

INSTITUUT VIR EIETDSE GESKIEDENIS

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Ciskei counts riot costs

The Ciskei People's Development Bank, owner of most of the commercial properties razed in the aftermath of the coup in Ciskei, is to request Pretoria and the new government in Ciskei to provide funds for rebuilding.

Insurance will not cover the massive losses, estimated at more than R110 million, incurred by the bank when factories and shops were looted and torched last Sunday and Monday after Chief Lennox Sebe was toppled from power.

In terms of political riot cover carried by the bank, the South African Special Risks Insurance Association (Sasria), which offers the cover, will pay only a maximum of R5 million for the bank's losses. This means the bank will have to find scores of millions of rands from other sources to make good its losses.

Mr Graham Wright, senior manager in charge of technical services for the bank, said preliminary estimates showed that damage to buildings in the Fort Jackson industrial area totalled R10 million and loss of contents amounted to more than R42 million.

He said nine factories were burnt to the ground and another 18 escaped fire but were totally looted.

The entire commercial hub of Mdantsane was devastated. More than 90 percent of commercial businesses throughout the sprawling dormitory township were destroyed.

"It appears that the loss of commercial buildings and contents in Mdantsane is more than R60 million," Mr Wright said.

"While Sasria will pay a total of R200 million for properties lost in riots in South Africa, the riot cover for Ciskei and Venda does not exceed R5 million and for Transkei and Bophuthatswana the cover is a maximum of R10 million.

"The bank will approach the new ruler of Ciskei as well as the Pretoria Government and ask that financial provision be made for rebuilding."

While President Lennox Sebe's downfall was greeted with almost universal jubilation in Ciskei, the damage done in the looting and arson that followed will take years to repair, reports
YOGIN DEVAN.

Mr Don Gallimore, MD of Price Forbes group broking services and widely regarded as South Africa's pundit on political riot cover, said companies owning property in the homelands would probably have been offered additional cover with Lloyd's of London.

He said the limit of R5 million cover in Ciskei was determined by the size of the country's economy.

Mr Wright said the bank had not bought additional cover from Lloyd's.

He did not believe any industrialists had bought additional cover of their own accord.

The bank is busy with a concerted drive to encourage businessmen to re-establish themselves in Ciskei.

Mr Wright said that a few days after the destruction of properties, most of those who had lost property were prepared to "pack up and call it a day as far as Ciskei was concerned".

"However, now the industrialists and businessmen are in a different mood.

"They are prepared to operate businesses again in Ciskei provided they are given the assurance that in the event of similar destruction threatening, the South African authorities would step in and give them protection," he said.

Mr Mervyn Muller, executive officer of the Ciskei Chamber of Industries, said up to 10 000 people could be without jobs. "I don't know if the industrialists will ever recover. The destruction of one day will cause years of suffering."

He said the chamber was urging people to re-open their businesses as soon as possible.

TREFWOORDE

1 Ciskei

2 staatsgrip

3 geweldsgebeurtenis

4 CROB

5 CROB

6 Pretoria

7 Ciskei

8 Ciskei

9 Ciskei

10 Ciskei