overthrow the State.

The statement issued yesterday by the Bar Association of Bophuthatswana, the Side Bar of Bophuthatswana and the School of Law at Unibo said: "We find it abhorrent that the legislature has deemed it necessary to amend the Bophuthatswana Constitution Act of 1977 at the last session of Parliament.

"The denial of access to legal representation causes us special concern."

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Founder member of T'kei police force to retire after 33 years

EAST LONDON — A founder member of the Transkei Police force and District Commandant of Sterkspruit, Major J.M. Smawo, 58, will retire at the end of the month after almost 33



MAJOR SMAWO

years' service in the Transkei and South African Police.

"I will look back on the police force with pleasure and nostalgia," Major Smawo said.

Major Smawo, who was born in the Nxamagale administration area in the Engcobo district, joined the South African Police in September 1955 and did his police training at Benoni in 1956.

He worked at several police stations in the Western Cape and in Transkei.

At the end of 1984, he became a captain and was promoted to his present rank and position in 1985.

Major Smawo was educated at Ngcataru and Mvumelwano junior schools and Lourdes Roman Catholic Mission before completing a teacher's course at St Matthew's College in 1954.

Major Smawo will retire to the family shop in the Nxamagale administration area. —DDR

Call for world to recognise Transkei

D/D 8/4/88

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Daily Dispatch Reporter

BUTTERWORTH — The international community has been called upon to stop applying double standards and to recognise the independence of the Republic of Transkei.

In an address during a visit here, the South African Ambassador to Transkei, Mr G. D. P. Terblanche, said he believed the time had come for the international recognition of Transkei.

"The international community must stop their double standards and recognise Transkei instead of recognising smaller countries of lesser standing."

He believed Transkei was on the verge of a new era of development.

International recognition and new investment from abroad could at this stage be a catalyst for renewed growth and expansion.

He said industrialists had been attracted from countries like Taiwan, West Germany, Japan and Italy, as well as from South African firms, while there was still room with opportunities for many more.

Mr Terblanche added that Transkei had a great future with potential in industry, agriculture, forestry, fishing, tourism and minerals.

He said its greatest assets were the abundance of water supplies, fertile soil and manpower.

He said Transkei had a higher level of political stability than the majority of states.

Mr Terblanche added that in a stable political

and economic climate, the country would prosper and would attract more investors and entrepreneurs.

"It is true Transkei has had its fair share of political rumblings and upheavals, but investors and tourists have nothing to fear," he said.

"Even the recent coup in Transkei was mild as compared to coups in other countries."

On corruption, he said, negative reports on Transkei had appeared in newspapers which were interested in the negative sensational aspect of corruption.

But the newspapers did not tell readers about the clean-up cam-



MR TERBLANCHE

paign and the probes which had already lasted for months.

He said corruption was found in practically every country and asked if these other countries would ever find "the strong determination to clean up as we have experienced in recent times in Transkei".

He called on the critics to stop their unfair criticism and to be more helpful and positive.

Holomisa: I believe in prayer

8/10 8/4/88

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UMTATA — The chairman of the military council in Transkei, Major-General Bantu Holomisa, visited Thaba-Nchu in Bophuthatswana during the Easter weekend as a guest of the Assemblies of God church during its annual convention.

Also present at the convention were the State President of Bophuthatswana, Chief Lucas Mangope, and his wife, and the widow of the founder of the church, the Reverend Nicholas Bhengu.

In an address at the convention, General Holomisa said his government firmly believed in the power of united prayer as he believed that it had been such prayers which had sustained Transkei during the changes that took place in 1987.

He expressed his gratitude to the government of Bophuthatswana and said he wished and hoped the good relations between the governments would continue to produce fruits that would be enjoyed by everyone in Southern Africa. — DDR

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Umtata bombing: Call to extradite ANC man

Court Reporter

A MEMBER of a special military unit of the African National Congress allegedly admitted in a statement to a Wynberg magistrate that he and two others blew up the Umtata bulk fuel depot on June 25 1985.

This was evidence in an application by the Transkeian authorities for the extradition of Mr Mxwandile Vena, 32, who was arrested in the Cape on September 16 last year. The statement was made the following day. Mr Vena has been in detention under Section 29 of the Internal Security Act since then.

According to the charge sheet, Mr Vena is a Transkeian citizen.

In the signed statement handed to Wynberg magistrate Mr P D Theron yesterday, Mr Vena said he was recruited by Ndima Saliwa as a member of the ANC in 1980 and joined a group of about 20 others as refugees in Lesotho.

From there the group went to Dar es Salaam and camps in Angola. Nine flew to Russia where they "did a course in politics" before returning to Angola.

WEAPONS

Mr Vena said that in 1984 he went to Umtata and stayed with many people including a magistrate, a Mr Notununu, before returning to Lesotho.

"When we returned (to Umtata from Lesotho) we had weapons, including some bombs. Jabulani, Dick and I bombed the fuel depot. Monwabisi and Mpilo blew up the

power station. The same evening Jabulani and Dick blew up the water pipes."

Mr Vena said that in August last year he returned to South Africa via Maputo, Swaziland, Zambia — at which time he no longer worked for the special unit — and Botswana, and was fetched by Miss Jenny Schreiner.

He stayed in Lansdowne until his arrest on September 16.

Mr C Vivier, for the State, said all the papers relating to Mr Vena's extradition were in order. Mr Viviers said Mr Vena would face charges of terrorism and sabotage for the three Umtata bombings on June 25 and 26 1985.

DISCHARGE

Mr LA Rose-Innes, counsel for Mr Vena, submitted that in terms of the extradition agreement with South Africa, the court had the discretion to refuse the request on the grounds that in Transkei the maximum penalty for terrorism and sabotage was death, whereas in South Africa it was 20 years' imprisonment.

Mr Rose-Innes said that if the court refused the Transkeian request, Mr Vena would be entitled to a discharge.

He said South Africa was entitled to ask Transkei for an undertaking that, should Mr Vena be convicted and the death penalty imposed, it would not be implemented.

Mr Theron asked Mr Viviers to ask Transkei whether it was prepared to give this undertaking.

The hearing was postponed to April 25.

Transkei citizen alleged to have blown up govt installations

'BOMBER' FEARS DEATH SENTENCE

A TRANSKEI citizen who is alleged to have blown up Umtata's bulk fuel depot, power station and water supply in 1986, could face the death sentence if extradited, the Wynberg Magistrate's Court in Cape Town heard yesterday.

Mr Mzwandile Vena (32), of no fixed address, faces charges of terrorism and sabotage in Transkei.

At an extradition hearing State counsel Mr C Viviers handed in documents setting out Transkei's case against Mr Vena and asked that an order be granted in terms of the extradition agreement between South Africa and Transkei.

Mr L A Rose-Innes, for Mr Vena, asked the magistrate, Mr P D Theron, to refuse the request on the grounds that the maximum penalty for the alleged offences was higher in Transkei than in South Africa.

Mr Rose-Innes said

SOWETAN Correspondent

(103)

that the Transkei Public Safety Act provided for the death penalty for both offences whereas the South African Internal Security Act provided maximum imprisonment of 20 years.

Assurance

"There has been no assurance from Transkei that if the accused is sentenced to death, this will not be executed."

Mr Rose-Innes said the court had the discretion to refuse the extradition, in which case Mr Vena would be entitled to a discharge.

(Proceeding)



COOLING OFF

AFTER dancing to pop music at a recent music festival at Fun Valley pleasure resort, Soweto lovelies Miss Nkele Molefe and Miss Tiny Mithethwa, decided to take a break.

Dr Paton home

Dr ALAN Paton was back in his own bed in his own home at Botha's Hill last night.

The decision to have the 85-year-old world-renowned author discharged from the St Augustine's Hospital in Durban and returned to Botha's Hill was taken by members of his immediate family.— Sapa.

Bomb blast

AN EXPLOSION occurred in a dustbin at the Witpoortjie railway station on the West Rand at 10am yesterday, the South African Police Public Relations Division said in a statement in Pretoria. A spokesman for the division said it was a "minor explosion" near the public toilets on one of the platforms. Little damage was caused and nobody was injured.— Sapa.

(S4h)

D/D 13/4/88

New Tembu leader reports denied

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UMTATA — The paramount chief of Western Tembuland, Paramount Chief Kaiser Matanzima, denied yesterday that the son of the late Chief Sabata Dalindyebo, Prince Buyelekaya Dalindyebo, had been designated to succeed to the paramountcy of the Tembus.

Paramount Chief Matanzima was reacting to reports that a meeting of the Dlomos last weekend had designated Prince Buyelekaya as successor to the paramountcy after objec-

tions had been made to the proposed installation of the former head of the Transkei army, Major-General Zondwa Mtirara.

"I wish to refute the allegation that the Dlomo family, of which I am the second member in seniority, has recommended that Buyelekaya Dalindyebo should succeed to the paramountcy of the Tembus," he said.

A meeting of the regional authority will be held here tomorrow to consider the resolution.

— DDR

D/D 13/4/88

Sterkspruit could gain two factories costing R450 000 (103)

Daily Dispatch Reporter

EAST LONDON — The Transkei town of Sterkspruit could gain two new factories built by the Transkei Development Corporation (TDC) at a cost of R450 000 if initial inquiries and proposals reach finality.

The mayor of Sterkspruit, Mr D. Tsembeyi, said he and his council were "delighted" with the TDC's offer to build the two factories, which he said would be a move

toward curbing the unemployment rife in the area.

He said the decentralisation of industries would be an important facet in the life of the people in the Herschel district who had been without jobs for some time.

The town clerk of Sterkspruit, Mr David Mrwetyana, said yesterday that unemployment levels in the area were "terrible".

He said that at the local labour recruiting offices in the town more than 200 people queued daily in search of jobs.

"Only about 20 people each month are employed, but over 200 gather each day," Mr Mrwetyana said.

He said that one of the two proposed industries would manufacture clothing and the other building materials.

A spokesman for TDC said yesterday that the

development of the industries was still "totally uncertain" as inquiries and negotiations were continuing.

He said, however, that should the two industries decide to relocate to the area, then the TDC would build the two factories.

He said the local town council had been asked to negotiate for the necessary factory sites as they fell within tribal trust land.

Transkei wants to try ANC accused

CAPE TOWN — A member of a special military unit of the African National Congress allegedly admitted in a statement to a Wynberg magistrate that he and two others blew up the Umtata bulk fuel depot on June 25 1985.

This was evidence in an application by the Transkeian authorities for the extradition of Mr Mxwandile Vena (32) who was arrested in the Cape on September 16 last year. The statement was made the following day.

According to the charge sheet, Mr Vena is a Transkeian citizen.

In the signed statement handed to Wynberg magistrate Mr P D Theron on Monday, Mr Vena said he was recruited as a member of the ANC in 1980 and later left the country with others.

"When we returned (to Umtata from Lesotho in 1985) we had weapons, including some bombs. Jabulani, Dick and I bombed the fuel depot. Monwabisi and Mpilo blew up the power station. The same evening Jabulani and Dick blew up the water pipes."

He later left the country again.

RETURNED TO SA

He returned to South Africa last August and stayed in Lansdowne until his arrest on September 16.

Mr C Viviers, for the State, said Mr Vena's extradition papers were ready. He would face charges of terrorism and sabotage for three Umtata bombings on June 25 and 26 1985.

Mr L A Rose-Innes, counsel for Mr Vena, submitted that in terms

of the extradition agreement with South Africa, the court had the discretion to refuse the request on the grounds that in Transkei the maximum penalty for terrorism and sabotage was death, whereas in South Africa it was 20 years' imprisonment.

Mr Rose-Innes said that if the court refused the Transkeian request, Mr Vena would be entitled to a discharge.

He said South Africa was entitled to ask for an undertaking that, should Mr Vena be convicted and the death penalty imposed, it would not be implemented.

Mr Theron asked Mr Viviers to ask Transkei whether it was prepared to give this undertaking.

The hearing was postponed to April 25. — Sapa.

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19/4/88

DID 13/4/88

Former Transkei official retires ⁽¹⁰³⁾

CAPE TOWN — The deputy director in the Cape Town circuit of the Cape region of the Department of Education and Training, Mr P.J. Scheepers, has retired.

He has been succeeded by Mr Leon Nel, the former assistant director of the Pretoria East region.

Mr Scheepers occupied a number of senior positions in his 26 years

with the department.

He was assistant secretary in the Transkei Department of Education and adviser to the Transkei Minister of Education before moving to Cape Town.

The deputy director in the department's head office, Mr Braam Olivier, who was seconded to Cape Town to assist with the development of the circuit, will return to Pretoria. — Sapa

13/4/88

T'kei extradition hearing postponed

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CAPE TOWN — A member of a special military unit of the African National Congress allegedly admitted in a statement to a Wynberg magistrate that he and two others had blown up the Umata bulk fuel depot on June 25, 1985.

This evidence was heard in an application by the Transkeian authorities for the extradition of Mr Mxwandile Vena, 32, who was arrested in the Cape on September 16 last year.

The statement was made the following day.

According to the charge sheet, Mr Vena is a Transkeian citizen.

Mr Vena said that in August last year he returned to South Africa via Maputo, Swaziland, Zambia and Botswana.

He was fetched by Miss Jenny Schreiner and stayed in Lansdowne until his arrest.

The hearing was postponed to April 25. — Sapa.

akpan, The Cape,
Kempston Park,
Pinetown, Port
Roodepoort,
Vanderbijlpark,

Klerksdorp,
Merset West,
on, Witbank and

Umtata court wins architectural award

D/P B/4/88

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Daily Dispatch Reporter
EAST LONDON — The Umtata Supreme Court building recently won a national architectural award for a firm of architects, ZAI, here.

The annual Aluman architectural award was presented to ZAI in Durban in recognition of the "innovative and aesthetically pleasing use of their products".

One of the architects involved in the project, Mr Chris Swales, said that ZAI was a multidisciplinary professional practice and was responsible for the architectural, civil, structural, electrical and mechanical engineering of the project.

The other two architects involved in the project were Mr Hugh Larson and Mr Raleigh Keating.

"The building is located diagonally on the site, and a large open space with numerous existing trees has been retained. The impact of a large building in a park-like situation is sympathetically handled, and an impression of integration as opposed to dominance over the environment is created," he said.

"The building consists of three civil courts, three criminal courts and offices for the attorney-general, advocate-general and other administrative functions, are accommodated around a central landscaped courtyard, integrating the outer and internal environment."

It was completed about eight weeks ago and has been in use since February, but will only be opened offic-

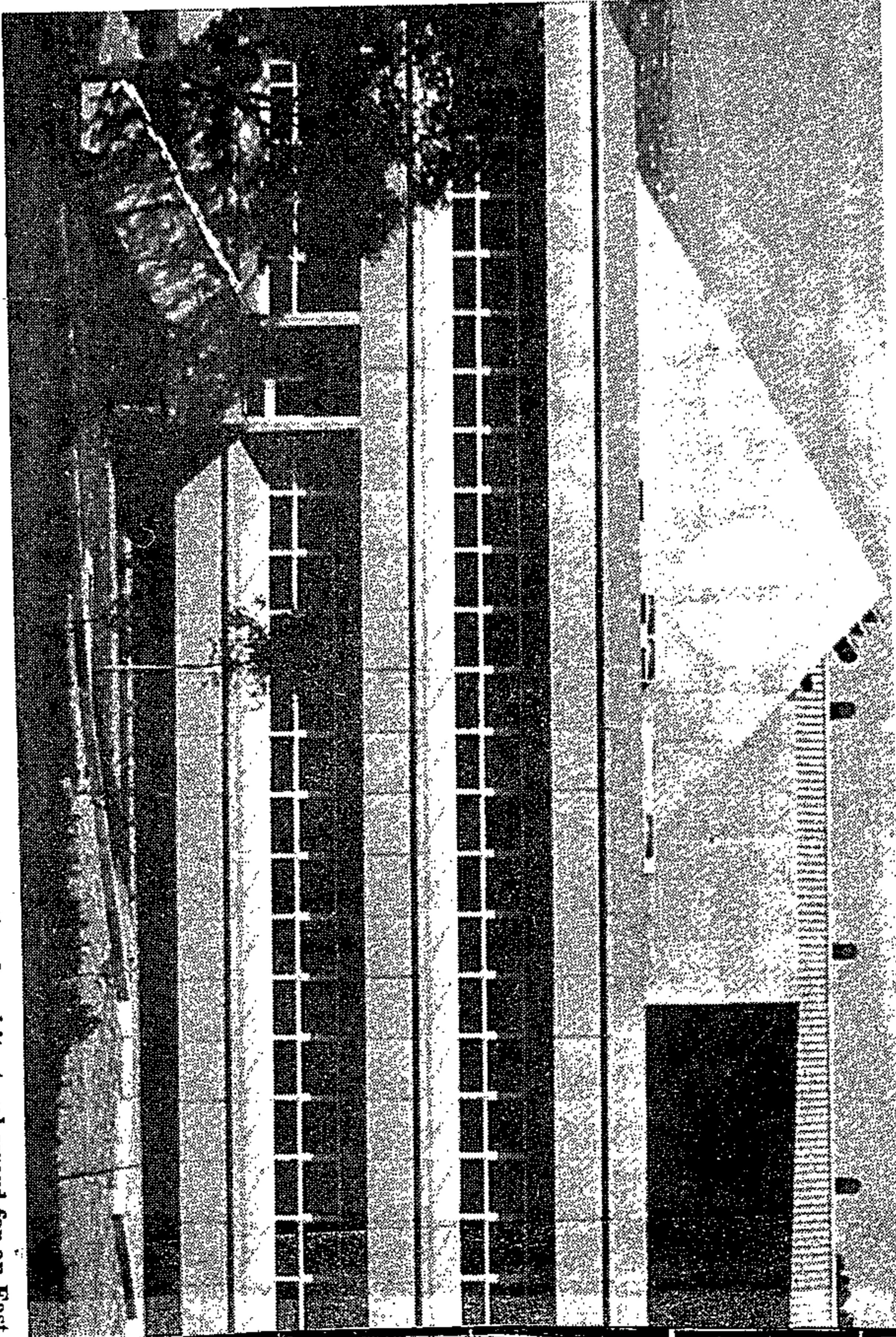
ially later this year.

Mr Swales said he was very surprised that ZAI won the award, and very pleased, as the building was not the normal idea of a court building and had received a lot of comments, both favourable and unfavourable.

"All firms here are not recognised enough," he added.

Winners were selected by an independent panel of judges comprising the president of the Natal Institute of Architects, Mr John Frost; the head of Sculpture at the Natal Technikon, Mr Andries Botha; and interior designer, Mr Glen Rogers.

The awards were presented for projects undertaken in the last five years, and 22 major projects were short-listed as finalists.



The Umtata Supreme Court building which recently won a national architectural award for an East London firm of architects.

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Warning against political activity

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UMTATA — The chairman of Transkei's ruling military council, Major-General Bantu Holomisa, yesterday warned tribal chiefs to beware of power-mongers who were making vain attempts at political comebacks.

General Holomisa reaffirmed the military government's ban on political activity and said there was no timetable for the handing back of power to a civilian government.

"The military government would like to inform the public that, in terms of Decree No 1 of 1988, all political activities in Transkei have been banned.

"It is quite disheartening to note that even people who have been implicated in the corruption scandals are making a vain attempt at self-revival and political comeback," he said.

"It should be noted that chiefs, by virtue of their positions, have a special duty to see to it that the sovereignty of the state is not undermined.

"Those who disregard this final notice will only have themselves to blame if they are caught up in the relentless tentacles of the law," General Holomisa said. —
DDR

D/P 14/1/88

Legality of T'kei inquiry contested

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Daily Dispatch Reporter

UMTATA — The legality of the Transkei commission of inquiry into the Department of Works and Energy, which resumed yesterday, will be contested today by legal representatives of Jalc Holdings.

Jalc's legal team, led by Advocate W. Cooper, arrived here yesterday and after consultations with counsel for the Auditor-General it was decided that the sitting of the inquiry be postponed to today.

The chairman of the commission, Mr Gerald Alexander, SC, who has been away for about four weeks, will hear argument by Mr Cooper on why Jalc believes the inquiry is illegal and should be terminated.

Jalc has been mentioned repeatedly in evidence before the commission and it was also revealed that the company had many shareholders in common with a Transkeian company, Temba Construction, which was being investigated in connection with housing contracts.

During one sitting of the inquiry, counsel for the Auditor-General pointed out that certain letters from the former prime minister, Chief George Matanzima, to a

firm of architects, had the same type face and method of splitting infinitives as those from Jalc Holdings to the architects.

The commission was dealing with a contract by Jalc Holdings for the construction of 637 houses and infrastructure at eZibeleni, near Queenstown, before it was split to include North Crest township in Umtata.

There was also mention of directives from both Chief George and the former State President, Paramount Chief Kaiser Matanzima, for a variation order for the extension of Jalc Holdings' original contract.

Meanwhile the deputy attorney-general in the Western Cape, Mr Frank Kahn, SC, has been seconded by the South African Government to the commission to deal with prosecutions that might arise from the findings of the inquiry.

In any event, the substance of the hon member's question includes a great variety of crimes under different headings.

In order to compile this information, it will be necessary to check the crime records of police stations country-wide. This would be a voluminous and time-consuming task which could not be economically justified. Therefore, I am not prepared to furnish this information.

National servicemen accused of certain acts against detainee

*21. Mr J J WALSH asked the Minister of Defence:

(1) Whether, with reference to the reply of the Minister of Law and Order to Question No 18, standing over, on 6 October 1987, any of the six persons accused in connection with the alleged commission of certain acts against the detainee referred to in the reply to Question No 21 on 25 August 1987, were national servicemen; if so, how many;

(2) whether it is the policy of the South African Defence Force to use national servicemen to interrogate civilians; if not, what is the policy in this regard?

The DEPUTY MINISTER OF DEFENCE:

(1) No.

(2) Yes, if they possess the necessary training and qualifications.

Blacks in Cape Peninsula: scheme dealing with housing/recreation/educational needs

*22. Mr J J WALSH asked the Minister of Constitutional Development and Planning:

(1) Whether his Department has a plan of town planning scheme dealing with the present and future housing, recreational and educational needs of Blacks living in the Cape Peninsula; if not, why not; if so,

(2) whether this plan or scheme makes provision for (a) the upgrading of Old Crossroads, KTC and other squatter areas within the Nyanga East area and (b) additional areas for those who cannot be accommodated in the above existing squatter areas; if not, why not; if so, when is it anticipated that the implementation of this plan or scheme will be (i) commenced and (ii) completed;

(4) whether he will make a statement on the matter?

The MINISTER OF LAW AND ORDER:

(1) Yes. Two officers of the commercial branch are assisting with the collection of evidence for the commission of inquiry, at the request of the Transkeian Government.

(2) to (4) Because Transkei is an independent state and the commission of inquiry was appointed by that government, I do not consider it advisable to furnish any information which has come to the fore as a result of the activities of the commission. Should the findings of the commission reveal that any offence was committed in the Republic, it will be forwarded and dealt with through the usual diplomatic channels.

Information prejudicial to security of RSA passed to certain person

*24. Mr R R HULLEY asked the Minister of Defence:

Whether he will give the House the assurance that no information prejudicial to the security of the Republic was passed to a certain person, whose name has been furnished to the South African Defence Force for the purpose of the Minister's reply; if not, why not; if so, (a) on what basis is he giving this assurance and (b) what is the name of this person?

The DEPUTY MINISTER OF DEFENCE:

Yes

(a) On the basis that there had at no stage been contact between the SA Defence Force and this person.

(b) The name supplied by the hon member.

Activities of certain person: investigations

*25. Mr R R HULLEY asked the Minister of Foreign Affairs:

(1) Whether he and/or any section of his Department (a) is investigating and/or (b) has been informed of any investigations into the activities of a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply; if not, why are no such investigations being conducted in his Department;

ment; if so, what (i) is the nature and (ii) are the results of these investigations;

(2) whether he will make a statement on the matter?

The DEPUTY MINISTER OF FOREIGN AFFAIRS:

(1) (a) No.
(b) No.

(2) No information has been received by the Department calling for such an investigation.

KwaZulu: political party financed/sponsored

*26. Mr D J N MALCOMESS asked the Deputy Minister of Information:

Whether any political party in KwaZulu was financed or sponsored by the Bureau for Information at any stage; if so, (a) why, (b) when, (c) to what extent and (d) what is the name of (i) this party and (ii) the leader of this party?

The DEPUTY MINISTER OF INFORMATION:

No.

(a) (b) and (c) Fall away.
(d) (i) and (ii) Fall away.

Jamestown: houses sold to Blacks

*27. Mr D J N MALCOMESS asked the Minister of Constitutional Development and Planning:

(1) Whether any houses in Jamestown have been sold to Black persons in terms of the 99-year leasehold system; if so, (a) how many and (b) in respect of what date is this information furnished;

(2) whether the area in question has been registered as a Black township; if so, (a) when and (b) what is the name of this township;

(3) whether the title deeds to the properties so sold have been issued; if not, why not; if so, when?

The DEPUTY MINISTER OF DEVELOPMENT PLANNING:

(1) Yes.

(a) 7

T'kei Supreme Court to be consulted on inquiry?

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Daily Dispatch Reporter UMTATA — The Transkei Supreme Court may be asked to give a ruling on the legality of the Commission of Inquiry into the Department of Works and Energy.

This was indicated yesterday after the acting chairman of the commission, Mr Justice J. H. van Reenen, had dismissed an application by Jalc Holdings that the inquiry could not, in law, validly function as a commission.

Counsel for Jalc Holdings and Temba Construction, Dr W. E. Cooper, SC, assisted by Mr N. J. Treurnicht, submitted an application which challenged the validity of Mr Justice van Reenen's appointment as commissioner as well as the powers of the commission.

Dr Cooper said his clients felt the terms of reference of the commission did not entitle the present commissioner to hear evidence and to interrogate witnesses, as these were not stated in his appointment when he was brought in to act for the chairman, Mr Gerald Alexander, SC.

Another concern was the fact that a person resident in Transkei could be forced to testify before the commission, as there were regulations annexed to the terms of reference regarding people who refused to testify.

Dr Cooper said it was contended that Mr Justice van Reenen erred in assuming that he was entitled to invoke the Commissions Act No 8 of 1984 and Proclamation No 19 of August 21, 1986, in which the Transkei State President declared various provisions of the Commissions Act and other acts to be applicable to the present commission.

Subpoenas to appear before the commission were purported to be issued by the chairman to Mr J. T. Strong, Mr R. Torode and Mr V. Mbotoli, all of Jalc.

Mr Justice Van Reenen could not invoke the powers of Proclamation 19 because the initial commission for which they were meant had ceased to exist on March 8 this year, the day he was appointed in place of Mr Alexander.

Notification of the appointment of Mr Justice Van Reenen by Government Notice No 26 of March 7 was not accompanied or followed by any proclamation by the State President making all or any provisions of the Commissions Act applicable to the "new" commission.

Further, the appointment of Mr Justice Van Reenen and his terms of reference were not in the Government Notice but contained in a memo to the chairman of the military council for his recommendation and approval by the State President, which also extended the term of the present commission from March 31 to May 31.

It was apparent that the terms of reference of the initial commission empowered its chairman to inquire into, submit a report and make recommendations in respect of certain matters, while in the present commission the terms of reference merely empowered the chairman to chair the deliberations and compilation of a report pursuant to a completed inquiry.

These terms did not extend to the gathering of evidence or calling of witnesses.

In reply, senior counsel for the Auditor-General said it was an executive function to appoint commissions, and the State President, exercising his prerogative powers, could appoint commissions to investigate matters of public concern.

He said that even if Proclamation 19 had not been invoked for Mr Justice Van Reenen's application, the answer could be "so what" because it was an executive function.

"A commission of inquiry is not a quasi-judicial body but a fact-finding body, and the powers of the chairman to find facts include the exercise of discretion of inviting any persons who wish to testify.

"It has an unfettered discretion in determining the procedure of its conduct, and there was no issue before the commission at the moment asking for the enforcement of a subpoena on any of Jalc's people.

"There is no necessity

for the chairman to rule on this application because we feel it is misconceived and a miscarriage. The memo mentioned by Dr Cooper does not purport to be the source of your powers but only a letter to the military council.

"The only Transkeian who would be affected by rejecting a subpoena is Mr Mbotoli and we have not decided to ask the commission to act against him if he refuses to testify," the senior counsel said.

Dr Cooper pointed out there was much prejudice to his clients as a result of serious allegations of fraud being bandied about and evidence about certain people who were in higher authority being influenced by Jalc.

Counsel for the Auditor-General said the fact that civil proceedings against Jalc were pending was not a proper reason to stop an inquiry, as the commission's findings were not binding on any court of law.

The commission continues today.

New twist in casino probe

By CHRIS STEYN

ONE of the country's top deputy attorney-generals, Mr Frank Kahn, is expected to lead cross-examination when the inquiry into the Transkei government corruption enters its final weeks later this month.

Cape Town city councillor and former mayor Mr David Bloomberg and Sun International's Mr Sol Kerzner are key witnesses in the inquiry which reopened yesterday. The commission adjourns today till April 27 when it is expected to sit till May 31.

Mr Bloomberg was dismissed by Sanlam from the board of Metropolitan Life last month following his appearance at the inquiry.

Mr Kahn is an expert on criminal law and foreign currency. "Up to now the advocates at the inquiry have all been from the civil law school," the Cape Times was told.

A member of the commission — who cannot be quoted for professional reasons — said from Umtata last night: "Mr Kahn is certainly going to be involved in the commission, but it has not been decided who will do what."

Mr Kahn declined to comment yesterday.

The Cape Times confirmed that two senior police officers — both of the Commercial Branch in Port Elizabeth — were gathering evidence for the inquiry.



Mr Frank Kahn

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Prosecutions may follow Transkei corruption inquiry

Staff Reporter

PROSECUTIONS in South Africa could follow Transkei's commission of inquiry into corruption.

Legal sources said this was the upshot of the secondment to the commission of the Cape's top prosecutor of foreign currency and corruption cases, Deputy Attorney-General Mr Frank Kahn, SC.

Mr Kahn's involvement is seen as significant because, until now, counsel appearing at the commission have been more experienced in civil cases than in criminal matters.

Mr Kahn will join the commission in Umtata towards the end of the month.

CURRENCY CASES

Sources said his involvement implied that prosecutions could follow the completion of the inquiry and that they could take place in Cape Town and in other cities.

Yesterday Mr Kahn would not comment on his secondment.

However, his record as a prosecutor of currency contraventions and commercial cases is seen as significant.

Mr Kahn, who in 1975 was the youngest man to be appointed a Deputy Attorney-General of the Cape, headed the team which prosecuted numerous foreign currency cases involving millions of rands in the late 1970s.

Mr Kahn has been with the Attorney-General's office for more than 20 years and has

spent a year at Gray's Inn in London.

He is known for his talent in leading evidence and cross-examining witnesses.

Businessmen and personalities such as Mr Sol Kerzner and Mr David Bloomberg, the former mayor of Cape Town, have become embroiled in the commission which has heard allegations of payouts totalling R2-million to members of the Transkei Cabinet, including former Prime Minister Mr George Matanzima.

According to a Johannesburg financial publication, Mr Kerzner and Mr Bloomberg will be cross-examined on their involvement when the inquiry reconvenes.

● Mr Kahn is at present involved in the in-camera hearing of Mr Jan Blaauw, who is being tried on various charges including corruption.

Stolen minibuses: Two men in court

Court Reporter

TWO men have appeared briefly in the Cape Town Magistrate's Court over allegations about stolen minibuses.

Mr Manuel Louw, 35, of Uitsig and Mr Rudolf Swartbooi, 19, of Belhar were not formally charged yesterday and were remanded to April 19 for a bail application.

Mr H J Venter was on the Bench. Miss I Nieman appeared for the State and Mr J Kudo and Mr R Daker for the defence.

Ex-police chief awarded R2 000

FORMER Ciskeian security police chief Fumbalele Zozi has won a defamation action against Nasionale Pers for an article linking his transfer to the criminal branch in 1984 with former Transport Minister Namba Sebe's escape to Transkei.

Zozi was awarded R2 000 damages plus costs by Mr Justice R van Schalkwyk in the Rand Supreme

18/11/88
SUE RUSSELL 103
Court yesterday. He had claimed R20 000.

Mr Justice van Schalkwyk found the article, published in September 1984, was defamatory.

Counsel for Nasionale Pers is expected to apply for leave to appeal today.

Transkei soccer gets R200 000 sponsorship

61/1/15/14/52
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The acting commander of the Transkei Defence Force, Brigadier T. T. Matanzima (left), with the chairman of the military council, Major-General Bantu Holomisa, and the managing director of a Butterworth brewery, Mr Peter Lloyd, at the brewery yesterday.

BUTTERWORTH — A brewery here yesterday pledged R200 000 sponsorship to the Football Council of Transkei.

The chairman of Ohlssons Brewery Transkei, Mr John Seton, announced the sponsorship during a visit to the brewery by the chairman of the military council, Major-General Bantu Holomisa.

Mr Seton said the money would be provided over the next 36 months and would help young, talented soccer players in Transkei by giving them "every opportunity possible" to become the best players in Southern Africa.

He added that further organisation was needed at administrative levels within the sport, as well as assistance with proper facilities at school level.

Gen Holomisa thanked the brewery for its generous gesture to promote sport in the country. The donation clearly showed the social responsibility of the industry, he said.

He expressed the hope that further negotiations with soccer organisations would succeed in promoting the talents of Transkei youth.

Gen Holomisa said a total of R700 000 had been raised during the past three and a half months.

The president of the Football Council of Transkei, Mr M. Nonkonyana, said he was "greatly honoured" to respond to yet another large sponsorship for soccer in Transkei — for the Castle Shield knockout tournament.

The sponsorship was a result of negotiations between his council and the brewery.

"This sponsorship will, as before, support a knockout competition among senior divisions and our professionals," he said.

Mr Nonkonyana said senior division teams would be drawn against professional sides. Because of the superior strength of professional teams, matches would be played on the amateur teams' home grounds. — DDR

D/O 15/4/88 (103)

2 award ceremonies at Unitra next week

Daily Dispatch Reporter
UMTATA — A total of 500 degrees, diplomas and certificates will be awarded at the University of Transkei graduation ceremony here on Friday and Saturday next week.

The vice-chancellor, Professor Wiseman Nkuhlu, will confer the degrees as the first chancellor, Paramount Chief Kaiser Matanzima, has retired.

The president of the African Federated Chamber of Commerce (Nafcoc), Dr Sam Motsuenyane, will address the ceremony.

The university's public relations manager, Mr G. L. Matshaka, said the first session of the ceremony on Friday, beginning at 2 pm, would deal with the faculties of law, economic sciences, medicine and health sciences.

The chairman of Unitra, Mr A. T. Sigcu, will deliver a welcoming address before the keynote address by Dr Motsuenyane.

Saturday's session starting at 9 am and involving the faculties of arts, education and science will be addressed by the managing director of Sasol, Mr P. du P. Kruger.

Mr Matshaka said that while a complete list of graduands would be released soon, Professor Nkuhlu would also confer three masters degrees in arts, science and education.

Mr D. J. M. Ngcanga will receive an MA in African languages, while Mr M. Rajadevan will get his MA and Mr N. M. Vena his MSc.

Mr Matshaka said admission cards in various colours indicating all categories for the re-

spective sessions were now available at the examinations section of Unitra.

He said in most cases invitations and subsequent admission cards had been issued for both Friday and Saturday sessions while in others they were issued for only one of the two ceremonies.

"This therefore means that if one is invited for the Friday session only, he or she will not be expected on Saturday," he said.

He also announced that the university had engaged the services of three professional photographers to operate inside the Great Hall where the ceremonies would be held, and that the photographers would be accessible to graduands at three strategic points for the conferring, capping and awarding of certificates.

TCC to house victims of demolitions

D/15/4/88

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Daily Dispatch Reporter
UMTATA — The Transkei Council of Churches (TCC) is to house a number of Baziya families whose homes were demolished by the Transkei Government some 10 years ago after the families were banished to various rural areas.

The families, including members of the Joyi family, were banished to the rural areas of Cofimvaba, Umzinkulu and Mqanduli by the government under the former president, Paramount Chief Kaiser Matanzima, in terms of Section 41 of the Public Security Act.

Their banishment, including that of an attorney and former son-in-law of Paramount Chief Matanzima, Mr Prince General Madikizela, were lifted unconditionally by the short-lived government of Miss Stella Sigcau in December last year.

In a report released here expressing the concern of churches, the

TCC said those banished from Baziya had had their homes destroyed and as a result had remained homeless.

They were Mr Anderson Joyi, Mr Mkuseli Joyi, Mrs Notemba Joyi, Mrs Nowilo Joyi, Mr Mapolisa Joyi, Mr Xakalegusha Bisiwe, Mr Loli Ntinde, Mr Tembekile Nwelende and Mr Gengelele Ntinde.

The report said that after their banishment orders had been lifted last year the families had approached Miss Sigcau's government for help, and were promised they would be assisted to rebuild their homes.

But the military government which overthrew Miss Sigcau's government in a coup told them it could not help them.

"This means, therefore, that the council should see the best it can do to help them have other shelter," the report said.

Blue chip results noted

Daily Dispatch Reporter

BUTTERWORTH — The general manager (development) of the Transkei Development Corporation (TDC) said yesterday that the organisation was committed to development in the country and that certain industries here served to show what "blue chip" results meant to such development.

Mr Piet Bosch was speaking at a function held at a Ohlssons Brewery Transkei and attended by the chairman of the military council, Major-General Bantu Holomisa, several cabinet ministers, senior government officials, industrialists, TDC board members, other officials and invited guests.

Mr Bosch said it was "rather a special day" for the TDC since the rulers of the country had decided to undertake a tour of local industries.

Mr Bosch stressed that the TDC's emphasis was always on "viable business ventures" and that the brewery was an excellent example of such a venture, which provided "blue chip" results.

The tour around local industries was proof of the viable business ventures in the country, he said, adding that although there were "some negative aspects" there were definite investment advantages for potential investors in Transkei.

General Holomisa's tour of Butterworth industries included visits to cutlery, clothing, motor parts, brewery, blanket and garment industries.

The first stop was at Pep Industries which provides employment for 2 100 Transkeians in two main operations.

The entourage then moved on to Tally, a large Taiwanese clothing industry which exports certain of its products as well as supplying large local chain stores with garments.

The factory, which opened in 1984, provides 900 employment opportunities for Transkeians.

Three further visits were made, to Tramutex, a yarn-spinning concern, Golden Products, manufacturer of assorted cutlery and other products, and to Braun, a motor parts industry.

See also page 7

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Bid to query legality of inquiry dropped 103

Daily Dispatch Reporter

UMTATA — The legal representatives of Jalc Holdings and Temba Construction led by Dr W. E. Cooper, SC, yesterday told the commission of inquiry into the Department of Works and Energy, that his clients no longer intended proceeding with a court application on the legality of the inquiry.

The commission was further addressed on why Jalc did not want to give evidence because of pending civil proceedings and the intended arbitration against the Transkei Government.

Dr Cooper submitted affidavits by Mr V. Mbotoli, a director and chairman of Temba Construction, and by Mr J. T. Strong, a former director of Jalc Holdings.

Mr Mbotoli's affidavit confirmed that the evidence he had already given to the commission was correct.

Mr Strong's affidavit dealt with his company's involvement in housing contracts in Transkei from the late 1970s up to 1985.

Dr Cooper said there

were various factors which had influenced the non-attendance before the commission of Mr Strong and another shareholder, Mr R. Torode.

He said these were various disputes which had arisen between Jalc and the Department of Works and Energy in regard to the housing scheme contract.

A summary of these disputes shows that on February 18, 1988 a certificate No. 49 was issued by the architects certifying that an amount of R257 291 was due to be paid to Jalc by March 2.

On March 3, Mr Bowden, an official in the employ of the Department of Works and Energy, issued a document termed Payment Certificate No. 49, for the above amount.

On the same day the

department rejected various claims made by Jalc.

The department also demanded payment of the sum of R1 704 422,70 from Nedbank Limited in terms of a letter of guarantee.

On the following day Jalc replied to the department's letter.

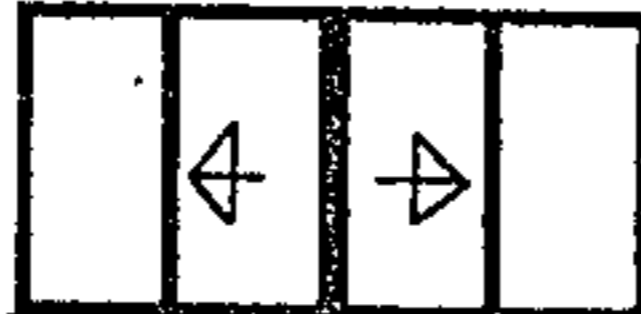
A proposal was made to settle the disputes amicably.

If this was unacceptable Jalc threatened to institute legal proceedings.

On March 15 Jalc applied to the Witwatersrand Local Division of the Supreme Court for a temporary interdict restraining Nedbank from paying the amount of R1,7 million to the department.

On March 17 it was apparent that the parties had reached an impasse.

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Daily Dispatch Reporter

UMTATA — The former Transkei state president, Paramount Chief Kaiser Matanzima, has denied that he ever gave directives of his own in connection with housing contracts.

He had given directives only when exercising an executive function and acting on the advice of the executive council, he told the commission of inquiry into the Department of Works and Energy.

Chief Matanzima had been invited by the chairman of the commission, the former Transkei Chief Justice, Mr Justice J. H. van Rensen, to testify on correspondence between himself and Jalc Holdings and the department.

Earlier, counsel for the auditor-general sub-

Chief Kaiser denies giving own directives

D/D 18/4/88

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mitted certain letters to the department dealing with extensions to Jalc's contract and signed by Chief Matanzima.

Chief Matanzima said whenever he had acted as president it had been on the advice of the executive council.

The government had engaged a company called Temba Construction without his knowledge.

"I never wrote to the Department of Works and Energy, and I only communicated with the prime minister.

Asked if he thought that anybody who issued directives should be fully informed of the facts, Chief Matanzima said he had always been under the impression that there was consultation between the departments and the prime minister.

He admitted giving a directive in a letter signed by him to the Department of Local Government and Land Tenure in which the department was required to find funds for servicing the site of 637 houses at Ezibeleni and

at North Crest.

He admitted issuing a directive for the payment of R220 000 to Jalc without knowing the terms of the contract.

Counsel remarked that a shareholder of Jalc, Mr V. Mbotoli, was a member of the Matanzima family. Chief Matanzima denied this.

Mr Mbotoli told the commission earlier this year that he was a close relative of the Matanzimas.

Regarding the Southridge Park housing scheme, Chief Matanzima said he had objected to an agreement between the Department of Local Government and Codia because the houses would be beyond the means of his people.

The inquiry continues today.

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DIP 19/4/88 (102)

Consultant denies firm's impropriety

UMTATA — A former shareholder of Jalc Holdings, Mr J. T. Strong, has denied that his company acted improperly in acquiring building contracts.

In an affidavit submitted to the commission of inquiry into the Department of Works and Energy Mr Strong, who is now a consultant for Jalc, said none of the company's officials and employees had acted in an improper manner.

Mr Strong's affidavit was one of two submitted by Dr W. E. Cooper, a legal representative of Jalc, after his clients had decided not to challenge the legality of the inquiry. The other affidavit was by Mr V. Mbotoli, a shareholder.

Mr Strong traced his company's involvement in housing contracts from the late 1970s when a company called Longtill tendered for the construction of 900 houses at Ibika in Butterworth. It did not get the contract.

Shortly after this he had met Mr Mbotoli and Mr Chris van Rensburg. Through them he met the mayor of Butterworth and his councillors and he was made aware of the housing shortage.

Meanwhile, Longtill had put together a package for a housing scheme and submitted a proposal to the Butterworth town council for the construction of 584 houses with infrastructure. Longtill was awarded the contract.

Its proposal to the Butterworth municipality was on a turnkey basis which included the provision by Longtill of an overseas loan to fund the project.

The Transkei government considered it better that it should take over the entire project together with the loan rather than provide a guarantee.

An agreement for the erection of 584 houses together with fully reticulated sites and services at Butterworth was signed in April, 1979, and it was agreed that Longtill would furnish a performance surety equal to 10 per cent of the contract sum.

The government also reached an agreement with Longtill that the

contract be split by building 300 of the 584 houses at Umtata.

The company got into financial difficulties and liquidation was unavoidable. It was decided that one of the executive directors, Mr L. D. Painting, would bring the application for liquidation.

"I have been advised that it has been suggested by counsel presenting the evidence that fraud was involved in this application.

"This is emphatically denied. Mr Painting and I were, on the day of the provisional liquidation, approached by Mr M. S. Goldstein, a building contractor, to become involved with him in Longtill, which he intended taking over.

"He offered us a one-third interest but we both turned down the offer. The two of us decided to form a business and endeavour to obtain the remainder of the Butterworth contract.

"It was decided to involve Mr Mbotoli as a shareholder in a company to be formed. We acquired a dormant company over that weekend, Temba Investments.

"The issued shares were held by Jalc Associates and Mr Mbotoli was appointed director and chairman of Temba," Mr Strong said.

Temba then tried to obtain the contract and after Mr Mbotoli had written to the Department of Works and Energy they met various officials, in an effort to secure the contract.

Mr Strong said the prime minister directed, at a meeting on February 15, 1980, attended by Mr M. Lujabe, Mr S. S. Mgudlwa, Mr L. N. Mbabama, and Mr Mbotoli, that the Longtill agreement be cancelled and Temba be awarded the remainder of the contract.

The agreement was signed on September 5, 1980.

Regarding the Ezibeleni/Northcrest contract, Mr Strong said Jalc was appointed in December 1982 to submit its proposals for the project, and it was agreed on May 18, 1983, that the proposed housing scheme be accepted.

— DDR

Matanzima probed on contracts

Own Correspondent

UMTATA. — The former Transkei state president, Paramount Chief Kaiser Matanzima, has denied that he ever gave directives on his own in connection with housing contracts except when exercising an executive function and acting on the advice of the executive council.

Chief Matanzima had been invited by the chairman of the commission of inquiry into the Department of Works and Energy, the former Transkei Chief Justice, Mr Justice J H van Reenen, to testify on correspondence between himself and Jalc Holdings and the department.

Earlier, counsel for the auditor-general submitted letters dealing with extensions to Jalc's contract and signed by Chief Matanzima.

Asked for funds

Asked if he considered it necessary that anybody who issued directives should be fully informed of the relevant facts, Chief Matanzima said the executive council gave instructions to the prime minister and never to the department or the contractor, but he admitted giving a directive in a letter signed by him to the department of local government and land tenure in which the department was required to find funds for servicing the site of 637 houses at Ezebeleni and at North Crest.

Chief Matanzima said he had not given instructions for the extension of the contract, and was not aware that this would cost millions as he had not been properly informed. He admitted issuing a directive for the payment of R220 000 to Jalc without knowing the terms of the contract. He said he might have issued it as a result of a complaint by the contractor.

Asked whether a shareholder of Jalc, Mr V Mbotoli, was a member of the Matanzima family, Chief Matanzima denied this, saying he was only a counsellor and not a relative.

Mr Mbotoli told the commission earlier this year that he was a close relative of the Matanzimas, as they regarded him as a son.

The inquiry continues.

DIP 19/4/86 (103)

Consultant denies firm's impropriety

UMTATA — A former shareholder of Jalc Holdings, Mr. J. T. Strong, has denied that his company acted improperly in acquiring building contracts.

In an affidavit submitted to the commission of inquiry into the Department of Works and Energy Mr Strong, who is now a consultant for Jalc, said none of the company's officials and employees had acted in an improper manner.

Mr Strong's affidavit was one of two submitted by Dr W.E. Cooper, a legal representative of Jalc, after his clients had decided not to challenge the legality of the inquiry. The other affidavit was by Mr V. Mbotoli, a shareholder.

Mr Strong traced his company's involvement in housing contracts from the late 1970s when a company called Longtill tendered for the construction of 900 houses at Ibika in Butterworth. It did not get the contract.

Shortly after this he had met Mr Mbotoli and Mr Chris van Rensburg. Through them he met the mayor of Butterworth and his councillors and he was made aware of the housing shortage.

Meanwhile, Longtill had put together a package for a housing scheme and submitted a proposal to the Butterworth town council for the construction of 584 houses with infrastructure. Longtill was awarded the contract.

Its proposal to the Butterworth municipality was on a turnkey basis which included the provision by Longtill of an overseas loan to fund the project.

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"He offered us a one-third interest but we both turned down the offer. The two of us decided to form a business and endeavour to obtain the remainder of the Butterworth contract.

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— DDR

DIP 20/4/88

Transkei inquiry adjourns

103

UMTATA — The commission of inquiry into the Transkei Department of Works and Energy which is investigating housing contracts has adjourned until Monday next week.

No reasons for the

postponement were given. Some of the counsel presenting evidence before the commission were reported to be overseas, while others are in Durban.

Counsel had hoped to call the former managing director of the

Transkei Development Corporation, Mr Sonny Tarr, to give evidence on a R400 000 loan to the Inkululeko Trading Company in which the former prime minister, Chief George Matanzima, was a shareholder.
— DDR

Shooting: Cops won't be tried

From LOUISE FLANAGAN

EAST LONDON. — The Transkei attorney-general will not prosecute two policemen implicated in the fatal shooting of an alleged ANC guerilla who died while crossing the border over a year ago.

An inquest magistrate found the policemen did not have the right to shoot Ngwenduna Vanda and referred the case to the Attorney-General to investigate possible criminal charges.

The magistrate ruled Vanda had been shot after he had been disarmed.

However, Attorney-General Chris Nel said last week he had refused to prosecute as the two policemen had been acting in self-defence or the deceased had tried to resist arrest.

Vanda was shot near the Telle Bridge border post in the Sterkspruit area in December 1986, while illegally crossing the border

from Lesotho to Transkei.

Transkei authorities tried to cover up the incident at the time and Vanda was buried in a pauper's grave at Sterkspruit. Details only emerged five months later when a man who was detained in the incident was released.

Bonisle Qabaka had arranged to travel to Transkei with Vanda, who was known in Lesotho under a different name. Qabaka told lawyers for Vanda's family that when they reached the border post Vanda, who was to take up a teaching post in Transkei, had said he would walk across the border as his passport had expired.

They arranged to meet on the other side of the border. Instead, Qabaka said in an affidavit: "I was accosted by a number of policemen who approached my car with pointed firearms, shouting that I should come out of the car and saying I was a terrorist."

He was shown Vanda's body and then held under Transkei, and later South African, security laws. On his release he contacted Vanda's family.

Pressure from lawyers for Vanda's family resulted in the exhumation of the body and an inquest in July last year.

In an unusual finding, inquest magistrate D E Moses found Constables Ishmael Commando Dzai and Nelson Nceba Solombela had been responsible for Vanda's death and they did not have the right to shoot him.

Moses said police evidence had been contradictory but it had been proved beyond reasonable doubt that Vanda had been fatally shot after he had effectively been disarmed.

He said that despite operating in dangerous circumstances the police did not have the right to shoot a man they had disarmed. *Ei-news*

21-2/7/88

John

103

D/V. 21/4/88
**Mission
spends ⁽¹⁰³⁾
R59 000
on relief**

Daily Dispatch Reporter
EAST LONDON — The Baptist Mission of Transkei spent R59 000 on roof repairs and window replacements for the Mlungisi Disaster and Relief Project last year.

The money was donated by the Southern Baptist Church in America and was used to repair 353 houses in Mlungisi, the Rev Ken Perkins said.

The services were offered to families whose homes had been destroyed or damaged in floods last year, irrespective of religious denomination, a member of the Baptist mission, Mrs Joan Roebert, said.

Mr Perkins said that the pastor of the eZebeleni Baptist Church, the Rev Mketsu, was instrumental in helping him train 40 people to lead weekend door-to-door gospel sharing.

Mr Perkins also commended the members of the Luxolo Baptist Church in eZebeleni and the Mlungisi Baptist Church for their help in making the most of the disaster response.

Rockfalls caused by sliding clay island

D/1021/4/88
103

Daily Dispatch Correspondent

MDANTSANE — The identity of a state witness at the trial of 52 Mdantsane taximen, who are facing 15 counts on charges of intimidation, was challenged in the regional court here yesterday.

The accused have all pleaded not guilty to all the counts.

The witness, Mr Zwelungile Boqwana, had denied he had approached an attorney on a civil matter between the Mdantsane-East London Taxi Association and his elder brother, Mr K. J. Boqwana, and signed an affidavit.

Mr Z. Boqwana also denied he had signed an affidavit submitted as an exhibit by the defence.

He was shown police statements that carried his signature, which he agreed were his, and the affidavit, but disagreed with the defence sugges-

Daily Dispatch Reporter UMTATA — Road maintenance engineers of the Transkei Department of Works and Energy have identified the cause of rockfalls on the road just outside Port St Johns as an "island" of earth, rocks and trees sliding on a layer of clay toward the edge of a cliff above the road.

an alternative road on which construction had already commenced, and would be completed within three weeks.

"I visited the falling rock site at Port St Johns on April 13 with the department's consultants to establish the reason for the problem, and to consider immediate and long-term solutions.

An engineer with the department, Mr V. H. Mostert, said it had been caused by the recent prolonged rains this summer.

"The problem is being caused by an island of earth, approximately 100 metres wide by 150 metres long and of varying depth, sliding on a clay layer so that the leading edge keeps on

He said the problem would be by-passed by

falling over the edge of the cliff.

"The depth of the reddish clay layer cannot be established exactly without drilling but visual evidence suggests that it varies in depth from one to 10 metres.

He advised the public to cross that part of the road only if absolutely necessary and then to cross without stopping.

There was no practical instantaneous solution because there was no feasible way of dislodging the boulders, he said.

He said one solution worthy of consideration was to lead the water in the streams above the cliff away from the "island" to allow the clay layer to dry out thus re-

ducing the rate of creep.

Another was to construct a temporary bypass on the flood plain along the river's edge, or to open up an alternate road over Mount The-siger to the town of Port St Johns, and this could be done in four to five weeks.

Mr Mostert said the Department of Works and Energy would be advertising within the next few months the contract for the upgrading to surfaced standard of the road from Tombo to Port St Johns, and this contract would include the upgrading of the access road from Pondoland Bridge to the town.

A final solution to the present problem would thus be implemented under that contract.

Girl improving after accident

EAST LONDON — The 11-year-old East London girl who was seriously injured in a road accident on Sunday night has regained consciousness and was showing signs of improvement yesterday.

Roison Lizamore was injured in an accident that claimed the life of her brother James, 9.

The medical superintendent at Frere Hospital, Dr Peter Mitchell, said Roisin's condition was still serious but "continuing to improve".

She has been transferred from intensive care to the children's ward.

Meanwhile, a requiem mass for James will be held tomorrow morning at the Immaculate Conception Church, Albany Street.

Police are still investigating the accident.

Anyone who witnessed the incident is asked to contact Sergeant A. L. Knoesen at 52220. — DDR

Magistrate vows to fight for rights to coal deposits

D/1021/4/88
103

Daily Dispatch Reporter

UMTATA — A magistrate here, Mr M. R. N. Kelembe, has vowed to fight in the highest courts for what he claims are his rights to rich coal deposits at Lady Frere.

Mr Kelembe's statement follows reports last month that a mining company, Macubeni Collieries (Pty) Ltd, was preparing to begin full-scale mining operations on the coal reserves.

Mr Kelembe said he was the first to discover that coal deposits existed at Macubeni near Lady Frere eight years ago and at the time there was no department in the government service which would talk of mining operations.

He said he had notified the government of his discovery and, as a result, R35 000 was paid to the Transkei Appropriate Technology Unit (Tatu).

This money was to help him carry out experimental tests on the site which he owned by virtue of being holder of a tribal quitrent title deed.

He said the previous government worked hand-in-hand with him and it found the project was viable.

He said a company was formed, The Transkei Mining Company (Pty) Ltd, of which he was managing director.

Mr Kelembe said he still held a title for the land and claimed all the rights for it.

He said he was moved by press reports last month that a certain private company was going to start operations within three months at the site to exploit coal reserves.

Earlier last month, the managing director of Macubeni Collieries, Dr J. van Niekerk, said the development of the coal deposit would be managed by a team of experts.

He said the exploration results indicated a deposit of more than 100 million tons of coal reserves of anthracitic low sulphur high ash coal.



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Correction crusade



Major General Bantu Holomisa is chairman of the military council and effective head of government in Transkei. He spoke to the *FM* on military rule in the territory.

FM: What was the aim of the military takeover?

Holomisa: The Transkei Defence Force (TDF) took over the government when we realised that the endemic extent of corruption, and manipulation by a small clique of officials, would lead to a bloody civil uprising. Our aim is to run the country for the benefit of all Transkeians. We aren't imposing our views on people but will listen to their points of view and implement their wishes.

A major priority has been to upgrade recreational facilities, in particular sport for our youth. We are also committed to freedom of worship, and we unbanned the Methodist Church.

In what circumstances would civilian rule return to Transkei?

We are an interim government but a civilian government will have to adhere to the constitution. The next prime minister will have to work for the people and avoid a personality cult. The recent commissions of inquiry showed government officials were attempting to take over hotels, breweries and other profitable businesses. We've so far lost the opportunity to exploit our coal and titanium reserves because ministers and civil servants were trying to grab the rights for themselves.

We need to improve the investment climate before the civilians return. Contracts were awarded not on merit but on the grounds of the secret sponsorship an official had received. We have lost the chance to build viable shopping centres because vested interests are protected. We are losing R50m

a month as people go shopping in East London, Kokstad and Queenstown rather than within Transkei. We also need to review our policy on work permits. Foreign investors can't be expected to come to Transkei if their permits have to be reviewed every six months.

What are your views on the setting up of trade unions in Transkei?

The Department of Manpower is investigating the desirability of unions, which were favoured by the Matanzima government. In the absence of unions we will be reviewing and upgrading wages ourselves. Transkeians hope to develop their own indigenous union movement, which won't be an offshoot of the South African movement. I believe we Transkeians will solve our own problems and not wait for a lead from others. The existence of unions won't necessarily put off investment — it hasn't in other countries. But that would depend on the objectives of the movement. It wouldn't by any means have to be a political union movement like in SA — we don't have apartheid or the international focus here.

What about the migrant labour system?

It is good for our country that employment opportunities exist in South African mines. But our people often live in unacceptable conditions and I hope that in the future, with the relaxation of the Group Areas Act and upgraded housing, our people will be able to live with their families in a more dignified manner.

On the other hand, I believe the necessity to find work on the mines will diminish as we upgrade the rural areas. Under the present land tenure system chiefs can remove their tenants from their land at any time and we are determined to change this. With land security and increased access to water, shops and electricity our people could start to make a better living through their smallholdings than by working in the mines.

How would you characterise Transkei-SA

relations?

There is no funny business in our present relationship with the South African government. As for your people, we can understand why South African taxpayers resented spending their money on the homelands. Taxation was misused and money was often not spent on the projects for which it was allocated. We had no national development plan to establish development priorities. The Matanzimas saw South African funding as an opportunity to build their private kingdom.

How will Transkei be influenced by the constitutional development of SA?

I would be surprised if there was a hand-over of power during my interim administration! But I am sure that before there's a major constitutional change, the independent and national states will be invited for their input. We are national leaders just as much as the ANC and PAC.

We hope ideologies will be put aside and the future of southern Africa will be decided at a national convention. We are in the process of forming a National Advisory Council, including prominent businessmen and churchmen which would help decide our proposals for such a convention.

If there was sufficient progress towards political and racial equality in SA we would consider a closer, federal relationship with her.

What did events in Bophuthatswana tell you about your relationship with SA?

I can't comment on events in Bop and have no idea of the extent of corruption there. All I can say is the corruption in the Transkei government was documented in commissions of inquiry. I am still wading through details of George Matanzima's activities and have only got to March 1987. If the TDF hadn't intervened there would have been a civil uprising. And if SA had intervened the people would have asked if she was behind the corruption.

Shared ambitions

Transkei is in danger of becoming positively Thatcherite — if its latest investment scheme takes off.

Just as Britain is being turned into a nation of shareholders, so the Transkei Development Corporation (TDC), in its own small way, intends to encourage share ownership among Transkeians.

The TDC is setting up a public investment company, offering units of 50c or R1 in TDC's own investment portfolio. Rand Merchant Bank will assess the value of TDC's investments, mainly in unlisted companies.

Says TDC economic development GM Piet Bosch: "We intend to raise R10m in our first issue, which will include part of our stake in our four most profitable ventures — Transun, Holiday Inns, Ohlsson's Brewery Transkei (OBT) and the Singisi sawmill. If we included less profitable companies, the risk factor would be too high for an adequate return on investment."

The TDC hopes later to add Sanson, makers of Ultravision televisions and Ultrasound radios, and the Coca-Cola bottling facility.

The issue is open only to Transkeian citizens. Purchasers will be free to sell them, but only to fellow Transkeians.

In order to release further funds for economic development, the TDC plans to sell part of its R240m building portfolio. Exhaust manufacturer Braun Engineering will be the first company to buy its factory. But there's a catch. Only industries qualifying for decentralisation concessions are to be entitled to buy their plants — so until there is a change in legislation, companies like OBT and Singisi will have to continue leasing their premises from the TDC. However, TDC sources say a change in legislation could come by August.

It also looks as if Transkei is reconsidering emphasis on export-orientated businesses in favour of import replacement. Bosch says: "There is no reason for us to have to import soap, candles and building materials. But we

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must aim for self-sufficiency not only in products but also in skills and training."

But, while the TDC tries to introduce new thinking, some traditional problems remain.

About 45% of new Transkei investment currently comes from overseas. But a spokesman for a large Far East company laments: "We have an absenteeism rate of around 10% and a very bad road, which means most of our work force take a two-hour walk to work. There is inadequate accommodation for our work force and communication links can be poor. We are told it will take 18 months to get the four phone lines we need installed." ■

Workers' Day in Transkei

UMTATA — The military government in Transkei has decided to recognise Workers' Day, May 1, which is recognised internationally as a public holiday.

The deputy secretary-general of the military council, Mr T. N. Betela, said yesterday the public holiday would be on May 6 this year, but in future it would be on May 1. — DDR 010

Power to cost 10 pc less in Butterworth

D10 26/4/88
Daily Dispatch Reporter

EAST LONDON — Butterworth electricity consumers can look forward to a 10 per cent reduction on their domestic accounts with effect from their next meter readings. (30) (103)

In addition a complete tariff review is being carried out for all consumers in the whole of Transkei with the objective of making cheaper electricity available to domestic consumers in particular.

The managing director of Transkei Electricity Supply Corporation, Mr S.T. Collins, said yesterday it was not the first time that reductions in electricity consumer tariffs had been implemented.

He said that various tariffs had been in existence throughout Transkei. The different rates depended on the capital expenditure costs of get-

ting power supplies to outlying areas.

Mr Collins said that about two and a half years ago a general domestic tariff was introduced resulting in certain areas receiving up to a 30 per cent tariff reduction.

He said that it was the policy of the corporation's board that electricity tariffs should be decreased as much as viably possible.

He said that as far as Butterworth was concerned, the corporation had only recently taken over the supply of power there as it had previously fallen under the control of the Butterworth municipality.

He said that as the corporation had taken over the control of the electricity supply, they were in a position to remove the 10 per cent surcharge imposed by the municipality.

(103) D/D, 26/4/88

Tembu row: stay-out warning to council

UMTATA — Details of a warning to the military council to stay out of a dispute over the paramountcy of the Tembus have come to light in the Supreme Court here.

The warning was contained in a letter written to the military council by the former State President, Paramount Chief Kaiser Matanzima, and the former commander of the Transkei Defence Force, Chief Zondwa Mtirara.

The letter was attached to papers filed before the court seeking an order to stop a meeting of the Dalindyebo

regional authority on the Tembuland paramountcy, scheduled for May 2.

An interim interdict was granted by the court, and the respondents, including the military council, have been given until tomorrow to show cause why the temporary order should not be made final.

If made final, the order would restrain the military council and the regional authority from holding the meeting intended to discuss the designation of Mr Buyelekaya Dalindyebo or

anybody else as paramount chief of Tembuland.

Mr Dalindyebo is the son of the late Chief Sabata Dalindyebo, who was deposed as paramount chief by the Transkei Government in July 1980. He left the country and died in exile in Zambia in April 1986.

In the letter, both Chief Zondwa and Paramount Chief Matanzima said: "The military council should be advised to let us alone if a court action is to be avoided." — DDR

Transkeian body to launch public investment company

D1D 27/4/88 103

Daily Dispatch Reporter

EAST LONDON — The Transkei Development Corporation (TDC), is to launch a Public Investment Company (PIC) with applications for shares being called for later this year.

This would enable members of the Transkei public to participate in share ownership of some of the "most successful large business ventures" in the country.

"This is part of a new drive to spread ownership of business assets across a wide spectrum of people," the interim managing director of TDC, Mr M. K. C. Jackson, said in a press statement yesterday.

"Whereas in the past, business ownership has tended to be the preserve of a relatively small group, the PIC will give the opportunity to the man-in-the-street in Transkei to obtain a stake in various successful business.

"Members of the public will be able to purchase a share in the PIC for as little as R100. The PIC in turn will hold share investments in successful companies such as Ohlssons Breweries Transkei, Singisi Forest Products, Sankel Speakers and Transkei Sun.

"Other companies may be added as the investment company progresses."

The owners of the shares would receive a share

of profits on a six-monthly basis, and would also be able to sell their shares at any time — and thereby realise their investment.

"It is expected that the investment company will be set up with an initial capital of R25 million, of which R10m will be issued to the general public."

"The remainder will initially be held by TDC, but will be made available for sale to the public as demand arises.

"The portfolio of shares held will be valued by a professional group on a quarterly basis. The Rand Merchant Bank has been engaged to perform this function, as well as to assist in the establishment of the venture and issue of shares.

"Arrangements are being made whereby shares will be able to be bought and sold with the assistance of local banks."

A share investment in the PIC was expected to provide a dividend yield of about eight per cent a year in addition to capital growth.

Mr Jackson said the TDC intended to guarantee the dividend return in the first year.

"A widespread education and advertising campaign will be necessary to launch the shares. This is expected to be ready in May. It will be followed by the launch of the initial share issue to the public with applications for shares being invited during June and July this year," he said.

Daily Dispatch Reporter

EAST LONDON — The loans department of the Transkei Development Corporation (TDC) may be turned into a fully-fledged commercial bank if existing open market operations of foreign banks operating in Transkei remained inadequate.

This was announced by the chairman of Transkei's military council, Major-General Paul H. M. M. M., when he addressed the TDC, Transkei Broadcasting Corporation and the Transkei Electricity Supply Commission in Umtata.

Gen Holomisa said the financial market situation in Transkei did not appear to have changed

Holomisa: loans office of TDC may be turned into a bank

103 27/4/88

much since its independence 11 years ago.

"Financial institutions such as insurance companies, foreign building societies and pension fund agencies continue to view Transkei as a harvest ground for gains without making any worthwhile investment contribution to our economy.

"The TDC has improvised very well as a fi-

nancier but we should accept that it is a stop-gap situation until such time when the financial institutions have assumed their duties and their rightful role in the Transkeian economy.

"If it should become apparent that foreign institutions are not determined to provide service to Transkei, you might have to upgrade

your financial credit window."

Development was "but a wild dream as long as there is no financial market of substance in the country".

The meeting, one of a series being held by the military council to meet public servants, was also told an alternative for economic survival was to allow everyone complying with the requirements of Transkei's licensing legislation to trade without restrictions.

Gen Holomisa also hinted at the establishment of a Transkei Broadcasting Service, incorporating Radio Transkei and Capital Radio, as well as the signing of a broadcasting agreement with South Africa.

when the industry

Transkei auditor run over by bus

D/D 28/4/88

103

Daily Dispatch Reporter

UMTATA — An internal auditor of the Transkei Agriculture Corporation (Tracor), Mr Lonnie Mthetheli Mvunyiswa, 48, was killed instantly here at the weekend when he was run over by a bus as he was alighting near his home at Qokolweni.

Mr Mvunyiswa, who joined Tracor in 1982, had a diploma in auditing and bookkeeping, and had worked for the former Xhosa Development Corporation and subsequently the Transkei Development Corporation.

Mr Mvunyiswa, who is survived by his wife and six children, aged between eight and 18 years, will be buried at his home on Saturday.

New 3rd party system in T'kei

Daily Dispatch Reporter
UMTATA — Transkei, like South Africa, has introduced a free motor vehicle third party token system.

An official of the Department of Transport and Motor Vehicle Assurance Fund manager, Mr O. Bidli, said Transkei motorists would, as from May 1, start displaying free third party tokens which were called tokens of identification.

"These tokens are obtainable from garages and insurance agents", he said, adding that they should be displayed on the windscreen at a place where they can be easily seen.

"These tokens will remain for the lifetime of the vehicle, in other words they are not renewable."

Mr Bidli said there were various points to be noted regarding the display of the tokens.

These were:

- One token of identification should be displayed on a vehicle.

- Only vehicles registered in Transkei should display the tokens.

- These tokens were obtainable free of charge.

- On change of vehicles the owner may either obtain a new token or keep the old token.

- The old tokens should be removed to avoid unnecessary confusion.

Mr Bidli said further inquiries should be referred to him at the Transkei Motor Vehicle Assurance Fund section at office 19, eighth floor, Botha Sigcau Building.

Ex-Bucks' coach gives reasons for departure

103

Daily Dispatch Reporter

UMTATA — The former coach of Transkei's National Soccer League first division club, Umtata Bucks, Gordon Eddleston, has decided to break the silence over his parting of ways with the black and gold idols of local soccer lovers.

Eddleston, who said he aimed to return to Transkei in the near future to coach amateur soccer players and coaches, in an endeavour to raise the standard of the game starting at grass-roots level, said he was frustrated at Bucks by the administrators.

He paid tribute to the playing staff which he regarded as a great bunch of players, with whom it had been a privilege to be associated, because they were great listeners.

He said his future depended on the outcome of a launching yesterday in Johannesburg of a Soccer Academy sponsored by the South African Soccer Association (SASA), of which the Football Council of Transkei (Focotra) is an affiliate.

The object of this soccer development programme was to provide training in the administration, coaching and the playing aspects of the game.

He said he had kept quiet about his association with Umtata Bucks to save the club from adverse publicity, but recent events had caused him to break his silence because the people had a right to know.

"I resigned because in the present infrastructure of the club it is impossible for any coach to do his job well and lead the club to greater success.

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"Umtata Bucks is now a first division club playing in a league that will generate about R50 million this year, but the club does not even have a phone of its own.

"It is run as a subsidiary of the Department of Welfare because it is administered by an employee of that office and many talented members of the club are stifled by this arrangement.

"From the beginning of the season I have been requesting the club to sign a specialised striker, and if we had this player Bucks would have been in the top half of the league log.

"My repeated requests are ignored, even mundane requests for soccer balls are ignored. We have trained for the most part of the season with one ball between 20 players.

"But this club did not belong to one man, this is the people's club, and for the last six months it was my privilege to lead it to glory into the first division.

"When we worked together nobody in the world could do better, but equally so no coach in the world can keep the club in the first division, unless the present infrastructure is streamlined to first division standards.

"At the end of the day the future of the club will be decided only on the field of play, and nobody, least of all myself, wants to see it go down. Contrary to rumours, I have not had any offer from any other club in the NSL. I feel I still have a role to play in the future of soccer in Transkei, Eddleston said.

Kei to launch share offer

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29/4/88

MEMBERS of the public would be invited to apply for shares in the Public Investment Company (PIC) to be launched in June by the Transkei Development Corporation (TDC).

TDC interim MD Michael Jackson said the PIC would in turn hold shares in Ohlssons Breweries Transkei, Holiday Inns Transkei, Singisi Forest Products, Sankei Speakers and Transkei Sun. Other companies could be added as the investment company progressed.

Jackson said: "The PIC campaign is part of a new drive to spread ownership of business assets across a wide spectrum of people, whereas, in the past, business ownership has tended to be the preserve of a relatively small group.

"The owners of the shares will receive a share of profits made on a

MICK COLLINS

six-monthly basis. They will also be able to sell their shares at any time and thereby realise their investment."

He said a share investment in the PIC, which could be bought for as little as R100, was expected to provide a dividend yield of around 8% a year, in addition to capital growth. The TDC intended to guarantee the dividend return in the first year.

Share issue

"A widespread education and advertising campaign will be necessary to launch the shares. This is expected to be ready to commence during May. It will be followed by

the initial share issue to the public, with applications for shares being invited during June and July," Jackson said.

It was expected the company would be set up with initial capital of R25m, of which R10m would be issued to the public.

"The remainder will initially be held by the TDC, but will be made available for sale to the public as demand rises."

Jackson said the share portfolio would be valued on a quarterly basis by Rand Merchant Bank.

Meanwhile, the Ciskei People's Development Bank (CPDB) has also begun selling off some of its businesses and intends to offer its prestige ventures for sale by public tender — including Mpekwéni Marine Resort and the Katberg Hotel.

Sabata removal to blame for dispute — Holomisa

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Dispatch Reporter

UMTATA — A previous Transkei government's removal of the late Chief Sabata Dalindyebo from the paramountcy of the Tembus had been cited by the military government as having caused the current dispute among the Dalindyebo Tembus.

In a statement yesterday, the chairman of the military council, Major-General Bantu Holomisa, told the former State President, Paramount Chief Kaiser Matanzima, that the government's patience was

beginning to be exhausted.

He said a letter addressed to him by Paramount Chief Matanzima, in which the military government was advised to stay out of the dispute over the paramountcy of the Tembus, raised certain fundamental issues which could not be allowed to go unchallenged.

Paramount Chief Matanzima is supporting the former commander of the Transkei Defence Force, Major-General Zondwa Mirara, as successor to the paramountcy.

Paramount Chief Sabata's son, Mr Buyelekaya Dalindyebo, is the other aspirant.

Paramount Chief Matanzima is second applicant to Major-Gen Mirara's application in the supreme court for an interdict restraining the Dalindyebo Regional Authority from holding a meeting on May 2 to discuss the dispute.

The return date for a supreme court civil matter regarding the dispute is May 11.

The dispute arose after some Tembus opposed the official installation of Gen Mirara, son of the late Paramount Chief Bambilanga Mirara, as the next paramount chief of Tembuland.

Paramount Chief Sabata Dalindyebo, leader of the opposition Democratic Progressive Party, died in exile in Lusaka after being deposed from the paramountcy following his conviction under the Transkei Constitution Act and the imposition of a fine of R700 plus R200 or six months conditionally suspended for three years.

In deposing Paramount Chief Sabata, the government overruled a recommendation by the Dalindyebo Regional Authority that he be fined R100 for misconduct after he was found guilty of injuring the dignity of the State

President in a speech in Qumbu. May 27 last year.

When the matter was put to a vote, 15 members of the regional authority voted that the paramount chief be fined, three voted that he be reprimanded and two wanted him to be deposed.

In his statement yesterday Major-Gen Holomisa said:

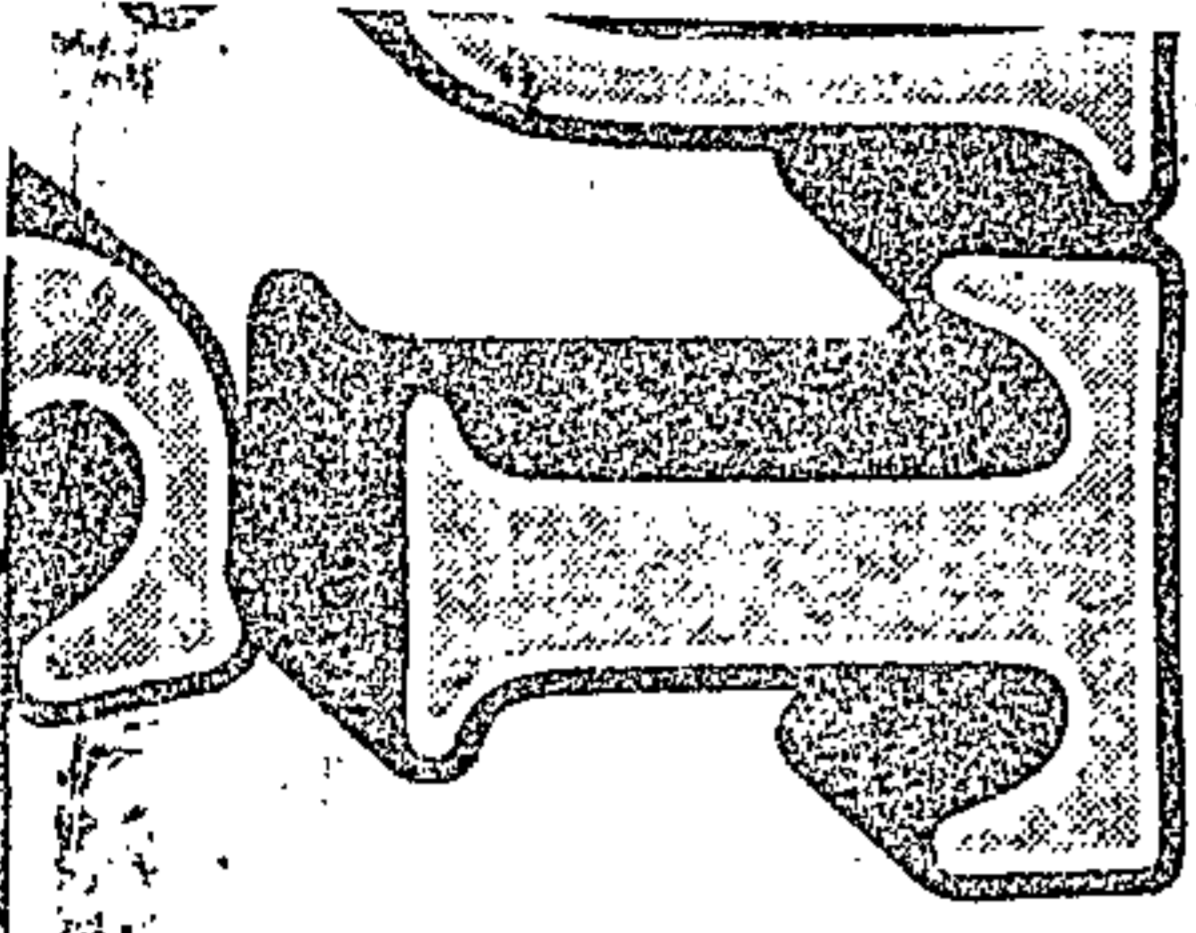
"It should be stressed that the government of Transkei became involved in this dispute when it overruled a resolution of the Dalindyebo Regional Authority and unilaterally removed Paramount Chief Sabata. Dalindyebo from office, with all the disastrous consequences that followed, and it should be remembered that Paramount Chief Kaiser Matanzima was State President at the time."

Gen Holomisa referred to a statement issued by Chief George Matanzima published on

The statement said: "My greatest worry now, and I wish the country to know this, is that my brother thinks he is above the law, which he expected everybody to obey while he was in power. I would not like to do what he did to Chief Sabata."

Gen Holomisa added: "The remark by Chief George in the same press statement that Paramount Chief Matanzima ruled Transkei with an iron fist for more than 20 years, during which time the cabinet was not expected to contradict him, is significant."

"It should be repeated for the sake of emphasis that the military council is vested with both the legislative and executive powers and it views the courts of law as institutions complementary to efficient government," Gen Holomisa said.



Great Indaba won't take off — Motlana

D10 29/4/88

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UMTATA — South Africa's Great Indaba, in which "recognised black leaders" would be invited to take part, had no chance of taking off, the former chairman of Soweto Committee of 10, Dr Ntatho Motlana, said here.

He told a gathering at the University of Transkei's Great Hall that the South African Government would be compelled to abandon the Great Indaba because the liberation struggle would go on.

Dr Motlana said that while "collaborators" were picking up the fruit, as it fell, they would continue to use their strength in shaking the fruit tree so it could be enjoyed by all.

Commenting on sanctions, Dr Motlana said it should be left to workers to decide whether they supported sanctions as they were the people to lose jobs if overseas investors pulled out.

Asked why he, as an African, should not display solidarity with the black cause by taking a resolute stand against apartheid in support of the sanctions he said: "I cannot please you by taking that kind of position because I do social work on a daily basis with people appealing to me for help in what are real human life problems".

He recalled a story of the manager of an American company who lost his job because the company pulled out from South Africa as a

result of the call for disinvestment.

This man, whose children were at university and had bonded his urban house for R70 000 came to him seeking advice to the problem of unemployment.

"As a practitioner treating patients daily and charging them money, I do not stand to lose a job if Ford pulls out and hundreds lose jobs."

On the American policy of constructive engagement with South Africa he said he had met Dr Chester Crocker, and convinced him constructive engagement meant "sleeping in the same bed with South Africa."

He said Dr Crocker had understood his argument and would abandon it.

Asked what type of economy he suggested should be followed in post-apartheid South Africa, he said there was a difference of opinion in the matter.

Those in political exile were mostly Marxists. Organisations like the African National Congress, the Pan Africanist Congress, the United Democratic Front and the Congress of South African Trade Unions believed in socialism.

The preferred system, he said, was socialism.

"For me, a mixed economy is a suggestion," he said, adding that it should have a major socialist content to look after the poor, wid-

ows and the destitute with a free market system commonly called free enterprise to look after the welfare of the poor.

Asked what caused the difference of opinion among various freedom-fighting organisations, he said differences, for example in the ANC, originated when whites joined the organisation.

Originally, before the whites joined in the organisation, the aim of the black struggle was for the retention of the land but after their involvement, it turned out to be a struggle against apartheid.

However, the doctor said the struggle was not against whites who supported them but for the freedom and recovery of South Africa.

Asked why the whites tended to assume leadership whenever there was a mixture of black and white, he said it was because they were believed to have more money and could speak English better.

Dr Motlana said black nationalists had felt that white leadership should not be allowed within the ranks of the ANC but whites were allowed to join in.

He urged blacks to be conscious and confident of themselves because "we need to build a solid front of democrats in which black and white work together, but blacks should build full confidence in themselves."

Row brewing over Transkei succession

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w/6 ARGUS 30/4/88

Weekend Argus Correspondent

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

At issue is the powerful paramount chieftaincy of the Tembus, the seat once held by Chief Sabata Dalindyebo, who was deposed, fled into exile and linked up with the ANC after a long conflict with Chief Matanzima.

Chief Matanzima, Chief Dalindyebo and jailed ANC leader Mr Nelson Mandela all belong to the Dlomos, the Tembu royal family.

After Chief Dalindyebo was deposed in 1979, Chief Matanzima replaced him with Chief Bambilanga Mtirara, who died last year.

Now Chief Mtirara son, Zondwa, who is backed by Chief Matanzima, and Chief Dalindyebo's son, Buyelekhaya, who is widely seen as the legitimate heir, are squaring up for a battle for the position.

Buyelekhaya, who is studying in Zambia, fled the country in 1979.

This week, Chief Matanzima obtained an urgent interdict against the ruling Military Council preventing a meeting to discuss the succession dispute.

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

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

The letter read: "The Government has never interfered with our laws and traditions, let alone the temporary Military Council, whose sole task should be administration and not to alter the laws and traditions of tribes."

T'kei police face R2-m in law suits

Weekend Argus Correspondent
EAST LONDON. — The Transkei has 30 political detainees, civil claims against the police totalling over R2-million and 16 political trials under way.

The Prisoner's Welfare Programme (Priwelpro), which began operating last year, said in its latest report that a country's measure of civilisation could be determined by its treatment of prisoners.

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EAST LONDON
EGGS, CHICKENS,
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**BREAD
FLOUR**
ONLY
9,99
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THE GLORY
GREAT
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EGGS
3,50
per tray
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NO TAX

**BIG BIG
CHICKENS**
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2,99
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7th April to 4th May
day mornings

upgrade their existing

SA, T'kei church leaders meet

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UMTATA — The first move towards uniting the United Methodist Church of Southern Africa (UMSCA), based in Transkei, and the Methodist Church of Southern Africa (MCSA), with its head office in Pietermaritzburg, took place during a six-hour meeting here yesterday.

The meeting, attended by delegates from both churches led by their respective presidents, followed the lifting last month of a 1978 ban on the MCSA in Transkei.

The then prime minister, Paramount Chief K. D. Matanzima, banned the church for what he considered a slight on the sovereignty of the independence of Transkei published in a Methodist newspaper.

The chairman of the military council, Major-General H. B. Holomisa, said the unbanning of the MCSA was in keeping with the enunciated policy of freedom of worship in Transkei.

The delegates identified the following steps as needing immediate attention:

- The holding of extraordinary sessions of synods and of conferences by UMCSA for the implementation of these objectives.
- A uniting and thanksgiving service to be held on July 24, in Umtata. — DDC

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PSC chief reported to be in detention ⁽¹⁰³⁾

UMTATA — The Chief Director of the Public Service Commission (PSC), Mrs M. C. V. Mlambo, is reported to have been detained by Transkei Security Police.

P. M. Mdunge, said Mrs Mlambo was last seen on Thursday when she left work.

She had taken leave until Monday to attend to family business, and he had not heard that she was in detention. — DDR

The head of the security police, Major-General L. L. Tyelela, said however that he had no knowledge of the detention.

According to her daughter, Mrs Mlambo was taken from her Umtata home on Thursday.

Miss Poppy Mlambo said two men who introduced themselves as members of the security police, burst into the house shortly after Mrs Mlambo arrived home from work, and asked her to accompany them.

She did not return until yesterday noon, when she fetched her treatment for diabetes. Three men escorted then her away.

The deputy secretary-general of the PSC, Mr

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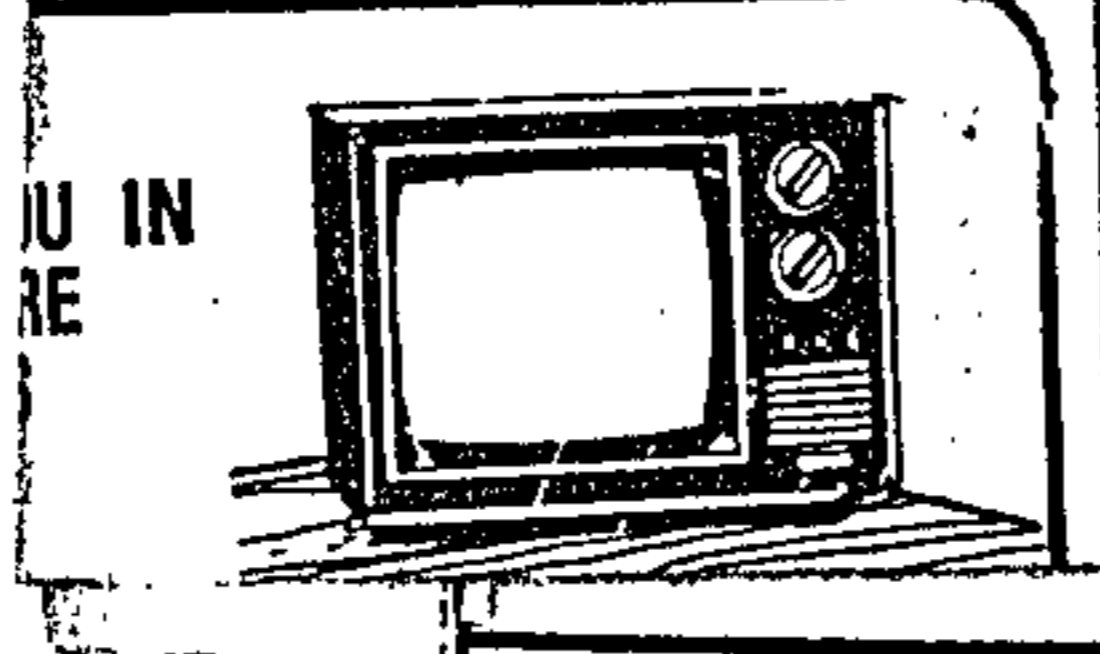
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