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Friday, March 25, 2005

Sybilla Hilzinger-Maas

For the attention of: Mr. Dirk Du Toit
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Dear Madam,

RE GOODHOUSE NORTHERN CAPE

1. Our telephone conversation late last week refers. Herewith then the written overview of the situation at Goodhouse as you had requested.

Involvement

2. I represent a group of Framers organized in a Trust called the GROUP ONE DEVELOPMENT TRUST chaired by Mr. Hendrik Cloete, a community leader from Goodhouse in the far Northern Cape.

Reason for engagement of Deputy Minister of Land Affairs

- 2.1. Mr. Cloete informed me last week that he attended a meeting held by President Mbeki, which meeting was also attended by the Deputy Minister of Land Affairs, Mr. Dirk Du Toit.
- 2.2. Following a question posed by Mr. Cloete at the meeting the President instructed the Deputy Minister to see to it that: -
 - 2.2.1. The land at Goodhouse is transferred and that
 - 2.2.2. Appropriate restitution is made with regards to the failed Paprika Project at Goodhouse.
3. Mr. Cloete then made contact with me and asked that I take the matter forward on their behalf, hence this correspondence.

Background Information

4. The current position at Goodhouse is that there are no financiers in the SADC region that are prepared to fund any project in the area due to the fact that neither the government nor the private sector partners in the now defunct Paprika Project wish to release the land and indeed even the occupants of the land in question from their

grip despite the members of Group One having cancelled their agreements with all parties.

- 4.1. The Land Bank of South Africa, who are the financiers of the previous project have made application to liquidate the private sector company that was to drive the project due to massive defaults on the loan repayments and because of numerous breaches in the founding agreements of what was to be a private sector driven Private Public partnership (PPP) project.
 - 4.1.1. One of the main conditions was that the land be transferred to the private sector Black Empowerment Company (BEC). The condition set by the Land bank for the transfer of land is based on the fact that the land should have been transferred in terms of numerous statutory provisions going as far back as 1987.
 - 4.1.2. The land was never transferred and the company is still controlled by one white director who also still holds all the shares despite the fact that the occupants were to acquire a 74% shareholding in the project.
5. The Local Government in concert with the Northern Cape Government have created a scenario which is so widely identified as public sector interference, manipulation and corruption that has such amplitude as to be known to all prospective financiers in the region and numerous potential foreign direct investors.

- 5.1. The result is that No amount of Strategic planning, however well founded, can overcome these obstacles.
6. As a result the community of Goodhouse is caught in the grip of a humanitarian disaster.
 - 6.1. They are without water and electricity and most families are completely destitute.
 - 6.2. Children are denied access to any form of higher education because the parents are now indigent.
 - 6.3. Families that previously were self sufficient were told to sell their livestock and replace the irrigation equipment they spent decades installing in favour of the equipment and resources supplied by the new project.
 - 6.4. As it turns out the new irrigation equipment is useless and they have no livestock left to live on as some of them have been without any form of income for 18 months and all of their livestock is now depleted.
 - 6.5. In the mean time the government and its private sector agents have ruthlessly sabotaged every attempt made by these people to start up a project on their own.
 - 6.6. In addition, an approach to the High Court in Kimberley gave rise to such grossly irregular proceedings that the community has lost all trust in the government and the system of justice (which is supposed to be independent of both the private and public sector).

- 6.7. The overwhelming impression created is that the government in concert with their private sector partners are trying to starve the occupants off the land in order that the government acquire the land for it's private sector allies.
7. The current *status quo* is that the community of Goodhouse is in the present circumstances justified in seeking finance to protect themselves from hostilities that threaten their livelihoods as a community openly targeted by the state of South Africa.
- 7.1. Unless the government now transfers the land to the occupants I can foresee nothing but the type of tragedy that typically develops when people are forced to fight for their lives in such situations the world over.

Action needed

8. **What is needed here is that the instruction of the President be given immediate effect to without any further delay.**
- 8.1. To that end I am prepared to assist the process to its utmost.
- 8.1.1. Once the land is transferred the government needs to take steps to allay the fear by private sector financiers that it will not perpetuate its legacy of interference in the projects of the land owners, as without that the occupants will be no better off.
- 8.1.2. Once that is in place there are several project strategies that can then be accessed that will ensure sustainability and protection against and further hostile land

acquisition strategies by either government or private sector parties.

9. As a second priority, the government will need to deal with the massive scale of corruption that took place in the previous project as high-ranking members of the Northern Cape Government as well as the private sector partners are known to have been involved.
 - 9.1. Not dealing with these crimes will simply make the government an accomplice in these evils and lose it further credibility.
10. The government will also need to seriously and urgently look at making restitution for the hardship caused these people as without that the government will unlikely ever regain the trust and confidence of the people at Goodhouse.
11. In this case the government of South Africa have a golden opportunity to act on the instruction of the president and allay the extremely well justified skepticism and lack of faith that has arisen because of the well-publicized disparity between the government's official land reform program and what is in fact happening on the ground.
 - 11.1. To the ends then of getting the people of Goodhouse back on their feet as an example of the government's good faith in actually giving effect to its official policies I am prepared to get involved provided it is done in an orderly fashion and on a level playing field which is devoid of political manipulation and intrigue.

12. Should the Deputy Minister wish to engage in discussion around the matter, I shall be available for such discussions at short notice.
- 12.1. I am also prepared to make available any information contained in the substantive research library containing the research, planning, developments and correspondence built up over the last 7 years regarding Goodhouse and several related projects.
- 12.2. It must however be borne in mind that neither the members of Group One or I in my personal capacity are any longer in a position to finance such activities, especially since I have had to engage in projects outside the land reform scenario in order to procure an income.
- 12.3. As a result any further efforts in trying to resolve these issues will need to be externally funded.
13. Should the Deputy Minister feel that he does not wish to engage with me to the ends and on the on the terms set out herein, he need but ignore this correspondence as all his predecessors have done and thereby show that government will stop at nothing, not even the disregard of an instruction by the president to wrest land from its lawful occupiers if those occupiers no longer feel confident to trust the government of the day. Should the latest developments be *bona fide* please excuse my skepticism in this regard as it is justified by the vast volume of correspondence aimed at getting orderly resolve at Goodhouse thus far ignored by government.

Mandate Confirmation

14. The chairman of Group One has repeatedly advised government that they wish it to communicate with their advisors and not to circumvent the professions they have engaged to protect them from further exploitation.
- 14.1. To these ends the members of Group One have for the last 7 years used me as their advisor.
- 14.2. The leaders of Group One are Messrs Piet and Hendrik Cloete as well as Rev Appies.
- 14.2.1. For confirmation of the stated *status quo* they can be contacted at (027) 721 84 76 and 027 721 8407 respectively.
- 14.2.2. Might I suggest that the deputy Minister do so as soon as possible and revert to me as any further attempt at circumvention will destroy any level of *bona fides* that may have developed as a result of the president's instruction last.

Yours truly,

Izak Labuschagne