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WEDNESDAY 20 JULY 2011 BusinessDay

Fund traditional councils â\200\224 IFP
WORKSHOP | Inkatha Freedom Party (IFP)
leader Mangosuthu Buthelezi yesterday criticised
the government for failing to fund traditional
councils. â\200\234You can have thousands of workshops,
but if there are no budgets for traditional councils,
you are just wasting time,â\200\235 Mr Buthelezi said in
Durban during a workshop on traditional
leadership in KwaZulu-Natal. Sapa

Cosatu hails corruption arrests
MUNICIPALITY | The arrest of two senior
Ekurhuleni municipality employees and a
businessman for corruption was welcomed by the
Congress of South African Trade Unions (Cosatu) |
yesterday. â\200\234The arrests confirm ... that some of our
business people are highly involved in corrupting.
our government and the state,â\200\235 Cosatu said. Sapa

ANC moots aid to struggling municipalities

SIBONGAKONKE SHOBA
and KHATHUTSHELO MULAUDZI .

THE African National Congress
(ANC) has told the Cabinet lekgotla
to review budgetary process in order
to assist struggling municipalities.
The move could result in small
rural municipalities receiving addi-
tional funds from central govern-
ment to help them in delivering basic
services to communities.

A sizeable number of dysfunc-
tional municipalities across the
country were struggling to raise
their own revenues, often because
they had little or no revenue base.

This meant that they had to rely
on funding from provincial and
national government.

ANC secretary-general Gwede
Mantashe said yesterday the partyâ\200\231s
national executive committee (NEC)
lekgotla, which met at the weekend,

had agreed that budget processes
should be reviewed to ensure the
effectiveness of councils.

Earlier this year, Free State Pre-
mier Ace Magashule revealed that

his provincial executive was paying salaries for employees of struggling municipalities in the province.

Mr Mantashe refused to confirm if the envisaged budget review would result in more funds being pumped into municipalities, saying the Cab-

inet would make such a decision.
(The NEC lekgotla) identified programmes and what must be done in the immediate time and therefore give the task to the Cabinet lekgotla to say when you develop the budget these are the priority areas; Mr

-Mantashe said at a post-lekgotla me-

dia briefing. :

The Cabinet lekgotla, which influences the medium-term budget, is to convene next week.

(ANC) â\200\234Youth Leagu :
 appeared to. be pushmg ahead
 with a campaign to unseat Presi-
 dent Jacob Zuma by referrmg to
 his deputy, Kgalemaâ\200\231 Motla.pthe,
 as â\200\234comrade presidentâ\200\235.-

The league,
 spokesman, Floyd Shwambu
 issued.a 500-word statement yÃ@s-

terday w15h111g Mr Motlanthe .3

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pï~\201om 2
 the stater â\202~en as an
 indirectattack on Mr â\200\230Zuma.
 In the message, Mr Shivambu
 listed Mr Motlantheâ\200\231s achieve-
 ments as a leader since his days in
 throughï~\202 its.

WEDNESDAY 20 JULY 2011 BusinessDay

the National Union of -Mine-

workers. â\200\234The ANC Youth League

today draws inspiration from his

good lessons, creative â\200\230arid. innoi e

vative ideas on how the country
 should move forwardâ\200\235 .

The youth leaglle 'statement
 progr essive inter-
 gomrade Kgalema

_ 'Motladthe has never agreed to
 â\200\234make. aunsustainable and unnec-
 "Ã@ssary assurances to imperialist
 "masters, even when he addresses
 _ them in their countries 'This and
 g;}parts of "

SA's decision to vote, in favour of a no-fly zone in Libya at the United Nations Security Council: ~ has angered the league.

This could refer to Mr Zuma's trip to the UK last year when he

government policy, .
-Although league president

Julius Malema has denied speculation the league wants Mr Zuma .

replaced by Mr Motlanthe, yesterday's statement hints that the league prefers Mr Motlanthe.

. The national executive com-

-mittee of the ANC has not opened

discussion on leadership succession, but the youth league's elective conference last month called for an open discussion on the subject. We must be able to talk about our leaders...-That must not

-be seen as a vote of no confidence

in our leaders. Discussion of leadership must not be seen as a plot

against a certain leadership, Mr Malema said last month.: -
. This declaration received sup-

port from the Gauteng provincial-

general council held last month. Since last year, the league has

been hinting that it wants change, in the ANC leadership. The league* -

also wants ANC-secretary-general

Gwede Mantashe to make way for

its former president, Minister Fikile Mbalula.

Sports

On Monday, Mr Shivambu -

angered many Zuma supporters when he wrote on his Facebook page that former president Nelson Mandela had kept his promise of serving one term and did not put his fate in the hands of party

branches. This was seen as an

ails Motlanthe

_assuted foreign investors that the
nationalisation of mines was not-

indirect attack on Mr Zuma. After
his election in Polokwane four
years ago, Mr Zuma was quoted as
having said he would serve only

-one term as head of the party. He

has since disputed this.,

~ Mr Zuma's supporters said Mr
â\200\230Shivambuâ\200\231s statement. was divi-
sive. However, Mr Shivambu
received some support from other
Facebook users.

" He was not available for com-
ment at the time of going to press
yesterday but responded on his
Facebook wall, saying those who
jumped to â\200\234wrongâ\200\235 conclusions
were obsessed with â\200\234factionalism

- and narrow comprehension of the

movementâ\200\235,
shobas@bdfm.co.za

THE MERCURY

WEDNESDAY
& JULY 20, 2011

Goodbye JZ, hello leader Motlanthe

Deon de Lange and
Michelle Pietersen

THE ANC Youth League has all but abandoned President Jacob Zuma and endorsed Deputy President Kgalema Motlanthe to take over the reins of the ANC - and by implication, the country - when party delegates elect new leaders in December next year,

The league neatly sidestepped an ANC instruction forbidding public discussions about the leadership question by disguising its glowing endorsement of Motlanthe in the form of a birthday message to the deputy president.

Comrade Kgalema Motlanthe represents a brighter future of the ANC and the country and will

always be celebrated as one of the best leaders of his generation of ANC leadership.

Happy Birthday Comrade President! the league said in a statement yesterday, leaving little doubt that the battle for control of

the ANC is now well and truly

under way. . .

It was not lost on commentators that the message was addressed to comrade president and not comrade deputy president; as protocol would dictate.

And without naming Zuma, the league appears to have aimed a couple of shots across the incumbent's bow by highlighting the qualities that supposedly separate the two leaders.

The statement went on to

present Motlanthe as a progressive internationalist.

The league said Motlanthe has never agreed to make unsustain-

able and unnecessary assurances.
to imperialist masters, even when
he addresses them in their coun-
triesâ\200\235. .

Political analyst Nic Borain
said yesterday that â\200\234there is no
question in my mind that the Â°
â\200\230birthday messageâ\200\231 is, in fact, the
text of an endorsement by the
league for Motlanthe to replace
Zumaâ\200\235. Borain also suggested that
the message â\200\234spins the deputy
presidentâ\200\231s achievements to gain
the highest correlation with the is-
sues the youth league and its back-
ers want foregrounded - especially
the nationalisation of minesâ\200\235.

/b

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THE MERCURY

WEDNESDAY

Â® JULY 20, 2011

ANC keen on state pharmaceutical firm

Jabulani Sikhakhane

THE ANCâ\200\231s national executive committee has asked the cabinet to look into the creation of a state-owned pharmaceutical company to give effect to a resolution passed at the ruling partyâ\200\231s national conference in Polokwane in 2007. The cabinet will have-its mid-year lekgotla next week.

The ANCâ\200\231s highest decision-making body between conferences has also decided

Political Editor

that more funding should be allocated to the Department of Health â\200\234to facilitate the implementation of the National Health Insuranceâ\200\235 scheme. :

The ANC resolved in 2007 to explore the possibility of a state-owned pharmaceutical company that would â\200\234respond to and intervene in the curbing of medicine pricesâ\200\235.

ANC secretary-general Gwede Mantashe said yesterday there â\200\234was a compelling caseâ\200\235 for a state-owned phar-

â\200\230maceutical company.

With 0.7 percent of the

worldâ\200\231s population, South Africa had 17 percent of the globeâ\200\231s HIV:positive population and used 25 percent of its antiretrovirals, Mantashe said while briefing journalists on the outcome of the national executive committeeâ\200\231s four-day lekgotla that ended on Sunday. Though he would not be drawn into the details, the evidence presented by Man-

- tashe suggests that the state

pharmaceutical company will

initially focus on HIV/Aids drugs.

This would be in line with

Health Minister Aaron Motsoaledi's statement in May that of a quadruple burden of disease in South Africa, HIV/Aids and tuberculosis were the most severe and very expensive burden or pandemic.

To reduce this burden, South Africa is ramping up access to HIV/Aids and TB drugs.

Mantase said South Africa would be joining many other countries including Brazil, China and Cuba, in setting one up.

N THE light of recent media reports, I have taken a decision to make this public statement in order to clarify a few issues which. have created a wrong impression.

Over the past few weeks, we have read media reports stating that warrants of arrest have been signed by the National Prosecuting Authority and that there is an imminent arrest of MEC Mike Mabuyakhulu and Speqker Peggy Nkonyeni.

Most unfortunately, these media reports have created an-impression that the so-called imminent arrests are orchestrated by certain leaders in an attempt to achieve political objectives ahead of regional, provincial and national elective conferences. :

These investigations became public last year and, therefore, we believe that linking these investigations with the ANC conferences is mischievous. We regard this as scurrilous gossip and those who are responsible for this are trying to sow division within the ANC.

For the record, the ANC leadership in the province, including any other member of the provincial executive council or me in my capacity as the premier of the province, have not been formally informed about the warrants of arrest.

There has been no formal interaction with the Hawks or the police with regard to these warrants. We have only heard about these through the media. 3

In view of the sensitivity and the complexity of this matter, those who have been mentioned in the media, the cabinet and leadership of the ANC have left this matter in the hands of the court. This has been done solely to allow the due

. process of the law to take its course.

We are, therefore, constrained to discuss the merits or demerits of this investigation and the warrants of arrest,

While we are not at liberty to discuss the merits of the case, I want to confirm that I have previously made statements at the request of the Hawks on September 9,

'2010. I had been asked to clarify is-

sues relating to my line function at the time, specifically, when I was the MEC for finance and economic development.

It is important to highlight that there has been no subsequent meet-

ings between me and the Hawks or

any other law-enforcement agencies regarding the matter or follow-

ing the statement I gave in my capacity as MEC for finance and

economic development. To this end, there has been no communication whatsoever which serves as a notice that the state intends to call me:

as a witness in the matter.

As leaders we all have the responsibility to co-operate with law-enforcement agencies and to enable the system of justice to be effected without hindrance. :

Critically, I am very concerned about the leaks wherein information comes from law-enforcement agencies, to the media, in cases where those whose names are tarnished are not at liberty to respond, as this equated to a trial by the media. We believe that this might interfere with the normal course of justice.

There is a concerted effort to paint a picture of ANC leaders who are at war with one another and

" hellbent on using state apparatus to further political ambitions. Media -

Toe MERCURY

WEDNESDAY

Â® JULY 20, 2011

On amigos, plots and arrests

In spite of speculation and gossip over office-bearers's imminent arrests, the ANC in KwaZulu-Natal remains united, writes Zweli Mkhize

. houses have resorted to using so-

called political analysts and -unnamed sources on a matter whose details have not even been placed

" before the court of law.

Some media reports have consistently reported tensions among

leaders in the provincial executive council. - .

The people of this province and the country as a whole must note that there is no such tension. There

- has been a proper working relation-

ship among leaders of the ANC as

On amigos, plots and arrests

In spite of speculation and gossip over office-bearers' imminent arrests, 'Let's see, ANC'; KwaZulu-Natal remains united, writes Zweli Mkhize

well as in cabinet and in the legislature. The ANC leaders are continuing with the implementation of programmes aimed at speeding up

socio-economic development in the -

province, working in unity and enjoying full support and confidence

of the ANC membership; and with

an understanding that they have been entrusted with the responsibility

of serving in the government -

of the day.

It is also important to dismiss reports -

about my involvement in a so-

called plot against President Jacob

Zuma.

These reports are ill-conceived and devious gossip. There is no truth reported even though the source of this rumour is dis-

credited. As chairperson of and the .

entire provincial leadership including regions and . y

branches and general membership as

anonymous sources that distort or exaggerate issues with regard to the in-

ternal processes of the ANC to â°

merely cause confusion and mistrust.

By virtue of the democratic nature of the ANC, healthy contests at elective conferences of the ANC happen all the time: every two years for branches, every three years for regional and every four years for the provincial and every five years for the national leaderships.

These terms of office are inter-

spaced with elections for councillors such as the one we have just emerged from. :

We are also starting regional conferences within the next few months. As should be expected, elections at all levels tend to be associated with tensions which will often leave the structures involved

divided or traumatised depending on

the aggressiveness of some of the members who might be involved in lobbying. .

The ANC has always dealt with these issues and managed to reconcile its members and - ensure that the healing process is em-

the whole remain : g barked upon since solidly in support of the people of South Africa this is part of a democratic President Zuma as sk ! : the nature of the leader of the PT and the organisation.] ANC and president At this stage the of the Republic of South Africa - ANC remains a state amount of money, that - the situation of speculation, there is no such thing as a free lunch in the world. In the past elections, the ANC has noticed that support. The severity of the Similarly, we take the problem and has put a dim view of the mechanisms to deal

with these such as the national task team which was deployed to the province led by Comrade Nkosazana Dlamini-Zuma. But this all remains an internal process. . In the meantime, the leaders of the ANC will continue to do their public duties undeterred by the speculation and gossip. Our objective

is to speed up service delivery,

fight poverty and uplift the people of KwaZulu-Natal.

- Mkhize is the premier of KwaZulu-Natal and the ANC provincial chairman.

He said

T eVev hesWednesday, 20 July 2011

Buthelezi urges traditional council funds

IFP leader Mangosuthu Buthelezi yesterday criticised the government, for failing to fund traditional councils.

â\200\234You can have thousands of workshops, but if there are no budgets for traditional councils, you are just wasting time,â\200\235 Buthelezi said in Durban during a workshop on traditional leadership in KZN.

He is also chairperson of the Zululand house of traditional leaders.

Offices for traditional councils were struggling to operate because they were not receiving government funds.

â\200\234People who work in those offices do

not get paid and there is also no money for water and electricity,â\200\235 Buthelezi said. â\200\234This is bad. We did not expect this treatment from our black government.â\200\235 The councils are intended to promote the role of traditional leadership

and enhance unity among traditional

comrhunities. They also settle disputes through traditional courts.

Buthelezi joked that he asked his wife to provide food when his traditional council had meetings.

The first day of the two-day workshop was attended by acting Traditional Affairs Minister Nathi Mthethwa, Pre-

mier Zweli Mkhize and co-operative governance MEC, Nomusa Dube.

Buthelezi said the government needed to give official recognition to houses of traditional leaders.

The workshop heard discussions about the role of traditional leaders in local government.

Mthethwa said proper partnerships between traditional leadership structures and local government were needed. Some traditional leaders complained they were not given the opportunity to get involved in development issues involving municipalities. -~ Sapa

The Wednesday, 20 July 2011

â\200\234â\200\230No plot against ANC leadersâ\200\231

THE probe into two KZN ANC leaders is not a political plot to discredit them ahead of the ruling partyâ\200\231s elective conferences, the partyâ\200\231s provincial leader said yesterday.

â\200\234The investigations â\200\230have been ongoing for a long time. To link it to ANC processes is opportunistic and mischievous,â\200\235 Zweli Mkhize said.

Mkhize spoke to Sapa yesterday following reports that the imminent arrest of ANC leaders Mike Mabuyakhulu and Peggy Nkonyeni on corruption-related charges was politically motivated.

It has been reported that the looming arrest of the two leaders is part of a larger campaign to ensure Mkhize retains his position at the ANCâ\200\231s provincial conference at the end of the year.

Mkhize said it was a blatant lie that he or any other ANC leaders were behind the pending arrest.

â\200\234What has happened is that I was requested by the Hawks in September last year to make statements to clarify issues relating to my line function when it [corruption] allegedly happened,â\200\235 he said.

There had been no subsequent meetings between Mkhize and the Hawks or any other law enforcement agencies regarding the case or the statement he gave.

â\200\234To this end, there has been no communication whatsoever - which serves as a notice that the state intends to call me as a state witness,â\200\235 he said, adding it was not true that he wanted to testify against his own comrades.

â\200\234We are taking this case very seriously as government and as the ANC. It is a very sensitive and complex case,â\200\235 he said.

The state alleges there was corruption, money laundering and tender fraud

NO PLOT: Zweli Mkhize
Picture; LERATO MADUNA

in KZNâ\200\231s department of health when Nkonyeni was the MEC.

Mabuyakhulu was the ANCâ\200\231s provin-

cial treasurer when Cape Town businessman and billionaire Gaston Savoi, who was involved in a multimillion rand tender, donated R1m to the ANC. Warrants of arrests for the two leaders were issued early this month and they are expected to be arrested soon.

Other prominent accused are suspended head of Ithala Development Finance Corporation, Sipho Shabalala, his wife, Beatrice Ntombenhle Shabalala and former provincial health boss Busisiwe Nyembezi.

The case relates to the awarding of

contracts by the departments of health and local government for water purification plants and oxygen machines.

The state alleges that Savoi's Intaka Holdings fraudulently secured the deals after colluding with certain officials. He then allegedly inflated his prices and gave kickbacks in return.

Mkhize said the allegations that he or other ANC leaders were involved in a plot was aimed at creating divisions within the ANC ahead of regional and provincial elective conferences this year.

It has been reported that Mabuyakhulu, who is originally from Ngwavuma in the North Coast region, and his supporters there are understood to want him to stand for the regional chairperson position at the regional conferences. If successful, they expect him to use the position as a springboard to challenge Mkhize for leadership later this year.

Mkhize said he was also concerned about the leaks by which information from law enforcement agencies was gained by the media.

It happens in cases where those whose names are tarnished are not at liberty to respond. This is equal to a trial by the media," said Mkhize.

Commenting on the state of the ANC in the province, Mkhize said elections at all levels of the organisation tended to be associated with tensions.

The ANC has always dealt with these issues and managed to reconcile its members since this is part of the democratic nature of the organisation," he said.

The ANC remained a stable organisation despite all the tensions. In past

elections, the ANC noticed the severity of the problem and put in place mechanisms to deal with it.â\200\235 - Sapa

&)

T el heeWednesday, 20 July 2011

â\200\230DA probe call

not warranted

Esau Dlamini-

MEC for human settlements and- public

the tender process in the pIâ\200\230OjeCt and
for an investigation by public pro-
r, Thuli Madonsela and the Special
estigating Unit (SIU).

Towever the MEC said her department
llowed the | processes as set out in the
using Code.

TherÃ© are no secrets The?e have been
resentationis made to the provincial
tive council and the portfolio com-
e on human settlements of Whlch Mr
yrge Mari is a member.

e has had the opportunity to question
(seek clarity on the many questions that
ses-to the media and point out any.
of concerns and have them clarified,â\200\235
mg hun of makmg political caprtal of

efs who represented the communities liv-
in the nine wards covered by the project.

, Dunning 2009 to June 2010, a review of
gt Msunduzi- Municipality Spatial Devel-
â\200\230opment Framework. Plan for Vulindlela
3 under'tdken The feasibility studies,
uding a review of the Spatial Develop-
nt Framework Plan, council support,
stechnical studies, flood line analysis,
; .fsettlement patterns, environmental survey,
â\200\234slope analysis; socio economic surveys etc

was completed by June/July 2010â\200\235 the MEC
added. '

TE News Wednesday, 20 July 2011

Busa and Cosatu disagree over Walmart

Siyabonga Mkhwanazi

BUSINESS Unity South Africa (Busa) has backed the multi-billion rand takeover deal of Massmart Holdings by US giant,

Walmart, and said the merger

was in line with government's New Growth Path (NGP) for creating jobs.

Busa's acting executive director for economic policy, Coenraad Bezuidenhout, said this before the portfolio committee on economic development yesterday at the public hearings on the Walmart-Massmart deal.

The deal was approved by the Competition Tribunal, but

trade union federation Cosatu has opposed it.

Bezuidenhout said the takeover should be viewed in the context of creating sustainable jobs.

"It will lead to growth in the retail sector and that will lead to job creation. We believe it is in line with the new growth path. We are not saying that this deal will create millions of jobs."

The thousands of jobs that

the merger would create would contribute to government's NGP which envisages the creation of

5 million jobs by 2020 and reducing

official unemployment from 25% to 15%, he said. But chairperson of the

National Assembly's committee on labour, Elleck Nchabeleng, said South Africa needed to raise its entry barriers for multinationals

wanting to come into the -

country in order to protect the local market. ;

Nchabeleng said companies

that wanted to invest had to understand the country's rules.

â\200\234IFor anyone who wants to do business in the country we have to raise the entry barriers to protect ourselves,â\200\235 he said.

But Bezuidenhout argued that this would chase away foreign investors.

Cosatu said workers in the retail sector were already under

siege [rom big companies.

â\200\234Local employers in the retail sector are already beginning to attack workers, as they reposition themselves for Walmart's arrival. It cannot be pure coincidence that Pick n Pay has just announced plans to retrench 3000 workers,â\200\235 said Cosatu spokesperson Patrick Craven.

â\200\234As a giant in the retail sector, Walmart bullies farmers, manufacturers and suppliers to push down their prices and destroys rival companies by the use of predatory pricing.

â\200\234This has led to the collapse of many small and sometimes big businesses,â\200\235 said Craven.

Wednesday July 20 2011 SOWETAN

Canaan Mdletshe -

THE National Freedom Party has suspended its Limpopo- chairperson, .

Mulalo Mkhathini, with immediate effect. -

Mkhathini was - suspended for allegedly using the party's name and that of its president, Zanele Magwaza-Msibi, in her money-lending business.

The party revealed this after its national working committee (NWC) findings into the allegations. A

National administrator & traitor Herman Qosthuizen. said Mkhathini was suspended after investigations. A

As the NFP, we would like to inform the public that we were not aware of PROTECTED: Zanele the alleged unlawful Magwaza-Msibi activities by Mkhathini- and that our provincial offices were allegedly being used by her to conduct her illegal businesses. We therefore distance the NFP and its president from all the alleged illegal activities, he said.

The NWC said Mkhathini's activities in Limpopo compromised the party's stated policy of transparency, accountability and intolerance of corruption.

The NWC furthermore noted with great concern the disrepute the alleged business practice brings to the party.

Wednesday July 20 2011 SOWETAN

.tion tables will be placed

Ntwaagae Seleka .

THE Democratic Alliance in Gauteng - will help women to claim maintenance from fathers who are failing to provide for their children. .

DA member of the provincial legislature, Patricia Mokgohlwa launched Operation Etsa Se Nepahetseng (Operation Take Responsibility) yesterday.

â\200\234We aim to promote responsible parenting and raise awareness about the rights of women in claiming maintenance from absent fathers,â\200\235 ; she said. 7

Mokgohlwa said the partyâ\200\231s representatives across the province would educate women about their maintenance rights. Informa-

at Shopping centres.
he said in Western .
Cape a similar campaign resulted in 150 | Patricia Mokgohlwa
maintenance defaulters turning - themselves in before they were arrested. A further 120 defaulters were arrested at various roadblocks.)
More than R300 000 has been collected for maintenance and a total of 343 beneficiaries have so far been traced in Western Cape. j
Mokgohlwa said Gauteng MEC for community safety Faith Mazibuko replied to the DA questions last week that 1 041 warrants of arrest were outstanding for maintenance defaulters. -
She said a- common problem was difficulty in locating offenders.

a9c

ngdom Mabuza

THE ANC Youth League has upped the ante in the ANC leadership contest and practically anointed the party's deputy president, Kgalema Motlanthe, as the party's future leader.

Comrade Kgalema Motlanthe presents a brighter future of the ANC and the country (and) will always be celebrated as one of the best leaders of his generation of the ANC leadership the ANCYL said in a birthday message to Motlanthe, who turned 62 yesterday.

This message is a signal that they have identified Motlanthe as a suitable candidate to challenge Zuma, political analyst Elvis Masoga said.

Masoga said the message was aimed at forcing the ANC to open up the succession debate.

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Wednesday July 20 2011 SOWETAN

YOUTHS PRAISE MOTLANTHE

The party leadership has argued that doing so would create divisions.

Political analyst Steven Friedman said the ANCYL was speaking on behalf of a nationalist faction within the ANC that wanted Zuma to quit.

The league is trying to create .

enough talk about Motlanthe, and to build an impression that he is popular and Zuma is not. The intention is to try and persuade Zuma to step down, Friedman said.

The league is trying to create enough talk about Motlanthe, and to build an impression that he is popular and Zuma is not. The intention is to try and per-

suade Zuma to step down,â\200\235

Friedman said.

â\200\234The ANC Youth League does not need Motlantheâ\200\231s permission to do all that and he is not buying into their plan. Motlanthe is not willing to run against Zuma the way Zuma did against Thabo Mbeki.

â\200\234The nationalist faction can come up with another candidate, other than Motlanthe, to run against Zuma,â\200\235 Friedman said. '

The ANCYL is unhappy about Zuma serving a second term as both president of the ANC and the country.

~ The glowing message to Motlanthe is a far cry from the

leagueâ\200\231s failure to do the same for President Jacob Zuma when

he celebrated his 69th birthday in April.

Yesterday ANCYL spokesperson Floyd Shivambu said the league had not sent Zuma a birthday message because they were concentrating on local government elections.

â\200\234We were very busy in April concentrating on elections at that time,â\200\235 he said.

Motlantheâ\200\231s spokesperson, Thabo Masebe, said the deputy president would not be able to take time out to celebrate his birthday.

â\200\234It is a hectic day for him, very busy,â\200\235 Masebe said.

â\200\234He is attending meetings, but the staff in his office will sing a birthday song for him.â\200\235

Wedn esd ay JuIâ\200\234)_/â\200\231ZO~

12011 The Times

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THE WITNESS WEDNESDAY, JULY 20,

SIT-IN: JUBILATION AS
CHARGES DROPPED

JUBILATION greeted the announcement at the magistrate's court yesterday that the following representations made to the chief prosecutor all charges were withdrawn against the 29 ANC activists who were arrested while staging a sit-in at the ANC's Moses Mabhida regional offices in Pietermaritzburg.

The accused, who were charged with being in contempt of a court order granted by Judge Trevor Gorven ordering them to cease occupation of the building, were released on bail of R100 each at their first court appearance. .

The activists said that they will continue calling for the disbandment of the ANC's regional executive committee and will not stop until this goal is realised. Witness Reporter.

UMVOTI: DOES MAYOR
FEEL GUILTY, ASKS IFP

THE Inkatha Freedom Party
questioned yesterday whether a,

it to fix potholes in the Town Deputy provincial chairperson Blessed. Gwala says the IFP has it on good authority that Mavundla has had numerous provincial government tenders awarded to a number of his companies. Some of them include tenders to build and maintain roads and bridges across KwaZulu-Natal. Speculating that the mayor could be driven by a guilty conscience, Gwala called on Mavundla to own up as to the real motives behind this seeming selfless action. WR.

2011

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THE WITNESS, WEDNESDAY, JULY 20, 2011

ANC mulls
state drug
firm, says
Mantashe

JOHANNESBURG â\200\224 The ANC is
considering establishing a state-
owned pharmaceutical company,

secretary-general Gwede ~Man- -

' tashe said yesterday.

â\200\234Serious discussions started at
the lekgotla on starting a state

pharmaceutical company,â\200\235 hesaid -

at Luthuli House in Johannesburg.

~â\200\234Itâ\200\231s not just an idea ... [it has
been] given back to cabinet to say,
â\200\230look into the issueâ\200\231... there was a
compelling case for it,â\200\235 Mantashe
said after a four-day ANC national
executive committee lekgotla.

. â\200\234Remember, a year ago the es-
tablishment of a mining company
was an idea. : :

â\200\234Today that mining company is

operating a coal mine and is about
to open a second coal mine. So it
was an idea.

â\200\234Everything starts with an idea
and it becomes reality when work
is'done on it.

â\200\234Brazilâ\200\231s state company is open-
ing a branch in Mozambique. -

â\200\234Now the question we are ask-

ing is why should we be a market.

for Brazil instead of being a mar-
ket for ourselves?â\200\235 Mantashe said.
South Africa consumes 25% of

the antiretrovirals available in the

world, he noted.

The lekgotla received a report
on health showing a dramatic in-
crease in the number of people
tested for HIV and Aids: it has in-

creased six-fold, from two million

per annum to 12 million per an-
num. :

There has also been a â\200\234dramatic

increaseâ\200\235 in the number of people accessing treatment.

The formation of a state-owned pharmaceutical company does not spell doom for the private sector, said Mantashe.

â\200\234The fact that there is a pharmaceutical company, a state-owned pharmaceutical company, doesnâ\200\231t mean that the pharmaceutical industry will be closed down.

â\200\234There will still be a pharmaceutical industry, there will be &

sector. There is a need for that, in the same way that we are estab-

lishing a mining company but not

closing the mining sector.â\200\235

The NEC lekgotla agreed to go ahead with plans to create an office of the â\200\234Land Valuer Generalâ\200\235 and on the establishment of the Land Management Commission, Mantashe said. L

This would complement processes around the governmentâ\200\231s Green Paper on land reform, already unfolding. Organisations such as AgriSA, the Food and Allied Workers Union and the Transvaal Agricultural Union are involved in the consultations.

â\200\224Sapa.

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state. company operating in the -

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THE WITNESS, FWEDNESDAY, JULY 20, 2011

MKHIZE: Arrest warrants link with ANC â\200\230opportunistic, mischievousâ\200\231

THE criminal investigations of two KwaZulu-Natal ANC leaders is not a political plot to discredit them ahead of the ruling partyâ\200\231s elective conferences, the partyâ\200\231s provincial leader said yesterday.

â\200\234The investigations-have been on-going for a long time. To link them to ANC processes is opportunistic and mischievous,â\200\235 said Dr Zweli Mkhize.

Mkhize spoke to the media yesterday following reports that the imminent arrest of ANC leaders Mike Mabuyakhulu and Peggy Nkonyeni on corruption-related charges is politically motivated.

It has been reported that their pending arrest is part of a strategy to

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ensure Mkhize retains his position at the ANCâ\200\231s provincial conference at the end of the year.

Mkhize said it is a blatant lie that

he or any other ANC leaders are be- -

hind the arrest warrants.

â\200\234What has happened is that I was

â\200\230requested by the Hawks in September

last year to make statements to clarify issues relating to my line function when it [corruption] allegedly happened,â\200\235 he said. * . There have been no further meetings between him and the Hawks or any other law enforcement agencies regarding the case or the statement he gave, said the premier, adding that â\200\234the state intends to call me as a state

witnessâ\200\235. '

He had made the statement to the Hawks because leaders have â\200\234the responsibility to co-operate with law enforcement agencies and to enable the system of justice to be effected without hindranceâ\200\235.

It is not true that he wanted to testify against his own comrades, he said.

The state alleges there was corruption, money laundering and tender fraud in KZNâ\200\231s Health Department

when Nkonyeni was the MEC.

Mabuyakhulu was the ANC's provincial treasurer when Cape Town businessman and billionaire Gaston Savoi, who was involved in a multi-

million-rand tender, donated R1 mil-

lion to the ANC.

Warrants of arrest for the two were issued early this month and are ex-

pected to be executed soon. "

Also accused are the suspended head of Ithala Development Finance Corporation, Sipho Shabalala, his wife Beatrice Ntombenhle Shabalala and the former provincial health chief, Busisiwe Nyembezi.

The case relates to the awarding of contracts by the departments of health and local government for water purification plants and oxygen machines.

The state alleges that Savoi's Intaka Holdings fraudulently secured the deals after colluding with certain offi-

Probe into MECs not a plot

cials. He then allegedly inflated his prices and gave kickbacks in return.

Mkhize said the allegations that he or other ANC leaders are involved in a plot are aimed at creating divisions within the ANC ahead of regional and provincial elective conferences this year.

Supporters of Mabuyakhulu, who is from Ngwavuma, reportedly want him to stand for the post of regional chairperson at the forthcoming regional conferences.

If successful, according to the report, they expect him to use the position as a springboard to challenge Mkhize for leadership of the province later this year. Sapa.

FPAWL Â£ DAILY NEWS
\\ALEDNESDAY JULY 20 2011

haunt ANC,
say pundlts

- BHEKI MBANJWA and SAPA

ENSIONS in the
KwaZulu-Natal ANC
were as a result of the
b indecisiveness of the
â\200\231partys leadership to act on
Some of the main problems
plaguig the party, including
â\200\230the -shambolic list process
-ahead of the local government
electlons this year, two of the
-provinceâ\200\231s political analysts
â\200\234have said.
.- Nhlanhla Mtaka, of Inga-
~badi group, said the ANC in the
.province had shown indecision
.in dealing with some of its
problems, especially the list
iprocess, and that this had
â\200\234exacerbated tensions within
:the ruling party.
Y The ruling party has been
" plunged into disarray recently
with some of the party mem-
â\200\230bers in the Moses Mabhida

region openly revolting against

â\200\234the leadership in the region
. and in the province.

The. disgruntled members
. were unhappy with the ap-
pointment of what they said
were corrupt councillors in top

positions in municipalities -

~across the region.

More recently, news that two

senior leaders in the ANC.

could be arrested on charges of
fraud, had sparked speculation
that this was being engineered
by some leaders inside the
party to discredit these two
leaders ahead of the elective
.conferences:of the party.

â\200\230But this has been dismissed
by the partyâ\200\231s provincial +"
chairman and premier, Zweli
Mkhize.

â\200\234The mvestlgatlons have
been ongoing for a long time.

To link it to ANC processes is
opportunistic and mischie-
vous,â\200\235 Mkhize said.

. Mkhize spoke to Sapa yes-
terday after reports that the
looming arrest of the two lead-
ers was part of a larger cam-
paign to ensure Mkhize re-

~ opment

ZWELI MKHIZE

tained his position at the ANCâ\200\231s
provincial conference at sthe
end of the year. \

Mkhize said it was a blatant
lie that he or any other ANC
leaders were behind the pend-
ing arrests.

â\200\234What has happened is that
I was requested by the Hawks
in September last year to make
statements to clarify issues
relating to my line function,
when the corruption allegedly
happened,â\200\235 he said.

Mtaka concurred with
Mkhize, saying that it was op-
portunistic to link the pending
arrests to internal power strug-
gles as the investigations into

. the case started long ago.

Mtaka, however, blamed the
National Prosecuting Author-
ity (NPA) for its handling of the
case, saying it had shown in-
decision. _

â\200\234Now the NPA is under pres-

â\200\230;sure because it has to provide

something new to the case
when it goes back to court in
August.â\200\235

â\200\230But another analyst, Nathi Mazibuko, differed, saying the allegations that the arrests were politically linked were true.

â\200\234There seems to be an element of too much coincidence in that this is not the first time that (legislature Speaker Peggy) Nkonyeni is charged

ahead of an elective conference.

â\200\234The timing of these arrests is very suspicious because it comes after (Economic Development MEC Mike) Mabuyakhulu has received backing from the northern regions. It is also known that

some members were in favour -

of Nkonyeni becoming the provincial chair.â\200\235 Mazibuko said Mkhize was losing his grip on the province.â\200\234This was clear when he was booed by ANC members at the funeral of Sibiya in Kwa-

Mashu. I was there, I witnessed

this; it was the same thing that happened to his predecessor, Sibusiso Ndebele, before he was removed as a leader of the province.- The tensions are there for all to see, they are very glaring.â\200\235

Mtaka said the ANC now had to seek guidance from members if it was to deal effectively with the crisis it is facing.

Witness -

Regarding the case or the statement he made, Mkhize said there had been no subsequent meetings between him and the Hawks, or any other law-enforcement agencies. j

â\200\234To this end, there has been no communication whatsoever - which serves as a notice that the state intends to call me as a

" state witness,â\200\235 he said. _ It was not true that he

wanted to testify against his own comrades. The state alleges there was

-corruption, money laundering

and tender fraud in KwaZulu-Natal's department of health when Nkonyeni was the MEC.

Commenting on the state of the ANC in the province, Mkhize said elections at all levels of the organisation tended to be associated with tensions, but he maintained the ANC remained stable.

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List woes
haunt ANC,
say pundits

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Zuma still our man, says premier

ANC leaders in KwaZulu-Natal
were still fully behind Presi-
dent Jacob Zuma as the ANC
president, the ruling partyâ\200\231s
provincial leader said yester-
day.

â\200\234The position that the ANC
and its alliance partners had
before the elective conference
in Polokwane in 2007 has not
- changed. We still fully support

him,â\200\235 Premier Zweli Mkhize
said. .

His comments follow re-
ports that he and other ANC
members were plotting to en-
sure that Zuma did not win a
second term as the ANC presi-
dent during the partyâ\200\231s elective
conference next year.

â\200\234The reports on the so-
called plot against President

Jacob Zuma are ill-conceived

~and devious gossip. There is no

truth in these,â\200\235 Mkhize said.
The entire provincial lead-

ership, including regions and-
branches and general member-:

ship remained in full support of
Zuma, he added. The ANC inâ\200\231
the province campaigned for
Zuma to replace former presi-
dent Thabo Mbeki. â\200\224 Sapa

Muâ\200\234iCip
funding to

" be reviewed

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Limited revenue concerns ANG

* JABULANI SIKHAKHANE

HE ANC has man-

dated the cabinet to.

review the funding of

municipalities, espe-
cially small and rural munici-
palities whose ability to gener-
ate their own revenue is
limited.

Municipal government,
which spent R232.6 billion in
the year ended June 2010,
derives on average more than
70 percent of operating rev-
enue from user charges - elec-
tricity, water and refuse Tâ\202¬
movals â\200\224 and property rates.

Small and rural municipali-
ties, however, generate a much
smaller portion, making them
heavily dependent on transfers
from the national government.

Rural municipalities, of
which there are 70, generate an
average 37 percent of own rev-
enue, according to the Finan-
cial and Fiscal Commission,
making them reliant for 63 per-
cent of their operating rev-
enues on transfers from the
national budget and subsidies.

Gwede Mantashe, the secre-
tary-generalâ\200\231of the ANC, said
yesterday that the ruling
partyâ\200\231s national executive com-

mittee had spent a lot of time during the four-day lekgotla -

which ended on Sunday - discussing local government, particularly â\200\234reviewing the budgeting systemâ\200\235.

He said the cabinet, which will hold its own mid-year lekgotlanext week, had been given the task â\200\234to revisit the budget-

-ing system for Jocal govern-

ment, including the role of district municipalitiesâ\204ç:

The review of district municipalities would focus, in particular, on their role in providing shared services to small municipalities within their jurisdiction, Mantashe said.

Focus

Transfers from the national budget to local government would reach R70bn this year, Nathi Mthethwa, the acting Minister of Co-operative Governance and Traditional Affairs, told Parliament in May.

Among other decisions taken at the Jekgotla were that government departments should focus more on filling

-vacancies of frontline staff and

less on administrators and managers.

Mantashe said this decision was meant to make clearer the resolution from the ruling partyâ\200\231s January lekgotla, calling omn departments to fill

vacancies.

He said one of the reports presented at the lekgotla had shown that the hiring of nurses and doctors, for example, had lagged far behind the hiring of administrative and managerial staff.

The government has also been asked to ensure funding of distribution and generation of energy. especially solar and wind farms in the Northern Cape.

The committee also en-

dorsed the creation of the office of the land valuer-general and the land management commission.

Rural Development and Land Reform Minister, Gugile Nkwinti, said in June that his department was drafting legislation to enable the creation of the valuer-general.

In other countries, the office of the valuer-general performs many functions, including being the principal adviser to the state on land valuation matters, keeper of a register of land ownership and occupation, as well as a provider of valuations for rating and tax purposes.

It also determines compensation in cases of compulsory acquisition of land by the state.