PUBLIC SECTOR :-

GOVERNMENT

MISCELLANEOUS DEPT.

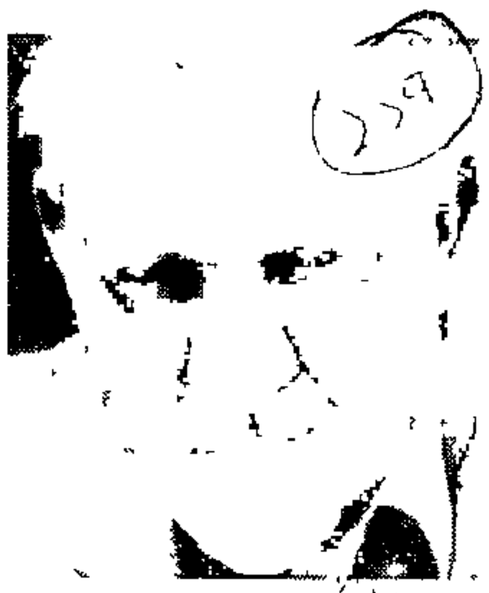
APRIL - JUNE

T. Rapport 1/4/79

Smit-moorde: Ludorf, spe

hoof in nuwe ontwikkeling. Rapport

SPAN



ADV JOE LUDORF

MAATS

Nader aan 'n oplossing

Polisie kyk na „snert"

WYLE dr Robert Smit en sy vrou, Jeanne-Cora

Deur THINUS PRINSLOO

VAN die „snert" wat die oud-huursoldaat mnr. Sydney Excell oor die Smit-moorde sou kwytgeraak het, word nou opnuut deur die polisie ondersoek.

Dit volg nadat oud-regter Joe Ludorf en Suid-Afrika se speurhoof, lt-genl. J. P. Kleinhaus, die strydbyl begrawe het. Hulle span nou blykbaar saam om die geheim van een van die mees tergende moorde in Suid-Afrika se geskiedenis te ontrafel.

„Nou ruil ons bietjie goed uit. Nou help ons mekaar," sê die oud-regter gister aan RAPPORT. Hy wil uit die aard van die saak geen persverklaring doen oor leidrade nie. Ook genl. Kleinhaus het op navraag geweier om te sê watter beweringe van mnr. Excell die polisie nou ondersoek.

Die nuwe spanpoging volg nadat 'n misverstand uit die weg geruim is deur bemiddeling van twee hoe polisie-offisiere — 'n kolonel en 'n luitenant — wat genl Kleinhaus Maandag na oud-regter Ludorf gestuur het

Die nuus van hierdie samewerking bots op eerste oogopslag met die heftige persverklaring van die Kommissaris van Polisie, genl Mike Geldenhuys, tien dg gelede.

Net nadat oud-regter Ludorf die sensasionele beweringe van sy klient Excell die wêreld ingestuur het („want hy het gevrees vir sy lewe") het die generaal gesê dis „'n klomp snert". Ook op TV het hy gesê die saak is ondersoek en klaar afgehandel. Daar steek niks in nie.

Soos dit nou lyk, kon dit net geslaan het op mnr. Excell se stelling dat 'n ander huursoldaat-vlieenier, mnr. Bill Fortuin, moontlik meer kan weet van een van die vlieeniers wat, so beweer mnr. Excell, gehuurde moordenaars na Suid-Afrika gebring het

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starved. Measurements of aerial and aquatic respiration were synchronised with the natural tidal cycle; during the simulated tidal cycle, temperatures and durations of aerial and aquatic phases were adjusted to coincide with environmental conditions. Flasks were darkened at night.

All limpets were collected in midsummer (December-January) from Dalebrook on the warm-water coast of the Cape Peninsula. Mean summer sea temperature in the vicinity is 18°C.

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LUDORF EN POLISIE

* VERVOLG VAN BL. EEN *

meer van een van die vlieeniers wat die moordenaars na Suid-Afrika gebring het.

Oud-regter Ludorf sê mnr. Fortuin is toe sommer gevra wat weet hy van al mnr Excell se bewerings.

Die oud-regter sê hy het Maandag reguit aan die polisiemanne gesê deur dié optrede „bedons hulle die hele ondersoek". „Toe sê hulle dit was 'n misverstand"

Mnr. Excell se bewerings sou natuurlik snert gewees het, sê hy, as hy dit net van Fortuin gehoor het. Die feit is „mnr. Excell het omtrent niks by mnr. Fortuin gehoor nie"

Genl. Kleinhaus het só gereageer toe RAPPORT hom nader

RAPPORT Oud-regter Ludorf sê deur tussengangers is die misverstand wat tussen hulle was, uit die weg geruim en hy beweer dat die polisie nou wel weer mnr Excell se bewerings ondersoek

Genl. Kleinhaus. Ons het nog nooit gesê ons sal nie bewerings ondersoek nie. Al wat ons gesê het. ons sal nie bewerings ondersoek wat ons bewys het wat ongegrond is nie. Dit was die geval met mnr Fortuin. Dit is nou 'n verkeerde ding om te sê ons het geweier om iets te ondersoek.

Elke bewering wat enigiets om die lyf het, sal ons ondersoek.

RAPPORT Volgens oud-regter Ludorf het die misverstand daarop berus dat die polisie gedink het alles wat mnr. Excell weet, het hy van mnr. Fortuin gehoor, en dis nie so nie?

Genl Kleinhaus. Ek wil liewer nie oor die ding gesels nie Ons is besig met die aantygings wat gemaak word Dit maak nie saak wie die inligting gee nie. As iemand oor inligting beskik, dan wil ons dit hê. En dit is die som, basies.

RAPPORT Mnr. Excell se bewerings word ondersoek soos alle ander bewerings?

Genl. Kleinhaus. Enigiemand wat 'n bewering maak, ons moet dit ondersoek om te bepaal of daar enigiets is, maar ons gaan nie daarmee voort die oomblik as ons vasgestel het dit is verdigsel nie

RAPPORT. Wat is nou die posisie met mnr Excell?

Genl Kleinhaus As mnr Excell inligting gee, van enige aard, gaan ons dit na

RAPPORT En die inligting wat oud-regter Ludorf aanvanklik bekend gemaak het oor Excell? Oud-regter Ludorf beweer mnr Excell se bewerings word ondersoek.

Genl Kleinhaus. Laat ek dit so stel Ons is besig met die Smit-moord. As mnr Excell persoonlike griewe het teen ander mense waarin daar transaksies gemoeid is, jare gelede, dit is 'n saak wat hy met daardie mense moet uitmaak Tensy daar bewerings is dat daar korrupsie plaasgevind het, dan is dit heeltemal 'n perd van 'n ander kleur Maar as mnr Excell vir ons inligting gee, dan sal ons dit aan die waarheid toets

RAPPORT: Die bewerings wat mnr Excell al in die verlede gemaak het, watter van daardie bewerings word ondersoek?

Genl Kleinhaus: Dit kan ek nie vir u sê nie.

* Oud-regter Ludorf sê hy word nog steeds oorval met inligting oor die Smit-moorde Sommige inligting kom selfs uit die buiteland Hy sif alles Baie wenke is „snert", maar daar is ook baie goeie inligting.

Hy wil nou 'n outomatiese antwoordmasjien by sy telefoon installeer om wenke af te neem as hy nie daar is nie.

Binne ure het dit geblyk mnr. Fortuin weet niks van die aard nie Dit het hy onder eed aan die polisie verklaar

Volgens oud-regter Ludorf het die polisie gedink al mnr Excell se bewerings is gegrond op wat hy van mnr Fortuin sou gehoor het Dit, sê die oud-regter, is lank nie so nie

Mnr Excell het onder meer beweer dat twee gehuurde moordenaars uit Duitsland na Suid-Afrika gevlieg is om die Smits te vermoor. Na bewering is elkeen van die moordenaars R30 000 betaal.

Die moordenaars sou van die lughawe Luton naby Londen na die lughawe Lanseria buite Johannesburg gevlieg het. Van daar is hulle na bewering per motor na die Smits se huis in Springs gebring

Oud-regter Ludorf sê hy weet nie hoe dit kon gebeur het dat die polisie kon gedink het al mnr Excell se inligting kom van mnr Fortuin af.

Voor die polisie die verklaring van mnr Fortuin gekry het, het hulle 'n bandopname gehad waarop mnr Excell met sê mnr Fortuin weet miskien

VERVOLG OP BL. 4

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Erasmus report published today

CT 2/4/79 (259)

Mr Justice Erasmus

Mr P W Botha

Political Correspondent

THE Information scandal will once again dominate political attention today with publication of the Erasmus commission's report on cabinet knowledge of the affair.

The special report was requested last month by the Prime Minister, Mr P W Botha This followed allegations by the former Secretary for Information, Dr Eschel Rhoodie, that cabinet ministers had known details, including the State funding of the Citizen, before last September

Mr Botha has promised to resign and call a general election if the Erasmus Commission finds this is so

The commission chairman, Mr Justice Rudolf Erasmus, said last night that the report contained "some interesting facts" and should be read carefully

The report will be tabled in Parliament today and will be discussed in the five-day debate on the Budget which starts this afternoon

Particular attention will be paid to the commission's findings on the Minister of Finance, Senator Owen Horwood, who has been implicated both by Dr Rhoodie and by the former Minister of Information, Dr Connie Mulder

From page 1

interview would form part of the evidence

Although the Prime Minister said he would ask the commission to release all evidence on the question of cabinet knowledge Mr Erasmus said this could not be done

'We cannot reproduce all the evidence because it would have taken a whole book The gist of it, epitomizing the essence will be quoted to substantiate our findings Everybody who reads the evidence will be able to decide for themselves whether they agree with us or not

Mr Erasmus said any evidence about cabinet knowledge received subsequent to this report would be included in his final report due in May This included a 64-page document submitted last Thursday — too late for the present report — by the Progressive Federal Party

Senator Horwood, who has repeatedly denied knowing details of any secret projects, including the Citizen, was one of five cabinet ministers to testify before the commission for this report

The others were Mr P W Botha, the Minister of Coloured Relations, Mr Hennie Smit, the Minister of Plural Relations, Dr Piet Koornhof, and the Foreign Minister, Mr Pik Botha

The report will also deal with the public dispute between Dr Mulder and the State President, Mr Vorster, on when ministers were first informed of the Citizen project

Evidence was given by a SABC television reporter, Mr Johan Pretorius, about an interview with Mr Vorster Mr Erasmus said a transcript of the

To page 2

Cabinet cleared

cont (259)

Star 2/4/79

▶▶ From page 1

and decisive" in his testimony

However, dealing with the former Information Minister, Dr Connie Mulder, the commission said

But Dr Mulder's evidence, apart from its vagueness is always in conflict with the real evidence.

"He always wants to tell other stories than the correspondence before the commission actually discloses"

The commission found it could not condemn Senator Horwood on the "meagre and uncertain evidence" of former Information Secretary Dr Eschel Rhoodie.

Dr Rhoodie was "a fugitive from justice in foreign countries because he knows what the commission's findings in respect of him were"

The commission said the findings in its report unmistakably indicate "that the pollution does not spread wider" than the former department

The commission ends its report by stating:

"Mr State President, it is an honour and it is with satisfaction that the undersigned commissioners herewith submit a unanimous report to you."

Bitter row looms over report by Commission

STAR 2/4/79

259

Political Staff

CAPE TOWN — Another major — and bitter — debate on the Information scandal is expected after this afternoon's tabling in Parliament of the Erasmus Commission's report on Cabinet ignorance of irregularities like The Citizen.

The commission's findings could have serious implications for Mr P W Botha's Government, for the State President, Mr Vorster and for Dr Connie Mulder after their public differences on when they first knew about the State funding of The Citizen.

The report is being tabled at the start of the Budget debate in the Assembly which allows MPs to debate a wide range of issues.

It is expected that particularly tomorrow's part of the debate will be overshadowed by the Information scandal after MPs have had a chance to study the commission's findings.

RESIGN

The publication of the commission's report follows an undertaking by the Prime Minister that he would resign and call a general election if allegations by the former Secretary for Information, Dr Eschel Rhoodie, were proved true that Cabinet Ministers had known about the State funding of The Citizen before last September.

The debate takes place against a background of impeachment proceedings against the State President after his public dispute with Dr Mulder without consulting the Government, about his knowledge of the manner in which The Citizen was established and run.

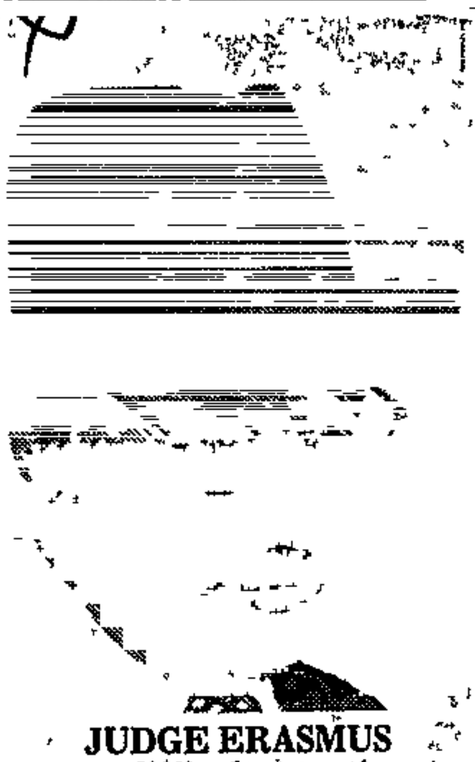
There has been speculation that if such action is taken against Dr Mulder, he might decide to stand as an independent in the Randfontein by-election where he has a good chance of winning against the National Party.

Eight people gave evidence to the commission during its special session to determine whether Cabinet Ministers had early knowledge of information irregularities. They were the Prime Minister, the Minister of Plural Relations, Dr Koornhof, the Minister of Finance, Senator Horwood, The Minister of Foreign Affairs, Mr Pik Botha, Mr Smit, Minister of Coloured Relations, the former head of the Defence Force, Admiral H H Bierman, the commission's Secretary, Mr Johan Geyser, and Mr Johan Pretorius of the SABC who showed a videotape

RDM 2/4/79

259

Erasmus saw 6 Cabinet members



JUDGE ERASMUS
. . . difficult situation.

Staff Reporter

JUDGE Rudolph Erasmus yesterday said six Cabinet Ministers had given evidence before his commission, which has been investigating possible Cabinet involvement in the establishment and funding of The Citizen.

This report will be presented to Parliament today. Last week the Erasmus Commission's secretary told the Rand Daily Mail four Ministers had testified.

They were: The Prime Minister, Mr P W Botha, The Minister of Finance, Senator Owen Horwood; Dr Piet Koornhof, Minister of Plural Relations and Development; and Mr Hennie Smit, Minister of Coloured Relations.

The two other Ministers who gave evidence were Mr Pik Botha, Minister of Foreign Affairs; and Mr Chris Heunis, Minister of Economic Affairs

Other witnesses were the former chief of the Defence Force, Admiral H H Biermann; SABC journalist, Mr Johan Pretorius, and Mr Johan Geyser, secretary to the Erasmus Commission. Mr Geyser submitted evidence the commission had already heard

Judge Erasmus yesterday confirmed from his Bloemfontein home a weekend report which said last week's clash between the State President, Mr John Vorster, and the former Information Minister, Dr Connie Mulder, had created a "difficult situation" for him.

Dr Mulder claimed that when Mr Vorster was Prime Minister, he knew of the funding of The Citizen with taxpayers' money — and said Senator Horwood also knew of the project.

Earlier Mr Vorster had said he had no knowledge of The Citizen project before August, 1977.

Judge Erasmus confirmed his situation had been made difficult by the clash but would not elaborate, nor would he elaborate on his "specific reasons" for not recalling Dr Mulder to testify on the question of Cabinet knowledge.

Asked why the rest of the 18-member Cabinet had not been called to testify, Judge Erasmus said: "I could have called you to give evidence if I thought you could throw light on the issue. I can't call the whole world to give evidence if they haven't anything to say"

He would not comment on why civil servants — named by former Secretary for Information, Dr Eschel Rhoodie, as having had knowledge of secret projects, including The Citizen — had not been recalled.

● See Page Two

Vorster says he doesn't know 'shadowy figure'

CAPE TOWN. — A spokesman for the State President's office has denied the existence of any personal link between Mr Vorster and a Mr Henri Merkx-vroon.

The Sunday Times yesterday carried a report quoting Mr Merkx-vroon, a retired Dutch banker and industrialist, as saying he knew the State President well

The report described Mr Merkx-vroon as a shadowy figure behind an apparently new attempt to find a "compromise" between Dr Eschel Rhoodie and the South African Government.

The State President's spokesman said Mr Vorster has denied ever having heard of such a person, or having known him

The Sunday Times described Mr Merkx-vroon as a mysterious negotiator seeking to clinch a deal with South Africa for fugitive Dr Eschel Rhoodie's silence

Mr Merkx-vroon claims to have had top level contacts with the Dutch and French governments, according to the report.

The compromise he wanted concerned disclosures on 41 tape recordings which could allegedly embarrass South Africa's friends overseas. — Sapa.

STAR 2/4/79 (322)

Angry teachers plan action for higher salaries

Pretoria Bureau

The executive of the Transvaalse Onderwysersvereniging decided at a closed meeting in Pretoria at the weekend to implement an action plan to bring about a reconsideration of teachers' salaries.

The decision comes in the wake of widespread discontent among the province's teachers after the announcement this week that teachers were excluded from a general salary increase

According to a statement issued by Professor J D V Terblanche for the executive of the Transvaalse Onderwysersvereniging, the Government's good faith had been placed under serious suspicion and the question was being asked now this action meshed with effective and honest administration of the country

"Undertakings were not fulfilled and immediate reconsideration of the Government's decision is demanded"

The teachers had received an insulting slap in the face and this unilateral action was inexcusable, the statement said

It was decided at the meeting that guidelines for an effective and planned effort should be converted into a programme of action

The planning was completed at the meeting, but no details were revealed in the statement

Professor Terblanche said any action to be taken would not adversely affect teaching and the educational programme of the pupils.

The meeting also decided to support the demands by the executive for a commission of inquiry.

The Transvaalse Onderwysersvereniging has about 13 500 members and is the strongest body in the National Federation

War holiday for children

Nearly 50 Rhodesian children will be flown to Johannesburg to spend the crucial election period in the safety of South African homes

The children will be flown down as part of a Rotary scheme which brought 30 children to South Africa for the December holidays

Mr John Golden, of the Northcliff Rotary Club, said Rotarians were raising money to fly between 40 and 50 children to Johannesburg over the election period.

"The first lot will arrive on April 11 Many of the children have been affected by the war They come from families where there have been tragedies, perhaps a father killed," he said

The Northcliff Rotary Club selected the children through Rotary clubs in Rhodesia and have organised homes for the children to stay in here

In Salisbury, the Commissioner of Police Mr P K Allum said last night that a blanket of security would be cast over all urban centres of Rhodesia in the next few weeks

Mr Allum said the call-up over the election period would undoubtedly remove the head of the family from many homes

P 2/4/79 (259)

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Mr Justice Mostert (above left) . . . could not discover what particular interest of the State would be furthered by suppression of evidence given to his commission.

★

The State President, Mr B J Vorster (above) . . . when he was Prime Minister in 1972 he decided to allocate secret funds to help the Information Department "in a delicate way" to counter the onslaught against South Africa.

New Hair with HAIRFASHION

Rob Meintjes traces the developing Info scandal

The story of SA's cover-up...

The Information scandal and Watergate have one big thing in common — the cover-up.

In South Africa it has led to a constitutional crisis — with increasing demands for the resignation of the State President, Mr John Vorster, because of events that took place while he was Prime Minister

Where did the cover-up start?

In 1972 the Government decided to allocate secret funds to the Department of Information.

The Prime Minister's action in secretly switching money from other departments to Information has since been described as "a symptom of the demise of the parliamentary system" by one of South Africa's leading constitutional experts, Professor Marinus Wiechers of Unisa.

The decision made it impossible for Parliament to control the collecting and spending of revenue because it was not being given all the facts.

Surface

Mr Vorster's decision in 1972 set the stage for not only one but a series of cover-ups, It has taken six years for some semblance of the truth to surface, but from all the unanswered questions two crucial ones emerge.

● Did Mr Vorster or other Ministers know about State funding of The Citizen from the start?

● Were the secret projects monitored by an informal three-man Cabinet committee?

The answers to these questions would help to make it clear whether the whole truth about the Information scandal has been revealed But State investigators, a judge and journalists have been frustrated by threats, destruction of records, lies and quoting of the Official Secrets Act

The Prime Minister's decision in 1972 coincided with the appointment as Secretary for Information of Dr Eschel Rhoodie, when Mr L S Reynders from BOSS was appointed secretary Dr Rhoodie poured R32-million into the Citizen, raised five overseas loans running into millions without authority and registered property — bought with public funds — in his own name

Later he was to say the Government had authorised counter-action "as if we were in a state of war and no rules or regulations would apply"

But it was Dr Rhoodie's disregard for the rules that started his slide towards disgrace Stories about trips financed out of secret funds to the Seychelles, Europe and the USA by Dr Rhoodie and his two deputies, his brother Dr Deneys Rhoodie and Mr L E S de Villiers, began to do the rounds in Pretoria

The office of the Auditor-General, Mr F G Barrie, opened inquiries in December 1976 Gross irregularities were revealed and thousands of rands had to be recovered from the secretary's brother

Dr Rhoodie launched his cover-up in earnest He instructed records of secret projects to be destroyed, claiming authority had been given by the Prime Minister and head of BOSS, General Hendrik van den Bergh He even challenged the right of the Auditor-General to scrutinise records of the "secret" trips, trying to take refuge behind the Official Secrets Act

Clearance

Mr Barrie obtained clearance for his audit from higher authority, but it was to be some time before the public would know the details of Dr Rhoodie's cover-up The shadow of General "Lang Hendrik" van den Bergh fell over the scene

When Mr L S Reynders from BOSS was appointed

about The Citizen and other activities of Dr Rhoodie's, reported to the Prime Minister on the "whole story"

During that period the Prime Minister announced there would be an early general election on November 30, but he did not tell the country about The Citizen

A pro-Nationalist election campaign was launched by the newspaper

During one of several long conversations with Mr van Rooyen the Prime Minister said the whole "cat's nest" would be cleaned up — after the elections, but he did nothing to stop The Citizen project for his remaining year as Prime Minister

After the elections Mr Vorster said he could not remove Dr Connie Mulder from the Information portfolio because within one week the new Minister would be at his door, shocked at the type of "child" he had to inherit.

Asked by the advocate whether it would not be better to make Dr Rhoodie resign, the Prime Minister said he feared "one devil would become two."

Control

"I often told him that this thing was going to burst open," Mr van Rooyen later told Mr Justice Mostert, chairman of the one-man commission inquiring into exchange control irregularities

The public was to be given its first insight into corruption in the department through the efforts of investigative journalists, who persisted in the face of threats of prosecution and denials of the truth.

Behind the scenes Dr Mulder was exerting pressure on Mr Reynders to bring out his report on the department

denied at the time and it was only nine months later that the new Prime Minister, Mr P W Botha, said a study of Cabinet minutes dating back to 1975 had not revealed any reference to such a committee.

That weekend the Sunday Express reported that Dr Mulder had misinformed Parliament about the nature of two trips made to the Seychelles by Dr Rhoodie The Minister had said they were holiday visits, but his secretary revealed they were secret visits paid for with Government money.

Dr Rhoodie reacted by asking for a police inquiry into leaks from his department.

Stability

On May 8 the Prime Minister intervened The Government had decided in 1972 to allocate secret funds to the department to withstand the subversion of South Africa's "good image and stability"

"It can not therefore be said that these funds were unauthorised funds, and I accept full responsibility for the way in which funds were allocated.

Two days later Dr Mulder denied in Parliament that his department either owned, ran or funded any newspaper The Prime Minister sat silent

In June Mr Vorster announced that General van den Berg would evaluate the secret projects and that Dr Rhoodie would retire on pension as from July 1

The Boss chief later told Mr van Rooyen people were saying Mr Vorster had misled them and that the Minister of Information was lying, but he (General van den Bergh) would save them.

He told the advocate that he had decided Mr [illegible] stand on release of evi- [illegible] for

in this country realise the powers Van den Bergh has," he told the commission

At this stage Mr Vorster had already announced his retirement and the new Prime Minister was to be elected at the end of September The premiership race was on and in late September Dr Mulder leaked his version of the report to Die Transvaler in an obvious attempt to swing the votes in his favour

The next day Mr van Rooyen briefed three Cabinet Ministers on activities within the department. They decided that Mr A L Schlebusch, then Minister of Immigration, would approach Dr Mulder to stand down from the race, but he refused

The Prime Minister issued a statement that the official investigation of the department was continuing He also announced the retirement of General van den Bergh before completion of his evaluation into the secret projects

Mr Vorster's statement swung the votes in favour of Mr P W Botha, who became Prime Minister on September 28

Statement

At this stage it became known that the chairman of the one-man commission into exchange control irregularities had received a sworn statement from Mr van Rooyen

The cover-up entered a new phase Faced with the task of containing the scandal, Mr Botha decided on disclosure within limits His election almost coincided with the Sunday Express exposures that The Citizen had been funded with public money, followed by indications from Mr Justice Mostert that he was considering

— unsuccessfully — to prevent the judge from releasing what the Prime Minister described as "one-sided information."

According to Senator Horwood the judge had accused Mr Botha of being the first to try to prescribe to a judge The Prime Minister had also refused to authorise a member of the Department of National Security (formerly Boss) from giving evidence to his commission

Evidence released by the judge corroborated Press reports on the State funding of The Citizen, the "secret" trips to the Seychelles and the roles played by the main figures in the scandal

Mr Justice Mostert delivered a damning indictment of the cover-up "I have endeavoured to discover what particular interest of the State is furthered by suppression, albeit temporary, rather than disclosure of the evidence I have been able to find none"

The Prime Minister tried once more to prevent disclosures from reaching the Press by warning newspapers against publishing the Mostert dossier

Only the SABC listened

On November 7 it was reported that Mr Justice Mostert was to call more witnesses, including Mr David Abramson, chairman of Hortors The hearings were to be public

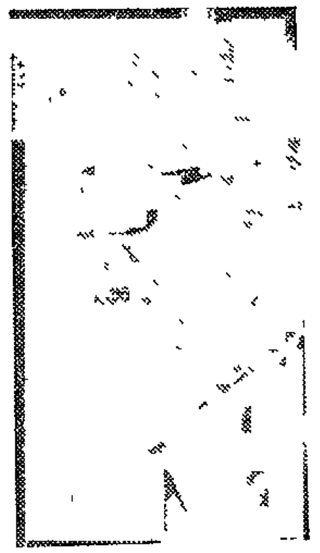
Silenced

That same night the Prime Minister effectively silenced the judge by disbanding his commission. The move coincided with a statement by Mr Justice Erasmus, newly-appointed chairman of the three-man Commission of Inquiry into the former Department of Information, that his hearings would be held behind closed doors.

The resignation of Dr Mulder was also announced and a select committee with the same mandate as the Mostert Commission was appointed.

The sacking of Mr Justice Mostert unleashed a storm of protest

Rumours that the judge planned to issue a statement on November 8 resulted in a flurry in the Pretoria Supreme Court as the State tried — and failed — to obtain an



General Hendrik van den Bergh . . . promised to save Dr Connie Mulder and Mr John Vorster.

Despite the General's challenge to the authority of the commission, the Attorney-General of the Transvaal decided on January 24, 1978 that it would be against the public interests to prosecute the former Boss chief because it would lead to the disclosure of certain evidence given to the commission

The decision was widely criticised by lawyers, academics, the English and the Afrikaans Press

A nation-wide drive for a petition, cutting across party lines, was launched from Pretoria calling for General van den Bergh's prosecution Among the 50 000 signatures gathered was that of the General himself

Resignation

Then Dr Mulder's shock resignation from Parliament was announced Two of the three main figures in the scandal had been barred from giving their versions in two privileged forums Parliament and the courts

The Attorney-General's decision gave rise to speculation that if the missing Dr Rhoodie were brought back to South Africa he would be above prosecution because of what he could reveal

But questions surrounding the Information scandal continued to grow — despite the Prime Minister's threat of introducing legislation which would bar rumour-mongering

The Star reported that the power of gold wielded by the form[illegible]

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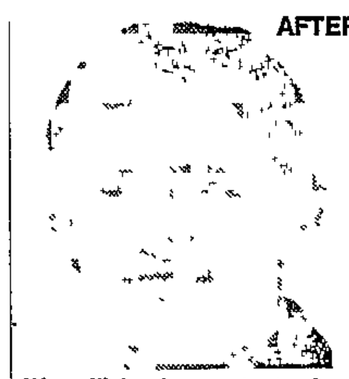

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Seven years later a warrant was issued for his arrest on a charge of fraud or theft

Under the cloak of secconduct an investigation into the department the General forbade him to report anything to Mr Vorster without permission from himself

In the course of his investigations Mr Reynders came upon project Annemarie — the Citizen According to his evidence to the Erasmus Commission he could not get past the General to report to Vorster But during August September 1977 Pretoria advocate Mr Retief van Rooyen, director of one of Information's front companies, arranged for him to see the Prime Minister, whom Mr Reynders informed about The Citizen

General van den Bergh claimed to have told Mr Vorster of the plan to establish an English language newspaper as far back as December 5 1975

In October 1977 Mr van Rooyen, who already knew the scandal was Mr J F Waldeck, the administrative chief of the department He was retired prematurely after an unblemished 40-year career in the public service His name was subsequently cleared by the third report of the Select Committee on Public Accounts

Guided

In an attempt to preempt a report prepared and submitted to his Minister by the Sunday Express before publication, Dr Rhoodie issued a statement claiming that his department had been guided by a secret three-man Cabinet committee in its undertaking of "sensitive and even highly secret operations to counter the propaganda war against South Africa"

His statement on the Cabinet committee was not would see to it that newspapers were told the matter now fell under the Official Secrets Act Any reporting on it would constitute an offence

The general told Mr van Rooyen he would drag out his evaluations until "the whole thing was dead"

Compiled

Renewed pressure was brought to bear on Mr Reynders by the general and Dr Mulder to bring out his report on the department The brief "clean bill of health" certificate was compiled in the BOSS chief's office on September 19

Mr Reynders later told the Erasmus Commission that he would never have brought out the report on his own initiative, but he feared the general would crush him if he put up any opposition "Few people me on scandal

Amidst mounting speculation it became known that Mr Justice Mostert had postponed a Press conference he was to have held at Jan Smuts Airport until he had met the Prime Minister, at Mr P W Botha's request

On the morning of November 2, 1978, the judge and Senator Owen Horwood, Minister of Finance, strolled across the amphitheatre at the Union Buildings to the Prime Minister's office

The judge emerged looking thunderstruck. He would hold a Press conference at his office later that day.

Shortly after 1 pm he released evidence pointing to corruption and the misuse of taxpayers' money running into millions

During their brief meeting Mr Botha had tried judge from talking to the Press.

At his home in Maritzburg Mr Justice Mostert said "I have nothing to say at this stage, nor is it likely that I will make a statement at any later stage"

While the Erasmus Commission was conducting its marathon hearings on the department under a strict wall of secrecy the Rand Daily Mail appeared in a Johannesburg Regional Court charged with anticipating the findings of the commission by publishing a story on the funding of The Citizen

The speed with which the newspaper was brought to court was to contrast strongly with the long delay before a decision was reached on whether or not to prosecute General van den Bergh for his later comments on the Erasmus report.

Shortly before the release of the Erasmus report the Minister of the Interior announced the withdrawal of passports belonging to the Rhoodie brothers This came after Dr Eschel Rhoodie's departure for Europe

Meanwhile the Erasmus report was published, placing the blame for the scandal squarely on Dr Rhoodie, Dr Mulder and General Hendrik van den Bergh and exonerating the State President, the Minister of Finance and the Prime Minister.

The report corroborated much of the evidence given to Mr Justice Mostert, the release of which Mr Botha had tried to halt.

Mr Colin Eglin, leader of the Progressive Federal Party, called on the Government to resign.

Principle

But the Prime Minister said the principle of collective responsibility did not apply to something the Government did not know about

On December 8 the former head of Boss, General van den Bergh, launched his attack on the Erasmus report, saying it was the "biggest character assassination ever committed in South Africa"

He said he had been made a scapegoat and challenged the commission to release all its evidence His call was echoed in Parliament by the Opposition To date the commission has not released all its testimony.

richs, was the foundation for the department's network. Using the profits and the pressure of gold Dr Rhoodie won over influential people in Europe and the US, including a former President of France.

The Rand Daily Mail quoted Rhoodie on the identity of the Cabinet committee which controlled Information projects and his claims were again denied by the Prime Minister and the Minister of Finance.

Destroy

A two-pronged attempt by the Erasmus Commission to prevent further publication by the Rand Daily Mail and the Cape Times of disclosures by Dr Rhoodie, failed in the Cape Town Supreme Court and the Rand Supreme Court

Amidst increasing doubts the Prime Minister asked the commission to determine before March 31 whether he or any member of his Cabinet knew of or had been involved in the Information scandal

Newspaper editorials suggested that this mandate formed part of the commission's original terms of reference anyway

On March 22 Dr Rhoodie said in a BBC television programme that Mr Vorster and Senator Horwood knew of every major project, including the establishment of the Citizen, in which his department had been involved

He said the Prime Minister had initiated two projects at Cabinet level, which the former secretary had partially paid for out of Information funds

In a highly unusual step, the State President entered the controversy without consulting the Prime Minister to deny that any member of the present Cabinet knew of or was party to any irregularity in the department He denied knowing about The Citizen's establishment and said he had confronted Dr Mulder

Dr Mulder's reaction, in which he claimed Dr Rhoodie had reported from time to time to three Cabinet Ministers about the secret projects, fanned the constitutional crisis

Opposition parties called for the resignation of the State President and Die Vaderland pointed out that the findings of the Erasmus Commission had been anticipated by Mr Vorster.

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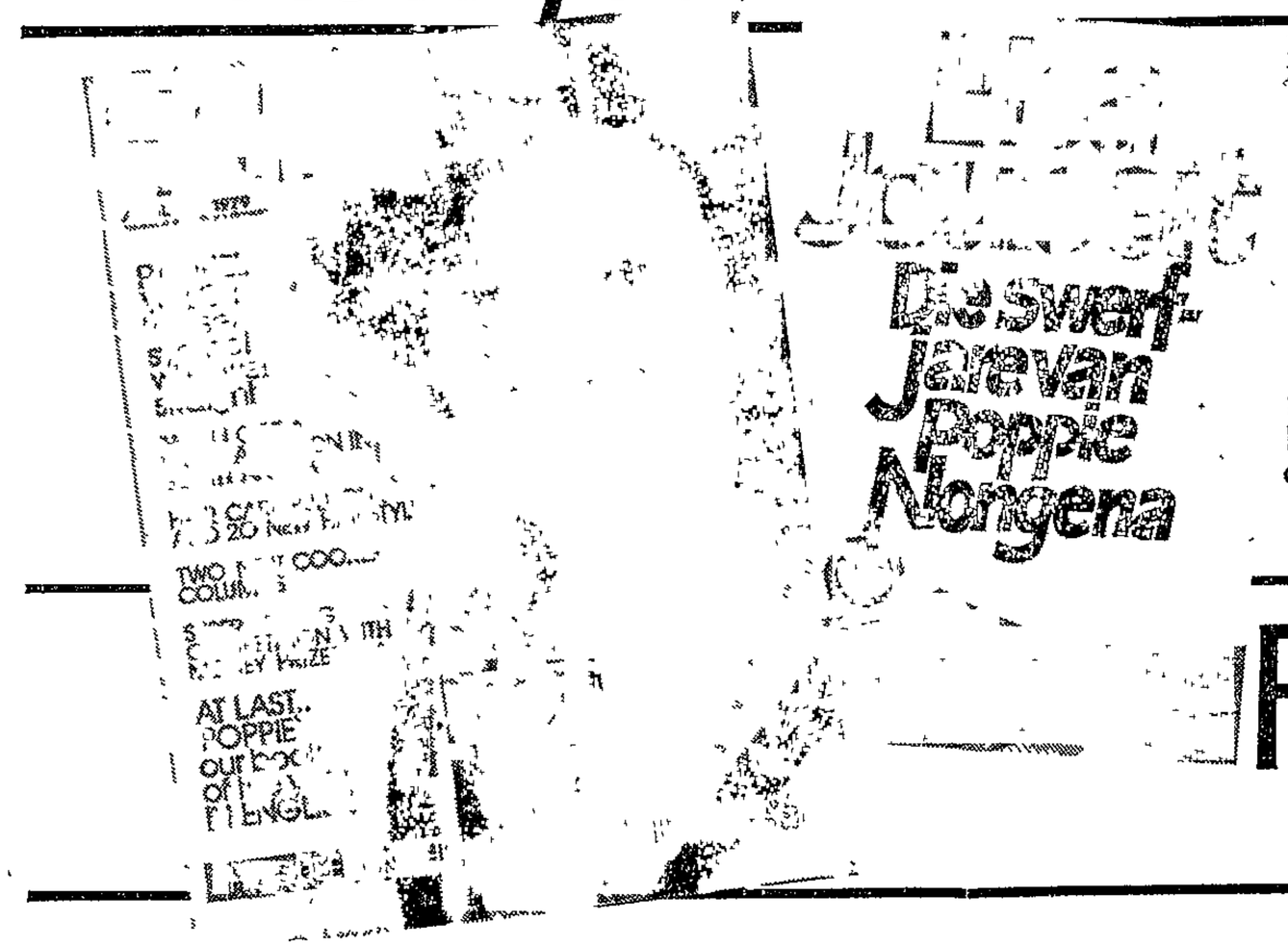

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2/4/79

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BBC: Christian League an Info front?

(259)

LONDON — The BBC, in a religious affairs programme yesterday, turned the spotlight on the Christian League of Southern Africa and the International Network of Confessing Christians and asked whether they were "Muldergate front" organisations.

The programme said among "the numerous allegations" concerning South Africa's Information scandal was one that a secret fund had been made available to finance a rival organisation to the World Council of Churches.

American millionaire John McGoff, who received Department of Information money for his unsuccessful bid to buy the Washington Star, had admitted, the programme claimed, that he had given a great deal of money to the League, but said that it was his own money

"On the other hand," the programme said, "there are some who have long questioned where that organisation's funds came from."

Interviewed on the programme, the Reverend Elliott Kendall, of the British Council of Churches, said he now believed his worst fears had been confirmed.

"So this presumably is one of the means which has been used to further the purposes of the Department of Information," Mr Kendall said

Interviewed by telephone from his home in South Africa, the League's director, the Rev Field Shaw, denied knowledge of receiving government money.

Mr Shaw said about 15 months ago when the League was going through a difficult period, it was offered money indirectly by the Netherlands and Scandinavian Governments

The League had appealed for support and had been approached by the Rev Pieter van Eindhoven, of the Merkotter Group, which was Holland-based

"He wanted to help us by giving us funds and told us there would be an almost limitless supply of funds if we would act as a conduit for their schemes in South Africa. He said he would be able to raise funds also from the government of The Netherlands and the Scandinavian countries.

"But then we would have to take an anti-South African stance and join the critics of the South African Government and its policies." The offer was not taken up.

The BBC interviewer said Mr Shaw was not able to give Mr Van Eindhoven's telephone number, although he claimed Mr Van Eindhoven was well-known in Holland

But the interviewer remarked he could not be all that well-known because "all attempts to track him down, including five hours of telephone calls, and contacts with experts in Dutch aid organisations, have so far failed to find anyone who knows him" — DDC.

Erasmus says no Cabinet men knew

STAR 2/4/79

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By Tom Duff, Political Reporter

The Erasmus Commission has found that no member of the present Cabinet had early knowledge of State funding of The Citizen or other Information Department irregularities.

This emerges from the interim report of the commission tabled in Parliament today.

The commission said it found no member of the present Cabinet had any knowledge of:

- Financial aid to The Citizen by the former Department of Information before the former Prime Minister, Mr Vorster, brought it to the notice of Cabinet members at a Cabinet meeting on September 26 1978.
- Any other irregularities in the department before these were disclosed to Parliament
- Evidence was given to the commission by the Prime Minister, Mr P W Botha, and Cabinet Ministers, Mr Pik Botha, Mr Alwyn Schlebusch and Mr Chris Heunis, that advocate Mr Retief van Rooyen told them on September 24, 1978 of a number of irregularities in the former Department. Among these was that The Citizen was being financed by State funds.

Confronted

"Mr Vorster was immediately thereafter on the following day confronted by these gentlemen with Mr van Rooyen's allegation for confirmation, which in fact was so confirmed

"The next day Mr Vorster also revealed that at a Cabinet meeting," the commission said.

The commission also found that nowhere in the evidence before it was the concept of a Cabinet or sub-committee defined.

It was clear that where two or more Ministers were by chance together, or came to know of an irregularity, or were busy with an alleged irregularity, there could be absolutely no question of the so-called "committee" as no official group tie existed between them

Dealing with evidence in connection with alleged Cabinet knowledge of State funds going to The Citizen, the commission found that the Minister of Finance, Senator Owen Horwood, had been "direct, straightforward

To Page 3, Col 4

Full details of the Erasmus Commission's interim report will be published in a special edition of The Star later this afternoon.

Info: Fears of regressive faction

CT. 2/4/79 (259)

Own Correspondent

WASHINGTON. — The Washington Post said on Saturday South Africa's Muldergate could bring to power what it called just about the most regressive faction of the Afrikaner establishment.

The Post said in a leading article that the Information scandal threatened to do more than bring down the government and shake the moral authority of the ruling class

The scandal was generating new pressures to reduce the substantial amount of press freedom still left in South Africa

"The outlines of Muldergate, so named after one of the figures disgraced by it, are clear enough

"Believing South Africa's pariah status to result, not from its own regime of legalized racism, but from hostile propaganda, the government set out a few years ago to create a multi-million dollar secret propaganda and influence-buying network

"It was to work within the more liberal English-speaking community of white South Africa, and within Western (including American) circles supposedly receptive to appeals for comradeship in capitalist progress, anti-communism and — by inference — the welfare of whites"

The Post added, "But thanks to conscientious jurists and journalists, word of the programme finally broke The highest political leaders have been touched and the government, tugged both to disclose and cover up, may fall

"Foes of apartheid can hardly lament Pretoria's embarrassment

"In a democracy such as whites have so far preserved for themselves in South Africa, scandal takes a political toll

"Yet the current government of P W Botha holds about as much potential for racial enlightenment as the Afrikaner political context may now allow

As an example the Post recalled that the South African government proposed making it a criminal offence to publish "any untrue matter" about the police "without having reasonable grounds for believing that the statement is true"

It called the proposal monstrous and said that in a country in which the police were the ultimate means by which whites ruled blacks, it would free the police from effective public scrutiny

The Post concluded "A law like this in the hands of a government bent on showing that Botha-type liberality doesn't pay, would transform Muldergate from a scandal to a tragedy"

Citizen project never discussed in my presence — Horwood

Cape Times 3/4/79

259

Continued from page 5

980 R30 000, G81 R1 000, 982 R28 000, G83 R10 000
G84 R500, G85 R1 000, G86 — 987 R400 000, G88 R100 000, G89 — G80 R30 000, G91 — G92 — 993 R280 000
G94 R10 000, G95 R1 000, 996 R1 000, G97 R1 000

Ek sal dit op prys stel indien u elke bladsy van hierdie uiteensetting sal teken sodat met die projekte voortgegaan kan word.

Die program vir die boekjaar 1979/80 sal betyds voor 30 September met u bespreek word en die nodige skriftelike uiteensetting van lopende projekte waarvoor ministeriele goekeuring dan ingevolge artikel 2(3) van die Wet reeds sal bestaan, asook nuwe projekte wat beoog word en waarvoor ministeriele goedkeuring aangevra word

Aangesien alle projekte wat hierbo uiteengesit is reeds bespreek en goedgekeur is met die uitsondering van die Rhodesie aksieprojek, sal ek dit besonder op prys stel indien u die Sekretaris van die Tesourie kan meedeel dat hierdie bedrag aan die Departement voorsien kan word Die Sekretaris van die Tesourie se skrywe aan die Sekretaris van Inligting in hierdie verband is genommer B8/5/2 van 12 April 1978

C P Mulder

Initials and signature to this letter herewith cancelled (see my letter to Dr C P Mulder of 4 May 1975)

O P F Horwood
4/5/1978

ANNEXURE B
Exhibit 17E

UITERS GEHEIM

13 12.1976

Sekretaris van Inligting
Privaatsak X152
PRETORIA
0001

PROJEK SENEKAL

U Minister is bewus van en stem saam met Sy Edele die Eerste Minister se opdrag dat die Sekretaris van die Tesourie van alle finansiele transaksies kennis behoort tô dra — ook die wat onder bogenoemde kodenaam gevoer word

Dit sal waardeer word indien u die nodige stappe sal doen om my, indien moontlik vóór my vertrek uit Pretoria op 15 Desember 1976, op hoogte van sake te bring

A J PRETORIUS
Sekretaris van die Tesourie
10 12 76

UITERS GEHEIM

Die Sekretaris van Inligting
Privaatsak X152
PRETORIA
0001

PROJEK SENEKAL. U37/van 18 November 1976

1 Nóg die Minister van Finansies nog die Sekretaris van Finansies dra kennis van die besluit waarna in paragraaf 2 van u diensbrief verwys word met die inhoud van my diensbrief C1/17/2(UG) van 2 September 1976 aan u

U aandag word ook gevestig op die aangeleentheid geopper in my skrywe van 13 Desember 1976 oor die verstrekking van besonderhede oor die projek

A J PRETORIUS
Sekretaris van die Tesourie

The former secretary of the now-defunct Department of Information, Dr Eschel Rhoodie

ERASMUS REPORT

UITERS GEHIEM
DEPARTEMENT VAN INLIGTING

24 1 77

PER HAND

Die Sekretaris van die Tesourie

1 Dit spyt my maar oenskynlik is daar steeds 'n misverstand oor die bedrag wat vir 1977/78 aan u beskikbaar gestel word Die Minister van Finansies het my na aanleiding van u bogemelde diensbrief nou meegedeel dat die oorspronklike toekenning van R15 m vir 1977/76 op versoek van die Eerste Minister verhoog is na R17 m om voorsiening to maak vir die R2 m wat van die Eerste Minister se begrotingspos vir 1976/77 oorgeplaas is My Minister deel my ook mee dat hy nie 'n onderneming gegee het dat hierdie bedrag in die Addisionele Begroting vir 1977/78 met R3 m tot R20 m aangevul sal word nie

2 Wat die huidige boekjaar betref, volstaan my Minister by die R14 m wat reeds goedgekeur is Die R2 m wat van die Eerste Minister se begrotingspos oorgeneem en reeds bestee is, sal dus, soos hierop aangedui, eers in 1977/78 vergoed word uit die R17 m toekenning vir daardie boekjaar

3 Ek sal dit waardeer as u die nodige geskrewe besluit van u Minister sal verkry oor die kwessie of inligting oor die finansiele transaksies verbonde aan die projek aan die Tesourie bekend gemaak mag word al

1 Die projek wat ek namens die Eerste Minister finansier is 'n paar jaar gelede begin en loop eers tydens die boekjaar 1977/78 ten einde Derhalwe is dit net onbegryplik dat, en vanjaar (1976/77), se geld eers volgende jaar ontvang Waar moet ek dan die R2 m vir 1977/78 kry?

2 My Minister het my vandag meegedeel dat hy nie bereid is om besonderhede van projek Senekal te openbaar nie Hy doen jaarliks volledig verslag aan die Eerste Minister self

3 Ten einde die voorgaande twee probleme uit te stryk, stel my Minister voor dat hy en die Minister van Finansies hierdie saak op ministeriele vlak saam by die Eerste Minister uitklaar Indien u akkoord gaan, sal ek vir die ontmoeting reel

Mnr DU PLESSIS
Sekretaris van Inligting

Annexure C

Extracts from the evidence of Senator Horwood

"Senator, were you present at that meeting?"

"Yes, as I say I can't tell you if it was in November, but I was present at a meeting with the prime minister, Dr Eschel Rhoodie, General Van den Bergh, Dr Mulder

"Those were the people that I recall May I just explain to you, Mr Chairman, that I was asked very late My recollection is, if it is correct, and I think it is, that my secretary informed me just before lunch that the prime minister had asked that I come over to the conference room about half-past two And I had a pretty heavy afternoon of engagements and I arrived a little late, and when I went in tea was being served, and I

ERASMUS REPORT

some of the publications that has been (*sic*), that this department had been responsible for

" We drank tea and I then told the prime minister that I had a very important engagement at three o'clock, and that I would have to leave before 3 pm And may I just continue? Then my recollection is that those gentlemen who were there at the table and some documents and a document was, as it were, passed my way And then Dr Rhoodie, if I remember correctly, it was either Dr Rhoodie or Dr Mulder, but I think it was Dr Rhoodie He said that what they were doing, they were already busy because I came in late, they were looking at certain projects that the department was engaged with

"I immediately said that I had no knowledge of any projects whatsoever All I knew was that there was an overall project called Project Senekal, and I can explain that But I knew nothing about the detail of projects, and therefore it could serve no purpose for me to take part if this was going to be a discussion or an evaluation of a whole lot of things the department was doing

"I then asked how many projects were on the list, and they said nearly 150 And I immediately said:

" 'But that sounds a tremendous number Surely we should cut down on such a large number of projects if they are to be handled by one department?' I was a little disturbed to hear 150 And they said well, there were very busy and they were doing this to add to the other, and I repeated quite clearly that I could not take part usefully in any evaluation of any project, and I then said to the prime minister I would have to be asked to be excused because I had a very important engagement, which I recall to this day, and I left the meeting "

Chairman. So your reply to that is

1 You never took part in any discussion there? — Ja

2. You did not express your opinion, and

3 You were surprised to hear that there were so many projects and you had to asked to be excused? — That would sum it up, Mr Chairman

Thank you

dence of Dr E M Rhoodie) the following

78/79? — En dit was wanneer gewees?

Vroeg in February 1978 — 78 February this year Net a oomblikkie, 77/78, dan antwoord dr Rhoodie "78/79, meneer die voorsitter Dit was 'n skriftelike voorlegging aan my minister en van my minister aan die minister van finansies My minister het die dokument aan die minister van finansies voorgelê en dit is goedgekeur deur die minister van finansies Sy handtekening is op die dokument en op elke bladsy Daardie dokument sal in die hande wees van mnr Braam Fourie Die stukke sal hier wees "

"Maar is die Citizen in daardie voorlegging genoem," word gevra Hy antwoord, "die finansiele implikasies is daarin genoem " Dan vra ek, "net 'n oomblik dr Rhoodie, is die Citizen by name in daardie dokument genoem?" Hy antwoord, "Nee, hy is nie by name genoem nie, maar dit kom voor in die verskil van die twee bedrae As u al die bedrae optel, is dit minder as die bedrag wat die minister van finansies goedgekeur het en daardie bedrag verteenwoordig die som wat ons verskuldig was aan Volkskas vir die oortrokke rekening

Voorsitter· "Maar dis nie gesê ten opsigte waarvan hierdie oortrokke rekening is nie " Hy antwoord, "die minister van inligting het my meegedeel dat hy dit met the minister van finansies bespreek het, en dit is waarop besluit is om dit so te notuleer "

Chairman: Just so far It is difficult to remember all that Try and put the question first, and thereafter you read the passage for the witness to reply to

Mr Van Zyl: Mr Chairman, I summarized what I put to the witness

On page 1657 "En daarvolgens blyk dit dat daar 'n verskil is tussen watter gelde? Die totale bedrag goedgekeur en die bedrag wat 'n mens bereik wanneer jy al die individuele projekte optel, dit, die verskil was ongeveer 5 tot 6 miljoen, in die omgewing Ja, maar het hulle geweet waarvan die verskil daar was? Die minister van finansies het geweet en die minister

ERASMUS REPORT

gather from this that certain Budget proposals were put before you for authorization in the course of February, 78? In this document containing these proposals, certain projects were named and certain amounts, according to these projects were shown Now if you add the projects, the number of projects, if you add it to get a total, it would be less than the total amount authorized, and according to Dr Rhoodie the difference is in the vicinity of R5 million to R6 million, and he said this difference was discussed with you and that was for paying back an overdraft facility of the Citizen at, I think, Volkskas Bank?"

"Mr Chairman, this is, as I understand it, it said that this document was put forward in order to allow me to make provision for Information Department expenditures on these projects in 1978/79, and that this was done in February of this year I have no recollection whatsoever of any document setting out the details of the secret projects being put before me at that time, or at any time before the Budget of March, 1978, none whatever And I would like to say that to my recollection, that all that we were given in Treasury for budgeting purposes was the global amount as it was done each year Whether it was 15 million or 14 million, sometimes they came, they wanted 20 million, which I cut down, once they came they wanted 23,9 million

"I cut it down severely, but I have no recollection whatsoever of any document, documents setting out the details in order to arrive at a figure which

The former minister of the now-defunct Department of Information, Dr Connie Mulder

might fall short of some other amounts, and that the balance would be money that would be for any other purpose whether the Citizen or not Under no circumstances whatsoever was that brought to my attention, and I wish to state that emphatically "

Mr Horwood· "Mr Chairman, I know you are very busy and rushed May I just hand something in? What worries me is the implication that I am obtaining from some of these things that I apparently agreed about these projects, and there is a clear implication that at some point I knew something about the Citizen Which I have denied And in fact, time and again I sought to obtain information from the Department of Information even if it were in reasonably general terms as to what was going on It got to the point where in 1976, when we were dealing with the 1977/78 projects

"We start these things in August the previous year Right on from August, right through, we're dealing with the construction of the budget that was introduced the following March The expenditure side takes an awfully long time

"In the course of 1976 I said

did that, and Dr Rhoodie refused to give any information, he said this is absolutely secret A little later I repeat, and tell him to get that, he says no, he refuses I said ask him again, he refused It dragged on through 1976 Eventually I said put it in writing

"Mr Chairman, there would be other correspondence, but

ERASMUS REPORT

perhaps this is sufficient When it goes towards the end of the year I was really disturbed about this So on December 13, 1976, the secretary of the Treasury wrote to the secretary for Information I'll hand this in,

2. Die Tesourie het ook die kennis gedra van die teelings soos in paragrawe 3 en 4 van u diensbrief uiteengesit nie, en kan nie verantwoordelik gehou word vir die gevolglike tekort van R2,5 m vir die lopende boekjaar nie. Dit spyt my dat die Tesourie nie s

PROJEK SENEKAL B8/5/2(UG) van 21 Januarie 1977.

1. Ek bedank u vir die toekenning van R17 m en verstaan van my Minister dat ons in die hersiene begroting om 'n addisionele R3 m aansoek mag doen

A J PRETORIUS
Sekretaris van die Tesourie

UITERS GEHEIM

4 2 1977

Die Sekretaris van die Tesourie
PROJEK SENEKAL U B8/5/2
van 2 Februarie 1977.

noticed on this long table in the conference room a number of publications. There were some books, as I recall, what looked like some periodicals and possibly a few newspapers and so on. And my attention was drawn to that, and I was told those were

Mr Van Zyl: Senator Horwood was the Citizen, the name Citizen for a project concerning the Citizen ever mentioned in our presence at that meeting? — Never, in any shape or form. I then continue reading from page 1656 volume 19 (the evi-

kom se u hulle het geweet? Ondat daar gesê is dat ek hierdie dokument op hierdie wyse moet opstel sodat die amptenary nie moet weet dat dit vir die Citizen is nie. As far as that

"Senator Horwood, would I

would then be provided for them in the Budget, that was not done prior to the Budget, the total amount was given to us. I would like to say further, there was never any question whatsoever of my attention being drawn to any amount which

'Look, I'm not prepared to put up with this. Ask Dr Rhoodie to give me information as to his secret operations that will satisfy you.' The secretary of the Treasury was a very reasonable and experienced officer.

"He said he quite agreed. He

kal.

Mr Van Zyl: "That will be exhibit 17E?" — Now it says simply: 'Dit sal waardeer word indien u die nodige stappe sal doen om my (dit is die sekretaris van die tesourie) indien moontlik voor my vertrek uit

Cape Times
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Pretoria op 15 Desember 1976 op die hoogte van sake to bring, dit is nou projek Senekal, en dit hou verband met al die vorige versoeke wat gekom het, gerig is deur hom aan dr Rhoodie vir sekere inligting in verband met die dinge, dat ons darem kan voel ons het 'n sekere gedagte waaroor dit alles gaan, ons was totaal in die duister, en waar ons op die punt gestaan het dat ons sou Kaap-toe gaan, het ek gevoel nou moet ons hierdie ding tot 'n konklusie bring Ja, toe was daar 'n ander brief, weer op die dertiende, van die sekretaris van die tesourie aan dr Rhoodie en daar is ook net 'n paar dinge wat relevant is En dan op die 21ste Januarie het mnr Pretorius weer aan dr Rhoodie geskryf en hy sê onder meer. "U aandag word ook gevestig op die aangeleentheid geopper in my skrywe van 13 Desember 1976, oor die verstrekking van besonderhede oor die projek 'Dit is projek Senekal'."

Chairman: "Now, that will be Exhibit 17F"

Mr Van Zyl: "Mr Chairman, I think we can hand in all those letters as Exhibit 17E."

Mr Horwood: "And I'm coming to the end, sir January 24 there was a letter from Dr Rhoodie to Mr Pretorius, 'Projek Senekal', he says: 'Wat u brief van 13 Desember 1976 betref, kan ek ongelukkig nie help nie (Dit wil se om besonderhede to verstrek) My minister dra geen kennis van 'n opdrag of 'n gesprek met Sy Edele die Eerste Minister tot die effek dat die Tesourie van alle finansiele transaksies kennis moet dra wat onder the projek naam "Senekal" gevoer word nie Inteendeel, ek het die strengste opdrag van die Eerste Minister self, bevestig in die teenwoordigheid van Generaal Van den Bergh en my minister, dat geen detail buite die gemagtigde kring verstrek mag word nie En die gemagtigde kring het nie vir my ingeslüit nie, meneer die Voorsitter.

"U sal dus begryp dat tensy ek 'n geskrewe opdrag van my minister kry, dat die Eerste Minister nou anders besluit het, ek nie my weg oopsien om die besonderhede te openbaar soos versoek in u skrywe' En dan meneer, die 2de Februarie 1977, 'n brief van die sekretaris van die tesourie aan dr Rhoodie en hy sê in paragraaf 3: 'Ek sal dit waardeer as u die nodige geskrewe besluit van u minister sal verkry, oor die kwessie van Inligting oor die finansiele transaksies verbonde aan die projek (dit is nou projek Senekal) aan die Tesourie bekendgemaak mag word al dan nie 'Want hy se in 'n vorige brief hy kan dit alleen doen as hy 'n geskrewe opdrag van sy minister het En dan op 4 Februarie 77, 'n brief aan dr Rhoodie aan mnr Pretorius, projek Senekal, en hy se in die tweede paragraaf 'My minister het my vandag meegedeel dat hy nie bereid is om besonderhede van projek Senekal to openbaar nie Hy doen jaarliks volledig verslag aan die Eerste Minister self ' Ek het ander korrespondensie

"Ek het net gevoel, meneer

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weg oopsien om enige aanvulling in die Addisionele Begroting 1977 in te sluit nie

3 U is bewus van die uiters moeilik finansiele probleme waarmee die Tesourie tans te kampe het Onder hierdie omstandighede sal u saamstem dat elke Staatsdepartment sal moet saamwerk on Staatsuitgawe so laag moontlik te hou Desnieteenstaande is die Tesourie bereid om die bedrag wat blykbaar oorspronklik vir hierdie projek aan u Department beloof is, naamlik R15 m, in die 1977/78-begroting in te sluit, maar dit spyt my dat enige verhoging van hierdie bedrag tans onmoontlik is

A J PRETORIUS
Sekretaris van die Tesourie

UITERS GEHEIM

21 1.1977

Die Sekretaris van Inligting
KAAPSTAD

PROJEK SENEKAL U37 van 18 November 1976

Die Minister van Finansies deel my mee dat daar na oorlegpleging met die Eerste Minister besluit is om ten opsigte van die 1977/78-boekjaar 'n bedrag van R17 m vir bogemelde projek aan u toe te staan Reelings word getref om hierdie bedrag op Verdediging se begrotingspos te bewillig

Wat die huidige boekjaar betref, het die Department van Verdediging 'n bedrag van R14 m in sy tweede hersiene begroting aangevra ten einde u uitgawes aan die projek te bestry Hierdie bedrag is in ooreenstemming

2 Wat u brief C1/1/7/2 van 13 Desember 1976 betref kan ek ongelukkig nie help nie My Minister dra geen kennis van 'n opdrag of 'n gesprek met Sy Edele die Eerste Minister tot die effek dat die Tesourie van alle finansiele transaksies kennis moet dra wat onder die projeknaam Senekal gevoer word nie. Inteendeel, ek het die strengste opdrag van die Eerste Minister self, bevestig in die teenwoordigheid van Generaal H J van den Bergh en my Minister dat geen detail buite die gemagtigde kring verstrek mag word nie U sal dus begryp dat tensy ek 'n *geskrewe* opdrag van my Minister kry dat die Eerste Minister nou anders besluit het, ek nie my weg oopsien om die besonderhede te openbaar soos versoek in u skrywe nie

3 Ek het nou General H J van den Bergh versoek om 'n brief te kry van die Eerste Minister om te bevestig dat op instruksies van die Eerste Minister R2 m van die Eerste Minister se begroting vir 1976/77 na my via Senekal oorgeplaas moes word Die projek van die Eerste Minister is uitgevoer en moet betaal word maar geen fondse het my egter bereik nie

Mnr DU PLESSIS
Sekretaris van Inligting

UITERS GEHEIM

2 2 1977

Die Sekretaris van Inligting
KAAPSTAD

PROJEK SENEKAL U37 van 24 Januarie 1977

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Bergh to Dr Rhoodie without the proper invitation of tenders and in conflict with Mr Vorster's orders

(i) Grand Prix

66 General Van den Bergh stated that as a result of a discussion he heard he thought that the sponsorship of the grand prix in 1976, which was provided by Louis Luyt on behalf of the Citizen, was in fact State money (V898), and he understood that the grand prix was sponsored by the Citizen at the request of Minister Koornhof This is hearsay evidence, but the commission nevertheless called Minister Koornhof, the then Minister of Sport and Recreation, to give evidence on it

67 Minister Koornhof's evidence, which has not yet been transcribed, is to the effect that he approached the Treasury to sponsor the motor race He did not succeed in this, however, and because he did not want to lose the grand prix for the RSA he decided to turn to the private sector

68 The persons whom he intended to approach in this regard were Mr Harry Oppenheimer, Mr Louis Luyt and Dr Anton Rupert He could not find Mr Oppenheimer and telephoned Mr Luyt Mr Luyt later telephoned him back and assured him that he would personally undertake to sponsor the motor race

69 Approximately a year later he learnt for the first time that Mr Luyt had, through the Citizen, sponsored the grand prix This astounded him and he testified that if this was an irregularity it was not his fault, but that of Mr Louis Luyt He was left completely in the dark by Mr Luyt and was *bona fide* in his actions The commission accepted his evidence

On the basis of the evidence given . . .

(j) Relevant irregularities

70 The above-mentioned incidents of alleged irregularities were the only ones in respect of which there was evidence which could possibly implicate members of the present Cabinet During the inquiry no other such incidents were brought to the notice of the commission in which present Cabinet members were involved

(k) Finding

71 (a) On the basis of the evidence given before the commission and subject to paragraph (b) below, the commission finds that no member of the present Cabinet had any knowledge of

(i) the subsidizing of or the rendering of other financial assistance to the Citizen by the former Department of Information before the former prime minister Mr Vorster, at a Cabinet meeting on September 26, 1978, brought it to the notice of Cabinet members, although Mr L S v d V Reynders had already, during November, 1977 in the course of his official inquiry into the affairs of the said department, brought it to the notice of Mr Vorster and others, or

(ii) any other irregularities in the said department before these were disclosed to Parliament

(b) Evidence was given before the commission by the Prime Minister, Mr P W Botha, and Ministers R F Botha A Schlebusch and C Heunis that Advocate R van Rooven told them on September 24, 1978, of a number of irregularities in respect of the former Department of Information, *inter alia* that the Citizen was being financed by State funds Mr Vorster was immediately thereafter on the following day confronted by these gentlemen with Van Rooyen's allegation for confirmation, which in fact was so confirmed

The next day Mr Vorster also revealed the facts at a Cabinet meeting The knowledge of the ministers of the facts in contrast to the unverified allegations of Van Rooyen was, therefore, furnished by Mr Vorster on the evening before and during the Cabinet meeting on September 26, 1978, on the strength of knowledge which he acquired as a result of the official investigation by Reynders

(1) Indication pointing the direction of the findings

72 Although the commission of the (Erasmus) commission was to investigate alleged irregularities in the former Department of Information, the findings in this report unmistakably indicate that the pollution does not spread wider than that department

73 The information on irregularities submitted to the commission and processed assume a vertical and not a horizontal structure The investigation goes from below to above, although the consequences affect a wider level

74 The nature thereof is well illustrated in this report For example, the then minister of defence is literally compelled to channel State monies for the former Department of Information through his department, and how the money is spent is kept a secret from him The minister of finance, who has to authorize the funds, has dust thrown in his eyes by not mentioning projects by their names but including them under typenames

The minister of sport and recreation approaches a business man to sponsor a motor race The man readily agrees but little does the minister know that the man liaises with the former Department of Information and obtains the sponsorship money from that department

75 Further evidence which may appear relevant to this finding and which might be given after the date hereof will, in terms of the commission of the commission, be dealt with in the final report

(m) Recommendation

76 The commission recommends that this report with annexures be released

(n) Submission

Mr State President, it is an honour and it is with satisfaction that the undersigned commissioners herewith submit a unanimous report to you

Dated at Cape Town on this 30th day of March, 1979

Signed R P B Erasmus, Judge and Chairman

G F Smalberger, SC, Member

A J Lategan, SC Member

EXHIBIT 17D

Ministerie van Inligting
Ministry of Information
Privaatsak 9056
KAAPSTAD
8000

UITERS GEHEIM
Geen afskrifte

Sy Edele O P F Horwood,
Minister van Finansies,
Hendrik Verwoerdgebou 317,
Parlementstraat,
KAAPSTAD
8000

Geagte (unintelligible)

Hierdie brief bevat besonderhede van projekte van die Departement van Inligting wat uit die geheime rekening gefinansier word Vir die doeleindes van Artikel 1 van die Wet is dit noodsaaklik dat ek jaarliks voor 30 September 'n begroting van uitgawes aan u beskikbaar moet stel ten opsigte van lopende projekte en nuwe projekte In die geval van nuwe projekte moet die nodige besonderhede voorsien word

Aangesien dit as gevolg van die tydsfaktor vanjaar nie moontlik was om hierdie opgawe aan u beskikbaar te stel voor 30 September nie, is daar wat die boekjaar 1978/79 betref, dus reeds mondelings volledig aan die Eerste Minister verslag gedoen, waartydens u ook vir ongeveer een derde van die vers lagtydperk persoonlik teenwoordig was Daarna het die Sekretaris van Inligting sy skedules ook aan die Sekretaris van die Tesourie en sy twee adjunkte, mnr Sarel du Plessis en mnr Kurt Pretorius, getoon In u opdrag is die totale bedrag van projekte vir 1978/79 afgeskaal na R14,8 miljoen

Dit is hierdie projekte wat nou hieronder uiteengesit word Die kodename van sommige projekte word gebruik en in ander gevalle word die werklike name aangedui Verder word aanvaar dat indien 'n bepaalde projek weens onvoorsiene omstandighede sy toewysing sou oorskry terwyl 'n ander projek weer minder kos, daar van een subhoof na 'n ander oorgedra mag word, soos in die geval van die oopbegroting

Then follows a list of secret project, their financial authority, and the amounts They are

G2 R400 000, G2A R1 000, G2 E R1 000, G2 G R1 000, G5 and G16 D R13 000, G6 R300 000, G7 R150 000, G8 A R250 000

G8 B R[illegible] 000, G8 C R470 000, G8 D R215 500, G8 E R20 000 G9 R30 000, G10 R100 000, G11 A — G11 B R60 000

G11 C R320 000, G11 D — G12 — G14 — G15 R10 000, G16 A R25 000, G16 F R6 000 G16 H R20 000

G16 K — G16 L R6 000, G16 M — G16 N — G16O — G16 P R500, G16 Q R1 000, G17 A R500 000

G17 B R500 000, G18 R50 000, G19 R100 000, G20 A R150 000 G20 B R60 000, G20 C R1 000 G20 D R1 000, G20 G R1 000

G20 H R75 000, G21 A R30 000 G21 D — G21 F R13 000, G22 R200 000, G23 R200 000, G25 R1 300 000, G26 A —

G26 B R19 000, G26 C R6 000, G26 D R5 500, G26 E R12 000 G26 F R21 000, G 26 G R13 000, G26 H R11 000, G26 J R25 000

G26 K 10 000, G26 L R105 000 G26 M R4 000, G26 N R7 000, G26O R5 000, G26P — G26R — G27 R70 000

G28 R45 000, G29 R42 000, G30 R25 000, G31 R100 000, G32 R200 000, G33 R5 000, G31 A R160 000, G34 D R5 000

G34 E R130 000, G35 R20 000, G36 R2 000, G24 — G43 R5 000, G44 A — G44 B R100 000, G44 C R12 500

G44 E R12 000, G44 G R20 000 G45 R153 000, G47 R5 000, G48 R10 000, G52 R120 000, G61 R5 000, G62 R5 000, G65 — G73 R200 000, G75 R37 000, G76 R50 000, G77 R25 000, G78 R1 000, G79 R25 000,

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MR STATE PRESIDENT
May it please you

(a) Commission

1. On March 14, 1979, you issued the following commission:

"WHEREAS I appointed you on November 3, 1978, as a commission to inquire into and recommend on the alleged irregularities in the former Department of Information,

AND WHEREAS on December 8, 1978, I extended your commission until May 30, 1979, in order to enable you to inquire into and recommend on the new aspects and fields mentioned in paragraph 14 487 on the commission's report,

AND WHEREAS it is deemed expedient to investigate into and report on allegations against members of the present Cabinet

NOW THEREFORE, I do hereby extend my commission to the said commission by authorizing you to

inquire into and to report on, not later than March 31, 1979, the question whether any member of the present Cabinet, before the facts were disclosed as a result of inquiries by the government, had any knowledge of the subsidizing of or the rending of other financial assistance to the Citizen by, or of any other irregularities in, the former Department of Information, and

deal in your final report with any evidence in connection with the above-mentioned matter which is brought before you after March 31, 1979"

(b) Introduction

(i) Warning:

2. In terms of the regulations under which the commission functions, it is virtually powerless to act against those who frustrate it in its expectations that persons concerned will consider its position, procedure and activities while it is still engaged in its investigations

3. It wishes to point out, however, and to issue a warning that witnesses who have already given evidence before it in terms of a solemn undertaking under oath not to speak outside about evidence given by them before the commission, may impair their credibility if they speak about it outside the commission and outside Parliament, and that this is a factor that the commission may take into account against such witnesses in the final consideration of their evidence, irrespective of what their motivation may have been when they spread these stories

4. Doubts are expressed in the press as to whether the commission will be able to make other findings on credibility than those it has already made in respect of persons in its report This commission will not hesitate to amend its findings in this connection if it should come to any other conclusion on further and new evidence brought before it during its inquiry and after consideration of

'The commission . . . accepted Senator Horwood's evidence'

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findings on actually proven facts

(e) A Cabinet committee

10. The relevant evidence before the commission consists of allegations by individuals regarding irregularities involving a present member of the Cabinet either alone or together with one or more other such Cabinet members As far as the latter aspect is concerned, it is essential to establish whether action was taken through a Cabinet committee in connection with the secret projects of the former department

11. The question thus arises whether there was a Cabinet committee or some or other subcommittee of the Cabinet which concerned itself with the Citizen or some or other irregularity during the relevant time

12. Nowhere in the evidence is

the concept "Cabinet committee" or "subcommittee" defined and it is clear that where two or more ministers were by chance together and came to know of an irregularity or were busy with an alleged irregularity, there can be absolutely no question of a so-called "committee", as no official group tie existed between them

13 Dr D O Rhoodie, the head of publications in the former Department of Information, for example, referred to a Cabinet subcommittee in his evidence (1543), which decided about the publication "Multinational Development" He testified that "die besluit is geneem deur die sekretaris en die minister er Bergh's reference to To The Point is concerned, it is clear from the evidence of Mr Jussen that the Department of Information had nothing to do with To The Point during its initial years, and Jussen in any case does not testify about such a committee (1436-1469)

17 Mr Vorster (the former prime minister) replied as follows to this evidence by General Van den Bergh (V1955-6)

"Ek het die Kabinetskomiteestorie die eerste maal gehoor nadat mnr Barrie begin ondersoek instel het en dit was in mnr Barrie se teenwoordigheid gesê Ek het onmiddellik ontken dat daar ooit so 'n Kabinetskomitee was Ek weet van geen sodanige Kabinetskomitee wat ooit bestaan het nie

Met ander woorde u ontken ook dat generaal Van den Bergh so 'n rapport namens Rhoodie aan u kom oordra het? — Dit sou gek gewees het, want daar was nie so 'n Kabinetskomitee nie "

18 Thereupon the commission put it to Mr Vorster that Minister Horwood had also testified that he did not know of such a Cabinet committee To this Mr Vorster replied

" die was ook nie in dr Diederichs se tyd nie, want hy het in begin 1975 afgegaan as minister van finansies en toe het Minister Horwood sy plek geneem "

19. Dr E Rhoodie testified that his "benadering van die werk was altyd gewees dat die regering, en by name die betrokke minister en die Kabinetskomitee, het sake aan my toevertrou (V1346)" On page V1292 he refers to the "informele Kabinetskomitee wat deur die Eerste Minister (mnr Vorster), dr Diederichs en dr Mulder gevorm is" to approve estimated expenditure

Even if Dr Rhoodie were right, then the existence at that time of a Cabinet committee to which he referred does not implciate the Cabinet at present in existence, as not one of the present Cabinet members knows of it or was involved in it

20. Dr Mulder gave evidence as follows in connection with a Cabinet committee in respect of the purchase of shares in the South African Association Newspapers (hereinafter referred to as SAAN)

The chairman of the Erasmus Commission, Mr Justice Erasmus

tion There is no direct evidence that Mr P W Botha knew that

which applies to the matter is found in the record of the evi-

33 Dr Rhoodie's evidence is inconclusive and based on hear-

"Met ander woorde, dit was met sy medewete dat dit (die

doen gehad het met 'n keuse tussen twee pligte 'n Plig om 'n projek te beskerm waarvan my Eerste Minister weet en wat hy so geheim beskou dat die res van die Kabinet nie ingelig is nie " (V1182)

41 According to this evidence Senator Horwood would also not have been informed, if Dr Mulder had carried out his lofty duties, as he said he did here, by telling a lie in Parliament

42. Dr Mulder's evidence makes it indisputably clear that he cannot be accepted where he tries to upset or evade real evidence The letter dated May 12, 1978, whereby an amount of R7 850 500 was authorized for projects of the former Department of Information, does not *per se* disclose that any of this money would be expended on the Citizen or that the money would be or was irregularly used (V2011)

43. The letter merely refers, in terms of the provisions of section 2(3) of the Secret Services Account Act, 1978, to types of secret projects under which the Citizen may or may not have fallen Instead there is a reference to "Uitgawes en Publikasies" This agrees with Dr Mulder's own evidence that the rest of the Cabinet was not informed about the secret projects because the prime minister regarded the matter as so secret

44 Once again, as indicated by General Van den Bergh in his evidence, the money for the Citizen could have been included under "die groot bedrag wat nie geïndentifiseer is nie" (see paragraph 29 *supra* and the letter (exhibit 17D) in which a large amount of other expenditure is given under separate headings See also V11 393 *et sequor*) The Citizen is also not mentioned by name in the document, and this lack of particulars caused the misunderstanding why Senator Horwood first signed and later cancelled it Because he became suspicious and precisely because a number of names of projects without contents were mentioned, Senator Horwood had doubts and cancelled his initials

45. If he had realized that money for the Citizen was included in the amount, he need not have signed the document in the first place The fact that he there is no question of a blank cheque which Senator Horwood gave to the Department of Information, and that he is not the auditor-general

51 From the evidence dealt with thus far, it is clear from the different versions, and the commissions's findings thereon, what the evidence of the witnesses was The commission also deemed it of importance, however, to take note of the inherent probability of each version, particularly with reference to what may normally be expected of the minister of finance in the annual determination for the purposes of the estimates of the amount to be allocated to the secret fund of the former Department of Information

The question may, in the opinion of the commission, rightly be asked how it is possible that Senator Horwood could allocate a fixed amount for secret oper-

ations without ascertaining the nature and the use of each project for which the money was requested

52 Irrespective of Senator Horwood's assurance that he was never informed of the nature of the secret projects, the commission therefore also had to satisfy itself that he was in fact every time on application for a certain amount confronted with a *fait accompli* by Information in the allocation of funds

A thorough examination of the documents submitted to us has convinced the commission that this was in fact so The secretary (Dr Rhoodie) decided in consultation with his minis-

56. The commission finds on the evidence thus far given before it that Senator Horwood had no knowledge of the project, the Citizen during the period concerned in its commission

(g) Transfer to Switzerland of $10 m

57. **General Pienaar**, the then Comptroller, SADF, testified that during September, 1974 at the second session of Parliament he sat next to Admiral H H Biermann, the then Chief of the Defence Force, in the officials' bay of the Parliament building Mr P W Botha entered and spoke to Admiral Biermann The latter then leant over towards him and said that he had to go to the Secretary for Finance, Mr G Browne, to arrange for certain funds to be transferred to Switzerland that same afternoon. According to the witness, Mr Browne knew precisely that $10 million had to be so transferred and he authorized it. Thereafter the witness telephoned Major-General Strydom and instructed him to transfer the amount with the assistance of the Reserve Bank (657-674)

58. **Mr Browne** testified that he could not remember that he spoke to General Pienaar, but to Admiral Biermann The amount of $10 million was transferred according to the instructions of Dr Diederichs, the then minister of Finance This was done to enable the former Department of Information to purchase the Washington Star in the USA According to Mr Browne this was a highly secret project and the purpose for which the money was transferred was not made known to Admiral Biermann or the Department of Defence, and they would not know it (1313)

59. General Pienaar stated that as far as the Department of Defence was concerned he only had to see to it that the money paid out from the department's special defence account was made good by the Treasury This took place when it was voted in the additional estimates in February the following year He himself did not know for what the money was required, however

60. **Mr P W Botha** testified that he did not know at all for what the Department of Information needed the money As the then minister of defence he was not interested in it He objected to the money going through the Department of Defence to the former Department of Information, but this was nevertheless done at the instance of Dr Diederichs His evidence confirms the evidence of General Pienaar (1894 et sequor)

61 **Admiral Biermann** stated that he could recall the afternoon about which General Pienaar gave evidence The eventual arrangement P W Botha had signified his dissatis-

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all the evidence brought before it during the whole investigation from its appointment up to May 30, 1979

(ii) The evidence

5 The commission has, in order to carry out its commission properly, made all the evidence laid before it, and on which it based its report dated December 6, 1978 (hereinafter referred to as the report) admissible, and in addition has called all further witnesses who could possibly throw light on the matter, for the purposes of this report

6. These further witnesses were called by the commission to answer allegations made against them by previous witnesses, and others came forward voluntarily to give evidence as a result of appeals to persons and bodies by the news media to give evidence if they were in possession of relevant information

(c) References

7. When a page of the transcibed evidence, given before the latest report, is referred to, it will be preceded between brackets by a "V" (for "verslag"), for example (V600) When referring to a page of the evidence given after that report it is indicated between brackets without the "V", for example (801) Where a quotation from evidence is interrupted by a series of dots, for example , this signifies an omission by the commission, and where a word or words appear between brackets in such a quotation, this means an insertion by the commission Where a figure between brackets is broken by a dot this refers to a paragraph in the latest report

(d) General approach

8. In the commission's investigation it was important to it to keep in mind, when called upon to make a finding on credibility, that it is more likely that a minister who had direct dealings with the former Department of Information would have knowledge of irregularities in that department than a minister not directly involved with that department An exception to this rule may be the minister of finance, who, owing to his financial activities, was continually associated with the former Department of Information, and the former prime minister, who is no longer a member of the Cabinet and therefore falls outside this commission

9. Further, the commission kept in mind that it would not be permissible for it to find on hearsay evidence and suspicion alone that any member of the present Cabinet had knowledge of alleged irregularities It would only be able to make its

subkomitee

Wie het dit vir u gesê? — Ek het die gekorrigeerde proewe deur die bepaalde Kabinetskomiteelede, het ek persoonlik gesien

Ja, sover ek weet — die voorsitter van daardie subkomitee was ook die minister van Inligting en hy en die hoof van die departement het oor daardie publikasie besluit

Ek het nie gesê dat — daar is gepraat oor die besluit,

en sê die besluit in beginsel, sover dit aan my oorgedra is, was 'n regeringsbesluit, met ander woorde daaruit lei ek af 'n Kabinetsbesluit waaruit die Kabinet-subkomitee gevolg het waaruit die minister van Inligting toe met die sekretaris van Inligting bespeek het" (1545-1546)

On page 1549 he testifies "So dit was die departementshoof, 'n rekenpligtige beampte wat sekere besluite geneem het, en byvoorbeeld die gebruik van die outeur, sy vergoeding, dit was 'n besluit wat hy geneeem het in raadpleging met die minister"

14. According to this evidence it is clear that he does not mention which ministers were on the so-called subcommittee,

and it would appear that he calls it a subcommittee of the Cabinet simply because one member of the Cabinet, Dr Mulder, served on it

15. **General Van den Bergh** testified as follows in connection with a Cabinet committee (V897) he stated that Dr Eschel Rhoodie had told him that the Department of Information had a financial interest in the Citizen His evidence then continues

"Ja, Rhoodie het dikwels gepraat van 'n Kabinetskomitee wat ook weer eens up sy beurt deur Mnr Vorster ontken is

U persoonlik self, weet ook niks van die Kabinetskomitee nie? — Ek het nooit so 'n Kabinetskomitee bygewoon nie Behalwe in die geval van To The Point

Het u die Eerste Minister gevra oor die Kabinetskomitee, of daar so 'n komitee bestaan? — Ja, hy het dit betwis" (V896-897)

16 As far as General Van den

is eintlik verkeerd want 'n Kabinetskomitee is 'n vaste komitee van vaste lede Hierdie was 'n informele gesprek van die ministers (mnr Vorster, dr Diederichs en hy self) van tyd tot tyd" (V1253)

On page V1254 he makes the assertion that the purchase of SAAN shares and the Citizen project were never discussed before this "komitee"

21. **The Prime Minister, Mr P W Botha,** testified that there was no Cabinet committee dealing with matters concerning the former Department of Information and its projects He had, notwithstanding his own knowledge, given special instructions that the matter be inquired into, and the result had been negative

22 Minister **Hennie Smit**, the Minister of Coloured Relations and Statistics, stated that early in 1977 he had been directed by Mr Vorster to record Cabinet resolutions He is as such minutes member of the Cabinet He was also instructed to establish from the minutes of Cabinet resolutions how many Cabinet committees there are still at present There are 19 of them and there is not one who is connected with the activities of the former Department of Information He produced his report dated March 30, 1978, in this connection to the commission

On the instructions of the commission he also carried out research in connection with Cabinet committees going back to 1975 He could not trace any Cabinet committee in connection with Information He does not know the term "kabinet-subkomitee" at all

23 Mr Vorster's evidence as confirmed by the evidence of Mr P W Botha and Minister Hennie Smit is comprehensive enough to dispel finally the conjectures that such a Cabinet committee existed The commission finds that the existence of such a Cabinet committee is, according to the evidence, thus far on record a figment of the imagination

(f) Implicating evidence in connection with the Citizen

24 This deals with three Cabinet ministers who, according to the evidence, could be implicated — namely P W Botha, the Prime Minister, Senator Owen Horwood, and Minister P Koornhof

25 The evidence implicating **Mr P W Botha** is vague and rests on deductions which could possibly be made by imaginative persons because he was minister of defence and because moneys from which the Citizen was financed came from funds which were channelled by the Department of Defence to the former Department of Informa-

had such knowledge (V1542) The commission accepted his evidence and furnished reasons in the report (V10 338 *et sequor*)

26. The evidence implicating Minister Koornhof is given by **General Van den Bergh** He testified that he learnt from Minister Koornhof that he had given instructions to one Morgan to buy the Natal Mercury for an amount of between R4½ million and R5 million (V863) The Natal Mercury is a newspaper owned by SAAN According to General Van den Bergh the matter fell through, however, because Mr Vorster said that the State could not buy newspapers (V864)

27 **Minister Koornhof** testified that he and Morgan did in fact talk about the purchase of the Natal Mercury, but the State had absolutely nothing to do with it It was to be an exclusively private undertaking (Evidence not yet transcribed)

28. The only evidence implicating Minister Horwood in connection with the Citizen comes from General Van den Bergh, Dr Mulder and Dr E Rhoodie

29. **General Van den Bergh's** evidence reads

"Dat met die laaste begroting het Rhoodie al sy projekte getabuleer met koste daaraan verbonde, maar daar was 'n groot bedrag wat die nie geidentifiseer is as behorende aan 'n spesifieke projek nie, met ander woorde wat volgens hierdie staat in dielig gehang het, en Horwood het dit geteken, goedgekeur Nou sê Rhoodie, hulle het dit nie op skrif gesit nie, maar Horwood weet dit is vir die Citizen Of hy dit weet, weet ek nie" (V906) This evidence is hearsay and no weight can be attached to it

30 **Dr Mulder's** evidence

Horwood knew that the money requested in the letter dated March 12, 1978 (Annexure D), (which was also referred to in the BBC-TV interview with Dr Rhoodie on March 21, 1979), was *inter alia* also intended for the Citizen, and that the letter, exhibit 17AS, was deliberately so vaguely framed

31 Senator Horwood specifically denied this and he also denied the evidence in connection with the other preceding letter, exhibit 17D See Annexure A The commission in its report (V11 399) dealt with this contradictory evidence and accepted Senator Horwood's evidence for the reasons stated in that paragraph No further evidence this connection came to the notice of the commission which the commission could amend its finding in the report

32 **Dr E Rhoodie,** on V1761 of his evidence, testified as follows on Senator Horwood's knowledge of the Citizen

"Volgens u mening, wie was eintlik die stigters van 'the Citizen' gewees? — Dit was 'n kollektiewe verantwoordelikheid waaraan ekself, die minister inligting en mnr Vorster deelgehad het

"So die drie van u is eintlik die stigters daarvan? — Ons kollektiewe verantwoordelikheid

"Ja, daar gebruik u die meervoud Die drie van u Nou u was van die begin af die idee om die koerant uit staatsfondse gefinansier sal word — Ja meneer, die Kommissaris

" En dan later het ... Horwood ook daarvan bewus geword, of was hy van die begin af bewus daarvan? — Dit is wees in geval dr Mulder voor die tyd ingelig het Ek dit nie bevestig nie"

The State President, Mr Vorster

that the Citizen was financed with State funds as he was supposed to be present in November, 1977 — the last part of the financial year — at the report-back meeting of Mr Vorster (V1655 to V1658) Dr Rhoodie at one stage testified that the Citizen was mentioned by name at this report-back meeting (V1655) Senator Horwood denied that the Citizen was mentioned or discussed there in his presence

34 Dr Rhoodie's evidence on this reads further

"So het hy dit eintlik hier in die laaste helfte van die boekjaar uitgevind? — Nee, hy het geweet daarvan vroeer Wil u sê dat hy geweet toe die begroting voorgelê was? — Ja Alreeds vir 77/78? — Ja, volgens wat my minister my meegedeel het, weet hy al daarvan.

Volgens u minister u meegedeel het? — Ja"

35. In the consideration of this difference between the evidence of Dr Mulder and Dr Rhoodie on the one hand and Senator Horwood on the other hand, one must look *inter alia* at the decisiveness with which they respectively gave their evidence Dr Rhoodie relies to a great extent on Dr Mulder who was supposed to have told Senator Horwood about the Citizen

36 Senator Horwood is direct, straightforward and decisive he testified.

"I would like to state here, that, categorically, I had no knowledge whatever of any funds going to the Citizen directly or indirectly or in any other way" (V1927)

37. When Dr Mulder's evidence was tested why he said that Senator Horwood knew and he had told him about it, it read thus

Omdat die amptenary nie geweet het nie, maar ek en jy (Senator Horwood) het wel geweet

"Nou in 1978, Februarie 1978, was Minister Horwood toe alreeds ingelig oor die Citizen projek deur uself? — Ek kan nie outhou nie Ek weet nie by watter geleentheid hy ingelig is, laat ek so sê, by watter geleentheid hy presies ingelig is in die Citizen projek, kan ek nie, ek kan nie, Here, u vra my onmoontlike vrae Ek weet nie wanneer hy ingelig is nie Ek weet nie by watter geleentheid hy ingelig is nie Ek kan dit werklik nie vir u sê nie Ek weet nie Ek kan nie onthou nie Laat ek so sê, die feit is dat tussen my en die Eerste Minister en mnr Horwood was daar geen geheime in verband met die projekte nie" (V2000)

38. But Dr Mulder's evidence, apart from its vagueness, is always in conflict with the real evidence He always wants to tell other stories than the correspondence before the commission actually discloses Dr Rhoodie's letter dated February 4, 1977, to the secretary for the Treasury contradicts the spirit of the final paragraph of his evidence above

39. The second paragraph of the letter (exhibit 17E6) reads

"My minister het my vandag meegedeel dat hy nie bereid is om besonderhede van projek Senekal (dit sluit 'the Citizen' projek in) te openbaar nie Hy doen jaarliks volledig verslag aan die Eerste Minister self"

40. In harmony with this letter he testified further, when he had to give an explanation on a reply in Parliament, that the Department of Information did not finance a newspaper

"Ek wil beweer dat ek hier te

The Minister of Finance, Senator Owen Horwood

not consistent with an allegation that he knew beforehand that the funds requested were intended *inter alia* for the Citizen According to the reasons advanced by him why he cancelled his initials, he did not even have knowledge of that fact after the cancellation of his signature

46 Dr Mulder testified that Senator Horwood was present on various occasions when some of the projects were discussed Senator Horwood acknowledged that he was present on two occasions, namely in the prime minister's office and conference room, where he saw some of the secret projects and where some were spoken about but not discussed in his presence According to him there was, in any case, no specific reference to the Citizen but to projects in general

Dr Mulder gave evidence about a committee which was supposed to have discussed the projects and which consisted of Mr Vorster, the Minister of Finance, and himself, and said. "Die Citizen projek as sodanig was nie in hierdie komitee bespreek nie" (V1253)

45 No acceptable evidence was placed before the commission that the Citizen specifically was brought to Senator Horwood's notice before September 26, 1978 It is not sufficient to allege vaguely that he knew about the project which was financed by the State Such vague statements at best arouse a suspicion, particularly because Senator Horwood is Minister of Finance

48. The commission cannot condemn Senator Horwood on suspicion alone, however, especially where the suspicion is aroused by the allegations of Dr Mulder, who had to admit that as Minister of Information he had told a lie to Parliament in connection with the newspaper (V1179 to V1181) Further, the commission found that he had in an irregular manner brought pressure to bear on Reynders to publish a false and hasty report in order to achieve his purpose (See V11 376 to V11 387)

49 On the other hand, the commission can also not condemn Senator Horwood on the meagre and uncertain evidence of Dr Rhoodie The latter is a fugitive from justice in foreign countries because he knows what the commission's findings in respect of him were (See V11 413)

50. A further question is whether Senator Horwood was not negligent because he apparently did not inquire in the greatest detail how the designated funds would be employed by the former Department of Information In this connection it should be remembered that it was precisely the policy of the Department of Information to keep the projects secret, that then discussed this with the prime minister (Mr Vorster) (according to Dr Rhoodie himself) Only after the prime minister had put his stamp of approval on the amount was Senator Horwood simply informed that the amount had been determined in consultation with the prime minister, and Senator Horwood had no other choice than to include the amount in his estimates, with sometimes a minimal curtailment (See especially exhibit 17D and exhibit 17E(1), (3) and (4), which are attached as Annexures A and B respectively)

53 Thus, according to Dr Rhoodie, after the amount of funds applied for had been decided upon by the hierarchy of secretary, minister and prime minister, the nature of the projects for which they were requested was kept secret within this restricted circle When the minister of finance was then approached to obtain the amount, certain projects were mentioned under code names, others under type names and others not at all Thus it happened that the amount of money according to Annexure A, when the amounts stated therein are

added together, appears to be far less than the amount requested The difference is not identified in the letter, as according to Dr Rhoodie it was in fact intended for the Citizen

54 Judged on the basis of these facts it appears that Senator Horwood's evidence is completely supported by the probabilities outside his own evidence See Senator Horwood's evidence attached hereto as Annexure C Pages V1899-1904, V1930-1934 and 1860-1878

55. The commission has found that he did not know of the existence of the Citizen, and if he did not know this it is difficult to determine where his investigation in connection with the misapplication of funds with regard to the Citizen had to begin or end The Citizen was, as the document indicates kept secret or dark from him and in all fairness one does not expect him to search for a black cat in a dark room where he has no knowledge of the cat

money be transferred through his department to another department, was that $10 million be transferred to the Union Bank in Switzerland, presumably for the purposes of the former Department of Information Neither he nor his department knew how the Department of Information would utilize the money (1851) They were only concerned about one thing and that was to get it back, which took place in February, 1975 This money did not form part of project Senekal (1856)

62 The commission found on all this evidence that the present prime minister did not know for what the Department of Information required or utilized the money and that he was not interested in it These were the functions of another department The commission is still investigating the question whether all the money was returned to the Republic of South Africa

(h) Dr Rhoodie buys his own office furniture without calling for tenders

63. **General Van den Bergh** testified that Dr Rhoodie bought a number of items of furniture from Rhoodie's office at the Meent in Pretoria and gave the cheque for these to Mr Hein Schaeffer (V987) Dr Rhoodie gave a cheque to Mr Hein Schaeffer, who acted as intermediary, and Schaeffer gave his cheque to Reynders General Van den Bergh's evidence then continues

"O, ek het nooit vir u gesê nie, ons het, met toestemming van die Eerste Minister en Minister Horwood, en Danie van Huyssteen, 'n rekening oopgemaak onder die dekkingsnaam van Campbell en 'somebody' in Volkskas Bank en daardie geld is toe daarin betaal"

64 **Senator Horwood** testified that he had no knowledge of the said allegations and he denies that he ever gave his consent to such an account Mr Vorster testified that he did not give his consent for the furniture to be sold to Dr Rhoodie, and consequently he did not give evidence about the alleged bank account The commission found General Van den Bergh's piece of evidence to be a figment of the imagination He did not appear at all certain about the presence of the alleged persons who were supposed to have given consent, and did not stipulate the place and the occasion where this was supposed to have taken place

65 But even if it should be true, there is no evidence that Senator Horwood knew that the furniture was supposed to have been sold by General Van den

Continued on page 5

Nat anger over stand on Vorster, Horwood

Connie heads for the final break

STAR 3/4/79 (259)

Dr Mulder: confrontation inevitable.

Political Staff

Cape Town

The latest Erasmus Commission report and Dr Connie Mulder's reaction to it were said today by Nationalists to be the final straw in the confrontation between him and the party.

They said there was no way in which the Transvaal Nationalist leadership under Dr Andries Treurnicht could now avoid kicking him out of the party even if such a move might force Dr Mulder to stand for re-election in his old Randfontein seat where he might have a good chance of winning.

As a first move to start disciplinary action against the former Cabinet Minister, Natal Nationalist MPs and Senators were today said to be holding a special caucus meeting to discuss Dr Mulder's attacks on their provincial leader, Senator Owen Horwood.

This is how they see Dr Mulder's refusal to accept the findings of the Erasmus Commission and his insistence that Senator Horwood lied about the State's funding of the Citizen.

Other Nationalist MPs are infuriated by Dr Mulder's implication of the State President, and particularly because he is doing this at a time when he knows the Government faces severe Opposition attack.

Dr Treurnicht is understood to have called a meeting of the Transvaal Nationalist executive for tomorrow.

The provincial executive is the party body which would have to expel Dr Mulder from the party if such action were decided on — as happened recently in the case of Mr Louis Nel over the Bols affair.

Strong demands for disciplinary action against Dr Mulder are also expected to be made at tomorrow's Nationalist parliamentary caucus meeting.

In Nationalist circles, the possibility was not excluded that the Cabinet might discuss Dr Mulder's position at their weekly meeting today.

Denied

Dr Mulder today denied reports that he is to stand as an independent in the coming by-election in Randfontein.

With the threat of expulsion hanging over his head, Dr Mulder said today that he "was still a Nationalist, supported the policy of the party and stood loyal to it."

He said "At this stage I am not considering standing in the by-election in the town. A report which quoted so-called close friends of mine in the Sunday Times was nothing but a thumb suck.

"I have not spoken to any member of the Press since last Tuesday when I saw a reporter of The Star. I have not discussed any such action with any of my friends."

Dr Mulder is known to have strong support in his former constituency — despite the findings of the Erasmus Commission.

Dr Mulder has rejected the finding of the commission.

After consulation with aides and friends he told The Star's special edition yesterday that he stood by and reaffirmed his statement made last month that both Mr Vorster and the Minister of Finance, Senator Owen Horwood, had known about the funding of The Citizen by secret State funds before September 26 1978.

● No finding on Vorster. — Page 5.

RDM 3/4/79 (259)

'Vorster exposed'

By HELEN ZILLE
THE ASSEMBLY

THE special report of the Erasmus Commission had exposed the key role of the former Prime Minister, Mr John Vorster, in the information scandal, Mr Colin Eglin, leader of the Opposition, said last night.

The report, tabled in Parliament yesterday, also cast the shadow of doubt on the activities of the former Secretary for Finance, Mr Gerald Browne, and the former Minister of Finance, the late Dr Nico Diederichs, in connection with Info.

But the Erasmus Commission found that no member of the present Cabinet knew before September last year that The Citizen was funded by the Government

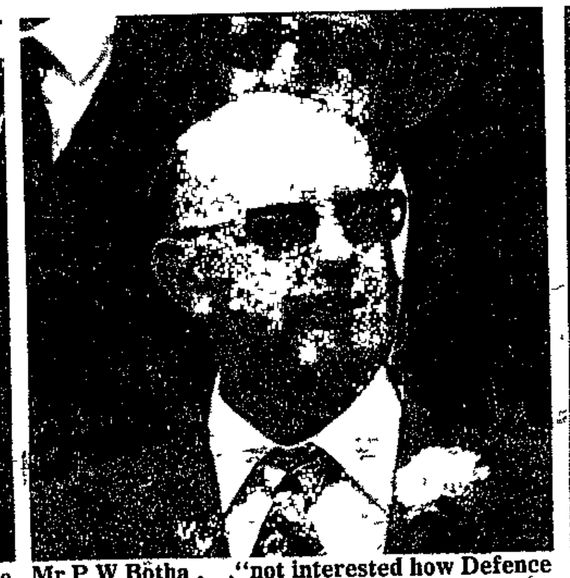
And it cleared the Minister of Finance, Senator Owen Horwood — whose role has been the most controversial — of any knowledge of The Citizen.

The report commented: "One does not expect him to search for a black cat in a dark room where he has no knowledge of the cat."

It found Dr Connie Mulder and Dr Eschel Rhoodie had "thrown dust" in Senator Horwood's eyes by not supplying him with details of the secret Info projects.

. . . but Erasmus clears Botha's Cabinet

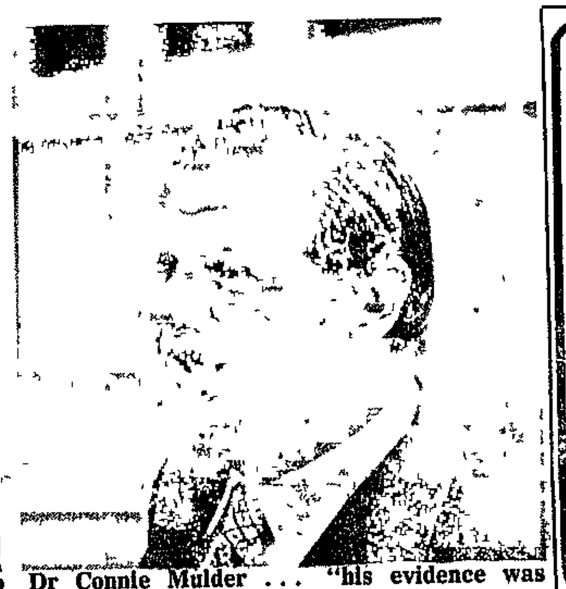
Mr B J Vorster . . . told his Cabinet about The Citizen after a confrontation with four Cabinet Ministers about the funding of the newspaper



Mr P W Botha . . "not interested how Defence money was spent on Information projects" and kept in the dark

Owen Horwood . . " no choice" but to blindly rubber-stamp secret project funds after spending was approved by Mr Vorster, then PM.

Dr Piet Koornhof . . was "astounded" to learn the 1976 South African Grand Prix was sponsored by The Citizen.



Dr Connie Mulder . . . "his evidence was vague and always contradicted the real evidence".

The Commission described the three-man Cabinet committee referred to by Dr Eschel Rhoodie and Dr Connie Mulder as "a figment of the imagination", and found that the "pollution" did not spread beyond the Department of Information.

The Minister of Defence, Mr P W Botha, had been compelled to channel State funds through his department to the Department of Information and did not know how the money was spent, the report said.

It found that the Minister of Sport, Dr Piet Koornhof, had not been aware that Government funds were behind the sponsorship of the 1976 South African Grand Prix

However, a large question mark still hangs over Dr Koornhof, who, according to the report, was "astounded" to learn in 1977 that The Citizen had sponsored the 1976 GP Dr Koornhof said he had believed Mr Louis Luyt had done so in his private capacity.

Observers pointed out yesterday that Dr Koornhof had no reason to be "astounded" at the sponsorship if he accepted that The Citizen was a private company with the right to sponsor sporting events

The reflection cast on Mr Vorster has been isolated by the combined Opposition as the most significant aspect of the special report

The report makes it clear that Mr Vorster did not inform his Cabinet of the State's funding of The Citizen until after he had been confronted on the matter by four members of his Cabinet shortly before the Premiership election last year

Mr Vorster was confronted by Mr P W Botha; the Minister of Foreign Affairs, Mr Pik Botha, the Minister of the Interior, Mr Alwyn Schlebusch, and the Minister of Economic Affairs, Mr Chris Heunis, as soon as they learnt about the State's funding of the Citizen

Their information was confirmed by Mr Vorster, who revealed the facts at his last Cabinet meeting the next day before resigning as Prime Minister, the report said

The Commission found Mr Vorster approved the "estimated funds" needed for secret Info spending, and that Senator Horwood had no choice but to act as a rubber stamp on the projects

Mr Vorster learned of The Citizen in November 1977 from Mr Lood Reynders — 10 months before he informed his Cabinet colleagues, the Commission reports

This contradicts Mr Vorster's statement during his recent Press conference that he found out about The Citizen from the Auditor-General's report in August 1977.

The report said Mr Reynders, who conducted an inquiry into the Department of Information, had brought The Citizen project to the attention of Mr Vorster "and others", whom it does not name.

Mr Eglin said last night that the Progressive Federal Party would reserve judgment on the interim report, and he recommended that the public did likewise.

"What is clear . . is the key role played by the previous Prime Minister, Mr Vorster, the ineffectiveness of the Minister of Finance, Sen Horwood, and the damning inefficiency in the control of expenditure by the Government

"For this, all members of the present Cabinet who served under Mr Vorster in the previous Cabinet must accept joint responsibility," he said

TODAY the Daily Mail JACKPOT jumps to R8 000 Plus Blaupunkt Bonus Prize

All over the world Gordon's is the Greatest!

I didn't know what $10m was for PW

RDM 3/4/79

259

By PAUL BELL

THE Prime Minister, Mr P W Botha, said he did not know why the Department of Information needed the $10-million which was transferred to it through the Special Defence Account, according to the report published yesterday by the Erasmus Commission

Mr Botha testified that as the then Minister of Defence he was not interested He had objected to the procedure, but it had been done at the insistence of Dr Nico Diederichs

According to yesterday's report the money was to be used by the Department of Information to buy the Washington Star

The commission found in its first report, published in December, that the arrangement was an irregularity and that such transfers of money from that account could be made only if the other department was conducting "special defence activities".

The commission said "To return to the provision of monies for the secret fund, from the Special Defence Account, it is the commission's opinion that this arrangement must be regarded as an irregularity from a technical, constitutional and an audit point of view.

"To begin with, Section Two of the Defence Special Account Act, 1974 (Act 6 of 1974), stipulates the purposes for which the monies in the Special Defence Account may be utilised

"No provision is made for monies from that account to be made available to any other department unless, of course, such other department is conducting 'special defence activities' approved by the Minister of Defence on behalf of the Department of Defence."

The money, according to the second report, was transferred by the Reserve Bank to the Union Bank in Switzerland on the instructions of Dr Diederichs, then Minister of Finance

The commission also said yesterday that Senator Owen Horwood had no choice but blindly to rubber-stamp secret project money after its spending was approved by the former Prime Minister, Mr B J Vorster.

The Minister of Finance was always faced with a "fait accompli" and there was no question of his having given the Department of Information a blank cheque

The money to be spent was decided by the Secretary for Information, Dr Eschel Rhoodie, in consultation with Dr Connie Mulder It was then discussed with Mr Vorster

The commission said "Only after the Prime Minister had put his stamp of approval on the amount was Senator Horwood simply informed that the amount had been determined in consultation with the Prime Minister

"Senator Horwood had no other choice but to include the amount in his estimates, with sometimes a minimal curtailment"

;ests to train the TV men

Nobody was exempt on the TV side — if they had doctorates in Afrikaans, it made no difference They had to pass the examination again

The results? They were not saying at Broadcasting Centre in Johannesburg yesterday

"It was a departmental exercise," said a SABC public relations man, Mr Retief Uys

"We won't be making the results public"

The langauage brush-up was the idea of the head of the Afrikaans TV service, Mr Hennie Human, he said

And Mr Human gave the whole operation over to Mr Jan Moodie, supervisor of the service's dubbing and translations

Will the same exercise be given to the English service broadcasters?

"That is for the head of the English TV service to say," Mr Uys said

And the English chief, Mr Robin Knox-Grant, was not available yesterday to say.

But you can see the problem how do you test someone who reads English on SABC-TV when his home language is not English?

The problem does not arise on Radio Services

They each have their own language advisers who keep a close ear on broadcast content and standards and how it is going out

TV talks may not 'suit' some politicians

Own Correspondent

LONDON — A creased suit worn during a television debate could lose a hardworking political candidate any number of votes

An articulate and witty appearance could be ruined if the politician had chosen to wear a shiny metal tie-pin or any tie irritating to viewers

A guide produced by Britain's federations of clothing manufacturers, tie manufacturers and shirt manufacturers warns politicians who want to win votes by their TV appearances to avoid bright blue shirts, which look muddy and drab

Check shirts tend, in technical terms, to cause studio lights to strobe or dazzle Houndstooth check and Prince of Wales checks can cause disturbing colour-spill effects

The ruddy-complexioned politician should avoid red near his face and allow the make-up men to tone down his high colouring

The politicians are warned that their appearance could prompt viewers to spend more time criticising the way they look than listening to their argument — no mater how eloquent

But, say the experts, Conservative Party leader Mrs Margaret Thatcher has long been aware of how to come over well on television

Women must not wear fussy-elaborate clothes and exercise restraint when choosing what jewellery to wear

POLITICAL comment in this issue by Allister Sparks newsbills by John Ryan headlines and sub editing by Mike Stent cartoons by Bob Connolly all of 171 Main Street Johan-

It nails those it claims to clear

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Editorial Page

how on earth could he not have known about The Citizen which swallowed up half that amount?

This brings us back to Senator Horwood The Commission says he rubber-stamped the amounts allocated to Info without knowing what they were for, and that he had no option but to do so

But he must have had an option The law required him to — just as it required him to know what the amounts were for — at least from April 1, 1978, when the Secret Services Accounts Act came into effect

In terms of that Act, the Minister of Finance must satisfy himself, before allocating any money to any Minister, that it's expenditure is in the "national interest"

Not even the Prime Minister, however powerful and revered he may be, can require the Minister of Finance to abandon his duty in violation of the law's requirement Of course he had an option!

Likewise in the case of Mr P W Botha. In exonerating him, the Commission finds that while Info's money was coming from the Special Defence Account in his department, "the present Prime Minister did not know for what the Department of Information required or utilised the money, and that he was not interested in it"

Not interested? Good heavens! The law required him, as Minister of Defence, to be profoundly interested

As the Erasmus Commission itself noted in its first report, the Defence Special Account Act stipulates the purposes for which money in this account may be used — and no provision can be made from that account to any other department unless it is for "special defence activities", approved of by the Minister of Defence

Finally, there is Dr Koornhof The Commission exonerates him, too, of having any foreknowledge of "irregularities" — specifically of Mr Louis Luyt s using Info money to sponsor the Grand Prix on behalf of The Citizen

The Commission quotes General Van den Bergh as saying he thought Mr Luyt had sponsored the 1976 Grand Prix out of State funds — and then finds that Dr Koornhof in fact only learnt of this "approximately a year later"

In other words, in 1977

Foreknowledge? Remember, nobody in the Cabinet was supposed to have known any of this until Mr Vorster told them on September 26, 1978

As we say, in purportedly clearing the main suspects, the Erasmus Commission has in fact left

THE SECOND ERASMUS REPORT

● From Page 4

State money (V898), and he understood that the Grand Prix was sponsored by "The Citizen" at the request of Minister Koornhof

This is hearsay evidence, but the Commission nevertheless called Minister Koornhof, the then Minister of Sport and Recreation, to give evidence on it

67. Minister Koornhof's evidence, which has not yet been transcribed, is to the effect that he approached the Treasury to sponsor the motor race He did not succeed in this, however, and because he did not want to lose the Grand Prix for the RSA he decided to turn to the private sector

68. The persons whom he intended to approach in this regard were Mr Harry Oppenheimer, Louis Luyt and Anton Rupert He could not find Mr Oppenheimer and telephoned Mr Luyt Mr Luyt later telephoned him back and assured him that he would personally undertake to sponsor the motor race

69. Approximately a year later he learnt for the first time that Mr Luyt had, through "The Citizen", sponsored the Grand Prix

This astounded him and he testified that if this were an irregularity it was not his fault, but that of Mr Louis Luyt. He was left completely in the dark by Mr Luyt and was *bona fide* in his actions. The Commission accepted his evidence

Koornhof and GP money

(j) Relevant irregularities

70. The abovementioned incidents of alleged irregularities were the only ones in respect of which there was evidence which could possibly implicate members of the present Cabinet During the inquiry no such other incidents were brought to the notice of the Commission in which present Cabinet members were involved

(k) Finding

71 (a) On the basis of the evidence given before the Commission and subject to paragraph (b) below, the Commission finds that no member of the present Cabinet had any knowledge of

(i) the subsidising of or the rendering of other financial assistance to "The Citizen" by the former Department of Information before the former Prime Minister, Mr Vorster, at a Cabinet meeting on September 26, 1978 brought it to the notice of Cabinet members, although Mr L S v d V Reynders had already during November 1977, in the course of his official inquiry into the affairs of the said Department, brought it to the notice of Mr Vorster and others, or

(ii) any other irregularities in the said Department before these were disclosed to Parliament

(b) Evidence was given before the Commission by the Prime Minister Mr P W Botha and Ministers R F Botha, A Schlebusch and C Heunis, that Adv R van Rooyen told them on September 24, 1978 of a number of irregularities in respect of the former Department of Information, inter alia that "The Citizen" was being financed by State funds

Mr Vorster was immediately thereafter on the following day confronted by these gentlemen with Van Rooyen's allegation for confirmation, which in fact was so confirmed The next day Mr Vorster also revealed the facts at a Cabinet meeting

The knowledge of the Ministers of the facts in contrast to the unverified allegations of Van Rooyen was therefore furnished by Mr Vorster on the evening before and during the Cabinet meeting on September 26, 1978, on the strength of knowledge which he acquired as a result of the official investigation by Reynders.

(l) Indication pointing the direction of the Findings:

72. Although the commission of the Commission was to investigate alleged irregularities in the former Department of Information, the findings in this report unmistakably indicate that the pollution does not spread wider than that Department

73. The information on irregularities submitted to the Commission and processed assume a vertical and not a horizontal structure. The investigation goes from below to above although the consequences effect a wider level

74. The nature thereof is well illustrated in this report For example, the then Minister of Defence is literally compelled to channel state money for the former Department of Information through his Department and how the money is spent is kept a secret from him

The Minister of Finance, who has to authorise the funds, has dust thrown in his eyes by not mentioning projects by their names, but including them under type names

The Minister of Sport and Recreation approaches a businessman to sponsor a motor race The man readily agrees, but little does the Minister know that the man liaises with the former Department of Information and obtains the sponsorship money from that Department

75. Further evidence which may appear relevant to this finding and which might be given after the date hereof will in terms of the commission of the Commission be dealt with in the final report

(m) Recommendation

76. The Commission recommends that this report with Annexures be released

(n) Submission

Mr State President, it is an honour and it is with satisfaction that the undersigned Commissioners herewith submit a unanimous report to you.

Dated at Cape Town on this 30th day of March, 1979.

Signed: R P B Erasmus, Judge and Chairman
G F Smalberger, SC, Member
A J Lategan, SC, Member.

Horwood tells of special meeting

HERE are extracts from the evidence of Senator Horwood

Senator, were you present at that meeting? — Yes, as I say I can't tell you if it was in November, but I was present at a meeting with the Prime Minister, Dr Eschel Rhoodie, General Van den Bergh, Dr Mulder

Those were the people that I recall May I just explain to you, Mr Chairman, that I was asked very late My recollection is, if it is correct, and I think it is, that my secretary informed me just before lunch that the Prime Minister had asked that I come over to the conference-room about half past two

I had a pretty heavy afternoon of engagements and I arrived a little late and when I went in, tea was being served, and I noticed on this long table in the conference room a number of publications There were some books, as I recall, that looked like some periodicals and possibly a few newspapers and so on And my attention was drawn to that and I was told those were some of the publications that has been (*sic*), that this department had been responsible for

We drank tea and I then told the Prime Minister that I had a very important engagement at 3 o'clock And that I would have to leave before 3pm And may I just continue? Then my recollection is that those gentlemen who were there at the table and some documents and a document was as it were passed my way. And then Dr Rhoodie, if I remember correctly, it was either Dr Rhoodie or Dr Mulder, but I think it was Dr Rhoodie He said that what they were doing, they were already busy because I came in late, they were looking at certain projects that the department was engaged with

I immediately said that I had no knowledge of any projects whatsoever. All I knew was to be excused? — That would sum it up, Mr Chairman,.

Thank you

Mr Van Zyl: Senator Horwood, was The Citizen, the name Citizen or a project concerning The Citizen ever mentioned in your presence at that meeting? — Never in any shape or form

I then continue reading from page 1656 volume 19 (the evidence of Dr E M Rhoodie) the following

78/79? — En dit was wanneer gewees?

Vroeg in February 1978 — 78

February this year Net a oomblikkie, 77/78, dan antwoord dr Rhoodie "78/79, meneer die voorsitter Dit was 'n skriftelike voorlegging aan my minister en van my minister aan die minister van finansies My minister het die dokument aan die minister van finansies voorgelê en dit is goedgekeur deur die minister van finansies Sy handtekening is op die dokument en op elke bladsy Daardie dokument sal in die hande wees van mnr Braam Fourie Die stukke sal hier wees "

"Maar is die Citizen in daardie voorlegging genoem," word gevra Hy antwoord, "die finansiele implikasies is daarin genoem " Dan vra ek, "net 'n oomblik dr Rhoodie, is die Citizen by name in daardie dokument genoem?" Hy antwoord, "Nee, hy is nie by name genoem nie, maar dit kom voor in die verskil van die twee bedrae As u al die bedrae optel, is dit minder as die bedrag wat die minister van finansies goedgekeur het en daardie bedrag verteenwoordig die som wat ons verskuldig was aan Volkskas vir die oortrokke rekening. Voorsitter "Maar dis nie ... fore you for authorisation in the course of February 78?

In this document containing these proposals, certain projects were named and certain amounts, according to these projects were shown Now, if you add the projects, the number of projects, if you add it to get a total it would be less than the total amount authorised and, according to Dr Rhoodie, the difference is in the vicinity of R5-million to R6-million, and he said this difference was discussed with you and that was for paying back an overdraft facility of The Citizen at, I think, Volkskas Bank? — Mr Chairman, this is, as I understand it, it said that this document was put forward in order to allow me to make provision for Information Department expenditures on these projects in 1978/79, and that this was done in February of this year

I have no recollection whatsoever of any document setting out the details of the secret projects being put before me at that time, or at any time before the Budget of March 1978, none whatever And I would like to say that to my recollection, that all that we were given in Treasury for budgeting purposes was the global amount as it was done each year

Whether it was R5-million or R14-million, sometimes they came, they wanted R20-million, which I cut down, once they came they wanted R23,9-million

I cut it down severely, but I have no recollection whatsoever of any document, documents setting out the details in order to arrive at a figure which would then be provided for them in the budget, that die tesourie) indien moontlik voor my vertrek uit Pretoria op 15 Desember 1976, op die hoogte van sake to bring, dit is nou projek Senekal, en dit hou verband met al die vorige versoeke wat gekom het, gerig is deur hom aan dr Rhoodie vir sekere inligting in verband met die dinge, dat ons darem kan voel ons het 'n sekere gedagte waaroor dit alles gaan, ons was totaal in die duister, en waar ons op die punt gestaan het dat ons sou Kaap-toe gaan, het ek gevoel nou moet ons hierdie ding tot 'n konklusie bring

Ja, toe was daar 'n ander brief, weer op die dertiende, van die sekretaris van die tesourie aan dr Rhoodie en daar is ook net 'n paar dinge wat relevant is En dan op die 21ste Januarie het mnr Pretorius weer aan dr Rhoodie geskryf en hy se onder meer "U aandag word ook gevestig op die aangeleentheid geopper in my skrywe van 13 Desember 1976, oor die verstrekking van besonderhede oor die projek Dit is projek Senekal

Chairman. Now, that will be Exhibit 17 F

Mr Van Zyl: Mr Chairman, I think we can hand in all those letters as Exhibit 17 E

Mr Horwood: And I'm coming to the end, Sir January 24, there was a letter from Dr Rhoodie to Mr Pretorius, "Projek Senekal", he says "Wat u brief van 13 Desember 1976 betref, kan ek ongelukkig nie help nie (Dit wil se om besonderhede to verstrek) My minister dra geen kennis van 'n opdrag of 'n gesprek met Sy Edele die Eerste Minister, tot die effek dat die Tesourie van alle finansiele transaksies kennis moet dra wat onder the projek naam "Senekal" gevoer word nie.

All I can tell you there is what Dr Diederichs told me on February 21, 1975, shortly after I became Minister of Finance

When he explained to me that it had been decided earlier, between him and the then Prime Minister, and the Minister for Information, Dr Mulder, that it was necessary to foster this culture campaign against the attacks on South Africa, and that this would then be done in order to keep it secret through Defence, where money would be earmarked to that special account

In other words its secrets, it would be earmarked for these efforts This then, I think he called it "'n teen-aanslag", if, I remember, or some word to that effect That is where it was put to me by Dr Diederichs and I would like to add to that, Mr Chairman, that I did some time later, talk to the Prime Minister about this

He said it is correct that there was this decision which was felt to be in the national interest, very strongly, and it was felt that this was the best way to do it. In other words, he did confirm what Dr Diederichs had told me. And this was continued in spite of the objection of Mr Botha

Mr P W Botha? — Correct

On March 23, 1979, the commission resumed

Owen Peter Horwood:

Commissioner: Senator, do you have any objection to taking the oath? — No.

Do you consider the oath to be binding on your conscience? — I do

(Witness sworn in).

Examined by Mr Smalberger:

Mr Horwood, I was ... the

You must clearly understand the commission has not decided as to the question whether there was an irregularity performed apart from disobedience of the Prime Minister's orders, but it is necessary at this time to get your views on that — Yes, Sir

Mr Smalberger: Senator Horwood, I believe you attended a meeting in the Prime Minister's residence during November, 1977 — No, not in the Prime Minister's residence If you are referring to a meeting which I was at very short notice asked to attend . (Judge Erasmus intervenes).

Judge Erasmus: Not where they exhibited the books, not that meeting — Oh, not that one?

Not that one. — Could I just ask which one this is?

Mr Smalberger: According to our information this meeting was held at the Prime Minister's official residence during November, 1977, in Pretoria.

Judge Erasmus: It is alleged that at that meeting all the projects were raised and discussed — This was when Dr Rhoodie . (Judge Erasmus intervenes).

And at that time the Prime Minister is alleged to have been shocked and turned ill and asked permission to leave the gathering — I can answer that immediately I was never present there

You were not present there? — No. Sir

Mr Smalberger: You were never present at any meeting at which the projects of the former Department of Information were discussed? — That is correct May I just refer to the meeting which was mentioned to me when I last appeared before you where Dr Rhoodie, I think, in his evidence, if I recall correctly, Dr Rhoodie said that there had been a meeting in the Prime Minister's offices, either his own office or the Committee Room

My recollection was there was a meeting in the Committee Room of the Prime Minister's suite of offices, if I may put it that way, and my recollection is he said it was November 30, 1977, and that I could not tell you the precise date, but that I did say that towards the end of 1977 I was at very short notice asked to be present to come across to the Prime Minister's office, which I did, and I was then told that there was a meeting in the Committee Room and when I went there the Prime Minister was there, Dr Mulder, General Van den Bergh and Dr Rhoodie, and there was a table and thus I would simply be repeating my evidence I gave . (Judge Erasmus intervenes).

Judge Erasmus: Yes, when you were there you looked at the books and you asked them to excuse you because you had an appointment for an early dinner. — I had This was the early afternoon and I was asked at very short notice and I had to fit this in and I had another important appointment at that time, which I had to ask the people to wait for me What I was anxious to say, I am glad this was raised this morning, Sir

There were a whole lot of books and publications on a table and I was asked if I would like to look at them, these were the things the Department of Information were doing, which I did There were quite a lot of things there

And then we had tea and on that occasion, and that was the only occasion that I can recall at any time that I was present where some sort of document was in the hands of, I remember, Dr Rhoodie sitting with a document and Dr Mulder, and there were one or two documents on the table.

That is my recollection and there was no discussion while I was there of any project whatsoever.

I would like to make that point very clear because if there had been I would immediately have said, but I have consistently failed to obtain any information from Dr Rhoodie or the Department of Information, even though I and the Secretary of the Treasury had asked for this verbally and in writing for quite a period, each time being told this is something that is so secret, they cannot divulge this information to us

So I would have immediately then said Look, I am not prepared at this stage to discuss these matters But what happened was, there was a document and it looked as if there were certain things listed and I said to them "What is this?" — this is my broad recollection — and they said well, these are some of the things we are doing

And I said but how many of these things have you got listed? And they said nearly 150 The point I made was But how can you possibly handle such a large number of cases, or whatever you might call them? How can you possibly handle 150 of these activities? And they said, oh no, they could handle them

My point was, Sir, that I was worried about the amount of money being expended on this secret activity As I said to you at the very beginning when Dr Diederichs in February, 1975, just shortly after I became Minister of Finance, when he called me in one day and later Dr Rhoodie joined us and he told me how this money, it had been agreed that an amount of at least R15-million a year would be provided for certain secret activities that would be co-ordinated, and as it were supervised by Information, he said I have committed you ahead, I said they can get this amount for at least five years

I immediately said then I could not possibly commit myself to anything The Budget was a yearly process, I would not commit myself to any amount beyond the year of the Budget, that it would depend on the country's financial state, so I would not commit myself to that and I certainly would not commit myself to any kind of period ahead

The reason I say that is, this was consistent with that when I heard there was something like 150 things they were trying to do without any mention of any single one at all I immediately said, look, I am worried, I do not think you should go on that scale, you should cut this down, there is too much money being spent

But why I am anxious today, Sir, and I have not seen the record of my evidence, I am going on my recollection, but I hope I did not give any kind of impression unwittingly that while I was present that short time, and I do not think I was there more than a quarter of an hour, but I hope I did not give any impression that while I was there there were projects being put to the Prime Minister, either to discuss or to approve, because in my presence he was not asked to approve anything and no specific projects were even discussed I

● To Page 6

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ject, called 'project Senekal" and I can explain that But I knew nothing about the detail of projects and therefore it could serve no purpose for me to take part if this was going to be a discussion or an evaluation of a whole lot of things the department was doing

I then asked how many projects were on the list, and they said nearly 150 And I immediately said

"But that sounds a tremendous number Surely we should cut down on such a large number of projects if they are to be handled by one department " I was a little disturbed to hear 150 And they said well they were very busy and they were doing this to add to the other, and I repeated quite clearly that I could not take part usefully in any evaluation of any project and I then said to the Prime Minister I would have to be asked to be excused because I had a very important engagement, which I recall to this day, and I left the meeting

Chairman: So your reply to that is

1 You never took part in any discussion there? — Ja

2 You did not express your opinion, and

3. You were surprised to hear that there were so many projects and you had to asked oortrokke rekening is nie "-Hy antwoord, "die minister van inligting het my meegedeel dat hy dit met die minister van finansies bespreek het, en dit is waarop besluit is om dit so te notuleer "

Chairman: Just so far It is difficult to remember all that Try and put the question first, and thereafter you read the passage for the witness to reply to

Mr Van Zyl. Mr Chairman, I summarised what I put to the witness

On page 1657 "En daarvolgens blyk dit dat daar 'n verskil is tussen watter gelde? Die totale bedrag goedgekeur en die bedrag wat 'n mens bereik wanneer jy al die individuele projekte optel, dit, die verskil was ongeveer 5 tot 6 miljoen, in die omgewing Ja, maar het hulle geweet waarvan die verskil daar was? Die minister van finansies het geweet en die minister van inligting het geweet Hoekom sê u hulle het geweet? Omdat daar gevra is dat ek hierdie dokument op hierdie wyse moet opstel sodat the amptenary nie moet weet dat dit vir die Citizen is nie " As far as that

Senator Horwood, would I gather from this that certain budget proposals were put be- gee, the total amount was given to us

I would like to say further, there was never any question whatsoever of my attention being drawn to any amount which might fall short of some other amounts, and that the balance would be money that would be for any other purpose, whether The Citizen or not Under no circumstances whatsoever was that brought to my attention and I wish to state that emphatically

Mr Horwood: Mr Chairman, I know you are very busy and rushed May I just hand something in? What worries me is the implication that I am obtaining from some of these things that I apparently agreed about these projects, and there is a clear implication that at some point I knew something about The Citizen which I have denied And in fact time and again I sought to obtain information from the Department of Information, even if it were in reasonably general terms, as to what was going on It got to the point where, in 1976, when we were dealing with the 1977/78 projects

We start these things in August the previous year Right on from August, right through we're dealing with the construction of the budget that was introduced the following March The expenditure side takes an awfully long time.

In the course of 1976, I said to the Secretary of the Treasury, look I'm not prepared to put up with this Ask Dr Rhoodie to give me information as to his secret operations that will satisfy you The Secretary of the Treasury was a very reasonable and experienced officer

He said he quite agreed He did that, and Dr Rhoodie refused to give any information, he said this is absolutely secret. A little later I repeat, and tell him to get that, he says no, he refuses I said ask him again, he refused

It dragged on through 1976 Eventually I said put it in writing

Mr Chairman, there would be other correspondence, but perhaps this is sufficient When it goes towards the end of the year I was really disturbed about this So, on December 13, 1976, the Secretary of the Treasury wrote to the Secretary for Information I'll hand this in, sir

The heading is "Projek Senekal"

Mr Van Zyl: That will be exhibit 17E ? — Now, it says simply "Dit sal waardeer word indien u die nodige stappe sal doen om my (dit is the sekretaris van

"strengste" opdrag van die Eerste Minister self, bevestig in die teenwoordigheid van Generaal Van den Bergh en my minister, dat geen detail buite die gemagtigde kring, verstrek mag word nie " En die gemagtigde kring het nie vir my ingesluit nie, meneer die Voorsitter

"U sal dus begryp dat tensy ek 'n geskrewe opdrag van my minister kry, dat die Eerste Minister nou anders besluit het, ek nie my weg oopsien om die besonderhede te openbaar soos versoek in u skrywe " En dan meneer, die 2de Februarie 1977, 'n brief van die sekretaris van die tesourie aan dr Rhoodie en hy sê in paragraaf 3

"Ek sal dit waardeer as u die nodige geskrewe besluit van u minister sal verkry, oor die kewssie van Inligting oor die finansiele transaksies verbonde aan die projek (dit is nou projek Senekal) aan die Tesourie bekendgemaak mag word al dan nie " Want hy sê in 'n vorige brief hy kan dit alleen doen as hy 'n geskrewe opdrag van sy minister het

En dan op 4 Februarie 77, 'n brief aan dr Rhoodie aan mnr Pretorius, projek Senekal, en hy sê in die tweede paragraaf "My minister het my vandag meegedeel dat hy nie bereid is om besonderhede van projek Senekal to openbaar nie Hy doen jaarliks volledig verslag aan die Eerste Minister self " Ek het ander korrespondensie

Ek het net gevoel, meneer die Voorsitter, miskien is dit alleen billik teenoor die sekretaris van die tesourie en myself om vir u te bewys, hier is nou een geval oor maande waar ons hoegenaamd geen sekerheid kon kry nie, maar dr Rhoodie se in die getuienis wat ek daar gehoor het, dat ek sou by verskillende geleenthede sou ek oor die volle inligting beskik het oor hierdie projekte Nou hier is my probleem van die begin af

Chairman: I am very pleased that you could hand in those letters for quite a different reason, which you do not know about The correspondence now fits into the puzzle and I'm very grateful for your handing it in

Mr Smalberger Senator Horwood, could you tell us, who was responsible for this arrangement, in terms of which moneys were transferred from the Defence Secret Fund to the Department of Information? — dence given by General Van den Bergh — it is on page 987 of the record The evidence relates to the payment by Dr Rhoodie for furniture sold to him by General Van den Bergh contrary to the instructions of the Prime Minister The passage in the evidence reads as follows

"Het Rhoodie die geld aan u betaal? — Hy het die tjek gegee aan Reynders

Betaal aan? — Ek weet nie waarvoor hy dit uitgemaak het nie, maar die tjek is ontvang en dit is gedeponeer. O, ek het nooit vir u gesê nie, ons het met toestemming van die Eerste Minister en Minister Horwood en Danie van Huyssteen, 'n rekening oopgemaak onder 'n dekkingsnaam van Campbell 'and somebody' in Volkskas Bank en daardie geld is toe daarin betaal

"Generaal, wat ek net wil weet, hierdie tjek wat Dr Rhoodie gegee het In u herinnering, is dit sy persoonlike tjek gewees? — Ja.

"Was Hein Scheiffer nie hierby betrokke nie? — Ja, he was, hy het as tussenganger opgetree

"So die tjek wat uiteindelik by julle beland het, was eintlik sy tjek? — Ja, dit is seker Ja, dit was Hein Scheiffer se tjek Hy het aan Hein Scheiffer die tjek gegee, dit is net om die pers te mislei dat hulle nie weet dat ons het aan Eschel Rhoodie verkoop nie "

Mr Horwood, do you know anything about this account with Volkskas in the name of Campbell and somebody? — Mr Chairman, I have no knowledge of that

And you have no knowledge about the payment by Dr Rhoodie for the furniture sold to him? — I have no recollection that this matter was put to me and that I understood you to say that it had been said that I and the Prime Minister had approved

The opening of the account. — The opening of the account I have no knowledge of that at all.

Judge Erasmus: When you said that, Senator Horwood, do you mean that you might have forgotten about it, or do you deny it? — No, I would say, Sir, I would deny it

You deny it — Yes, I think I can say here that this mention of an account of Campbell and somebody, this comes really out of the blue to me.

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THE SECOND ERASMUS REPORT

150 projects — Horwood

● From Page 5

just hope I hadn't given that impression

No, we haven't got that impression As a matter of fact, we have carefully considered this portion of the evidence given the last time and we believed your evidence so you need not worry about that aspect

Mr Smalberger: Senator Horwood, I want to show you page 3 of Exhibit 17 A already handed in by you That relates to the approval of money for the former Department of Information — Yes

Part of it was published on the front page of the Cape Times on the 22nd

Judge Erasmus: I think the only question he can answer in regard to that letter is whether any of those projects set out in that letter intimated to you that they were in regard to The Citizen — I naturally saw this in the Cape Times and I have a record of that letter of May 12, 1978, and you may recall, Sir, that after the Secret Services Account Act had been passed last year, it took effect on April 1, 1978, it was after that on April 26 that Dr Mulder one evening asked me if I could drop into his office, he had a very urgent matter and it was to ask me to sign a document that he had in his hand — we did not even sit down — it was really a letter addressed to me, a long thing, and he said it was necessary to get my signature to that document so that amounts could be released against the global amount which had been approved for the Department for the year 1978-79 of something like R14,8-million

In regard to secret projects? — Right, Sir Now that was the total amount for that purpose Now he said the next morning they had to pay out urgently certain amounts for salaries and other contractual commitments and the Auditor-General had informed them that because this new Act was now in operation, an Act which I took the initiative to draw up and to have passed in order to bring the whole administration of the Secret Accounts under one final authority, the Treasury, and have the audit done by the Auditor-General, now he said because that Act had been passed the Auditor-General had informed Information that in order to draw down amounts against the global approved amount of R14,8-million it was necessary for me to sign this document he said, setting out all sorts of details of their secret activities

I said I was not prepared to do so I do not think I need go through that, because you were good enough to publish my evidence on that and make a finding in your report, but it is an important matter to me and I merely reiterate that I said all along, if I sign this thing you are going to say, or someone will say, I approved various projects that might be in this letter — it was a thick letter — and I said that I am not prepared to do

And he said we will not put that construction on it, we are in this dilemma that the Auditor-General says that if you do not sign this we cannot draw any amounts and he said we've got to have certain amounts tomorrow morning

I said right, I will sign If you say that I will accept that I had no reason to think there were any irregularities or anything else It is one Cabinet Minister talking to another where our relationship is always very *mala fide* I said fine, but I said I still do not accept that that is the way it need to be done and I am going to go back tomorrow morning to the Treasury and I am going to, if necessary, consult the Law advisers, because I do not think you are correct and if it transpires that I need not have signed this document to allow you to draw down amounts urgently, I will immediately get in touch with you

In the meantime I asked him for the document and on this document it said "Uiters geheim Geen afskrifte" He said I cannot give you this document, we haven't got a single copy So I said fine and I went back and the next morning I got the Treasury in, I expressed my reservations, I said would you consult the Law advisers, which they did and within a couple of days, I think, if I remember, a weekend intervened, but within a matter of a couple of days the Law advisers came back, they said we will give you our view and confirm it in writing, but in the meantime it is quite clear that the Minister of Finance, in our opinion, does not have to sign such a document setting out all the details of secret projects of activities

What is required is, in terms of the Act, that the Department of Information, or the Minister, must in writing apply to the Minister of Finance and there must simply be set out to the Minister of Finance the broad categories of the activities Die soort of soorte van die bedrywighede, die kategoriee I referred to this in a carefully prepared statement in the Senate yesterday and with your permission, Sir, I would appreciate it if I could hand you a copy of this statement

What exhibit would that be, Mr Geyser?

Mr Geyser. Exhibit 45 A

Judge Erasmus You hand that in as Exhibit 45 A — If I may hand you copies of that, gentlemen I wonder, Mr Chairman, if I may just read that part of the document which refers precisely to this matter and this statement in the Cape Times yesterday?

Judge Erasmus Very well, yes, do that — You will recall then, Sir, that the R14,8-million, how the Law advisers said I did not have to sign that detailed letter Dr Rhoodie insisted I must sign?

Yes, I have a clear recollection of that — And now I come to the question of the letter of May 12, 1978, which I have just been mentioning This is my statement in the Senate yesterday (page 4)

"Ek kom nou by Dr Mulder se brief van 12 Mei, 1978 what deur Dr Rhoodie deur middel van die BBC openbaar is en wat hy blykbaar as bewys van my goedkeuring van sekere van sy geheime projekte voorhou Hierdie brief, en trouens ook die vroeere brief van Dr Mulder wat ek reeds behandel het (dit was die brief wat ons op 26 April, 1978 bespreek het) moet gelees word teen die agtergrond van die Wet op die Rekening vir Geheime Dienste, 1978 wat verlede jaar deur my ingedien is juis om die finansiering van geheime dienste van alle departemente op 'n nuwe grondslag te hanteer (Dit was van toepassing van 1 April, 1978) Artikel 2(3) van hierdie Wet is ter sake Ek wil onmiddellik enige polemiek oor die interpretasie van hierdie artikel en in besonder wat van my as Minister van Finansies ingevolge hierdie wetsbepalings verwag word, uit die weg ruim. Ek haal aan uit 'n regsmening wat die Staats-regsadviseurs kort na die inwerkingtreding van die Wet verstrek het juis na aanleiding van Dr Mulder se eerste brief aan my Hierdie regsmening lees soos volg

'Ons bevestig ons sienswyse vantevore uitgespreek dat waar artikel 2(3) van die Wet op die Rekening vir Geheime Dienste, 1978 voorsiening maak vir die beskikbaarstelling van geld vir aanwending vir dienste van 'n geheime aard wat die Minister

Soos ten opsigte van ander Staatsdepartemente wat geheime fondse ingevolge hierdie artikel ontvang, byvoorbeeld, Polisie, word daar slegs van my verwag om die soort of soorte geheime diens te bepaal en nie individuele projekte nie

Edele Senatore wat die gepubliseerde brief van 12 Mei, 1978 gesien het sal weet dat dit presies is wat ek gedoen het Ek het, naamlik, Dr Mulder gemagtig om die globale bedrag wat vir sy projekte voorsien is, en ek haal uit die brief aan, 'aan te wend vir die onderstaande kategoriee dienste, naamlik ' en dan word hulle uiteengesit in die brief, en dan volg 'n lys van kategoriee in die brief Daar is nie 'n enkele spesifieke projek wat genoem word nie en wat dus goedgekeur was nie "

Kan ek net verder lees, meneer die Voorsitter, ek wil net my ?

Regter Erasmus: Ja, seker

Getuie "Wat bereik Dr Rhoodie met die openbaarmaking van hierdie brief? As hy wil bewys dat ek bewus was dat sy Departement geheime projekte hanteer het dan is hy besig om iets te bewys wat niemand nog oott ontken het nie Van dat ek Minister van Finansies is maak ek dan elke jaar voorsiening in 'n globale bedrag op die begroting vir die Departement van Inligting se geheime aktiwiteite Wat hy moet bewys is dat ek die spesifieke geheime projekte van sy Departement goedgekeur het of dat ek bewus was van onreelmatighede ten opsigte van die aanwending van geheime fondse, behalwe natuurlik die wat duer die Ouditeur-generaal gedurende verlede jaar se Parlement-sitting aan die Parlement bekend gemaak is Hy het nog hoegenaamd nie bewys dat ek enige spesifieke geheime projekte van sy Departement goedgekeur het nie want hy kan dit nie doen nie Seer sekerlik bewys hy ook nie dat ek bewus van onreelmatighede was nie In teendeel, die goedkeuring wat ek verleen het en wat hy nou as bewys vir sy standpunt voorhou is absoluut reelmatig en in ooreenstemming met 'n Wet van die Parlement wat ek self ingedien het Al waarin Dr Rhoodie geslaag het, en dit vind ek laakbaar, is om 'n uiters geheime Staatsdokument op onreelmatige wyse, en ek vermoed in oortreding van die Wet op Amptelike Geheime, in die buiteland rond te smous en om 'n misleidende voorstelling daarna te heg "

Judge Erasmus· Well, that is argumentative and we've got that Thank you very much The date on which you made that statement is the date that appears at the end of the document

45 A? — I adhere absolutely, Sir, to that

Mr Lategan: Senator, I want to, with your permission, ask you one or two general questions Do you regard it as not the duty of the Minister of Finance to have knowledge of the particular nature of any secret project for which you are responsible to provide the funds from Parliament? — I would personally think that that would be a much more satisfactory position and that is why I repeatedly asked the Departmnt of Information for particulars so that I could at least have some knowledge of what these projects were and I could never obtain it So I think that would be a more satisfactory position undoubtedly

In other words, do I understand you correctly to say that you are of the opinion that the Minister of Finance should know more of the nature of the project in regard to which money is expended? — Yes, I would certainly say that

Was that your opinion when you took over as Minister of Finance from the late Dr Diederichs? — Yes May I say that when I took over at that time I did not know that there were these secret projects In fact, at that moment I did not know that there were secret accounts, so I must make that point clear

Judge Erasmus· Yes, we have it already that you took over in 1975, but could you give us a more exact date? — I took over at the beginning of 1975, I would think, if I remember correctly, it must have been about February 3 I could be a day out

Round about February 3 Thank you

Mr Lategan: Now, Senator, when you did take over from the late Dr Diederichs, I suppose, not having been Minister of Finance before, there were a number of questions that you had to ask Dr Diederichs in order to enable you to determine the field and the scope of your activities as Minister of Finance? — Yes, I think that is correct although, of course, one would more particularly determine that from one's most senior officials, the Secretary for Finance, Secretary for the Treasury

But more particularly things that were peculiar almost only to the knowledge of the previous Minister of Finance? I mean, in the passing-over process there were many things, I suppose, that he would want to tell you. — He told me, in fact, very little In fact, you know, this was the one occasion he asked me to talk to him, in February shortly after I

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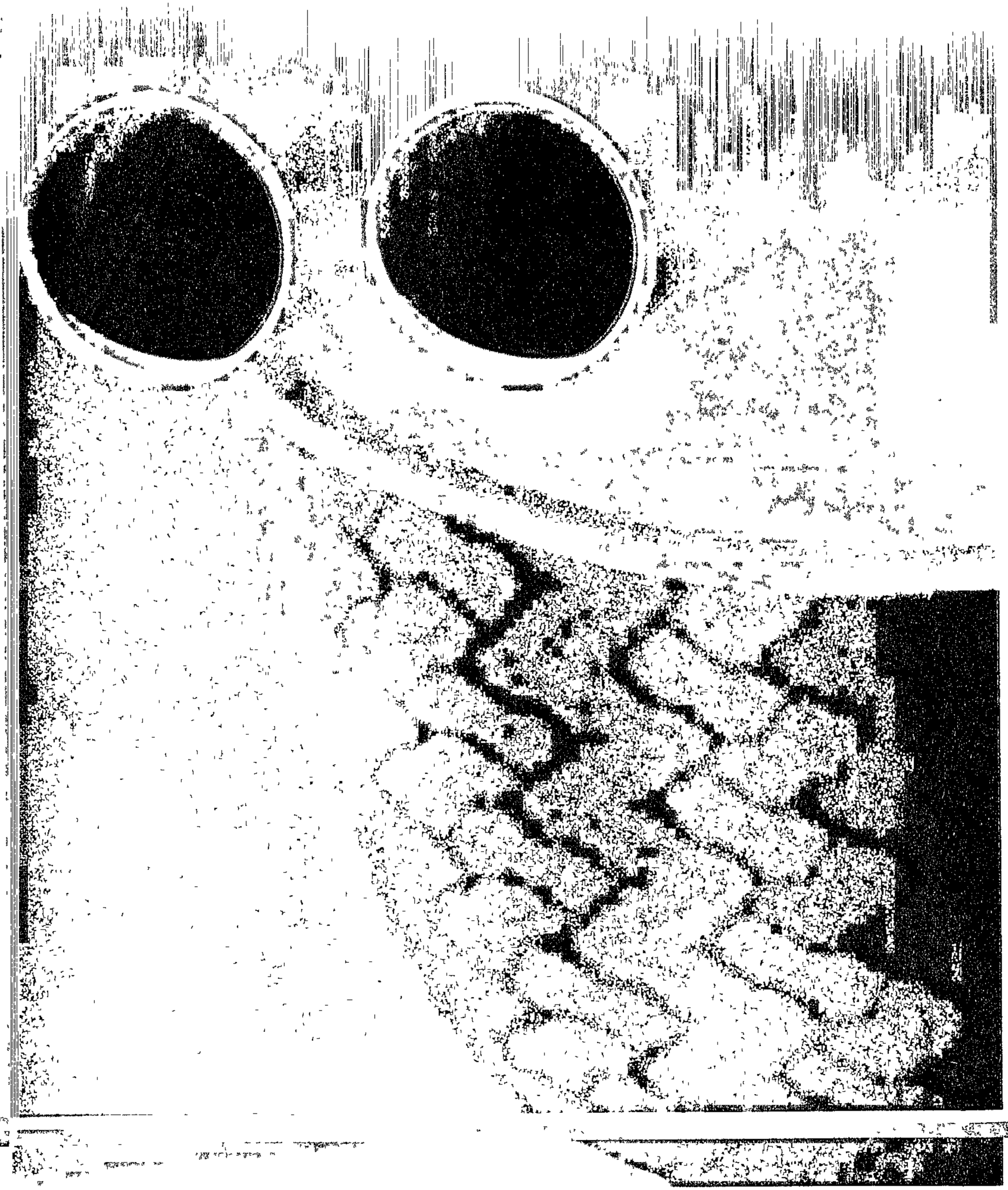

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...ro ke minister van tyd tot tyd ... nasionale belang bepaal, slegs vereis word dat hulle 'n soort of soorte geheime dienste bepaal en hulle nie 'n plig opgele word om indiwiduele dienste of 'n bepaalde diens te bepaal nie

statement was yesterday

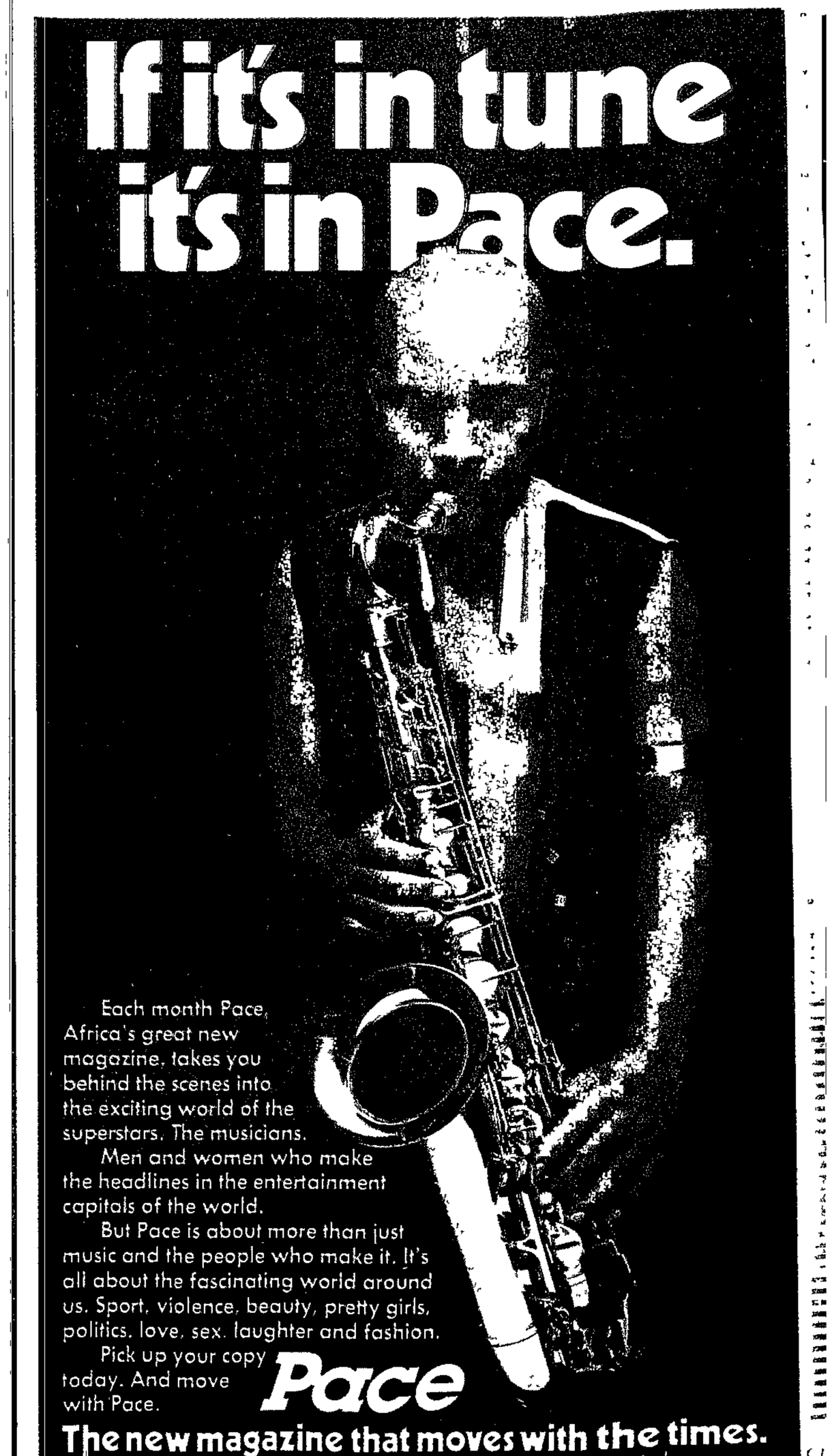
Is that the date when you made the statement in the House? — Yes, yesterday was the 22nd That is the date

Mr Smalberger: Senator Horwood, do you adhere to the statement contained in Exhibit

cret activities of ... Was that the first time you heard about the existence of

● To Page 7

If it's in tune it's in Pace.



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(259)

THE SECOND ERASMUS REPORT

Citizen: Commission clears the Cabinet

MR STATE PRESIDENT
May it please you

(a) Commission

1. On March 14, 1979, you issued the following commission

"WHEREAS I appointed you on November 3, 1978, as a commission to inquire into and recommend on the alleged irregularities in the former Department of Information,

AND WHEREAS on December 8, 1978, I extended your commission until May 30, 1979, in order to enable you to inquire into and recommend on the new aspects and fields mentioned in paragraph 14 487 on the Commission's report,

AND WHEREAS it is deemed expedient to investigate into and report on allegations against members of the present Cabinet,

NOW THEREFORE, I do hereby extend my commission to the said Commission by authorising you to

inquire into and to report on, not later than March 31, 1979, the question of whether any member of the present Cabinet, before the facts were disclosed as a result of inquiries by the Government, had any knowledge of the subsidising of or the rending of other financial assistance to "The Citizen" by, or of any other irregularities in, the former Department of Information, and

deal in your final report with any evidence in connection with the above-mentioned matter which is brought before you after March 31, 1979"

(b) Introduction

(i) Warning·

2. In terms of the regulations under which the Commission functions it is virtually powerless to act against those who frustrate it in its expectations that persons concerned will consider its position, procedure and activities while it is still engaged in its investigations

3 It wishes to point out, however, and to issue a warning that witnesses who have already given evidence before it in terms of a solemn undertaking under oath not to speak outside about evidence given by them before the Commission may impair their credibility if they speak about it outside the Commission and outside Parliament, and that this is a factor tht the Commission may take into account against such witnesses in the final consideration of their evidence, irrespective of what their motivation may have been when they spread these stories.

4. Doubts are expressed in the Press as to whether the Commission will be able to make other findings on credibility than those it has aleady made

dence brought before it during its inquiry and after consideration of all the evidence brought before it during the whole investigation from its appointment up to May 30, 1979

(ii) The evidence

5. The Commission has, in order to carry out its commission properly, made all the evidence laid before it, and on which it based its report dated December 6, 1978 (hereinafter referred to as the report) admissible and in addition has called all further witnesses who could possibly throw light on the matter, for the purposes of this report

6 These further witnesses were called by the Commission to answer allegations made against them by previous wit-

ings with the former Department of Information would have knowledge of irregularities in that department when a minister not directly involved with that department An exception to this rule may be the Minister of Finance, who owing to his financial activities is continually associated with the former Department of Information, and the former Prime Minister, who is no longer a member of the Cabinet and therefore falls outside this commission

9 Further, the Commission kept in mind that it would not be permissible for it to find on hearsay evidence and suspicion alone that any member of the present Cabinet and knowledge of alleged irregularities It would only be able to make its

gating and it was said in Mr Barrie's presence I immediately denied that there was ever such a Cabinet Committee I know of no so-called Cabinet Committee which ever existed

In other words, you also deny that General Van Den Bergh conveyed such a report to you on behalf of Rhoodie? — That would have been crazy because there was no such Cabinet Committee

18 Thereupon the Commission put it to Mr Vorster that Minister Horwood had also testified that he did not know of such a Cabinet committee To this Mr Vorster replied

" it was also not in Dr Diederichs' time, because he stopped being Minister of Fi-

ment of Information There is no direct evidence that Mr P W Botha knew that the State financed "The Citizen" Mr P W Botha denied that he had such knowledge (V1542) The Commission accepted his evidence and furnished reasons in the report (V10 338 *et sequor*)

26. The evidence implicating Minister Koornhof is given by **General Van den Bergh.** He testified that he learnt from Minister Koornhof that he had given instructios to one Morgan to buy the "Natal Mercury" for an amount of between R4 5-million and R5-million (V863) The "Natal Mercury" is a newspaper owned by SAAN

According to General Van den Bergh the matter fell through, however, because Mr

According to what your Minister told you — Yes

35. In the consideration of this difference between the evidence of Dr Mulder and Dr Rhoodie on the one hand and Senator Horwood on the other hand, one must look *inter alia* at the decisiveness with which they respectively gave their evidence Dr Rhoodie relies to a great extent on Dr Mulder who was supposed to have told Senator Horwood about "The Citizen"

36 Senator Horwood is direct, straightforward and decisive He testified

"I would like to state here, sir, categorically, I had no knowledge whatever of any funds going to 'The Citizen' directly or indirectly or in any other way" (V1927)

"The Citizen" is also not mentioned by name in the document, and this lack of particulars caused the misunderstanding why Senator Horwood first signed and later cancelled it Because he became suspicious and precisely because a number of names of projects without contents were mentioned, Senator Horwood had doubts and cancelled his initials

45. If he had realised that money for "The Citizen" was included in the amount, he need not have signed the document in the first place The fact that he first signed the document and then cancelled his signature is not consistent with an allegation that he knew beforehand that the funds requested were intended *inter alia* for

gre and uncertain evidence of Dr Rhoodie The latter is a fugitive from justice in foreign countries because he knows what the Commission's findings in respect of him were See V11 413

50. A further question is whether Senator Horwood was not negligent because he apparently did not inquire in the greatest detail how the designated funds would be employed by the former Department of Information

In this connection it should be remembered that it was precisely the policy of the Department of Information to keep the projects secret that there is no question of a blank cheque which Senator Horwood gave to the Department of Information

was kept secret within this restricted circle

When the Minister of Finance was then approached to obtain the amount, certain projects were mentioned under code names, others under type names, and others not at all Thus it happened that the amount of money according to Annexure A, when the amounts stated therein are added together, appears to be far less than the amount requested

The difference is not identified in the letter, as according to Dr Rhoodie it was in fact intended for "The Citizen"

54. Judged on the basis of these facts it appears that Senator Horwood's evidence is completely supported by the probabilities outside his own evidence See Senator Horwood's evidence attached hereto as Annexure C Pages V1899-1904, V1930-1934 and 1860-1878

55. The Commission has found that he did not know of the existence of "The Citizen" and, if he did not know this, it is difficult to determine where his investigation in connection with the misapplication of funds with regard to "The Citizen" had to begin or end

"The Citizen" was, as the document indicates, kept secret or dark from him, and in all fairness one does not expect him to search for a black cat in a dark room where he has not knowledge of the cat

56. The Commission finds on the evidence thus far given before it that Senator Horwood had no knowledge of the project "The Citizen" during the period concerned in its commission

(g) Transfer to Switzerland of $10-m

57. **General Plenaar,** the then Comptroller, SADF, testified that during September 1974 at the Second Session of Parliament he sat next to Admiral H H Bierman, the then Chief of the Defence Force, in the officials' bay of the Parliament Building

Mr P W Botha entered and spoke to Admiral Bierman

The latter then leant towards him and said he had to go to the Secretary for Finance, Mr G Browne, to arrange for certain funds to be transferred to Switzerland that same afternoon

According to the witness, Mr Browne knew precisely that $10-million had to be so transferred and he authorised it Thereafter the witness telephoned Major-General Strydom and instructed him to transfer the amount with the assistance of the Reserve Bank (657-674).

58. **Mr Browne** testified that he could not remember that he

going through the Department of Defence to the former Department of Information, but this was nevertheless done at the instance of Dr Diederichs His evidence confirms the evidence of General Plenaar (1894 *et sequor*)

61. **Admiral Bierman** stated that he could recall the afternoon about which General Plenaar gave evidence

The eventual arrangement, after Mr P W Botha had signified his dissatisfaction with the principle that money be transferred through his Department to another Department, was that $10-million be transferred to the Union Bank in Switzerland, presumably for the purposes of the former Department of Information

Neither he nor his department knew how the Department of Information would utilise the money (1851)

They were only concerned about one thing — and that was to get it back, which took place in February 1975 This money did not form part of project Senekal (1856)

62. The Commission found on all this evidence that the present Prime Minister did not know for what the Department of Information required or utilised the money and that he was not interested in it

These were the functions of another Department

The Commission is still investigating the question whether all the money was returned to the Republic of South Africa

(h) Dr Rhoodie buys his own office furniture without calling for tenders

63. **General van den Bergy** testified that Dr Rhoodie bought a number of items of furniture from Rhoodie's office at the Meent in Pretoria and gave the cheque for these to Mr Hein Schaeffer (V987)

Dr Rhoodie gave a cheque to Mr Hein Schaeffer, who acted as intermediary, and Schaeffer gave his cheque to Reynders General van den Bergh's evidence then continues

"Oh, I never told you We, with permission of the Prime Minister and Minister Horwood, and Danie van Huyssteen, opened an account at Volkskas Bank, under the covering name of Campell and somebody and that money was then paid into it"

64. **Senator Horwood** testified that he had no knowledge of the said allegations and he denies that he ever gave his consent to such an account

Mr Vorster testified that he did not give his consent for the furniture to be sold to Dr Rhoo-

nesses and others came forward voluntarily to give evidence as a result of appeals to persons and bodies by the news media to give evidence if they were in possession of relevant information

(c) References

7 When a page of the transcribed evidence, given before the latest report, is referred to, it will be preceded between brackets by a "V" (for "verslag") for example (V600) When referring to a page of the evidence given after that report, it is indicated between brackets without the "V", for example (801) Where a quotation from evidence is interrupted by a series of dots, for example , this signifies an omission by the Commission, and where a word or words appear between brackets in such a quotation, this means an insertion by the Commission Where a figure between brackets is broken by a dot, this refers to a paragraph in the latest report

(d) General approach

there can be absolutely no

finding son actually proven facts

(e) A Cabinet Committee

10. The relevant evidence before the Commission consists of allegations by individuals regarding irregularities involving a present member of the Cabinet either alone or together with one or more other such Cabinet members As far as the latter aspect is concerned, it is essential to establish whether action was taken through a "Cabinet committee" in connection with the secret projects of the former department

11 The question thus arises whether there was a Cabinet committee or some or other sub-committee of the Cabinet which concerned itself with "The Citizen" or some or other irregularity during the relevant time

12. Nowhere in the evidence is the concept Cabinet committee or sub-committee defined and it is clear that where two or more ministers were by chance together and came to know of an irregularity or were busy with an alleged irregularity,

nance in 1975 and Minister Horwood took his place

19 Dr E Rhoodie testified that his "approach to the law was always that the Government, and by name the Ministers concerned and the Cabinet Committee, entrusted matters to me (V1346) On page V1292 he refers to "the informal Cabinet Committee which was formed by the Prime Minister (Dr Vorster), Dr Diederichs and Dr Mulder" to approve estimated expenditure

Even if Dr Rhoodie were right, then the existence at that time of a Cabinet committee to which he referred does not implicate the Cabinet at present in existence as not one of the present Cabinet members knows of it or was involved in it

20. **Dr Mulder** gave evidence as follows in connection with a Cabinet committee in respect of the purchase of shares in the South African Association Newspapers (Hereinafter referred to as SAAN)

"To call it a Committee is actually wrong because a Cabinet Committee is a permanent Committee of permanent members . . This was an informal conversation of the Ministers (Mr Vorster, Dr Diederichs,

Vorster said the State could not buy newspapers (V864)

27. **Minister Koornhof** testified that he and Morgan did in fact talk about the purchase of the "Natal Mercury", but the State had absolutely nothing to do with it It was to be an exclusively private undertaking (Evidence not yet transcribed)

28. The only evidence implicating Minister Horwood in connection with "The Citizen" comes from General Van den Bergh, Dr Mulder and Dr E Rhoodie

29 **General Van den bergh's** evidence reads "That with the last Budget, Rhoodie tabulated all his projects with the costs connected to them, but there was a large sum which was not identified as belonging to a specific project, in other words which according to this return hung in the air, and Horwood signed and approved it

Now Rhoodie says they did not put it into writing but Horwood knows it is for The Citizen If he knew, I do not know" (V906)

This evidence is hearsay and no weight can be attached to it

30 **Dr Mulder's** evidence which applies to the matter is found in the record of the evidence (V1986 to V1990) There Dr Mulder testified that Senator

37. When Dr Mulder's evidence was tested why he said that Senator Horwood knew and he had told him about it, it read thus

"In other words, it was with his knowledge that this (the letter exhibit 17A9 was deliberately put so vauguely — Because the officials did not know, but you (Senator Horwood) and I did know

Now in 1978, February 1978, was Minister Horwood then already informed about the "Citizen" project by you — I cannot remember I do not know on which occasion he was informed Let me put it like this, I do not know on precisely which occasion he was informed about the "Citizen" project

Gentlemen, you ask me impossible questions I do not know when he was informed I do not know on what occasion he was informed I really cannot tell you . . I cannot remember

Let me say this — the fact is that there were no secrets between the Prime Minister and Mr Horwood and I in connection with the secret projects. (V2003)

38. But Dr Mulder's evidence, as far from its vagueness, is

"The Citizen" According to the reasons advanced by him why he cancelled his initials he did not even have knowledge of that fact after the cancellation of his signature

46. Dr Mulder testified that Senator Horwood was present on various occasions when some of the projects were discussed Senator Horwood acknowledged that he was present on two occasions, namely in the Prime Minister's office and conference room, where he saw some of the secret projects and where some were spoken about but not discussed in his presence According to him there was in any case no specific reference to "The Citizen" but to projects in general

Dr Mulder gave evidence about a Committee which was supposed to have discussed the projects and which consisted of Mr Vorster, the Minister of Finance and himself, and said "The Citizen project as such was not discussed in this Cabinet." (V1253)

47. No acceptable evidence was placed before the Commission that "The Citizen" specifically was brought to Senator Horwood's notice before September 26, 1978 It is not sufficient to allege vaguely that he knew

and that he is not the Auditor-General

51. From the evidence dealt with thus far, it is clear from the different versions and the Commission's findings thereon what the evidence of the witnesses was

The Commission also deemed it of importance, however, to take note of the inherent probability of each version, particularly with reference to what may normally be expected of the Minister of Finance in the annual determination for the purposes of the estimates of the amount to be allocated to the Secret Fund of the former Department of Information

The question may, in the opinion of the Commission, rightly be asked how it is possible that Senator Horwood could allocate a fixed amount for secret operations without ascertaining the nature and the use of each project for which the money was requested.

52. Irrespective of Senator Horwood's assurance that he was never informed of the nature of the secret projects, the Commission therefore also had to satisfy itself that he was in fact every time, on application for a certain amount, confronted

report This commission will not hesitate to amend its findings in this connection if it should come to any other conclusion on further and new evi-

gation it was important to keep in mind, when called upon to make a finding on credibility, that it is more likely that a minister who had direct deal-

existed between them
13 **Dr D O Rhoodie**, Head of Publications in the former Department of Information, for example, referred to a Cabinet sub-committee in his evidence (1543), which decided about the publication "Multinational Development" He testified that " the decision was taken by the Secretary and the Minister and was controlled by a Cabinet sub-committee

Who told you this? — I personally saw the corrected proofs by the concerned Cabinet Committee members

Yes, as far as I know — the chairman of that sub-committee was also the Minister of Information and he and the head of that Department decided about that publication

I did not say there was discussion about the decision, and say that the decision in principle, as it was conveyed to me, was a Government decision, in other words from this I gather a Cabinet decision out of which the Cabinet sub-committee resulted out fo which the Minister of Information then spoke to the Secretary for Information" (1545-1546)

On page 1549 he testifies "So it was the head of Department, an accounting official, who took certain decisions, and for example the use of the author, his compensation, it was a decision he took in consultation with the minister

14. According to this evidence it is clear that he does not mention which ministers were on the so-called sub-committee and it would appear that he calls it a sub-committee of the Cabinet simply because one member of the Cabinet, Dr Mulder, served on it

15 **General Van den Bergh** testified as follows in connection with a Cabinet committee (V897) He stated that Dr Eschel Rhoodie had told him that the Department of Information had a financial interest in "The Citizen" His evidence then continues

"Yes, Rhoodie often spoke about a Cabinet Committee which once again in turn was denied by Mr Vorster

You personally also know nothing of this Cabinet Committee? — I never attended such a Cabinet Committee Except in the case of "To The Point"

Did you ask the Prime Minister about the Cabinet Committee, whether there was such a Committee? — Yes, and he denied it (V896-897)

16. As far as General Van den Bergh's reference to "To The Point" is concerned, it is clear from the evidence of Mr Jussen that the Department of Information had nothing to do with "To The Point" during its initial years and Jussen in any case does not testify about such a committee (1436-1469)

17. **Mr Vorster** (the former Prime Minister) replied as follows to this evidence by General van den Bergh (V1955-6)

"I heard the Cabinet Committee story for the first time after Mr Barrie began investi-

requested in the letter dated March 12, 1978 (Annexure D) (which ws also referred to in the BBC TV interview with Dr Rhoodie on March 21, 1979) was

evidence He always wants to tell other stories than disclosed in the correspondence actually before the Commission Dr Rhoodie's letter dated Febru-

financed by the State:

Such vague statements at best arouse a suspicion, particularly because Senator Horwood is Minister of Finance

funds,

A thorough examination of the documents submitted to us has convinced the Commission that this was in fact so

The Secretary (Dr Rhoodie) decided in consultation with his Minister what the estimated funds for the coming year would be and then discussed this with the Prime Minister (Mr Vorster) (According to Dr Rhoodie himself)

Only after the Prime Minister had put his stamp of approval on the amount was Senator Horwood simply informed that the amount had been determined in consultation with the Prime Minister, and Senator Horwood had no other choice than to include the amount in his estimates, with sometimes a minimal curtailment (See especially exhibit 17D and exhibit 17E(1), (3) and (4) which are attached as Annexures A and B respectively)

53. Thus, according to Dr Rhoodie, after the amount of funds applied for had been decided upon by the hierarchy of Secretary, Minister and Prime Minister, the nature of the projects for which they were requested

amount of $10-million" was transferred according to the instructions of Dr Diederichs, the then Minister of Finance

This was done to enable the former Department of Information to purchase the "Washington Star" in the USA According to Mr Browne, this was a highly secret project and the purpose for which the money was transferred was not made known to Admrial Bierman or the Department of Defence and they would not know it (1313)

59. General Pienaar stated that as far as the Department of Defence was concerned he only had to see to it that the money paid out from the Department's special defence account was made good by the Treasury

This took place when it was voted in the additional estimates in February the following year He himself did not know for what the money was required, however

60. **Mr P W Botha** testified that he did not know at all for what the Department of Information needed the money

As the then Minister of Defence he was not interested in it He objected to the money

evidence about the bank account

The Commission found General Van den Bergh's piece of evidence to be a figment of the imagination He did not appear at all certain about the presence of the alleged persons who were supposed to have given consent and did not stipulate the place and the occasion where this was supposed to have taken place

65. But even if it should be true, there is no evidence that Senator Horwood knew that the furniture was supposed to have been sold by General Van den Bergh to Dr Rhoodie without the proper invitation of tenders and in conflict with Mr Vorster's orders

(i) Grand Prix

66. **General Van den Bergh** stated that as a result of a discussion he heard, he thought that the sponsorship of the Grand Prix 1976, which was provided by Louis Luyt on behalf of "The Citizen", was in fact

● To Page 5

QUOTE

ON SENATOR HORWOOD: "The Citizen was, as the document indicates, kept in secret or dark from him, and in all fairness, one does not expect him to search for a black cat in a dark room where he has no knowledge of the cat"

W Botha testified that there was no Cabinet committee dealing with matters concerning the former Department of Information and its projects He had, notwithstanding his own knowledge, given special instructions that the matter be inquired into and the result had been negative

22 **Minister Hennie Smit, Minister of Coloured Relations and Statistics**, stated that early in 1977 he had been directed by Mr Vorster to record Cabinet resolutions He is as such minutes member of the Cabinet He was also instructed to establish from the minutes of Cabinet resolutions how many Cabinet committees there are still at present There are 19 of them and there is not one connected with the activities of the former Department of Information

He produced his report, dated March 30, 1978, in this connection to the Commission On the instructions of the Commission he also carried out research in connection with Cabinet committees going back to 1975 He could not trace any Cabinet committee in connection with Information He does not know the term "Kabinetsubkomitee" at all

23 Mr Vorster's evidence was confirmed by the evidence of Mr P W Botha and Minister Hennie Smit is comprehensive enough to finally dispel the conjectures that such a Cabinet committee existed The Commission finds that the existence of such a Cabinet committee is according to the evidence thus far on record a figment of the imagination

(f) Implicating evidence in connection with "The Citizen"

24. This deals with three Cabinet ministers who, according to the evidence, could be implicated — namely the Prime Minister P W Botha, Senator Owen Horwood and Minister P Koornhof

25. The evidence implicating **Mr P W Botha** is vague and rests on deductions which could possibly be made by imaginative persons because he was Minister of Defence and because money from which "The Citizen" was financed came from funds which were channelled by the Department of Defence to the former Depart-

inter alia also intended for "The Citizen" and that the letter, exhibit 17AS, was deliberately so vaguely framed

31 Senator Horwood specifically denied this and he also denied the evidence in connection with the other preceding letter, exhibit 17D See Annexure A The Commission in its report (V11 399) dealt with this contradictory evidence and accepted Senator Horwood's evidence for the reasons stated in that paragraph No further evidence in this connection came to the notice of the Commission on which the Commission could amend its finding in the report

32 **Dr E Rhoodie**, on V1761 of his evidence, tesified as follows on Senator Horwood's knowledge of "The Citizen"

"In your opinion, who were actually the founders of "The Citizen" — It was a collective responsibility .. in which I personally, the Minister of Information and Mr Vorster each had a part "

So the three of you are actually the founders of it? — We carry collective responsibility

Yes, there you use the plural The three of you Now was it the idea from the start that the newspaper would be financed out of State Funds — Yes, Mr Commissioner

And then later, Mr Horwood also became aware, or was he aware of it from the start? — It could be in the case that Dr Mulder informed him before the time I cannot confirm this "

33 Dr Rhoodie's evidence is inconclusive and based on hearsay evidence He testified that Senator Horwood knew of the fact that "The Citizen" was financed with State funds as he was supposed to be present in November 1977 — the last part of the financial year — at the report-back meeting of Mr Vorster (V1655 to V1658)

Dr Rhoodie at one stage testified that "The Citizen" was mentioned by name at this report-back meeting (V1655) Senator Horwood denied that "The Citizen" was mentioned or discussed there in his presence

34 Dr Rhoodie's evidence on this reads further So did he actually find out here in the second half of the financial year? — No, he knew of it earlier

Are you saying that he knew when the Budget was presented? — Yes Already for 77/78? — Yes, according to what my Minister told me he already knew about it

ary 4, 1977 to the Secretary for the Treasury contradicts the spirit of the final paragraph of his evidence above

39. The second paragraph of the letter (exhibit 17E6) reads "My Minister told me today that he is not prepared to make public the details of project Senekal (this includes 'The Citizen' project) He does complete reports to the Prime Minister himself annually

40. In harmony with this letter he testified further, when he had to give an explanation on a reply in Parliament, that the Department of Information did not finance a newspaper

"I want to allege that here I was dealing with a choice between two duties A duty to protect a project which my Prime Minister knew of and which he regarded as so secret that the rest of the Cabinet were not informed (V1182)

41. According to this evidence, Senator Horwood would also not have been informed, if Dr Mulder had carried out his lofty duties, as he said he did here, by telling a lie in Parliament

42. Dr Mulder's evidence makes it indisputably clear that he cannot be accepted where he tries to upset or evade real evidence The letter dated May 12, 1978 whereby an amount of R7 850 500 was authorised for projects of the former Department of Information does not *per se* disclose that any of this money would be expended on "The Citizen" or that the money would be or was irregularly used (V2011)

43. The letter merely refers, in terms of the provisions of section 2(3) of the Secret Services Account Act, 1978, to types of secret projects under which "The Citizen" may or may not have fallen Instead, there is a reference to "Uitgawes en Publikasies" This agrees with Dr Mulder's own evidence that the rest of the Cabinet was not informed about the Secret Projects because the Prime Minister regarded the matter as so secret

44. Once again, as indicated by General Van den Bergh in his evidence, the money for "The Citizen" could have been included under "the large amount was not identified" (see paragraph 29 *supra* and the letter (exhibit 17D) in which a large amount of other expenditure is given under separate headings See also V11 393 *et sequor*)

48. The Commission cannot condemn Senator Horwood on suspicion alone, however, especially where the suspicion is aroused by the allegations of Dr Mulder who had to admit that as Minister of Information he had told a lie to Parliament in connection with the newspaper (V1179 to V1181).

Further the Commission found that he had in an irregular manner brought pressure to bear on Reynders to publish a false and hasty report in order to achieve his purpose See V11 376 to V11 387)

49 On the other hand the Commission can also not condemn Senator Horwood on the mea-

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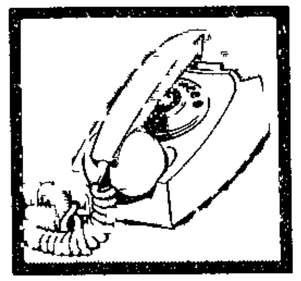

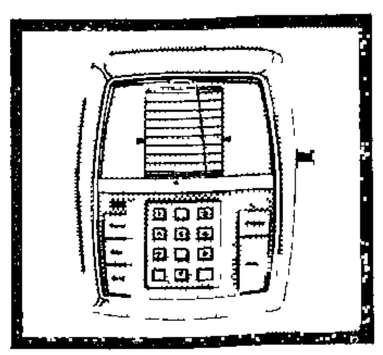

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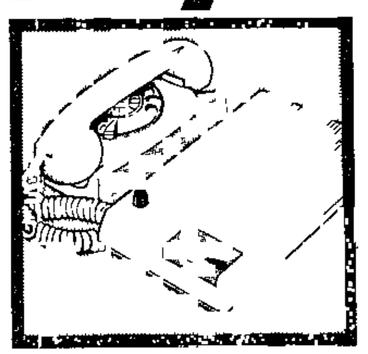

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THE SECOND ERASMUS REPORT

'A total onslaught on SA'

● From Page 6

these secret projects? — As far as I can recall, to the very best of my knowledge and belief, yes

. I am asking you specifically this question, Senator, for the reason that it might well later on be asked by other people Were you not curious, were you not interested, to ask Dr Diederichs what are these secret projects about? What is the nature of these things? I, as new Minister of Finance, I've got to account for the financing of these things Now what are they? Are they in the interests of the country at all perhaps? — Perfectly correct and I did on that occasion say what precisely is this?

And Dr Diederichs informed me that this was a highly secret operation and that, in fact, it was left to the Department of Information to conduct these activities It was, he said, and I remember that clearly, dit was om die totale aanslag teen Suid-Afrika te probeer, he used the word either "afweer" or "bekamp" or some such word, but it was to try to counter what he called a total onslaught on South Africa and he said to me quite clearly that he himself was not aware of the full details of this at all, but he said this was highly secret and it was being done under the supervision or control of the Department of Information

Did you get the impression from him, in other words, that no other member of the Cabinet, including the Prime Minister, knew what the true nature of these projects were? — He certainly did not mention the Prime Minister to me as a man who knew the nature of these projects

Where you left with the impression that only the Minister of Information knew what the nature of the projects was? — I think that would be a correct way to put it I think that my impression that I came away with was this was so highly secret that he himself, who told me he had been involved in the early discussions of this operation, if I may call it that, that he himself was not fully by any means informed and I really cannot recall that he mentioned the Prime Minister's name in that context

Did it perhaps not strike you as strange that even the Cabinet, which is the highest executive body governing the country, should not be *au fait* with the nature of these things? — (Judge Erasmus intervenes)

Judge Erasmus: But you had it that the Minister of Information knew what they were all

Mr Lategan: So as regards Dr Rhoodie, from that moment on he knew or he was aware that you were not informed of the nature of the project? — He was fully aware of it at that time

He was aware that you were not aware? — He was absolutely aware that I knew nothing about it There is no question about it

That is what is worrying me at this moment What could be the reason why Dr Rhoodie asked you, or perhaps at the request of Dr Rhoodie you were asked by the Prime Minister, to be present at the display of those books in the Prime Minister's office? — I was asked on two occasions, as I mentioned to you in my previous evidence, the first occasion it was merely to see some publications and have tea as far as I was aware

On that occasion I asked, I said it is very interesting, but I am not quite clear why am I asked to be here? And the answer that was given, and I think that was given by Dr Mulder, the answer was to this effect dat ons het gedink met you akademiese agtergrond sal jy belangstel in hierdie soort ding.

Now why I should have been asked again towards the end of 1977, I absolutely would not know and, in fact, again on that occasion I said the moment I saw a document there, I said at once look, I know nothing about these things and I do not have any part I can play and I excused myself and I walked out.

This was the occasion when you had another urgent commitment? — Right This was towards the end of 1975

Judge Erasmus· Now what was the occasion just prior to that where they told you that you were invited because of your academic background and that you would probably be interested? Could you give us a date more or less there? — It is very difficult I have been trying to think out when that could have been

Was it a question of months, let me put it that way? — Let me say this, Sir I was asked at the very last moment on that first occasion I was asked could I come across right away, they would like me to come It was right on the spur of the moment

In 1976 I had very serious back trouble which started in July, 1976, and I was bedridden for a long time and I had to have a major operation and this went on for months and I am sure in my own mind it could not have been in 1976 I think it was in 1975, in the recess

How long was this prior to the second occasion? — I would think it was in the recess of 1975, because in 1976 I was out of action for a long time and I certainly did not go to that meeting on crutches or with sticks or anything of of that kind So that is why I am led to believe it certainly was not in 1977 I wasn't asked twice in 1977 to be there The best conclusion I can make is that it must have been in the latter half of 1975

Mr Lategan. Senator, just on something else Dr Mulder has told the commission at the previous sitting during December that at one stage he was confronted, firstly, with the fact that the Department of Defence had refused to provide his budget for a year for the secret projects for the following year and he went on to say that there was a flap in his Department and eventually he left it to Dr Rhoodie to provide the finance by way of a foreign loan

Do you have any knowledge of that? — On this particular issue I would feel happy if you wish to pursue it, if you could do so with the Secretary for the Treasury, because he would have been better informed on that than I I have a recollection that there was a problem, that Defence, who had not been happy about this particular way of handling the matter, that Defence had said they did not wish any amount of secret funds to be placed in their special account again

I believe, if I remember correctly, what happened was that in the end provision, in fact, was not made in the estimates for that year for this purpose Precisely how events followed after that I would appreciate it if I could consult our records in order to give you an absolutely factual account, but I do recall there was a problem there and that there was certainly a delay as a result of that and I do not think the Treasury was informed, kept informed of that in the sense that we could make the necessary provision strictly on time But I would (Judge Erasmus intervenes)

Judge Erasmus. You cannot take it further than that? — I would feel happier if the full details were obtained from Treasury because I am sure they would have the whole thing, chapter and verse, but I recall there was a problem There was a problem.

Mr Lategan: I just wanted to ask you one more question After 1977, November, 1977, were you informed by the then Prime Minister of the existence and of the nature of The Citizen? — Would you say at the end of 1977?

As from November, 1977? — In no shape or form, absolutely not

Were you ever present at a Cabinet meeting where the Cabinet was told of the existence — not the existence, but of the fact that The Citizen was being funded by the State? — No, absolutely not I can add to that that I understand that when I was in Washington attending the annual general meeting of the IMF at the end of September, 1978, last year, I understand that at a meeting late in September, when I was away, that in fact the Prime Minister mentioned this to the Cabinet But I was not even present there

That is Mr Vorster? — That would have been Mr Vorster That was the information that I was given by colleagues That would have been right at the end of September, 1978 But on no occasion prior to that did either the Prime Minister or Dr Rhoodie or Dr Mulder or anybody else give me any indication or inkling of any kind that State monies were in some way being funded to The Citizen, and I would like to make that absolutely emphatic if I may

Have you any particular knowledge about State funds being syphoned to To the Point? — I have no specific knowledge on that, no knowledge which I can regard as authoritative, other than what I have read and what I have heard about this one

But no own peculiar knowledge? — No own peculiar knowledge

. No further questions

● See Page 14

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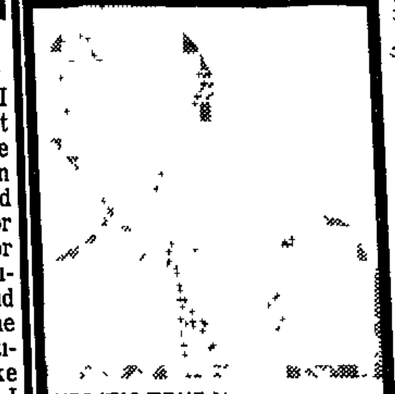

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:u, you were le t w.t1 the impression that the Minister of Information knew full details about these projects? — Oh yes

So once you felt that then you did not enter upon the question as to whether the Cabinet as such would know? — I must admit that is how I accpeted it

Is that how you accepted it? — It was clearly said because you may recall, and I am sure it is in my previous evidence, that I discussed — when Dr Diederichs asked me to come in that afternoon in February, 1975, we talked generally about the budget and a few things and then he came to this issue of the secret activities and this fight against the onslaught on South Africa and Dr Diederichs made it quite plain that this was a highly secret operation the groundwork of which had been done two or three years before and that this was under the Minister of Information, highly secret, but under the responsibility of the Minister of Information

And I went so far as to say, I think it is in my evidence, that let us ask the Minister of Information to come in at once, let us get him in and Dr Mulder could not be found and it was then that Dr Rhoodie was asked to come in and it then proceeded as I told you that Dr Rhoodie — Dr Diederichs simply repeated in a few minutes to Dr Rhoodie the sort of discussion, the sort of conversation we were having and he then raised the question of this R15-million commitment at least a minimum per year for five years ahead and he said to Dr Rhoodie words to the effect that the new Minister does not seem to be prepared to proceed on that basis and then Dr Rhoodie really became, you know, quite worried about that and the discussion while Dr Rhoodie was present turned practically entirely on that issue, but what was stressed repeatedly was that this was absolutely secret

I am sure it was said there that there was no more secret kind of activity than that operation under the Minister of Information

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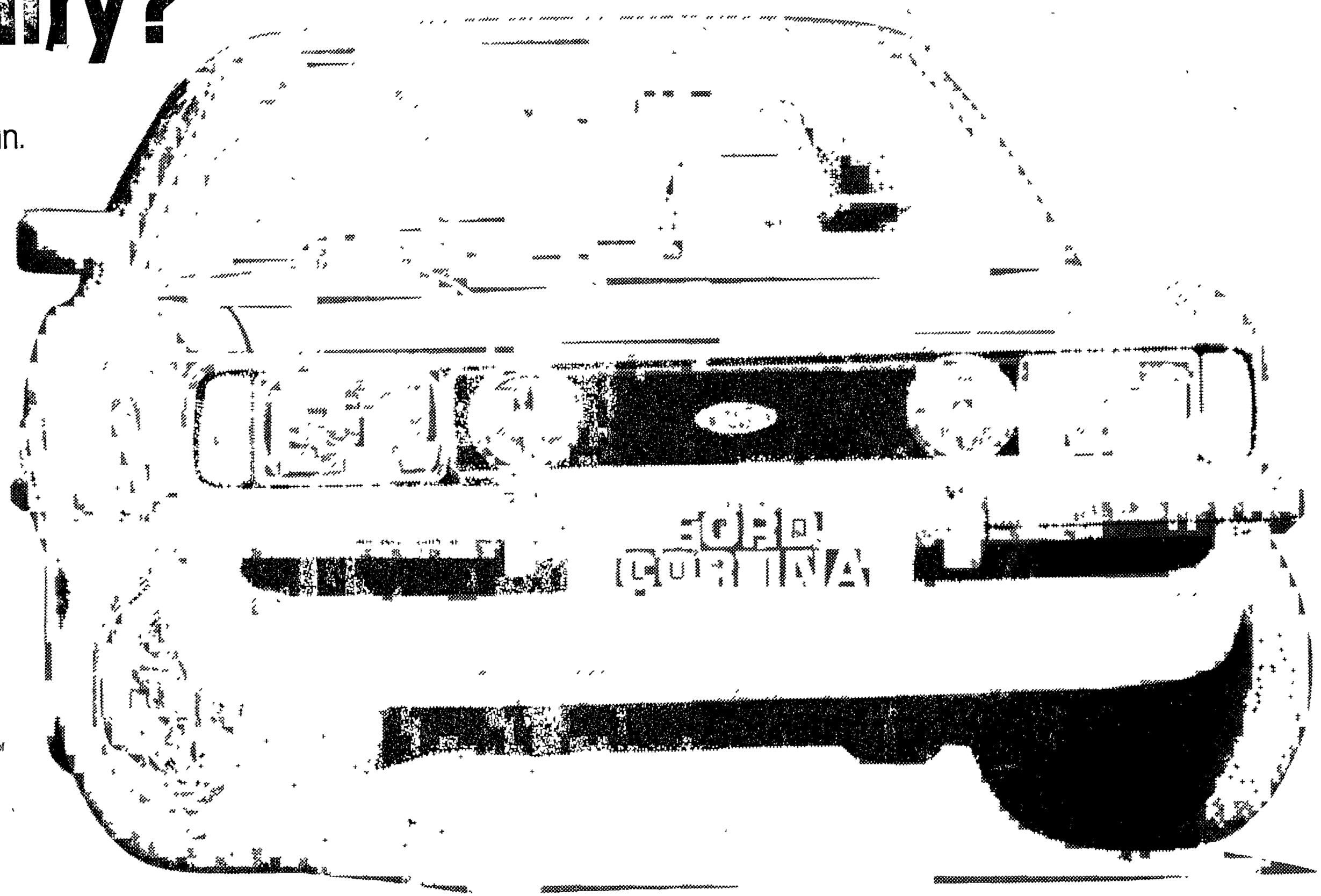

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Latest report points to magazine

Political Staff

HOUSE OF ASSEMBLY. — The first firm indications that the government's secret funds were used to aid To the Point magazine have been given in the special report of the Erasmus Commission.

In the report, which was released yesterday, the commissioners said. "It is clear from the evidence of Mr Jussen that the Department of Information had nothing to do with To the Point during its intial years."

This statement follows a quote from the evidence of General Hendrik van den Bergh that he had not attended a meeting of a Cabinet committee dealing with the Information department's secret projects

General van den Bergh then added. "Except in the case of To the Point "

The report then referred to the evidence of Mr Jussen, the Dutch publisher who established the magazine.

In his evidence, which was attached as an appendix to the report, the Minister of Finance, Senator Owen Horwood, did not deny whether To the Point had been financed by secret funds, but said he did not have any knowledge of it.

Senator Horwood was asked specifically· "Have you any particular knowledge about State funds being syphoned To the Point?"

The minister replied. " I have no specific knowledge on that, no knowledge which I can regard as authoritative, other than what I have read and what I have heard about this one."

He was then asked. "But no own peculiar knowledge?"

Senator Horwood replied: "No own peculiar knowledge."

There was no other reference to To the Point in the report and its appendices but it is likely to be discussed in the commission's final report which is due at the end of May

Two views of plan to buy newspaper

Political Staff

THE MINISTER of Plural Relations, Dr Piet Koornhof, has confirmed that he was involved in discussions to purchase the Natal Mercury — but has denied that the government had anything to do with it.

In the interim report of the Erasmus Commission, which was released yesterday, it was stated that the former head of the Bureau for State Security (BSS), General Hendrik van den Bergh, had implicated Dr Koornhof in the takeover bid

However, Dr Koornhof has "testified that he and Morgan did in fact talk about the purchase of the Natal Mercury, but the State had absolutely nothing to do with it

"It was to be an exclusively private undertaking," the report said

General Van den Bergh testified to the commission that "he learnt from Minister Koornhof that he had given instructions to one Morgan to buy the Natal Mercury for an amount of between 4½ and five million rand

"The Natal Mercury is a newspaper owned by SAAN

"According to General Van den Bergh the matter fell through, however, because Mr Vorster said that the State could not buy newspapers," the report said

However, earlier in the report the former Minister of Information, Dr Connie Mulder, is quoted as saying that Mr Vorster, as well as the former Minister of Finance, Dr Nico Diederichs, did discuss the purchase of shares in South African Associated Newspapers

The report says Dr Mulder gave evidence "as follows in connection with a Cabinet committee in respect of the purchase of shares in the South African Associated Newspapers (hereinafter referred to as SAAN)

"To call it a committee is actually wrong because a Cabinet committee is a standing committee of fixed members This was an informal discussion of three ministers (Mr Vorster, Dr Diederichs and himself) from time to time

"On page V1254, he makes the assertion that the purchase of SAAN shares and 'The Citizen' project were never discussed before this 'komitee'," the report says

Cape Times

3/4/79

259

only after the Prime Minister had "put his stamp of approval" on the amount to be spent on the the Information Department's secret activities was Senator Owen Horwood, the Minister of Finance, informed of the amount

Senator Horwood was "simply informed that the amount had been determined in consultation with the Prime Minister and Senator Horwood had no other choice than include the amount in his estimates, with sometimes a minimal curtailment".

The commission added: "Thus, according to Dr Rhoodie, after the amount of funds applied for had been decided upon by the hierarchy of secretary, minister and prime minister, the nature of the projects for which they were requested was kept secret within this restricted circle "

The commission found that no member of the present cabinet knew of the financing of the Citizen before the cabinet meeting of 26 September, 1978, "although Mr L S v d V Reynders had already during November, 1977, in the course of his official inquiry into affairs of the said department brought it to the notice of Mr Vorster and others"

It then disclosed that only after the present Prime Minister, Mr P W Botha, the Foreign Minister, Mr Pik Botha, the Minister of the Interior, Mr Alwyn Schlebusch, and the Minister of Economic Affairs, Mr Chris Heunis, had confronted Mr Vorster was the State's funding of the Citizen disclosed to the cabinet

After Mr Retief van Rooyen had told these four ministers about the Citizen, "Mr Vorster was immediately thereafter on the following day confronted by these gentlemen with Van Rooyen's allegation for confirmation, which in fact was so confirmed"

The report continued: "The next day Mr Vorster also revealed the facts At a cabinet meeting

"The knowledge of the ministers of the facts in contrast to the unverified allegations of Van Rooyen was therefore furnished by Mr Vorster on the evening before and during the cabinet meeting of 26 September, 1978, on the strength of knowledge which he acquired as a result of the official investigation by Reynders," the report said

Cape Times 3/4/79 (259)

Horwood denial on R5,6 m omission

Political Staff

SENATOR Owen Horwood, Minister of Finance, has claimed that he failed to notice a R5,6-million omission in a document he signed authorizing the release of funds for secret Info projects totalling R14,8 million

In evidence before the Erasmus Commission, he also denied knowing that this imbalance was a sophisticated and intentional method of disguising money meant for the financing of the Citizen project

Senator Horwood later cancelled his signature on this document, which he has said he could not understand because it was in a "sort of code"

The document, released with the Erasmus special report yesterday, is a letter to Senator Horwood from the former Minister of Information, Dr Connie Mulder, requesting his authorization for R14,8-million for secret Info projects

The request is followed by a detailed breakdown of the amount for various projects These total only R8,1 million

Dr Eschel Rhoodie and Dr Mulder told the commission that this discrepancy was a deliberate tactic, undertaken with the full knowledge of Senator Horwood, to disguise money being channelled into the Citizen Senator Horwood told the commission "I would like to state here cateogically, I had no knowledge whatever of any funds going to the Citizen directly or indirectly"

The commission supported Senator Horwood's evidence It noted that the Citizen project had not been mentioned in the document

Horwood would not study secret Info projects

Political Correspondent

HOUSE OF ASSEMBLY. — The Minister of Finance, Senator Owen Horwood, refused to study secret Information projects when he was invited to displays of the department's activities, in spite of having pressed for details of how money was being spent.

This is revealed in Senator Horwood's testimony to the Erasmus Commission, whose interim report was tabled yesterday

Senator Horwood told the commission he had repeatedly and unsuccessfully asked the department for particulars "so that I could at least have some knowledge of what these projects were"

But he had walked out of both displays "the moment I saw a document" because he knew nothing of the secret projects and could therefore not contribute to any discussion or evaluation of them

The two displays — the first probably in 1975 and the second in 1977 — were attended by the then Prime Minister, Mr Vorster, the former Minister of Information, Dr Connie Mulder, and the former Secretary for Information, Dr Eschel Rhoodie

He told the commission last year that he had been unable to attend one meeting in full, as he had a series of engagements and had asked Mr Vorster to excuse him early

"I noticed on this long table in the conference room a number of publications There were some books, as I recall, and what looked like some periodicals and possibly a few newspapers and so on"

His attention was drawn to the fact that these were some of the publications for which the Department of Information was responsible Dr Rhoodie or Dr Mulder passed him a document and said these were certain projects on which the department was engaged

"I immediately said that I had no knowledge of any projects whatsoever All I knew was that there was an overall project called 'Project Senekal' and I can explain that

"But I knew nothing about the detail of the projects and therefore it could serve no purpose for me to take part if this was going to be a discussion or an evaluation of a whole lot of things the department was doing," Senator Horwood said

He told the commission this month he had no knowledge of secret projects and Dr Rhoodie knew this to be true

Senator Horwood denied specifically knowing the Citizen was state funded He had not been informed of this by Mr Vorster, Dr Rhoodie, Dr Mulder, or anybody else, and he had been in Washington when the Cabinet was first informed on September 26, last year

Erasmus report: Judgment reserved by Opposition

Political Correspondent

OPPOSITION leaders refused yesterday to accept as a final verdict the Erasmus commission's interim finding clearing cabinet members of involvement in the Information scandal

The Leader of the Opposition, Mr Colin Eglin, said the Progressive Federal Party would reserve judgment until the commission's final report was published in May He recommended that the public do the same

The leader of the New Republic Party, Mr Vause Raw, said the commission had reached a finding of "not proven" rather than "not guilty", as it lacked the evidence of those alleged to have knowledge of ministerial involvement

He said the report would not restore the government's credibility

Both pointed to further evidence mentioning the former Prime Minister, Mr Vorster Mr Eglin said it was clear Mr Vorster had played a key role, while Mr Raw said Mr Vorster had now been placed in an untenable position

Mr Eglin said in a statement that the commission itself acknowledged its findings were not final and it had still to investigate a number of matters

Until the commission presented its final report, the public would not know the names of all witnesses who testified, the memoranda and submissions considered by the commission, all the factors which had been taken into account or the full record of evidence

Mr Colin Eglin

Mr Vause Raw

"Until the final report is published — which we hope will disclose all the evidence — the PFP will reserve judgment on the findings of the interim report We recommend to the public that they do the same

"What is clear from an examination of the interim report is the key role played in the whole Information affair by the previous Prime Minister, Mr Vorster, the ineffectiveness of the Minister of Finance, Senator Horwood, and the alarming inefficiency there was in the control of expenditure by the government

"For this all members of the present cabinet who served in Mr Vorster's cabinet must accept joint responsibility," Mr Eglin said

Mr Raw said a notable omission was the failure to recall the former Minister of Information, Dr Connie Mulder, for cross-examination on his allegations in a press statement which conflicted with his own earlier evidence

"I fear this report will not restore the credibility of the government

"In particular it places the former Prime Minister in an untenable position," Mr Raw said

The NRP spokesman on Justice, Mr John Malcomess, said the commission had failed to recall any of those who originally alleged Senator Horwood knew of the Citizen project at an earlier date Two of these were easily available and one had made press statements

The commission had also failed to cope adequately with the problem that two former National Party leaders had made conflicting statements and one therefore could not be telling the truth

"The value in the report lies in the additional evidence, however, one-sided, printed in it The evidence relating to the former Prime Minister will be of particular interest"

Mr Malcomess said that after the disclosure that another R10 m was involved, the public would be asking "how much more of our money was spent"

B ←←←← From page 1

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Cape Times
3/4/79

259

magazine To The Point

In a unanimous finding, the commission specifically cleared the Prime Minister, Mr P W Botha, and the Minister of Finance, Senator Owen Horwood — two ministers most directly implicated by the former secretary for Information, Dr Eschel Rhoodie.

The commission found that no present Cabinet minister had any knowledge before September 26 last year of state funding of the Citizen or any other irregularities in the Information department before they were dis-

Cape Times
3/4/79
259

nfo probe fuels more controversy

CAPE TIMES 3/4/79 (259)

By MICHAEL ACOTT
Political Correspondent

THE ERASMUS COMMISSION has sparked off further political controversy with an interim finding that no present Cabinet minister knew before last September about irregularities in secret Information projects.

The finding was immediately disputed by the former Minister for Information, Dr Connie Mulder, who repeated his allegation made last week that the Minister of Finance, Senator Owen Horwood, had known about the Citizen project

"I stand by and reaffirm my statement made a week ago I have nothing further to add," he said last night

Opposition leaders refused to accept the commission's verdict as final, and pointed to further evidence about the role of the previous Prime Minister, Mr Vorster

A new opposition attack on Mr Vorster seems likely to follow the commission releasing new evidence that the former Prime Minister was fully briefed about secret projects and played a key role in allocating funds to them

The report also confirms that $10 million was sent abroad for an attempt to buy the Washington Star, and raises questions about state financing of the closed to Parliament

Mr Botha promised to resign and call an election if the commission found any present Cabinet minister knew about irregularities such as the state funding of the Citizen newspaper

While the finding will please the Cabinet, the two main opposition parties see the report as providing further ammunition for their attack on the government over the Information affair

The issue could lead to heated exchanges during the remainder of the Budget debate, which ends in the Assembly on Friday.

The commission produced a 22-page report with lengthy annexures including extracts from evidence given by Senator Horwood and previously top-secret documents relating to Information secret projects

It found that

- There was no evidence to support Dr Rhoodie's contention that secret projects had been

➡➡➡➡ To page 2 (A)

P.T.O

41

No satisfactory significance could
Chamber of Mines: Annual Report 1
13

12. GNP per capita in constant rand can be validly criticised as a measure of changes in standard of living because:

(1) It makes no allowance for changes in income distribution.
(2) It ignores inflation and deflation.
(3) It gives excessive weight to the value of leisure.
(4) There is double-counting in GNP.
(5) Transfer payments are excluded from GNP.

13. Given NNP, DI is arrived at by:

(1) Deducting personal savings.
(2) Deducting taxes and adding government transfer payments.
(3) Deducting taxes and adding government transfer payments and dividends.
(4) Deducting taxes and undistributed corporate profits, and adding transfer payments.
(5) Deducting taxes and adding all government spending.

14. It may be argued that the net national product is a better measure of the output of an economy than the gross national product because:

(1) Net national product figures are deflated to the price level of a base year.
(2) GNP includes all intermediate goods.
(3) Net national product figures include transfer payments made by the government and gross national product figures do not.
(4) Net national product is equal to the total capital stock at the end of the year.
(5) None of the above.

15. The value of the housekeeping services of a wife is excluded from GNP because:

(1) Of the statistical problem of measurement.
(2) It does not represent a current contribution to production.
(3) It is a transfer item.
(4) No money payment is involved, and therefore it must be excluded.
(5) These services are not <u>final</u> services.

16. The relation between Gross Domestic Product (GDP) and GNP is:

(1) GNP is always greater than GDP
(2) GDP is always greater than GNP.
(3) GNP = GDP + Exports.
(4) GDP = GNP - Imports.
(5) None of the above.

17. Generally the numerically smallest national income aggregate is:

(1) NNP.
(2) Personal income.
(3) NNP at factor cost.
(4) Gross domestic product.
(5) Disposable income.

18. Which of the following would
GNP?

(1) The purchase of flour
(2) The purchase of 40 sha
(3) Flour purchased by a h
(4) The receipt of R100 in
(5) All of the above.

19. At the depth of the great d

(1) 7%
(4)
(5)

A

From page 1

monitored by an informal three-man Cabinet committee.

● If such a committee existed previously, this did not implicate present ministers as not one of them knew about it.

● Both Mr P W Botha and Senator Horwood had been denied details of secret projects

Senator Horwood had not given the department a blank cheque but was confronted with a fait accompli in the allocation of funds

● The testimony of Dr Mulder on the subject of Cabinet knowledge was vague and "in conflict with the real evidence" Letters the claimed proved his case did not mention the Citizen by name and suspicion against Senator Horwood was raised by a man who "told a lie to Parliament"

● Dr Rhoodie's evidence was "meagre and uncertain" and Dr Rhoodie was in any case a fugitive from justice because he knew of the commission's previous findings

● The "pollution" of irregularities did not spread wider than the former Department of Information

The Leader of the Opposition, Mr Colin Eglin, said the report indicated "alarming inefficiency" in financial control but that the PFP would reserve judgment until the final Erasmus Commission report in May

The New Republic Party leader, Mr Vause Raw, said the finding on ministerial knowledge was "not proven", rather than "not guilty", and that the report would not restore government credibility

Further evidence on the subject of Cabinet knowledge will be included in the commission's final report.

It also issued a strong warning to witnesses who had already testified that they could "impair their credibility" by making public statements outside the commission or Parliament before the commission had completed its task.

(1) Gifts and [illegible]
(2) Transfer payments.
(3) Realised capital gains during a period of inflation.
(4) Sales of shares.
(5) None of the above.

22. The sum of all stages' value-added in the production of some good:

(1) is less than final selling price of that good.
(2) is greater than final selling price of that good.
(3) is equal to final selling price of that good.
(4) bears no relationship to final selling price of that good.
(5) is not a meaningful concept at all.

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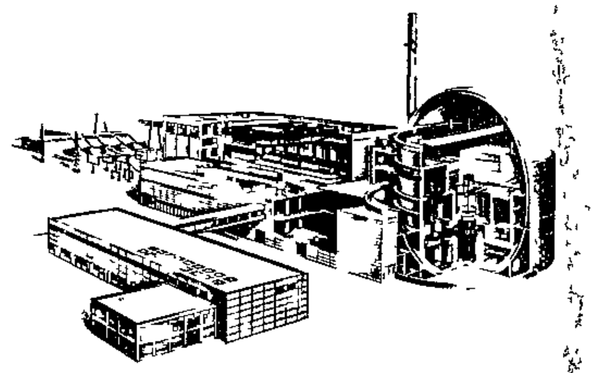
- Towns in nuclear fallout area unprepared
- Companies will not pay out on radiation damage

On page 3

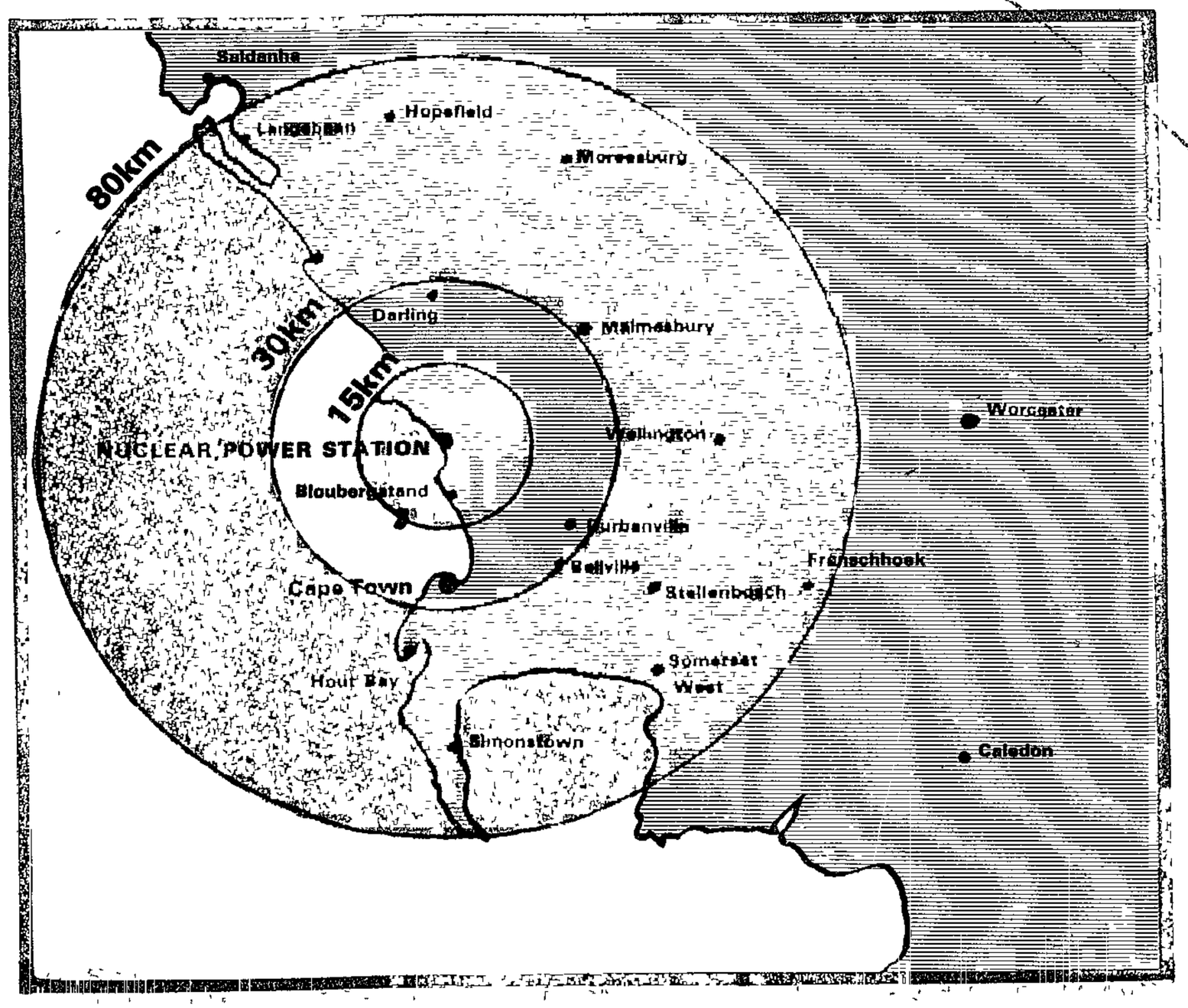
- Koeberg A-leak could force 30-year pullout



ERASMUS: Reaction, further reports on page 2

ERASMUS: The full report — see pages 4, 5, 6, 7 and 8

Koeberg: The 80km radius



CT 3/4/79

600 000 await order to leave homes in US

HARRISBURG. — More than 600 000 people awaited the order to evacuate their homes yesterday as scientists battled to control a radioactive leak at the Three Mile Island nuclear plant.

The scientists reported that the plant, damaged last Wednesday when a cooling system failed, was beginning to cool down But they were still worried by a potentially-explosive hydrogen bubble in the reactor core.

State officials were preparing plans to evacuate 24 000 people from an eight kilometer radius of the plant. If the situation warranted it, the figure could go as high as 637 000 people from a 32 km radius.

The evacuation plans can only be implemented by Pennsylvania's Governor, Mr Dick Thornburgh.

Info probe fuels more controversy

CT 3/4/79 (259)

By MICHAEL ACOTT
Political Correspondent

Report page 3

Koeberg reactor to be more powerful

By BOB MOLLOY
SCIENCE REPORTER

NUCLEAR reactors planned for Koeberg are built on the same principle as the American reactor which overheated at Harrisburg but the South African reactors will generate a larger amount of electrical power

And South African engineers from Escom observed the faulty Harrisburg reactor in operation last November while on a familiarization tour of nuclear plant in the United States

Mr R P A Myburgh, managing director of Escom in the Western Cape, yesterday assured the Cape Times that there were differences in construction

"The two sets of reactors were built by different companies and there are important differences in construction Our engineers observed the second Harrisburg reactor while it was undergoing power testing," Mr Myburgh said

It is understood that the Harrisburg reactor was built by Babcock and Wilcox and the Koeberg reactors were designed by Westinghouse for construction by French contractors The Koeberg reactors will generate 922 megawatts as against the Harrisburg output of 792 mw for the number one reactor and 808 mw for number two, the reactor which is now overheating

The second reactor was not yet "on line" when the Escom observers saw it five months ago which means that it has not yet completed a year of operation

● The type of reactor to be used at Koeberg is a "light water" (ordinary water) reactor At the time this design was chosen there were 273 LWR stations out of 374 in operation around the world, more than half of these in the United States

Nuclear-power reactors are simply heating plants for boiling water The steam is then used to turn electrical generators which produce electricity

In light-water reactors differences of design occur in the ways used to carry the heat to the steam plant

The simplest reactor has circulating water which boils in the core itself and the steam is taken directly to the turbines This is the boiling-water reactor or BWR

In a pressurized water reactor, the type to be used at Koeberg, a coolant is passed through the core at a high pressure which prevents boiling This primary coolant gives off its heat in a heat exchanger and produces steam without touching or mixing with the water The pressure is higher in the PWR than for any other reactor

It is essential that the heat produced in the reactor is kept below a critical level and this is done during normal operation by constant circulation of the coolant

First reports from Harrisburg were that a fault had occurred in the steam plant Since then there has been a news blackout but it is clear that the coolant was unable to carry out its function and a rising core temperature increased pressure inside the vessel by a reported 800 percent and caused the first explosion

... of Americans over the leak, said on a flying visit to the plant on Sunday that health and safety should be the main concern.

"If we make an error, it should be on the side of caution and safety," he said

The US Government's chief scientist at the plant, Dr Harold Denton, of the Nuclear Regulatory Commission, admitted that the hydrogen bubble problem had not been anticipated in designing the reactor.

But Dr Denton insisted the bubble was shrinking and the overall situation was "stable".

Besides a general evacuation, authorities were trying to decide how some 1 200 convicts from local prisons and about 5 000 nursing home patients could be transported to safer places.

In an evacuation, emergency centres would be established up to 160 km from the crippled plant.

Pregnant women and preschool children, who are most susceptible to radiation exposure, were urged last Friday to leave their homes if they lived within eight km of the reactor. — Sapa-Reuter

N-plant 'over-reaction'

PERTH — One of Britain's leading nuclear experts yesterday accused the world press of over-reacting to the Three Mile Island nuclear power plant accident in Pennsylvania

Sir Francis Tombs, chairman of the British Electricity Council, told reporters here that the over-reaction by the press had created a mistaken public impression of the nature and importance of the accident

"It is inevitable that the press should over-react to these things and there has been a lot of sensational reporting about the incident"

Mr Justice Erasmus

Vorster's role disclosed

controversy with an interim finding that no present Cabinet minister knew before last September about irregularities in secret Information projects.

Political Staff

HOUSE OF ASSEMBLY — The former Prime Minister, Mr Vorster, played a key role in the allocation of funds to the secret projects of the former Department of Information

This emerges from the special report of the Erasmus Commission which was released yesterday

The report specifically states that Mr Vorster fell outside of its scope because he was no

➡➡➡➡ To page 2 B

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➡➡➡➡ To page 2 A

A horse laugh from groom Robin Godfrey after Royal Sensation from the Broadlands stud had been sold for R81 000 at the yearling sales in Johannesburg yesterday R81 000 was a record but it was bettered later in the day

Record yearling price

From RECONDITE

JOHANNESBURG — The record price for a South African-bred yearling was shattered at the annual national thoroughbred yearling sales at Germiston yesterday when two Plum Bold colts each fetched R100 000

This bettered Lawn's 1977 recordof R71 000 by R29 000

Plum Bold stole the show and by late last night eight of his yearlings had been sold for R333 500 — an average of R41 687.

The first colt to reach the R100 000 mark was Gallantry, bred by Mr Alex Robertson of Vlakfontein Stud, Gallantry being knocked down in two minutes.

The second colt to reach this figure was Kiepersol, bred by Mr Paul de Wet of Zandvliet Stud.

Both sales brought loud applause from the packed arena

Another record broken was by Granville Gorton, of Noreen Stud, who sold seven horses for R248 000 for an average of R35 000, a record for this show.

By late last night 145 horses had been sold for R2 399 900 for an average of R16 551 — about R4 000 up on last year's select sale figure.

It seems likely that the select sale will realize close on R3m and that when the sales end on Friday more than R5m will have been handled.

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Swapo bases: Big Five back UN — Botha

Political Correspondent

THE FOREIGN MINISTER, Mr Pik Botha, disclosed last night that Western powers had backed the United Nations refusal to monitor Swapo bases in Angola or Zambia during a pre-settlement election.

A 16-point proposal received on March 26 also supported the UN stand that Swapo forces in the territory at the time of a ceasefire should be allocated "locations" in the territory itself

The stand, set out by the United States, Britain, France, Canada and West Germany, could further hamper attempts to agree on internationally accepted independence for the territory

Both suggestions on Swapo bases, first contained in a report last month by the UN Secretary-General, Dr Kurt Waldheim, have been rejected by the government as "deviations" from original settlement proposals

It has insisted that Swapo forces, wherever they might be, and South African troops be monitored by the UN It also maintains that Swapo cannot be given bases which it has been unable to establish in the territory by force of arms

While calling for a return to the original proposals, which it accepted a year ago, the government has said it is for the leaders of the territory to give a final decision on the acceptability of the latest Western and UN position

Mr Pik Botha

Mr Botha and the Prime Minister, Mr P W Botha, held discussions in Windhoek yesterday with the Constituent Assembly and political and church organizations

Mr Pik Botha told journalists last night that the 16-point Western proposals had been read to the parties, but he would not divulge full details

"We left it to them to consider it and give the South African Government their point of view "

He hoped this would be within a week

"The Western proposals come down to the fact that Swapo will not be monitored in neighbouring states by the UN military contingent, UNTAG

"Secondly the latest proposals make it possible that Swapo forces, who may be in the territory on ceasefire day, or two days thereafter, will be restricted to locations where they will be monitored "

Mr Botha, who described yesterday's discussions as "useful and valuable", said political parties and church groups in the territory had been asked to consult each other on their viewpoints and, if possible, to present the South African Government with a unanimous standpoint

They were to say whether they wished to implement the latest proposals and, if not, to spell out the course they believed should be adopted

Latest report points to magazine

Political Staff

HOUSE OF ASSEMBLY — The first firm indications that the government's secret funds were used to aid To the Point magazine have been given in the special report of the Erasmus Commission.

In the report, which was released yesterday, the commissioners said. "It is clear from the evidence of Mr Jussen that the Department of Information had nothing to do with To the Point during its intial years."

This statement follows a quote from the evidence of General Hendrik van den Bergh that he had not attended a meeting of a Cabinet committee dealing with the Information department's secret projects

General van den Bergh then added: "Except in the case of To the Point "

The report then referred to the evidence of Mr Jussen, the Dutch publisher who established the magazine.

In his evidence, which was attached as an appendix to the report, the Minister of Finance, Senator Owen Horwood, did not deny whether To the Point had been financed by secret funds, but said he did not have any knowledge of it

Senator Horwood was asked specifically "Have you any particular knowledge about State funds being syphoned To the Point?"

The minister replied. " I have no specific knowledge on that, no knowledge which I can regard as authoritative, other than what I have read and what I have heard about this one "

He was then asked. "But no own peculiar knowledge?"

Senator Horwood replied. "No own peculiar knowledge."

There was no other reference to To the Point in the report and its appendices but it is likely to be discussed in the commission's final report which is due at the end of May

Erasmus report: Judgment reserved by Opposition

Political Correspondent

OPPOSITION leaders refused yesterday to accept as a final verdict the Erasmus commission's interim finding clearing cabinet members of involvement in the Information scandal

The Leader of the Opposition, Mr Colin Eglin, said the Progressive Federal Party would reserve judgment until the commission's final report was published in May He recommended that the public do the same

The leader of the New Republic Party, Mr Vause Raw, said the commission had reached a finding of "not proven" rather than "not guilty", as it lacked the evidence of those alleged to have knowledge of ministerial involvement

He said the report would not restore the government's credibility

Both pointed to further evidence mentioning the former Prime Minister, Mr Vorster Mr Eglin said it was clear Mr Vorster had played a key role; while Mr Raw said Mr Vorster had now been placed in an untenable position

Mr Eglin said in a statement that the commission itself acknowledged its findings were not final and it had still to investigate a number of matters

Until the commission presented its final report, the public would not know the names of all witnesses who testified, the memoranda and submissions considered by the commission, all the factors which had been taken into account or the full record of evidence

Mr Colin Eglin

Mr Vause Raw

"Until the final report is published — which we hope will disclose all the evidence — the PFP will reserve judgment on the findings of the interim report We recommend to the public that they do the same

"What is clear from an examination of the interim report is the key role played in the whole Information affair by the previous Prime Minister, Mr Vorster, the ineffectiveness of the Minister of Finance, Senator Horwood, and the alarming inefficiency there was in the control of expenditure by the government

"For this all members of the present cabinet who served in Mr Vorster's cabinet must accept joint responsibility," Mr Eglin said

Mr Raw said a notable omission was the failure to recall the former Minister of Information, Dr Connie Mulder, for cross-examination on his allegations in a press statement which conflicted with his own earlier evidence

"I fear this report will not restore the credibility of the government

"In particular it places the former Prime Minister in an untenable position," Mr Raw said

The NRP spokesman on Justice, Mr John Malcomess, said the commission had failed to recall any of those who originally alleged Senator Horwood knew of the Citizen project at an earlier date Two of these were easily available and one had made press statements

The commission had also failed to cope adequately with the problem that two former National Party leaders had made conflicting statements and one therefore could not be telling the truth

- "The value in the report lies in the additional evidence, however one-sided, printed in it The evidence relating to the former Prime Minister will be of particular interest "

Mr Malcomess said that after the disclosure that another R10 m was involved, the public would be asking "how much more of our money was spent"

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longer a member of the cabinet and its mandate was to find out whether any members of "the present cabinet" knew about the funding of the Citizen or any other irregularities in the Department of Information

However, it disclosed that only after the Prime Minister had "put his stamp of approval" on the amount to be spent on the the Information Department's secret activities was Senator Owen Horwood, the Minister of Finance, informed of the amount

Senator Horwood was "simply informed that the amount had been determined in consultation with the Prime Minister and Senator Horwood had no other choice than include the

Horwood denial on R5,6 m omission

Political Staff

SENATOR Owen Horwood, Minister of Finance, has claimed that he failed to notice a R5,6-million omission in a document he signed authorizing the release of funds for secret Info projects totalling R14,8 million

In evidence before the Erasmus Commission, he also denied knowing that this imbalance was a sophisticated and intentional method of disguising money meant for the financing of the Citizen project

Senator Horwood later cancelled his signature on this document, which he has said he could not understand because it was in a "sort of code"

The document, released with the Erasmus special report yesterday, is a letter to Senator Horwood from the former Minister of Information, Dr Connie Mulder, requesting his authorization for R14,8-million for secret Info projects

The request is followed by a detailed breakdown of the amount for various projects These total only R8,1 million

Dr Eschel Rhoodie and Dr Mulder told the commission that this discrepancy was a deliberate tactic, undertaken with the full knowledge of Senator Horwood, to disguise money being channelled into the Citizen Senator Horwood told the commission "I would like to state here cateogically, I had no knowledge whatever of any funds going to the Citizen directly or indirectly "

The commission supported Senator Horwood's evidence It noted that the Citizen project had not been mentioned in the document

Horwood would not study secret Info projects

Political Correspondent

HOUSE OF ASSEMBLY. — The Minister of Finance, Senator Owen Horwood, refused to study secret Information projects when he was invited to displays of the department's activities, in spite of having pressed for details of how money was being spent.

This is revealed in Senator Horwood's testimony to the Erasmus Commission, whose interim report was tabled yesterday

Senator Horwood told the commission he had repeatedly and unsuccessfully asked the department for particulars "so that I could at least have some knowledge of what these projects were"

But he had walked out of both displays "the moment I saw a document" because he knew nothing of the secret projects and could therefore not contribute to any discussion or evaluation of them

The two displays — the first probably in 1975 and the second in 1977 — were attended by the then Prime Minister, Mr Vorster, the former Minister of Information, Dr Connie Mulder, and the former Secretary for Information, Dr Eschel Rhoodie

He told the commission last year that he had been unable to attend one meeting in full, as he had a series of engagements and had asked Mr Vorster to excuse him early

"I noticed on this long table in the conference room a number of publications There were some books, as I recall, and what looked like some periodicals and possibly a few newspapers and so on "

His attention was drawn to the fact that these were some of the publications for which the Department of Information was responsible Dr Rhoodie or Dr Mulder passed him a document and said these were certain projects on which the department was engaged

"I immediately said that I had no knowledge of any projects whatsoever All I knew was that there was an overall project called 'Project Senekal' and I can explain that

"But I knew nothing about the detail of the projects and therefore it could serve no purpose for me to take part if this was going to be a discussion or an evaluation of a whole lot of things the department was doing," Senator Horwood said

He told the commission this month he had no knowledge of secret projects and Dr Rhoodie knew this to be true

Senator Horwood denied specifically knowing the Citizen was state funded He had not been informed of this by Mr Vorster, Dr Rhoodie, Dr Mulder or anybody else, and he had been in Washington when the Cabinet was first informed on September 26, last year

No dancing when blacks present

Political Staff

HOUSE OF ASSEMBLY — The government has banned dancing at "open" sports clubs when black people are present

This was disclosed yesterday by the Minister of Justice, Mr Jimmy Kruger, when he replied to a question which had been tabled by Mr Dave Dalling (PFP Sandton).

Mr Kruger said 68 out of 88 applications for international

Two views of plan to buy newspaper

Political Staff

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5.30: Boekevat
5.34: Stories uit Wolkeland
5.41: Wielie Walie. Elma Potgieter entertains the little ones
6.00: Nuus
6.13: Pippi Langkous. Pippi decides to go to school She's never been before and for this reason she's never had the Christmas or Easter holidays
6.42: Van Bo Af. A series of 12 programmes which takes a lighter look at life
6.49: Van Gister en Eergister. Another series which takes a look at the things people did yesterday Produced by Annie Basson
7.05: Musiek Ken Geen Grense Music from the four

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Mr Kruger said that when liquor, refreshments or meals were supplied or where blacks were admitted as guests "no dancing shall take part in that part of the premises in which such person is present"

These clubs could supply liquor, refreshments and meals to "non-white" people if they were "a competitor taking part in any match or practice on the grounds owned or controlled by the clubs where such a person was an official accompanying competitor taking part in any match and where such a person was a guest of a club member"

Only one application for the international status had been refused and that was by the Maccauvlei Golf Club at Sasolburg

was involved in discussions to purchase the Natal Mercury — but has denied that the government had anything to do with it.

In the interim report of the Erasmus Commission, which was released yesterday, it was stated that the former head of the Bureau for State Security (BSS), General Hendrik van den Bergh, had implicated Dr Koornhof in the takeover bid

However, Dr Koornhof has "testified that he and Morgan did in fact talk about the purchase of the Natal Mercury, but the State had absolutely nothing to do with it

"It was to be an exclusively private undertaking," the report said

General Van den Bergh testified to the commission that "he learnt from Minister Koornhof that he had given instructions to one Morgan to buy the Natal Mercury for an amount of between 4½ and five million rand

"The Natal Mercury is a newspaper owned by SAAN

"According to General Van den Bergh the matter fell through, however, because Mr Vorster said that the State could not buy newspapers," the report said

However, earlier in the report the former Minister of Information, Dr Connie Mulder, is quoted as saying that Mr Vorster, as well as the former Minister of Finance, Dr Nico Diederichs, did discuss the purchase of shares in South African Associated Newspapers

The report says Dr Mulder gave evidence "as follows in connection with a Cabinet committee in respect of the purchase of shares in the South African Associated Newspapers (hereinafter referred to as SAAN)

"To call it a committee is actually wrong because a Cabinet committee is a standing committee of fixed members This was an informal discussion of three ministers (Mr Vorster, Dr Diederichs and himself) from time to time

"On page V1254, he makes the assertion that the purchase of SAAN shares and 'The Citizen' project were never discussed before this 'komitee',' the report says

A ← ← ← ← From page 1

monitored by an informal three-man Cabinet committee

- If such a committee existed previously, this did not implicate present ministers as not one of them knew about it
- Both Mr P W Botha and Senator Horwood had been denied details of secret projects Senator Horwood had not given the department a blank cheque but was confronted with a fait accompli in the allocation of funds
- The testimony of Dr Mulder on the subject of Cabinet knowledge was vague and "in conflict with the real evidence" Letters he claimed proved his case did not mention the Citizen by name and suspicion against Senator Horwood was raised by a man who "told a lie to Parliament"
- Dr Rhoodie's evidence was "meagre and uncertain" and Dr Rhoodie was in any case a fugitive from justice because he knew of the commission's previous findings
- The "pollution" of irregularities did not spread wider than the former Department of Information

The Leader of the Opposition, Mr Colin Eglin, said the report indicated "alarming inefficiency" in financial control but that the PFP would reserve judgment until the final Erasmus Commission report in May

The New Republic Party leader, Mr Vause Raw, said the finding on ministerial knowledge was "not proven" rather than "not guilty", and that the report would not restore government credibility

Further evidence on the subject of Cabinet knowledge will be included in the commission's final report

It also issued a strong warning to witnesses who had already testified that they could "impair their credibility" by making public statements outside the commission or Parliament before the commission had completed its task

sometimes a minimal curtailment"

The commission added. "Thus, according to Dr Rhoodie, after the amount of funds applied for had been decided upon by the hierarchy of secretary, minister and prime minister, the nature of the projects for which they were requested was kept secret within this restricted circle "

The commission found that no member of the present cabinet knew of the financing of the Citizen before the cabinet meeting of 26 September, 1978, "although Mr L S v d V Reynders had already during November, 1977, in the course of his official inquiry into affairs of the said department brought it to the notice of Mr Vorster and others"

It then disclosed that only after the present Prime Minister, Mr P W Botha, the Foreign Minister, Mr Pik Botha, the Minister of the Interior, Mr Alwyn Schlebusch, and the Minister of Economic Affairs, Mr Chris Heunis, had confronted Mr Vorster was the State's funding of the Citizen disclosed to the cabinet

After Mr Retief van Rooyen had told these four ministers about the Citizen, "Mr Vorster was immediately thereafter on the following day confronted by these gentlemen with Van Rooyen's allegation for confirmation, which in fact was so confirmed"

The report continued "The next day Mr Vorster also revealed the facts At a cabinet meeting

"The knowledge of the ministers of the facts in contrast to the unverified allegations of Van Rooyen was therefore furnished by Mr Vorster on the evening before and during the cabinet meeting of 26 September, 1978, on the strength of knowledge which he acquired as a result of the official investigation by Reynders," the report said

May
Buy-Aid
Accounts
(S.E.B.A.A)
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voortrekker rd, parow • tel 92-6100

7.31: Die Beskermers. Starring Nyree Dawn Porter and Robert Vaughn
8.00: News
8.25: Weather
8.32: Profile. An in-depth interview with people in the spotlight Gary Edwards talks to the Postmaster-General, Louis Rive
9.02: Dallas: Reunion Part 1 Bobby Ewing goes to Las Vegas for an oil convention While there he meets his brother Gary who had left home after a fight with Jock and JR Bobby persuades Gary to visit the ranch and see his daughter Lucy
9.25: The Amazing Years of Cinema: The Epics New series which takes a look at that extraordinary era — the first 20 years of the film industry's life Each episode deals with a different category of films and is introduced by a world-famous star Peter Ustinov is your host in this episode which covers the years between 1901 and 1916
10.20: Walk Right In. Variety show mixing music and chat Presented by Mike McGovern and produced by Pat Rogers
10.41: Epilogue

TV last night

THE new comedy series in the English transmission, 99 Caroline Street, was probably the programme most viewers looked forward to seeing last night

The comic possibilities of the trials and frustrations of two girls sharing a Hillbrow flat must be very rich indeed but, whether they can be exploited fully by South African TV seems doubtful. One always feels that the dead hand of the censors lies heavily over such productions

Ken Leach, who adapted and produced the series, might well have a lot up his sleeve which we will enjoy in episodes to come, but last night's first instalment had little originality or humourous appeal

The script was so weak and humourously uninspired that one finds it difficult to believe that the series will have the creative spark to lift it off the ground

Lois Butlin and Annelisa Weiland are both fine actresses, but even they must have found it hard to make something of the tiresome banalities they had to work on

The scene with the mother (Pauline Bailey) was simply embarrassing and the boyfriend episode was heavily overdone The melodrama over the goldfish incident was unnecessary and unreal One couldn't believe that it was intended to be funny

After watching TV since January 1975 I can usually get myself to laugh at almost anything But this first effort I found a complete drag

The next episode, of course, might well be brilliant If so I shall be happy to eat my words But I very much doubt it

Brian Barrow

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● CHOPPED HERRING
● GEFILTE FISH
● PARAVE ICE-CREAM
● SALADS, etc
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MEALS at all times from our comprehensive a la carte menu & daily specials
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weather

CAPE PENINSULA and vicinity Fair and mild to warm Wind moderate to fresh southerly to south-easterly The maximum and minimum temperature will be between 26 and 16°C

Western Cape coastal belt Fine and mild Wind fresh southerly

Coastal belt Sir Lowry's Pass to Plettenberg Bay Partly cloudy and mild Wind light westerly to south-westerly

Namaqualand and the south-western Cape interior Fine and warm

Coastal belt Plettenberg Bay to Port Alfred Fine to partly cloudy and mild

Coastal belt Plettenberg Bay to Port Edward Partly cloudy and mild with light showers this evening Wind moderate south-westerly

Pretoria Witwatersrand and the eastern Highveld Partly cloudy and warm but mild over the Highveld with isolated light showers tonight

Free State Fine and warm but it will be partly cloudy and mild over the northern and north-eastern Free State

Transvaal Fine to partly cloudy and warm but cloudy and mild over the north-eastern parts with drizzle along the escarpment this morning

Natal Partly cloudy and warm

SWA/Namibia Fine and hot but partly cloudy and warm in the north with isolated thundershowers

YESTERDAY'S READINGS

	noon	8 pm
Barometer	1021 6	1020 1
Humidity	68 0	90
Temperature	22 1	18 7

maximum 23 6 minimum 16 2
(At DF Malan 24 hours to 8 pm)
Water temperatures Sea Point 12° Sea Point pool 20° Newlands pool 22° Muizenberg 17°
Hours of sunshine 11 0
Wind (DF Malan) 8 pm S 14 knots
Tides (Table Bay) today
High 0730 2003
Low 0116 1345
Sun sets 1838 rises 0659
Moon rises 1303 sets 2341

WEATHER ELSEWHERE

		min	max
Rome	clear	3	12
Paris	cloudy	7	11
London	sunny	9	17
Madrid	sunny	2	10
Moscow	cloudy	2	4
New York	rain	11	19
San Francisco	clear	11	19
Tokyo	rain	7	11
Hong Kong	rain	18	25
Rio	cloudy	18	30
Lisbon	sunny	9	17

Phases of the moon
Last Quarter April 19
New Moon April 26
First Quarter April 4
Full Moon April 12

1 500 LOUNGE SHIRTS
Monatic, Consulate, Van Heusen, etc Super Sheen, Blendweave, Masterpress New stocks arrived
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'The commission . . . accepted Senator Horwood's evidence'

MR STATE PRESIDENT
May it please you

(a) Commission

1 On March 14, 1979, you issued the following commission·

"WHEREAS I appointed you on November 3, 1978, as a commission to inquire into and recommend on the alleged irregularities in the former Department of Information,

AND WHEREAS on December 8, 1978, I extended your commission until May 30, 1979, in order to enable you to inquire into and recommend on the new aspects and fields mentioned in paragraph 14 487 on the commission's report,

AND WHEREAS it is deemed expedient to investigate into and report on allegations against members of the present Cabinet

NOW THEREFORE, I do hereby extend my commission to the said commission by authorizing you to

inquire into and to report on, not later than March 31, 1979, the question whether any member of the present Cabinet, before the facts were disclosed as a result of inquiries by the government, had any knowledge of the subsidizing of or the rending of other financial assistance to the Citizen by, or of any other irregularities in, the former Department of Information, and

deal in your final report with any evidence in connection with the above-mentioned matter which is brought before you after March 31, 1979 "

(b) Introduction

(1) Warning

2 In terms of the regulations under which the commission functions, it is virtually powerless to act against those who frustrate it in its expectations that persons concerned will consider its position, procedure and activities while it is still engaged in its investigations

3 It wishes to point out, however, and to issue a warning that witnesses who have already given evidence before it in terms of a solemn undertaking under oath not to speak outside about evidence given by them before the commission, may impair their credibility if they speak about it outside the commission and outside Parliament, and that this is a factor that the commission may take into account against such witnesses in the final consideration of their evidence, irrespective of what their motivation may have been when they spread these stories

4 Doubts are expressed in the press as to whether the commission will be able to make other findings on credibility than those it has already made in respect of persons in its report This commission will not hesitate to amend its findings in this connection if it should come to any other conclusion on further and new evidence

findings on actually proven facts

(e) A Cabinet committee

10 The relevant evidence before the commission consists of allegations by individuals regarding irregularities involving a present member of the Cabinet either alone or together with one or more other such Cabinet members As far as the latter aspect is concerned, it is essential to establish whether action was taken through a Cabinet committee in connection with the secret projects of the former department

11 The question thus arises whether there was a Cabinet committee or some or other subcommittee of the Cabinet which concerned itself with the Citizen or some or other irregularity during the relevant time

12. Nowhere in the evidence is

the concept "Cabinet committee" or "subcommittee" defined and it is clear that where two or more ministers were by chance together and came to know of an irregularity or were busy with an alleged irregularity, there can be absolutely no question of a so-called "committee", as no official group tie existed between them

13. **Dr D O Rhoodie**, the head of publications in the former Department of Information, for example, referred to a Cabinet subcommittee in his evidence (1543), which decided about the publication "Multinational Development" He testified that "

die besluit is geneem deur

Bergh's reference to To The Point is concerned, it is clear from the evidence of Mr Jussen that the Department of Information had nothing to do with To The Point during its initial years, and Jussen in any case does not testify about such a committee (1436-1469)

17. **Mr Vorster** (the former prime minister) replied as follows to this evidence by General Van den Bergh (V1955-6)

"Ek het die Kabinetskomiteestorie die eerste maal gehoor nadat mnr Barrie begin ondersoek instel het en dit was in mnr Barrie se teenwoordigheid gesê Ek het onmiddellik ontken dat daar ooit so 'n Kabinetskomitee was Ek weet van geen sodanige Kabinetskomitee wat ooit bestaan het nie

Met ander woorde u ontken ook dat generaal Van den Bergh so 'n rapport namens Rhoodie aan u kom oordra het? — Dit sou gek gewees het, want daar was nie so 'n Kabinetskomitee nie "

18. Thereupon the commission put it to Mr Vorster that Minister Horwood had also testified that he did not know of such a Cabinet committee To this Mr Vorster replied

" die was ook nie in dr Diederichs se tyd nie, want hy het in begin 1975 afgegaan as minister van finansies en toe het Minister Horwood sy plek geneem "

19 **Dr E Rhoodie** testified that his "benadering van die werk was altyd gewees dat die regering, en by name die betrokke minister en die Kabinetskomitee, het sake aan my toevertrou (V1346)" On page V1292 he refers to the "informele Kabinetskomitee wat deur die Eerste Minister (mnr Vorster), dr Diederichs en dr Mulder gevorm is" to approve estimated expenditure

Even if Dr Rhoodie were right, then the existence at that time of a Cabinet committee to which he referred does not implicate the Cabinet at present in existence, as not one of the present Cabinet members knows of it or was involved in it

20. **Dr Mulder** gave evidence as follows in connection with a Cabinet committee in respect of the purchase of shares in the South African Association Newspapers (hereinafter referred to as SAAN)

The chairman of the Erasmus Commission Mr Justice Erasmus

tion' There is no direct evidence that Mr P W Botha knew that

which applies to the matter is found in the record of the evi-

33. Dr Rhoodie's evidence is

"Met ander woorde, dit was

doen gehad het met 'n keuse tussen twee pligte 'n Plig om 'n projek te beskerm waarvan my Eerste Minister weet en wat hy so geheim beskou dat die res van die Kabinet nie ingelig is nie " (V1182)

41 According to this evidence Senator Horwood would also not have been informed, if Dr Mulder had carried out his lofty duties, as he said he did here, by telling a lie in Parliament

42 Dr Mulder's evidence makes it indisputably clear that he cannot be accepted where he tries to upset or evade real evidence The letter dated May 12, 1978, whereby an amount of R7 850 500 was authorized for projects of the former Department of Information, does not *per se* disclose that any of this money would be expended on the Citizen or that the money would be or was irregularly used (V2011)

43 The letter merely refers, in terms of the provisions of section 2(3) of the Secret Services Account Act, 1978, to types of secret projects under which the Citizen may or may not have fallen Instead there is a reference to "Uitgawes en Publikasies" This agrees with Dr Mulder's own evidence that the rest of the Cabinet was not informed about the secret projects because the prime minister regarded the matter as so secret

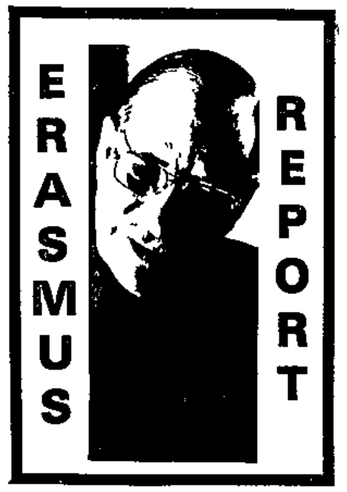
44. Once again, as indicated by General Van den Bergh in his evidence, the money for the Citizen could have been included under "die groot bedrag wat nie geïndentifiseer is nie" (see paragraph 29 *supra* and the letter (exhibit 17D) in which a large amount of other expenditure is given under separate headings See also V11 393 *et sequor*) The Citizen is also not mentioned by name in the document, and this lack of particulars caused the misunderstanding why Senator Horwood first signed and later cancelled it Because he became suspicious and precisely because a number of names of projects without contents were mentioned, Senator Horwood had doubts and cancelled his initials

45. If he had realized that money for the Citizen was included in the amount, he need not have signed the document,

there is no question of a blank cheque which Senator Horwood gave to the Department of Information, and that he is not the auditor-general

51 From the evidence dealt with thus far, it is clear from the different versions, and the commissions's findings thereon, what the evidence of the witnesses was The commission also deemed it of importance, however, to take note of the inherent probability of each version, particularly with reference to what may normally be expected of the minister of finance in the annual determination for the purposes of the estimates of the amount to be allocated to the secret fund of the former Department of Information

The question may, in the opinion of the commission, rightly be asked how it is possible that Senator Horwood could allocate a fixed amount for secret oper-



ations without ascertaining the nature and the use of each project for which the money was requested

52 Irrespective of Senator Horwood's assurance that he was never informed of the nature of the secret projects, the commission therefore also had to satisfy itself that he was in fact every time on application for a certain amount confronted with a *fait accompli* by Information in the allocation of funds

A thorough examination of the documents submitted to us has convinced the commission that this was in fact so The

56. The commission finds on the evidence thus far given before it that Senator Horwood had no knowledge of the project the Citizen during the period concerned in its commission

(g) Transfer to Switzerland of $10 m

57 **General Pienaar**, the then Comptroller, SADF, testified that during September, 1974 at the second session of Parliament he sat next to Admiral H H Biermann, the then Chief of the Defence Force, in the officials' bay of the Parliament building Mr P W Botha entered and spoke to Admiral Biermann The latter then leant over towards him and said that he had to go to the Secretary for Finance, Mr G Browne, to arrange for certain funds to be transferred to Switzerland that same afternoon According to the witness, Mr Browne knew precisely that $10 million had to be so transferred and he authorized it Thereafter the witness telephoned Major-General Strydom and instructed him to transfer the amount with the assistance of the Reserve Bank (657-674)

58 **Mr Browne** testified that he could not remember that he spoke to General Pienaar, but to Admiral Biermann The amount of $10 million was transferred according to the instructions of Dr Diederichs, the then minister of Finance This was done to enable the former Department of Information to purchase the Washington Star in the USA According to Mr Browne this was a highly secret project and the purpose for which the money was transferred was not made known to Admiral Biermann or the Department of Defence, and they would not know it (1313)

59. General Pienaar stated that as far as the Department of Defence was concerned he only had to see to it that the money paid out from the department's special defence account was made good by the Treasury This took place when it was voted in the additional estimates in February the following year He himself did not know for what the money was required, however

60 **Mr P W Botha** testified that he did not know at all for what the Department of Information needed the money As the then minister of defence he was not interested in it He objected to the money going through the Department of Defence to the former Department of Information, but this was nevertheless done at the instance of Dr Diederichs His evidence confirms the evidence of General Pienaar (1894 et sequor)

61 **Admiral Biermann** stated that he could recall the afternoon about which General Pi-

all the evidence brought before it during the whole investigation from its appointment up to May 30 1979

(ii) The evidence

5. The commission has, in order to carry out its commission properly, made all the evidence laid before it, and on which it based its report dated December 6, 1978 (hereinafter referred to as the report) admissible, and in addition has called all further witnesses who could possibly throw light on the matter, for the purposes of this report

6 These further witnesses were called by the commission to answer allegations made against them by previous witnesses, and others came forward voluntarily to give evidence as a result of appeals to persons and bodies by the news media to give evidence if they were in possession of relevant information

(c) References

7 When a page of the transcribed evidence, given before the latest report, is referred to, it will be preceded between brackets by a "V" (for "verslag"), for example (V600) When referring to a page of the evidence given after that report it is indicated between brackets without the "V", for example (801) Where a quotation from evidence is interrupted by a series of dots, for example , this signifies an omission by the commission, and where a word or words appear between brackets in such a quotation, this means an insertion by the commission Where a figure between brackets is broken by a dot this refers to a paragraph in the latest report

(d) General approach

8 In the commission's investigation it was important to it to keep in mind, when called upon to make a finding on credibility, that it is more likely that a minister who had direct dealings with the former Department of Information would have knowledge of irregularities in that department than a minister not directly involved with that department An exception to this rule may be the minister of finance, who, owing to his financial activities, was continually associated with the former Department of Information, and the former prime minister, who is no longer a member of the Cabinet and therefore falls outside this commission

9 Further, the commission kept in mind that it would not be permissible for it to find on hearsay evidence and suspicion alone that any member of the present Cabinet had knowledge of alleged irregularities It would only be able to make its

subkomitee "

Wie het dit vir u gesê? — Ek het die gekorrigeerde proewe deur die bepaalde Kabinetskomiteelede, het ek persoonlik gesien

Ja, sover ek weet — die voorsitter van daardie subkomitee was ook die minister van Inligting en hy en die hoof van die departement het oor daardie publikasie besluit

Ek het nie gesê dat — daar is gepraat oor die besluit,

en sê die besluit in beginsel, sover dit aan my oorgedra is, was 'n regeringsbesluit, met ander woorde daaruit lei ek af 'n Kabinetsbesluit waaruit die Kabinet-subkomitee gevolg het waaruit die minister van Inligting toe met die sekretaris van Inligting bespeek het " (1545-1546)

On page 1549 he testifies "So dit was die departementshoof, 'n rekenpligtige beampte wat sekere besluite geneem het, en byvoorbeeld die gebruik van die outeur, sy vergoeding, dit was 'n besluit wat hy geheeem het in raadpleging met die minister "

14. According to this evidence it is clear that he does not mention which ministers were on the so-called subcommittee,

and it would appear that he calls it a subcommittee of the Cabinet simply because one member of the Cabinet, Dr Mulder, served on it

15 General Van den Bergh testified as follows in connection with a Cabinet committee (V897) he stated that Dr Eschel Rhoodie had told him that the Department of Information had a financial interest in the Citizen His evidence then continues

"Ja, Rhoodie het dikwels gepraat van 'n Kabinetskomitee wat ook weer eens up sy beurt deur Mnr Vorster ontken is

U persoonlik self, weet ook niks van die Kabinetskomitee nie? — Ek het nooit so 'n Kabinetskomitee bygewoon nie Behalwe in die geval van To The Point

Het u die Eerste Minister gevra oor die Kabinetskomitee, of daar so 'n komitee bestaan? — Ja, hy het dit betwis " (V896-897)

16. As far as General Van den is eintlik verkeerd want 'n Kabinetskomitee is 'n vaste komitee van vaste lede Hierdie was 'n informele gesprek van die ministers (mnr Vorster, dr Diederichs en hy self) van tyd tot tyd " (V1253)

On page V1254 he makes the assertion that the purchase of SAAN shares and the Citizen project were never discussed before this "komitee"

21 The Prime Minister, Mr P W Botha, testified that there was no Cabinet committee dealing with matters concerning the former Department of Information and its projects He had, notwithstanding his own knowledge, given special instructions that the matter be inquired into, and the result had been negative

22. Minister Hennie Smit, the Minister of Coloured Relations and Statistics, stated that early in 1977 he had been directed by Mr Vorster to record Cabinet resolutions He is as such minutes member of the Cabinet He was also instructed to establish from the minutes of Cabinet resolutions how many Cabinet committees there are still at present There are 19 of them and there is not one who is connected with the activities of the former Department of Information He produced his report dated March 30, 1978, in this connection to the commission

On the instructions of the commission he also carried out research in connection with Cabinet committees going back to 1975 He could not trace any Cabinet committee in connection with Information He does not know the term "kabinet-subkomitee" at all

23 Mr Vorster's evidence as confirmed by the evidence of Mr P W Botha and Minister Hennie Smit is comprehensive enough to dispel finally the conjectures that such a Cabinet committee existed The commission finds that the existence of such a Cabinet committee is, according to the evidence, thus far on record a figment of the imagination

(f) Implicating evidence in connection with the Citizen

24. This deals with three Cabinet ministers who, according to the evidence, could be implicated — namely P W Botha, the Prime Minister, Senator Owen Horwood, and Minister P Koornhof

25. The evidence implicating **Mr P W Botha** is vague and rests on deductions which could possibly be made by imaginative persons because he was minister of defence and because moneys from which the Citizen was financed came from funds which were channelled by the Department of Defence to the former Department of Information

Mr P W Botha denied that he had such knowledge (V1542) The commission accepted his evidence and furnished reasons in the report (V10 338 *et sequor*)

26. The evidence implicating Minister Koornhof is given by **General Van den Bergh** He testified that he learnt from Minister Koornhof that he had given instructions to one Morgan to buy the Natal Mercury for an amount of between R4½ million and R5 million (V863) The Natal Mercury is a newspaper owned by SAAN According to General Van den Bergh the matter fell through, however, because Mr Vorster said that the State could not buy newspapers (V864)

27 Minister Koornhof testified that he and Morgan did in fact talk about the purchase of the Natal Mercury, but the State had absolutely nothing to do with it It was to be an exclusively private undertaking (Evidence not yet transcribed)

28 The only evidence implicating Minister Horwood in connection with the Citizen comes from General Van den Bergh, Dr Mulder and Dr E Rhoodie

29 General Van den Bergh's evidence reads

"Dat met die laaste begroting het Rhoodie al sy projekte getabuleer met koste daaraan verbonde, maar daar was 'n groot bedrag wat die nie geïdentifiseer is as behorende aan 'n spesifieke projek nie, met ander woorde wat volgens hierdie staat in dielig gehang het, en Horwood het dit geteken, goedgekeur Nou sê Rhoodie, hulle het dit nie op skrif gesit nie, maar Horwood weet dit is vir die Citizen Of hy dit weet, weet ek nie " (V906) This evidence is hearsay and no weight can be attached to it

30. Dr Mulder's evidence Dr Mulder testified that Senator Horwood knew that the money requested in the letter dated March 12, 1978 (Annexure D), (which was also referred to in the BBC-TV interview with Dr Rhoodie on March 21, 1979), was *inter alia* also intended for the Citizen, and that the letter, exhibit 17AS, was deliberately so vaguely framed

31 Senator Horwood specifically denied this and he also denied the evidence in connection with the other preceding letter, exhibit 17D See Annexure A The commission in its report (V11 399) dealt with this contradictory evidence and accepted Senator Horwood's evidence for the reasons stated in that paragraph No further evidence in this connection came to the notice of the commission on which the commission could amend its finding in the report

32. Dr E Rhoodie, on V1761 of his evidence, testified as follows on Senator Horwood's knowledge of the Citizen

"Volgens u mening, wie was eintlik die stigters van 'the Citizen' gewees? — Dit was 'n kollektiewe verantwoordelikheid waaraan ekself, die minister van inligting en mnr Vorster deel gehad het

"So die drie van u is eintlik die stigters daarvan? — Ons dra kollektiewe verantwoordelikheid

"Ja, daar gebruik u die meervoud Die drie van u Nou, dit was van die begin af die idee dat die koerant uit staatsfondse gefinansier sal word — Ja meneer die Kommissaris

" En dan later het mnr Horwood ook daarvan bewus geword, of was hy van die begin af bewus daarvan? — Dit kan wees in geval dr Mulder hom voor die tyd ingelig het Ek kan dit nie bevestig nie "

Senator Horwood knew of the fact that the Citizen was financed with State funds as he was supposed to be present in November, 1977 — the last part of the financial year — at the report-back meeting of Mr Vorster (V1655 to V1658) Dr Rhoodie at one stage testified that the Citizen was mentioned by name at this report-back meeting (V1655) Senator Horwood denied that the Citizen was mentioned or discussed there in his presence

34 Dr Rhoodie's evidence on this reads further

"So het hy dit eintlik hier in die laaste helfte van die boekjaar uitgevind? — Nee, hy het geweet daarvan vroeer Wil u sê dat hy geweet toe die begroting voorgele was? — Ja Alreeds vir 77/78? — Ja, volgens wat my minister my meegedeel het weet hy al daarvan

Volgens u minister u meegedeel het? — Ja "

35 In the consideration of this difference between the evidence of Dr Mulder and Dr Rhoodie on the one hand and Senator Horwood on the other hand, one must look *inter alia* at the decisiveness with which they respectively gave their evidence Dr Rhoodie relies to a great extent on Dr Mulder who was supposed to have told Senator Horwood about the Citizen

36 Senator Horwood is direct, straightforward and decisive He testified

"I would like to state here, sir, categorically, I had no knowledge whatever of any funds going to the Citizen directly or indirectly or in any other way" (V1927)

37. When Dr Mulder's evidence was tested why he said that Senator Horwood knew and he had told him about it, it read thus

doelbewus so vaag gestel is? — Omdat die amptenary nie geweet het nie, maar ek en jy (Senator Horwood) het wel geweet

"Nou in 1978; Februarie 1978, was Minister Horwood toe alreeds ingelig oor die Citizen projek deur uself? — Ek kan nie outhou nie Ek weet nie by watter geleentheid hy ingelig is, laat ek so sê, by watter geleentheid hy presies ingelig is in die Citizen projek, kan ek nie, ek kan nie, Here, u vra my onmoontlike vrae Ek weet nie wanneer hy ingelig is nie Ek weet nie by watter geleentheid hy ingelig is nie Ek kan dit werklik nie vir u sê nie Ek weet nie Ek kan nie outhou nie Laat ek so sê, die feit is dat tussen my en die Eerste Minister en mnr Horwood was daar geen geheime in verband met die projekte nie " (V2003)

38 But Dr Mulder's evidence, apart from its vagueness, is always in conflict with the real evidence He always wants to tell other stories than the correspondence before the commission actually discloses Dr Rhoodie's letter dated February 4, 1977, to the secretary for the Treasury contradicts the spirit of the final paragraph of his evidence above

39. The second paragraph of the letter (exhibit 17E6) reads

"My minister het my vandag meegedeel dat hy nie bereid is om besonderhede van projek Senekal (dit sluit 'the Citizen' projek in) te openbaar nie Hy doen jaarliks volledig verslag aan die Eerste Minister self "

40 In harmony with this letter he testified further, when he had to give an explanation on a reply in Parliament, that the Department of Information did not finance a newspaper

"Ek wil beweer dat ek hier te first signed the document and then cancelled his signature is not consistent with an allegation that he knew beforehand that the funds requested were intended *inter alia* for the Citizen According to the reasons advanced by him why he cancelled his initials, he did not even have knowledge of that fact after the cancellation of his signature

46. Dr Mulder testified that Senator Horwood was present on various occasions when some of the projects were discussed Senator Horwood acknowledged that he was present on two occasions, namely in the prime minister's office and conference room, where he saw some of the secret projects and where some were spoken about but not discussed in his presence According to him there was, in any case, no specific reference to the Citizen but to projects in general

Dr Mulder gave evidence about a committee which was supposed to have discussed the projects and which consisted of Mr Vorster, the Minister of Finance, and himself, and said "Die Citizen projek as sodanig was nie in hierdie komitee bespreek nie " (V1253)

45 No acceptable evidence was placed before the commission that the Citizen specifically was brought to Senator Horwood's notice before September 26, 1978 It is not sufficient to allege vaguely that he knew about the project which was financed by the State Such vague statements at best arouse a suspicion, particularly because Senator Horwood is Minister of Finance

48 The commission cannot condemn Senator Horwood on suspicion alone, however, especially where the suspicion is aroused by the allegations of Dr Mulder, who had to admit that as Minister of Information he had told a lie to Parliament in connection with the newspaper (V1179 to V1181) Further, the commission found that he had in an irregular manner brought pressure to bear on Reynders to publish a false and hasty report in order to achieve his purpose (See V11 376-to V11 387)

49 On the other hand, the commission can also not condemn Senator Horwood on the meagre and uncertain evidence of Dr Rhoodie The latter is a fugitive from justice in foreign countries because he knows what the commission's findings in respect of him were (See V11 413)

50. A further question is whether Senator Horwood was not negligent because he apparently did not inquire in the greatest detail how the designated funds would be employed by the former Department of Information In this connection it should be remembered that it was precisely the policy of the Department of Information to keep the projects secret, that ter what the estimated funds for the coming year would be, and then discussed this with the prime minister (Mr Vorster) (according to Dr Rhoodie himself) Only after the prime minister had put his stamp of approval on the amount was Senator Horwood simply informed that the amount had been determined in consultation with the prime minister, and Senator Horwood had no other choice than to include the amount in his estimates, with sometimes a minimal curtailment (See especially exhibit 17D and exhibit 17E(1), (3) and (4) which are attached as Annexures A and B respectively)

53 Thus, according to Dr Rhoodie, after the amount of funds applied for had been decided upon by the hierarchy of secretary, minister and prime minister, the nature of the projects for which they were requested was kept secret within this restricted circle When the minister of finance was then approached to obtain the amount, certain projects were mentioned under code names, others under type names and others not at all Thus it happened that the amount of money according to Annexure A, when the amounts stated therein are

added together, appears to be far less than the amount requested The difference is not identified in the letter, as according to Dr Rhoodie it was in fact intended for the Citizen

54. Judged on the basis of these facts it appears that Senator Horwood's evidence is completely supported by the probabilities outside his own evidence See Senator Horwood's evidence attached hereto as Annexure C Pages V1899-1904, V1930-1934 and 1860-1878

55 The commission has found that he did not know of the existence of the Citizen and if he did not know this it is difficult to determine where his investigation in connection with the misapplication of funds with regard to the Citizen had to begin or end The Citizen was, as the document indicates, kept secret or dark from him, and in all fairness one does not expect him to search for a black cat in a dark room where he has no knowledge of the cat

Botaa had signified his dissatisfaction with the principle that money be transferred through his department to another department, was that $10 million be transferred to the Union Bank in Switzerland, presumably for the purposes of the former Department of Information Neither he nor his department knew how the Department of Information would utilize the money (1851) They were only concerned about one thing and that was to get it back, which took place in February, 1975 This money did not form part of project Senekal (1856)

62. The commission found on all this evidence that the present prime minister did not know for what the Department of Information required or utilized the money and that he was not interested in it These were the functions of another department The commission is still investigating the question whether all the money was returned to the Republic of South Africa

(h) Dr Rhoodie buys his own office furniture without calling for tenders

63. General Van den Bergh testified that Dr Rhoodie bought a number of items of furniture from Rhoodie's office at the Meent in Pretoria and gave the cheque for these to Mr Hein Schaeffer (V987) Dr Rhoodie gave a cheque to Mr Hein Schaeffer, who acted as intermediary, and Schaeffer gave his cheque to Reynders General Van den Bergh's evidence then continues

"O, ek het nooit vir u gesê nie, ons het, met toestemming van die Eerste Minister en Minister Horwood, en Danie van Huyssteen, 'n rekening oopgemaak onder die dekkingsnaam van Campbell en 'somebody' in Volkskas Bank en daardie geld is toe daarin betaal "

64 Senator Horwood testified that he had no knowledge of the said allegations and he denies that he ever gave his consent to such an account Mr Vorster testified that he did not give his consent for the furniture to be sold to Dr Rhoodie, and consequently he did not give evidence about the alleged bank account The commission found General Van den Bergh's piece of evidence to be a figment of the imagination He did not appear at all certain about the presence of the alleged persons who were supposed to have given consent, and did not stipulate the place and the occasion where this was supposed to have taken place

65. But even if it should be true, there is no evidence that Senator Horwood knew that the furniture was supposed to have been sold by General Van den

Continued on page 5

The State President, Mr Vorster

The Minister of Finance, Senator Owen Horwood

CT. (259) 3/4/79

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BIERFEST
WITH FAMOUS AUSTRIAN BAND
OLD DRILL HALL
MARCH 29 - APRIL 7
NIGHTLY FROM 6p.m.
SPONSORS REEDS CHEVROLET

On the basis of the evidence given . . .

Continued from page 4

Bergh to Dr Rhoodie without the proper invitation of tenders and in conflict with Mr Vorster's orders

(i) Grand Prix

66 General Van den Bergh stated that as a result of a discussion he heard, he thought that the sponsorship of the grand prix in 1976, which was provided by Louis Luyt on behalf of the Citizen, was in fact State money (V898), and he understood that the grand prix was sponsored by the Citizen at the request of Minister Koornhof This is hearsay evidence, but the commission nevertheless called Minister Koornhof, the then Minister of Sport and Recreation, to give evidence on it

67. Minister Koornhof's evidence, which has not yet been transcribed, is to the effect that he approached the Treasury to sponsor the motor race He did not succeed in this, however, and because he did not want to lose the grand prix for the RSA he decided to turn to the private sector

68. The persons whom he intended to approach in this regard were Mr Harry Oppenheimer, Mr Louis Luyt and Dr Anton Rupert He could not find Mr Oppenheimer and telephoned Mr Luyt Mr Luyt later telephoned him back and assured him that he would personally undertake to sponsor the motor race

69. Approximately a year later he learnt for the first time that Mr Luyt had, through the Citizen, sponsored the grand prix This astounded him and he testified that if this was an irregularity it was not his fault, but that of Mr Louis Luyt He was left completely in the dark by Mr Luyt and was *bona fide* in his actions The commission accepted his evidence

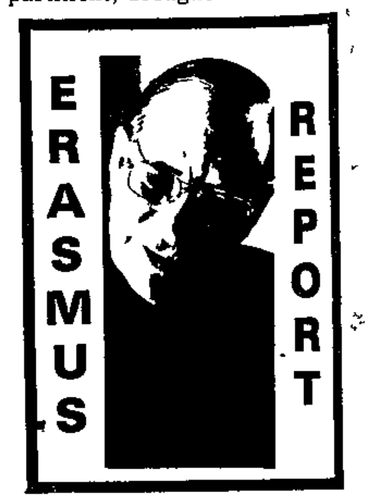
(j) Relevant irregularities

70 The above-mentioned incidents of alleged irregularities were the only ones in respect of which there was evidence which could possibly implicate members of the present Cabinet During the inquiry no other such incidents were brought to the notice of the commission in which present Cabinet members were involved

(k) Finding

71 (a) On the basis of the evidence given before the commission and subject to paragraph (b) below, the commission finds that no member of the present Cabinet had any knowledge of

(i) the subsidizing of or the rendering of other financial assistance to the Citizen by the former Department of Information before the former prime minister, Mr Vorster, at a Cabinet meeting on September 26, 1978, brought it to the notice of Cabinet members, although Mr L S v d V Reynders had already during November, 1977, in the course of his official inquiry into the affairs of the said department, brought it to the notice of Mr Vorster and others, or



(ii) any other irregularities in the said department before these were disclosed to Parliament

(b) Evidence was given before the commission by the Prime Minister, Mr P W Botha, and Ministers R F Botha, A Schlebusch and C Heunis that Advocate R van Rooyen told them on September 24, 1978, of a number of irregularities in respect of the former Department of Information, *inter alia* that the Citizen was being financed by State funds Mr Vorster was immediately thereafter on the following day confronted by these gentlemen with Van Rooyen's allegation for confirmation, which in fact was so confirmed

The next day Mr Vorster also revealed the facts at a Cabinet meeting The knowledge of the ministers of the facts in contrast to the unverified allegations of Van Rooyen was, therefore, furnished by Mr Vorster on the evening before and during the Cabinet meeting on September 26, 1978, on the strength of knowledge which he acquired as a result of the official investigation by Reynders

(1) Indication pointing the direction of the findings

72. Although the commission of the (Erasmus) commission was to investigate alleged irregularities in the former Department of Information, the findings in this report unmistakably indicate that the pollution does not spread wider than that department

73 The information on irregularities submitted to the commission and processed assume a vertical and not a horizontal structure The investigation goes from below to above, although the consequences affect a wider level

74. The nature thereof is well illustrated in this report For example, the then minister of defence is literally compelled to channel State monies for the former Department of Information through his department, and how the money is spent is kept a secret from him The minister of finance, who has to authorize the funds, has dust thrown in his eyes by not mentioning projects by their names but including them under typenames

The minister of sport and recreation approaches a businessman to sponsor a motor race The man readily agrees but little does the minister know that the man liaises with the former Department of Information and obtains the sponsorship money from that department

75 Further evidence which may appear relevant to this finding and which might be given after the date hereof will, in terms of the commission of the commission, be dealt with in the final report.

(m) Recommendation

76. The commission recommends that this report with annexures be released

(n) Submission

Mr State President, it is an honour and it is with satisfaction that the undersigned commissioners herewith submit a unanimous report to you

Dated at Cape Town on this 30th day of March, 1979

Signed R P B Erasmus, Judge and Chairman

G F Smalberger, SC, Member

A J Lategan, SC, Member

EXHIBIT 17D

Ministerie van Inligting
Ministry of Information
Privaatsak 9056
KAAPSTAD
8000

UITERS GEHEIM
Geen afskrifte

Sy Edele O P F Horwood,
Minister van Finansies,
Hendrik Verwoerdgebou 317,
Parlementstraat,
KAAPSTAD
8000

Geagte (onintelligible)

Hierdie brief bevat besonderhede van projekte van die Departement van Inligting wat uit die geheime rekening gefinansier word. Vir die doeleindes van Artikel 1 van die Wet is dit noodsaaklik dat ek jaarliks voor 30 September 'n begroting van uitgawes aan u beskikbaar moet stel ten opsigte van lopende pro-

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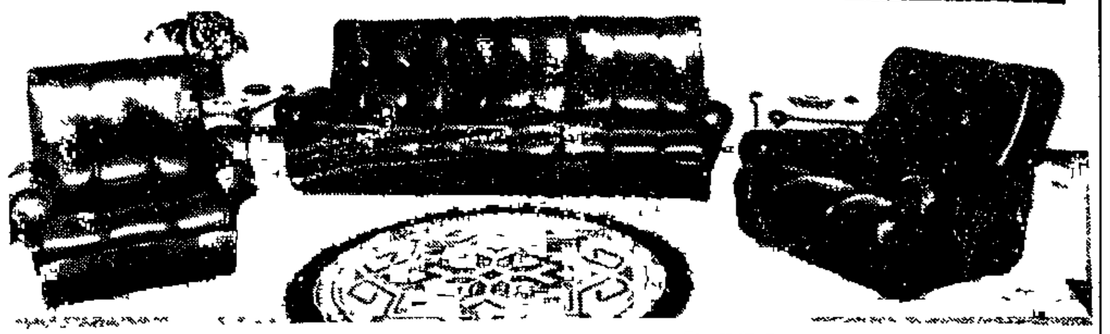

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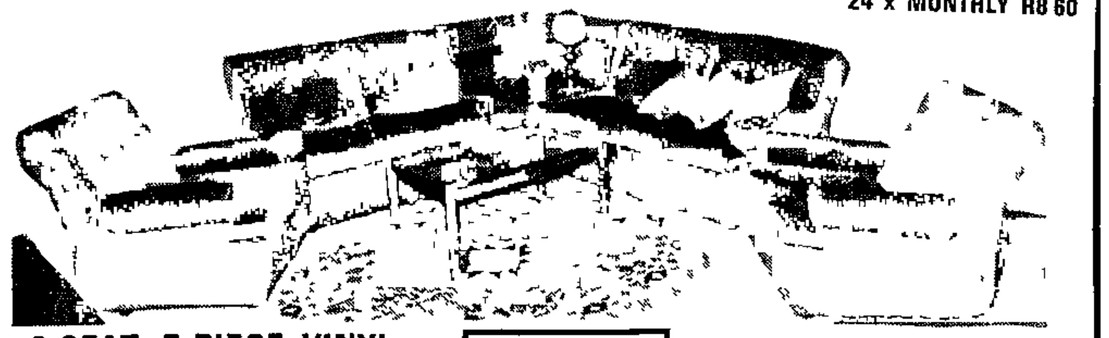

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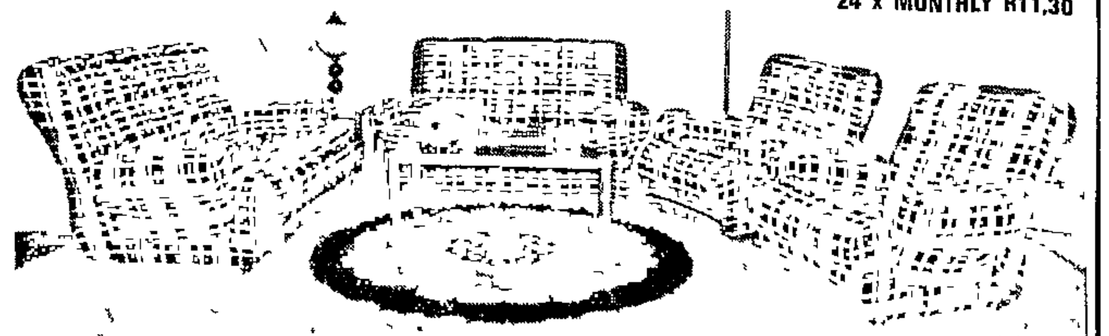

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die nodige besonderhede voorsien word

Aangesien dit as gevolg van die tydsfaktor vanjaar nie moontlik was om hierdie opgawe aan u beskikbaar te stel voor 30 September nie, is daar wat die boekjaar 1978/79 betref, dus reeds mondelings volledig aan die Eerste Minister verslag gedoen, waartydens u ook vir ongeveer een-derde van die verslagtydperk persoonlik teenwoordig was Daarna het die Sekretaris van Inligting sy skedules ook aan die Sekretaris van die Tesourie en sy twee adjunkte, mnr Sarel du Plessis en mnr Kurt Pretorius, getoon In u opdrag is die totale bedrag van projekte vir 1978/79 afgeskaal na R14,8 miljoen

Dit is hierdie projekte wat nou hieronder uiteengesit word Die kodename van sommige projekte word gebruik en in ander gevalle word die werklike name aangedui Verder word aanvaar dat, indien 'n bepaalde projek weens onvoorsiene omstandighede sy toewysing sou oorskry terwyl 'n ander projek weer minder kos, daar van een subhoof na 'n ander oorgedra mag word, soos in die geval van die oopbegroting

Then follows a list of secret project, their financial authority, and the amounts They are

G2 R400 000, G2A R1 000, G2 E R1 000, G2 G R1 000, G5 and G16 D R13 000, G6 R300 000, G7 R150 000, G8 A R250 000

G8 B R20 000, G8 C R470 000, G8 D R215 500, G8 E R20 000 G9 R30 000, G10 R100 000, G11 A — G11 B R60 000

G11 C R320 000, G11 D — G12 — G14 — G15 R10 000; G16 A R25 000, G16 F R6 000 G16 H R20 000

G16 K — G16 L R6 000, G16 M — G16 N — G16O — G16 P R500, G16 Q R1 000, G17 A R500 000

G17 B R500 000, G18 R50 000, G19 R100 000, G20 A R150 000 G20 B R60 000, G20 C R1 000 G20 D R1 000, G20 G R1 000

G20 H R75 000, G21 A R30 000 G21 D — G21 F R13 000, G22 R200 000, G23 R200 000, G25 R1 300 000, G26 A —

G26 B R19 000, G26 C R6 000, G26 D R5 500, G26 E R12 000 G26 F R21 000, G 26 G R13 000, G26 H R11 000, G26 J R25 000

G26 K 10 000, G26 L R105 000 G26 M R4 000, G26 N R7 000, G26O R5 000, G26P — G26R — G27 R70 000

G28 R45 000, G29 R42 000, G30 R25 000, G31 R100 000, G32 R200 000, G33 R5 000, G34 A R160 000, G34 D R5 000

G34 E R130 000, G35 R20 000, G36 R2 000, G24 — G43 R5 000, G44 A — G44 B R100 000, G44 C R12 500

G44 E R12 000, G44 G R20 000 G45 R153 000, G47 R5 000, G48 R10 000, G52 R120 000, G61 R5 000, G62 R5 000, G65 —

G73 R200 000, G75 R37 000, G76 R50 000, G77 R25 000, G78 R1 000, G79 R25 000,

Continued on page 6

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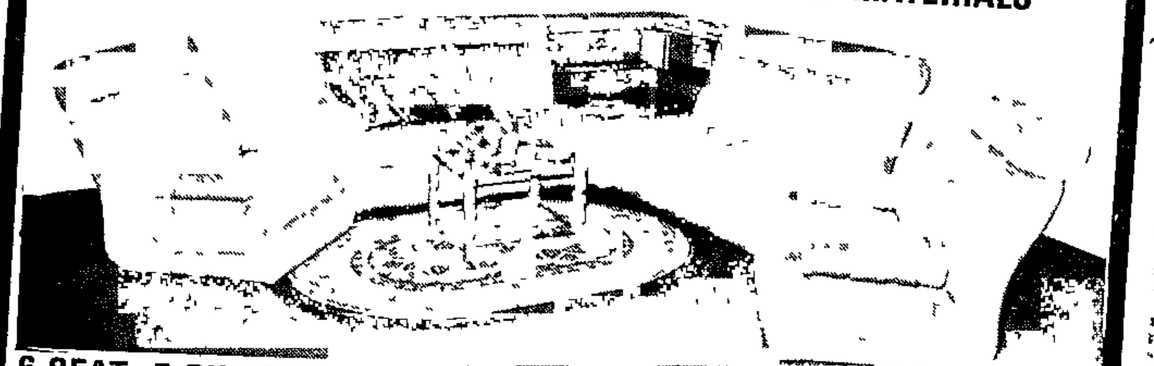

6-SEAT, 7-PIECE VINYL (Corner table with bookshelf included)

SALES TAX INCLUDED

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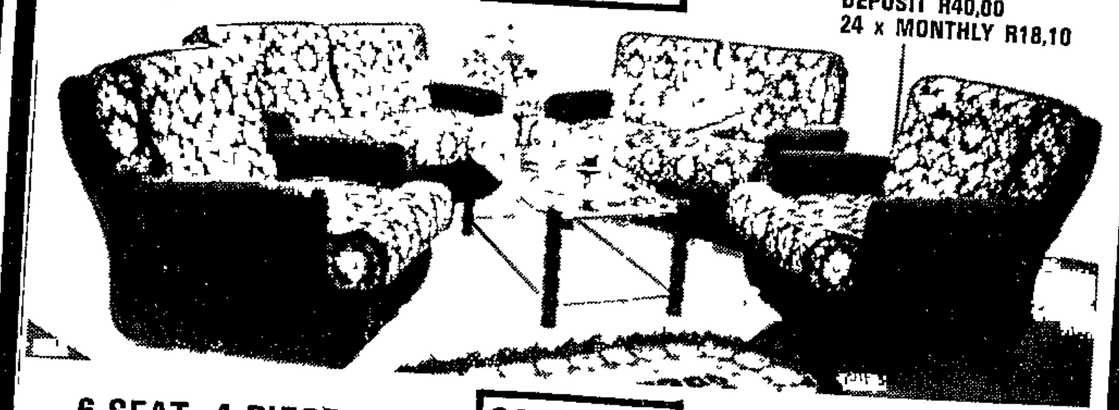
DEPOSIT R40,00
24 x MONTHLY R18,10



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Citizen project never discussed in my presence — Horwood

Continued from page 5

G80 R30 000, G81 R1 000, G82 R28 000, G83 R10 000

G84 R500, G85 R1 000, G86 — G87 R400 000, G88 R100 000, G89 — G80 R30 000, G91 — G92 — G93 R280 000

G94 R10 000, G95 R1 000, G96 R1 000, G97 R1 000

Ek sal dit op prys stel indien u elke bladsy van hierdie uiteensetting sal teken sodat met die projekte voortgegaan kan word

Die program vir die boekjaar 1979/80 sal betyds voor 30 September met u bespreek word en die nodige skriftelike uiteensetting van lopende projekte waarvoor ministeriele goekeuring dan ingevolge artikel 2(3) van die Wet reeds sal bestaan, asook nuwe projekte wat beoog word en waarvoor ministeriele goedkeuring aangevra word

Aangesien alle projekte wat hierbo uiteengesit is reeds bespreek en goedgekeur is met die uitsondering van die Rhodesie aksieprojek, sal ek dit besonder op prys stel indien u die Sekretaris van die Tesourie kan meedeel dat hierdie bedrag aan die Departement voorsien kan word Die Sekretaris van die Tesourie se skrywe aan die Sekretaris van Inligting in hierdie verband is genommer B8/5/2 van 12 April 1978

C P Mulder

Initials and signature to this letter herewith cancelled (see my letter to Dr C P Mulder of 4 May 1975)

O P F Horwood
4/5/1978

ANNEXURE B
Exhibit 17E

UITERS GEHEIM

13 12 1976

Sekretaris van Inligting
Privaatsak X152
PRETORIA
0001

PROJEK SENEKAL

U Minister is bewus van en stem saam met Sy Edele die Eerste Minister se opdrag dat die Sekretaris van die Tesourie van alle finansiele transaksies kennis behoort to dra — ook die wat onder bogenoemde kodenaam gevoer word

Dit sal waardeer word indien u die nodige stappe sal doen om my, indien moontlik vóór my vertrek uit Pretoria op 15 Desember 1976, op hoogte van sake te bring

A J PRETORIUS
Sekretaris van die Tesourie
10 12 76

UITERS GEHEIM

Die Sekretaris van Inligting
Privaatsak X152
PRETORIA
0001

PROJEK SENEKAL U37/van 18 November 1976

1 Nóg die Minister van Finansies nóg die Sekretaris van Finansies dra kennis van die besluit waarna in paragraaf 2 van u

The former secretary of the now-defunct Department of Information, Dr Eschel Rhoodie

met die inhoud van my diensbrief C1/17/2(UG) van 2 September 1976 aan u

U aandag work ook gevestig op die aangeleentheid geopper in my skrywe van 13 Desember 1976 oor die verstrekking van besonderhede oor die projek

A J PRETORIUS
Sekretaris van die Tesourie

ERASMUS REPORT

UITERS GEHIEM
DEPARTEMENT VAN INLIGTING

24 1 77

PER HAND

1 Dit spyt my maar oenskynlik is daar steeds 'n misverstand oor die bedrag wat vir 1977/78 aan u beskikbaar gestel word Die Minister van Finansies het my na aanleiding van u bogemelde diensbrief nou meegedeel dat die oorspronklike toekenning van R15 m vir 1977/76 op versoek van die Eerste Minister verhoog is na R17 m om voorsiening to maak vir die R2 m wat van die Eerste Minister se begrotingspos vir 1976/77 oorgeplaas is My Minister deel my ook mee dat hy nie 'n onderneming gegee het dat hierdie bedrag in die Addisionele Begroting vir 1977/78 met R3 m tot R20 m aangevul sal word nie

2 Wat die huidige boekjaar betref, volstaan my Minister by die R14 m wat reeds goedgekeur is Die R2 m wat van die Eerste Minister se begrotingspos oorgeneem en reeds bestee is, sal dus, soos hierop aangedui, eers in 1977/78 vergoed word uit die R17 m toekenning vir daardie boekjaar

3 Ek sal dit waardeer as u die nodige geskrewe besluit van u Minister sal verkry oor die kwessie of inligting oor die finansiele transaksies verbonde aan die projek aan die Tesourie bekend gemaak mag word

1 Die projek wat ek namens die Eerste Minister finansier is 'n paar jaar gelede begin en loop eers tydens die boekjaar 1977/78 ten einde Derhalwe is dit net onbegryplik dat, en vanjaar (1976/77), se geld eers volgende jaar ontvang Waar moet ek dan die R2 m vir 1977/78 kry?

2 My Minister het my vandag meegedeel dat hy nie bereid is om besonderhede van projek Senekal te openbaar nie Hy doen jaarliks volledig verslag aan die Eerste Minister self

3 Ten einde die voorgaande twee probleme uit te stryk, stel my Minister voor dat hy en die Minister van Finansies hierdie saak op ministeriele vlak saam by die Eerste Minister uitklaar Indien u akkoord gaan, sal ek vir die ontmoeting reel

Mnr DU PLESSIS
Sekretaris van Inligting

Annexure C

Extracts from the evidence of Senator Horwood

"Senator, were you present at that meeting?"

"Yes, as I say I can't tell you if it was in November, but I was present at a meeting with the prime minister, Dr Eschel Rhoodie, General Van den Bergh, Dr Mulder

"Those were the people that I recall May I just explain to you, Mr Chairman, that I was asked very late My recollection is, if it is correct, and I think it is, that my secretary informed me just before lunch that the prime minister had asked that I come over to the conference room about half-past two And I had a pretty heavy afternoon of engagements and I arrived a little late, and when I went in tea was being served, and I

ERASMUS REPORT

some of the publications that has been (*sic*), that this department had been responsible for

" We drank tea and I then told the prime minister that I had a very important engagement at three o'clock, and that I would have to leave before 3 pm And may I just continue? Then my recollection is that those gentlemen who were there at the table and some documents and a document was, as it were, passed my way And then Dr Rhoodie, if I remember correctly, it was either Dr Rhoodie or Dr Mulder, but I think it was Dr Rhoodie He said that what they were doing, they were already busy because I came in late, they were looking at certain projects that the department was engaged with

"I immediately said that I had no knowledge of any projects whatsoever All I knew was that there was an overall project called Project Senekal, and I can explain that But I knew nothing about the detail of projects, and therefore it could serve no purpose for me to take part if this was going to be a discussion or an evaluation of a whole lot of things the department was doing

"I then asked how many projects were on the list, and they said nearly 150 And I immediately said

" 'But that sounds a tremendous number Surely we should cut down on such a large number of projects if they are to be handled by one department?' I was a little disturbed to hear 150 And they said well, there were very busy and they were doing this to add to the other, and I repeated quite clearly that I could not take part usefully in any evaluation of any project, and I then said to the prime minister I would have to be asked to be excused because I had a very important engagement, which I recall to this day, and I left the meeting "

Chairman: So your reply to that is

1. You never took part in any discussion there? — Ja

2. You did not express your opinion, and

3. You were surprised to hear that there were so many projects and you had to asked to be excused? — That would sum it

dence of Dr E M Rhoodie) the following

78/79? — En dit was wanneer gewees?

Vroeg in February 1978 — 78 February this year Net a oomblikkie, 77/78, dan antwoord dr Rhoodie "78/79, meneer die voorsitter Dit was 'n skriftelike voorlegging aan my minister en van my minister aan die minister van finansies My minister het die dokument aan die minister van finansies voorgelê en dit is goedgekeur deur die minister van finansies Sy handtekening is op die dokument en op elke bladsy Daardie dokument sal in die hande wees van mnr Braam Fourie Die stukke sal hier wees "

"Maar is die Citizen in daardie voorlegging genoem," word gevra Hy antwoord, "die finansiele implikasies is daarin genoem " Dan vra ek, "net 'n oomblik dr Rhoodie, is die Citizen by name in daardie dokument genoem?" Hy antwoord, "Nee, hy is nie by name genoem nie, maar dit kom voor in die verskil van die twee bedrae As u al die bedrae optel, is dit minder as die bedrag wat die minister van finansies goedgekeur het en daardie bedrag verteenwoordig die som wat ons verskuldig was aan Volkskas vir die oortrokke rekening

Voorsitter: "Maar dis nie gesê ten opsigte waarvan hierdie oortrokke rekening is nie " Hy antwoord, "die minister van inligting het my meegedeel dat hy dit met the minister van finansies bespreek het, en dit is waarop besluit is om dit so te notuleer "

Chairman: Just so far It is difficult to remember all that Try and put the question first, and thereafter you read the passage for the witness to reply to

Mr Van Zyl: Mr Chairman, I summarized what I put to the witness

On page 1657 "En daarvolgens blyk dit dat daar 'n verskil is tussen watter gelde? Die totale bedrag goedgekeur en die bedrag wat 'n mens bereik wanneer jy al die individuele projekte optel, dit, die verskil was ongeveer 5 tot 6 miljoen, in die omgewing Ja, maar het hulle geweet waarvan die verskil daar was? Die minister vir Finansies

ERASMUS REPORT

gather from this that certain Budget proposals were put before you for authorization in the course of February, 78? In this document containing these proposals, certain projects were named and certain amounts, according to these projects were shown Now if you add the projects, the number of projects, if you add it to get a total, it would be less than the total amount authorized, and according to Dr Rhoodie the difference is in the vicinity of R5 million to R6 million, and he said this difference was discussed with you and that was for paying back an overdraft facility of the Citizen at, I think, Volkskas Bank?"

"Mr Chairman, this is, as I understand it, it said that this document was put forward in order to allow me to make provision for Information Department expenditures on these projects in 1978/79, and that this was done in February of this year I have no recollection whatsoever of any document setting out the details of the secret projects being put before me at that time, or at any time before the Budget of March, 1978, none whatever And I would like to say that to my recollection, that all that we were given in Treasury for budgeting purposes was the global amount as it was done each year Whether it was 15 million or 14 million, sometimes they came, they wanted 20 million, which I cut down, once they came they wanted 23,9 million

"I cut it down severely, but I have no recollection whatsoever of any document, documents setting out the details in order to arrive at a figure which

The former minister of the now-defunct Department of Information, Dr Connie Mulder

might fall short of some other amounts, and that the balance would be money that would be for any other purpose whether the Citizen or not Under no circumstances whatsoever was that brought to my attention, and I wish to state that emphatically "

Mr Horwood: "Mr Chairman, I know you are very busy and rushed May I just hand something in? What worries me is the implication that I am obtaining from some of these things that I apparently agreed about these projects, and there is a clear implication that at some point I knew something about the Citizen Which I have denied And in fact, time and again I sought to obtain information from the Department of Information even if it were in reasonably general terms as to what was going on It got to the point where in 1976, when we were dealing with the 1977/78 projects

"We start these things in August the previous year Right on from August, right through, we're dealing with the construction of the budget that was introduced the following March The expenditure side takes an

did that, and Dr Rhoodie refused to give any information, he said this is absolutely secret A little later I repeat, and tell him to get that, he says no, he refuses I said ask him again, he refused It dragged on through 1976 Eventually I said put it in writing

"Mr Chairman, there would be other correspondence, but

ERASMUS REPORT

perhaps this is sufficient When it goes towards the end of the year I was really disturbed about this So on December 13, 1976, the secretary of the Treasury wrote to the secretary for

Pretoria op 15 Desember 1976, op die hoogte van sake to bring, dit is nou projek Senekal, en dit hou verband met al die vorige versoeke wat gekom het, gerig is deur hom aan dr Rhoodie vir sekere inligting in verband met die dinge, dat ons darem kan voel ons het 'n sekere gedagte waaroor dit alles gaan, ons was totaal in die duister, en waar ons op die punt gestaan het dat ons sou Kaap-toe gaan, het ek gevoel nou moet ons hierdie ding tot 'n konklusie bring Ja, toe was daar 'n ander brief, weer op die dertiende, van die sekretaris van die tesourie aan dr Rhoodie en daar is ook net 'n paar dinge wat relevant is En dan op die 21ste Januarie het mnr Pretorius weer aan dr Rhoodie geskryf en hy se onder meer "U aandag word ook gevestig op die aangeleentheid geopper in my skrywe van 13 Desember 1976, oor die verstrekking van besonderhede oor die projek Dit is projek Senekal" "

Chairman. "Now, that will be Exhibit 17F "

Mr Van Zyl "Mr Chairman, I think we can hand in all those letters as Exhibit 17E "

Mr Horwood: "And I'm coming to the end, sir January 24 there was a letter from Dr Rhoodie to Mr Pretorius, 'Projek Senekal', he says 'Wat u brief van 13 Desember 1976 betref, kan ek ongelukkig nie help nie (Dit wil se om besonderhede to verstrek) My minister dra geen kennis van 'n opdrag of 'n gesprek met Sy Edele die Eerste Minister, tot die effek dat die Tesourie van alle finansiele transaksies kennis moet dra wat onder the projek naam "Senekal" gevoer word nie Inteendeel, ek het die strengste opdrag van die Eerste Minister self, bevestig in die teenwoordigheid van Generaal Van den Bergh en my minister, dat geen detail buite die gemagtigde kring, verstrek mag word nie ' En die gemagtigde kring het nie vir my ingeslui nie, meneer die Voorsitter

" 'U sal dus begryp dat tensy ek 'n geskrewe opdrag van my minister kry, dat die Eerste Minister nou anders besluit het, ek nie my weg oopsien om die besonderhede te openbaar soos versoek in u skrywe ' En dan meneer, die 2de Februarie 1977, 'n brief van die sekretaris van die tesourie aan dr Rhoodie en hy se in paragraaf 3: 'Ek sal dit waardeer as u die nodige geskrewe besluit van u minister sal verkry, oor die kwessie van Inligting oor die finansiele transaksies verbonde aan die projek (dit is nou projek Senekal) aan die Tesourie bekendgemaak mag word al dan nie ' Want hy se in 'n vorige brief hy kan dit alleen doen as hy 'n geskrewe opdrag van sy minister het En dan op 4 Februarie 77, 'n brief aan dr Rhoodie aan mnr Pretorius, projek Senekal, en hy se in die tweede paragraaf 'My minister

nis gedra van die reelings soos in paragrawe 3 en 4 van u diensbrief uiteengesit nie, en kan nie verantwoordelik gehou word vir die gevolglike tekort van R2,5 m vir die lopende boekjaar nie Dit spyt my dat die Tesourie nie sy weg oopsien om enige aanvulling in die Addisionele Begroting, 1977 in te sluit nie

3 U is bewus van die uiters moeilik finansiele probleme waarmee die Tesourie tans te kampe het Onder hierdie omstandighede sal u saamstem dat elke Staatsdepartment sal moet saamwerk on Staatsuitgawe so laag moontlik te hou Desnieteenstaande is die Tesourie bereid om die bedrag wat blykbaar oorspronklik vir hierdie projek aan u Department beloof is, naamlik R15 m, in die 1977/78-begroting in te sluit, maar dit spyt my dat enige verhoging van hierdie bedrag tans onmoontlik is

A J PRETORIUS
Sekretaris van die Tesourie

UITERS GEHEIM

21 1 1977

Die Sekretaris van Inligting
KAAPSTAD

PROJEK SENEKAL U37 van 18 November 1976

Die Minister van Finansies deel my mee dat daar na oorlegpleging met die Eerste Minister besluit is om ten opsigte van die 1977/78-boekjaar 'n bedrag van R17 m vir bogemelde projek aan u toe te staan Reelings word getref om hierdie bedrag op Verdediging se begrotingspos te bewillig

Wat die huidige boekjaar betref, het die Department van Verdediging 'n bedrag van R14 m in sy tweede hersiene begroting aangevra ten einde u uitgawes aan die projek te bestry Hierdie bedrag is in ooreenstemming B8/5/2(UG) van 21 Januarie 1977

1 Ek bedank u vir die toekenning van R17 m en verstaan van my Minister dat ons in die hersiene begroting om 'n addisionele R3 m aansoek mag doen

2 Wat u brief C1/1/7/2 van 13 Desember 1976 betref kan ek ongelukkig nie help nie My Minister dra geen kennis van 'n opdrag of 'n gesprek met Sy Edele die Eerste Minister tot die effek dat die Tesourie van alle finansiele transaksies kennis moet dra wat onder die projeknaam Senekal gevoer word nie Inteendeel, ek het die strengste opdrag van die Eerste Minister self, bevestig in die teenwoordigheid van Generaal H J van den Bergh en my Minister dat geen detail buite die gemagtigde kring verstrek mag word nie U sal dus begryp dat tensy ek 'n *geskrewe* opdrag van my Minister kry dat die Eerste Minister nou anders besluit het, ek nie my weg oopsien om die besonderhede te openbaar soos versoek in u skrywe nie

3 Ek het nou General H J van den Bergh versoek om 'n brief te kry van die Eerste Minister om te bevestig dat op instruksies van die Eerste Minister R2 m van die Eerste Minister se begroting vir 1976/77 na my via Senekal oorgeplaas moes word Die projek van die Eerste Minister is uitgevoer en moet betaal word maar geen fondse het my egter bereik nie

Mnr DU PLESSIS
Sekretaris van Inligting

UITERS GEHEIM

2 2 1977

Die Sekretaris van Inligting
KAAPSTAD

PROJEK SENEKAL U37 van 24 Januarie 1977

Sekretaris van die Tesourie

UITERS GEHEIM

4 2 1977

Die Sekretaris van die Tesourie

PROJEK SENEKAL U B8/5/2 van 2 Februarie 1977

noticed on this long table in the conference room a number of publications There were some books, as I recall, what looked like some periodicals and possibly a few newspapers and so on And my attention was drawn to that, and I was told those were

Mr Van Zyl· Senator Horwood, was the Citizen, the name 'Citizen' or a project concerning the Citizen ever mentioned in your presence at that meeting? — Never, in any shape or form

I then continue reading from page 1656 volume 19 (the evi-

kom se u nulle iet geweet? Omdat daar gevra is dat ek hierdie dokument op hierdie wyse moet opstel sodat the amptenary nie moet weet dat dit vir die Citizen is nie " As far as that

"Senator Horwood, would I would then be provided for them in the Budget, that was not done prior to the Budget, the total amount was given to us I would like to say further, there was never any question whatsoever of my attention being drawn to any amount which

'Look, I'm not prepared to put up with this Ask Dr Rhoodie to give me information as to his secret operations that will satisfy you' The secretary of the Treasury was a very reasonable and experienced officer

"He said he quite agreed He

kal "

Mr Van Zyl "That will be exhibit 17E?" — "Now, it says simply 'Dit sal waardeer word indien u die nodige stappe sal doen om my (dit is die sekretaris van die tesourie) indien moontlik voor my vertrek uit

hede van projek Senekal to openbaar nie Hy doen jaarliks volledig verslag aan die Eerste Minister self ' Ek het ander korrespondensie

"Ek het net gevoel, meneer

Continued on page 7

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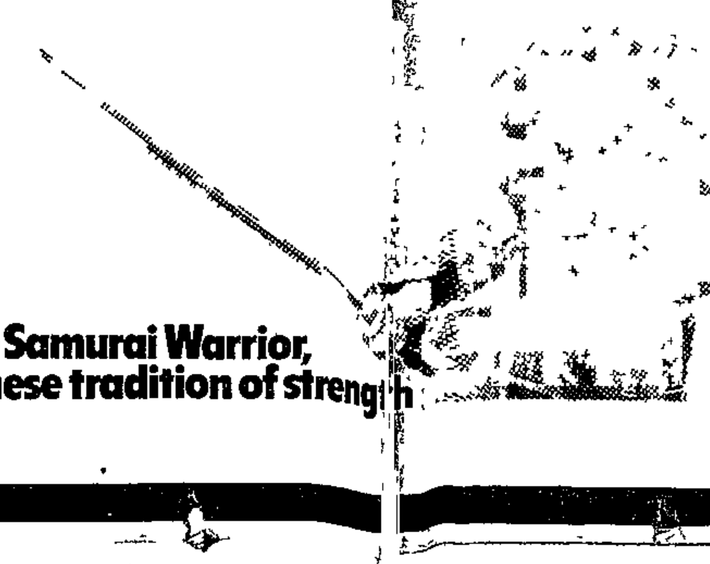

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Continued from page 6

die Voorsitter, miskien is dit alleen billik teenoor die sekretaris van die tesourie en myself om vir u te bewys, hier is nou een geval oor maande waar ons hoegenaamd geen sekerheid kon kry nie, maar dr Rhoodie se in die getuienis wat ek daar gehoor het, dat ek sou by verskillende geleenthede sou ek oor die volle inligting beskik het oor hierdie projekte Nou hier is my probleem van die begin af "

Chairman· "I am very pleased that you could hand in those letters, for quite a different reason, which you do not know about The correspondence now fits into the puzzle and I'm very grateful for your handing it in "

Mr Smalberger. "Senator Horwood, could you tell us who was responsible for this arrangement, in terms of which monies were transferred from the defence secret fund to the Department of Information?"

"All I can tell you there is what Dr Diederichs told me on February 21, 1975, shortly after I became minister of finance When he explained to me that it had been decided earlier, between him and the then prime minister, and the minister for Information, Dr Mulder, that it was necessary to foster this culture campaign against the attacks on South Africa, and that this would then be done in order to keep it secret through defence, where money would be earmarked to that special account In other words its secrets, it would be earmarked for these efforts This then, I think he called it ' 'n teen-aanslag', if I remember, or some word to that effect That is where it was put to me by Dr Diederichs and I would like to add to that, Mr Chairman, that I did some time later, talk to the prime minister about this He said it is correct that there was this decision which was felt to be in the national interest, very strongly, and it was felt that this was the best way to do it In other words, he did confirm what Dr Diederichs had told me "

"And this was continued in spite of the objection of Mr Botha, Mr P W Botha?"

"Correct "

On March 23, 1979, the commission resumes

Owen Peter Horwood:

Commissioner: Senator, do you have any objection to taking the oath? — No

Do you consider the oath to be binding on your conscience? — I do

(Witness sworn in)

Examined by Mr Smalberger·

Mr Horwood, I want to quote to you a passage from the evidence given by General Van den Bergh — it is on page 987 of the record The evidence relates to the payment by Dr Rhoodie for furniture sold to him by General Van den Bergh contrary to the instructions of the prime minister The passage in the evidence reads as follows

"Het Rhoodie die geld aan u betaal? — Hy het die tjek gegee aan Reynders

"Betaal aan?' — Ek weet nie waarvoor hy dit uitgemaak het nie, maar die tjek is ontvang en dit is gedeponeer O, ek het nooit vir u gese nie, ons het met toestemming van die Eerste Minister en Minister Horwood en Danie van Huyssteen, 'n rekening oopgemaak onder 'n dekkingsnaam van Campbell 'and somebody' in Volkskas Bank en daardie geld is toe daarin betaal

"Generaal, wat ek net wil weet, hierdie tjek wat Dr Rhoodie gegee het In u herinnering, is dit sy persoonlike tjek gewees? — Ja

"Was Hein Scheiffer nie hierby betrokke nie? — Ja, hy was, hy het as tussenganger opgetree

"So die tjek wat uiteindelik by julle beland het, was eintlik sy tjek? — Ja, dit is seker Ja, dit was Hein Scheiffer se tjek Hy het aan Hein Scheiffer die tjek gegee, dit is net om die pers te misleì dat hulle nie weet dat ons het aan Eschel Rhoodie verkoop nie "

Mr Horwood, do you know that this matter was put to me and that I understood you to say that it had been said that I and the prime minister had approved

The opening of the account — The opening of the account I have no knowledge of that at all

Judge Erasmus: When you said that, Senator Horwood, do you mean that you might have forgotten about it, or do you deny it? — No, I would say, sir, I would deny it

You deny it? — Yes, I think I can say here that this mention of an account of Campbell and somebody, this comes really out of the blue to me

You must clearly understand the commission has not decided as to the question whether there was an irregularity performed apart from disobedience of the prime minister's orders, but it is necessary at this time to get your views on that — Yes sir

Mr Smalberger· Senator Horwood, I believe you attended a meeting in the prime minister's residence during November, 1977 — No, not in the prime minister's residence If you are referring to a meeting which I was at very short notice asked to attend (Judge Erasmus intervenes)

Judge Erasmus Not where they exhibited the books, not that meeting — Oh, not that one?

Not that one — Could I just ask which one this is?

Mr Smalberger· According to our information this meeting was held at the prime minister's official residence during November, 1977, in Pretoria

Judge Erasmus· It is alleged that at that meeting all the projects were raised and discussed — This was when Dr Rhoodie (Judge Erasmus intervenes)

Judge Erasmus· And at that time the prime minister is alleged to have been shocked and turned ill and asked permission to leave the gathering — I can anything about this account with Volkskas in the name of Campbell and somebody? — Mr Chairman, I have no knowledge of that

And you have no knowledge about the payment by Dr Rhoodie for the furniture sold to him? — I have no recollection

Continued on page 8

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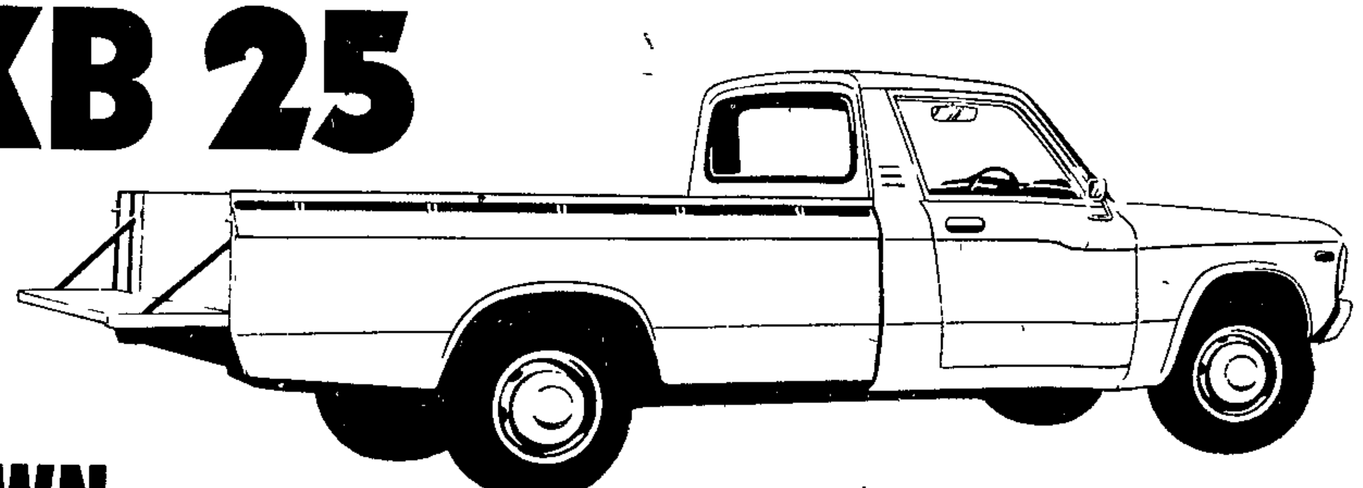

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Senator Horwood: I was worried . . .

Continued from page 7

answer that immediately I was never present there

You were not present there? — No sir

Mr Smalberger. You were never present at any meeting at which the projects of the former Department of Information were discussed?

"That is correct May I just refer to the meeting which was mentioned to me when I last appeared before you where Dr Rhoodie, I think, in his evidence, if I recall correctly, Dr Rhoodie said that there had been a meeting in the prime minister's offices, either his own office or the committee room, my recollection was there was a meeting in the committee room of the prime minister's suite of offices, if I may put it that way, and my recollection is he said it was November 30, 1977, and that I could not tell you the precise date, but that I did say that towards the end of 1977 I was at very short notice asked to be present to come across to the prime minister's office, which I did, and I was then told that there was a meeting in the committee room, and when I went there the prime minister was there, Dr Mulder, General Van den Bergh and Dr Rhoodie, and there was a table and thus I would simply be repeating my evidence I gave "

(Judge Erasmus intervenes)

Judge Erasmus. "Yes, when you were there you looked at the books and you asked them to excuse you because you had an appointment for an early dinner "

"I had This was the early afternoon and I was asked at very short notice and I had to fit this in and I had another important appointment at that time, which I had to ask the people to wait for me

"What I was anxious to say, I am glad this was raised this morning, sir There were a whole lot of books and publications on a table and I was asked if I would like to look at them, these were the things the Department of Information were doing, which I did There were quite a lot of things there

"And then we had tea and on that occasion, and that was the only occasion that I can recall at any time that I was present where some sort of document was in the hands of, I remember, Dr Rhoodie sitting with a document and Dr Mulder, and there were one or two documents on the table That is my recollection and there was no discussion while I was there of any project whatsoever

"I would like to make that point very clear because if there had been I would immediately have said, but I have consistently failed to obtain any information from Dr Rhoodie or the Department of Information, even though I and the secretary of the Treasury had asked for this verbally and in writing for hadn't given that impression "

"No, we haven't got that impression As a matter of fact, we have carefully considered this portion of the evidence given the last time and we believed your evidence, so you need not worry about that aspect "

Mr Smalberger "Senator Horwood, I want to show you page three of exhibit 17A already handed in by you That relates to the approval of money for the former Department of Information " — "Yes "

"Part of it was published on the front page of the Cape Times on the 22nd "

Judge Erasmus "I think the only question he can answer in regard to that letter is whether any of those projects set out in that letter intimated to you that they were in regard to the Citizen "

"I naturally saw this in the Cape Times, and I have a record

of that letter of May 12, 1978, and you may recall, sir, that after the Secret Services Account Act had been passed last year, it took effect on April 1, 1978, it was after that on April 26 that Dr Mulder one evening asked me if I could drop in into his office, he had a very urgent matter and it was to ask me to sign a document that he had in his hand

"We did not even sit down, it was really a letter addressed to me, a long thing, and he said it was necessary to get my signature to that document so that amounts could be released against the global amount which had been approved for the department for the year 1978/79 of something like R14,8 million "

"I need not have signed this document to allow you to draw down amounts urgently, I will immediately get in touch with you'

"In the meantime, I asked him for the document and on this document it said 'Uiters geheim Geen afskrifte' He said 'I cannot give you this document, we haven't got a single copy'

"So I said "Fine', and I went back and the next morning I got the Treasury in I expressed my reservations, I said 'Would you consult the law advisers', which they did, and within a couple of days, I think, if I remember, a weekend intervened, but within a matter of a couple of days the law advisers came back

"They said 'We will give you our view and confirm it in writing, but in the meantime it is quite clear that the minister of finance, in our opinion, does not have to sign such a document setting out all the details of secret projects of activities

" 'What is required is, in terms of the act, that the Department of Information, or the minister, must in writing apply to the minister of finance and there must simply be set out to the minister of finance the broad categories of the activities/"Die soort of soorte van die bedrywighede, die kategoriee" '

"I referred to this in a carefully-prepared statement in the Senate yesterday, and with your permission, sir, I would appreciate it if I could hand you a copy of this statement "

"What exhibit would that be, Mr Geyser?"

Mr Geyser "Exhibit 45A "

Judge Erasmus: "You hand that in as exhibit 45A "

"If I may hand you copies of that, gentlemen I wonder, Mr Chairman, if I may just read that part of the document which refers precisely to this matter and this statement in the Cape Times yesterday?"

Judge Erasmus: "Very well, yes, do that "

You will recall then, sir, that the R14,8 million, how the law advisers said I did not have to sign that detailed letter Dr Rhoodie insisted I must sign "

"Yes, I have a clear recollection of that "

"And now I come to the question of the letter of May 12, 1978, which I have just been mentioning This is my statement goriee dienste, naamlik ' en dan word hulle uiteengesit in die brief, en dan volg 'n lys van kategoriee in die brief Daar is nie 'n enkele spesifieke projek wat genoem word nie en wat dus goedgekeur was nie '

"Kan ek net verder lees, meneer die Voorsitter, ek wil net my ?"

Regter Erasmus: "Ja, seker '

Getuie " 'Wat bereik dr Rhoodie met die openbaarmaking van hierdie brief? As hy wil bewys dat ek bewus was dat sy departement geheime projekte hanteer het dan is hy besig om iets te bewys wat niemand nog ooit ontken het nie

" 'Vandat ek minister van finansies is, maak ek dan elke jaar voorsiening in 'n globale bedrag op die begroting vir die Departement van Inligting se geheime aktiwiteite Wat hy moet bewys, is dat ek die spesifieke geheime projekte van sy departement goedgekeur het of dat ek bewus was van onreelmatighede ten opsigte van die aanwending van geheime fondse, behalwe natuurlik die wat deur die ouditeur-generaal gedurende verlede jaar se Parlement-sitting aan die Parlement bekend gemaak is

" 'Hy het nog hoegenaamd nie bewys dat ek enige spesifieke geheime projekte van sy departement goedgekeur het nie want hy kan dit nie doen nie Seer sekerlik bewys hy ook nie dat ek bewus van onreelmatighede was nie In teendeel, die goedkeuring wat ek verleen het en wat hy nou as bewys vir sy standpunt voorhou, is absoluut reelmatig en in ooreenstemming met 'n wet van die Parlement wat ek self ingedien het Al waarin dr Rhoodie geslaag het, en dit vind ek laakbaar, is om 'n uiters geheime staatsdokument op onreelmatige wyse, en ek vermoed in oortreding van die Wet op Amptelike Geheime, in die buite land rond te smous en om 'n misleidende voorstelling daarna te heg' "

Judge Erasmus: "Well, that is argumentative and we've got that Thank you very much The date on which you made that statement is the date that appears at the end of that document, the 22 3 1979."

"This statement was yesterday "

finance?" — "Yes, I think that is correct, although, of course, one would more particularly determine that from one's most senior officials, the secretary for finance, secretary for the Treasury "

"But more particularly, things that were peculiar almost only to the knowledge of the previous minister of finance? I mean, in the passing-over process there were many things, I suppose, that he would want to tell you "

"He told me, in fact, very little In fact, you know, this was the one occasion he asked me to talk to him in February shortly after I became minister of finance, and the only point he really raised was this question of these secret activities of Information "

"Was that the first time you heard about the existence of these secret projects?" — "As far as I can recall, to the very best of my knowledge and belief, yes "

"I am asking you specifically this question, Senator, for the reason that it might well later on be asked by other people Were you not curious, were you not interested to ask Dr Diederichs what are these secret projects about? What is the nature of these things? 'I, as new minister of finance, I've got to account for the financing of these things Now what are they? Are they in the interests of the country at all perhaps?' "

— "Perfectly correct, and I did on that occasion say 'What precisely is this?' And Dr Diederichs informed me that this was a highly secret operation and that, in fact, it was left to the Department of Information to conduct these activities.

"It was, he said, and I remember that clearly, 'dit was om die totale aanslag teen Suid-Afrika te probeer', he used the word either 'afweer' or 'bekamp' or some such word, but it was to try to counter what he called a total onslaught on South Africa, and he said to me quite clearly that he himself was not aware of the full details of this at all, but he said this was highly secret and it was being done under the supervision or control of the Department of Information "

"Did you get the impression from him or other words, that

formation to come in at once, let us get him in', and Dr Mulder could not be found, and it was then that Dr Rhoodie was asked to come in, and it then proceeded as I told you, that Dr Rhoodie, Dr Diederichs, simply repeated in a few minutes to Dr Rhoodie the sort of discussion, the sort of conversation we were having, and he then raised the question of this R15 million commitment at least a minimum per year for five years ahead, and he said to Dr Rhoodie words to the effect that the new minister does not seem to be prepared to proceed on that basis, and then Dr Rhoodie really became, you know, quite worried about that, and the discussion while Dr Rhoodie was present turned practically entirely on that issue, but what was stressed repeatedly was that this was absolutely secret I am sure it was said there that there

was no more secret kind of activity than that operation under the minister of Information "

Mr Lategan. "So as regards Dr Rhoodie, from that moment on he knew or he was aware that you were not informed of the nature of the project?" — "He was fully aware of it at that time "

"He was aware that you were not aware?" — "He was absolutely aware that I knew nothing about it There is no question about it "

Mr Lategan "That is what is worrying me at this moment What could be the reason why Dr Rhoodie asked you, or perhaps at the request of Dr Rhoodie you were asked by the prime minister to [illegible] by the [illegible]

to that meeting on crutches or with sticks or anything of that kind So that is why I am led to believe it certainly was not in 1977 I wasn't asked twice in 1977 to be there The best conclusion I can make is that it must have been in the latter half of 1975 "

Mr Lategan: "Senator, just on something else Dr Mulder has told the commission at the previous sitting during December, that at one stage he was confronted, firstly, with the fact that the Department of Defence had refused to provide his budget for a year for the secret projects for the following year, and he went on to say that there was a flap in his department, and eventually he left it to Dr Rhoodie to provide the finance by way of a foreign loan Do you have any knowledge of that?"

"On this particular issue I would feel happy if you wish to pursue it, if you could do so with the secretary for the Treasury, because he would have been better informed on that than I I have a recollection that there was a problem, that Defence, who had not been happy about this particular way of handling the matter, that Defence had said they did not wish any amount of secret funds to be placed in their special account again

"I believe, if I remember correctly, what happened was that in the end provision, in fact, was not made in the estimates for that year for this purpose Precisely how events followed after that, I would appreciate it if I could consult our records in order to give you an absolutely factual account, but I do recall there was a problem there and that there was certainly a delay as a result of that, and I do not think the Treasury was informed, kept informed of that in the sense that we could make the necessary provision strictly on time But I would " (Judge Erasmus intervenes)

Justice Erasmus: "You cannot take it further than that?" — "I would feel happier if the full details were obtained from Treasury because I am sure they would have the whole thing, chapter and verse, but I recall there was a problem There was a problem "

Mr Lategan: "I just wanted to ask you one more question After 1977, November, 1977, were you informed by the then prime minister of the existence and of the nature of the Citizen?" — "Would you say at the end of 1977?"

"As from November, 1977?" — "In no shape or form, absolutely not "

"Were you ever present at a Cabinet meeting where the Cabinet was told of the existence — not the existence, but of the fact that the Citizen was being funded by the [illegible]

SA 'prepared for growth'

HOUSE OF ASSEMBLY — The government had done everything possible to stimulate the South African economy and the time had come for the private sector to do the same, Mr Hennie van der Walt (NP Schweizer Reneke) said yesterday

Speaking in the Budget debate, he said everything was prepared for future growth

The Budget proposals introduced by the Minister of Finance, Senator Owen Horwood, were historic It was remarkable that he could put R762 million back into the economy now

South Africa's ability to carry a floating rand was another indication that it was standing on its own legs

Mr Van der Walt said he was delighted with the new Budget at a time when it was needed most The economy had been stimulated over the years and the fruit of that was about to be reaped

The South African Government had helped the mining industry which would earn almost R400 million this year

Mr Van der Walt asked the official Opposition why they had campaigned against the government on the Information affair

The government could not rule the country if it had to answer gossip daily — Sapa

Schwarz: 1979 Budget could have been much better

HOUSE OF ASSEMBLY — The Budget could have been much better, the chief Opposition spokesman on finance, Mr Harry Schwarz, said yesterday

While the economy was in a better state than last year, the inflation rate was unacceptably high and the degree of unemployment held serious dangers for the country, Mr Schwarz (PFP Yeoville) said in the second reading debate on the Budget

"One must warn against euphoria There are still many weaknesses and problems which, unless they are adequately dealt with, can make the cyclical upswing of relatively short duration "

Mr Schwarz moved an amendment declining to pass the second reading of the appropriation bill because

- "The expansionary measures contained in the Budget are inadequate to bring about the rate of economic growth required to achieve adequate employment and social stability,
- The government's continued failure to rid our society of discrimination constitutes a major obstacle to higher productivity, which is the prerequisite to adequate economic progress,
- The government has failed to improve in adequate measure the quality of life of the underprivileged section of our community,
- The government has not taken appropriate steps in respect of the means test applicable to pensioners, the level of social pensions and investments to be made for retirement,
- The Government's bungling of the Information scandal is undermining confidence, and there is no evidence of improvement in its performance and that

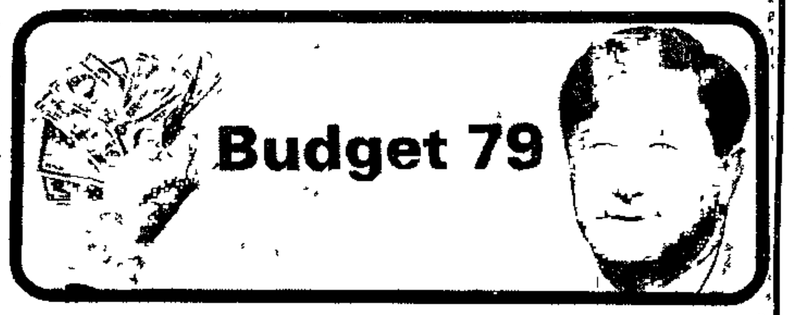
port levy and the failure of action on sales tax and GST were unsatisfactory The concessions for the divorced were inadequate and, despite improvement, the position of the working married woman was still unsatisfactory

There was confusion in regard to pension and retirement annuity concessions Export

urgent political priority if stability is to be maintained "

The growth rate of four percent being aimed at by the Minister of Finance, Senator Owen Horwood, was inadequate to provide jobs for the more than 200 000 people pouring onto the labour market every year

Unemployment was a political time bomb, Mr Schwarz



trade incentives were unsatisfactory and the government had bungled teachers' salaries

The government had failed to help the savers and had not adequately encouraged productivity

"While welcoming moves to eliminate discriminatory aspects of the taxation of blacks, the time over which it is proposed to implement this is far too long," he said

The extent of the cyclical upswing in the economy would depend almost exclusively on the degree of confidence shown by investors and consumers

"We need and want the upswing and therefore we appeal to the private sector to take up the challenge and make the economy go "

The growth needed in South Africa was growth in the sectors which gave employment and enabled wealth and income gaps to narrow through basic economic forces This would result in an improved quality of [illegible] "The [illegible]

said

There should have been direct incentives in the Budget for establishment of new labour intensive industries and the creation of further jobs in existing enterprises

Mr Schwarz said the "vague" proposals on fringe benefits and capital gains tax would cause uncertainty among the entrepreneurial class

The economy required consumer spending on goods and services which stimulated local production Economic growth required political confidence

"The country needs to pull itself right We cannot go on with the political malaise of the Information scandal "

Investors wanted tangible signs that stability would be maintained in South Africa and that changes would be made which would ensure stability in the long term

The promise that discrimination would be removed had to

told this is something that I so secret they cannot divulge this information to us

"So I would have immediately then said 'Look, I am not prepared at this stage to discuss these matters' But what happened was, there was a document and it looked as if there were certain things listed and I said to them 'What is this?' — this is my broad recollection — and they said 'Well, these are some of the things we are doing'

"And I said 'But how many of these things have you got listed?' And they said nearly 150 The point I made was 'But how can you possibly handle such a large number of cases, or whatever you might call them? How can you possibly handle 150 of these activities?' And they said 'Oh no, they could handle them'

"My point was, sir, that I was worried about the amount of money being expended on this secret activity As I said to you at the very beginning, when Dr Diederichs in February, 1975, just shortly after I became minister of finance, when he called me in one day and later Dr Rhoodie joined us and he told me how this money, it had been agreed that an amount of at least R15 million a year would be provided for certain secret activities that would be co-ordinated and, as it were, supervised by Information, he said I have committed you ahead, I said they can get this amount for at least five years

"I immediately said then I could not possibly commit myself to anything The Budget was a yearly process, I would not commit myself to any amount beyond the year of the Budget, that it would depend on the country's financial state, so I would not commit myself to that and I certainly would not commit myself to any kind of period ahead

"The reason I say that is, this was consistent with that when I heard there was something like 150 things they were trying to do without any mention of any single one at all I immediately said 'Look, I am worried, I do not think you should go on that scale, you should cut this down, there is too much money being spent'

"But why I am anxious today, sir, and I have not seen the record of my evidence, I am going on my recollection, but I hope I did not give any kind of impression unwittingly that while I was present that short time, and I do not think I was there more than a quarter of an hour, but I hope I did not give any impression that while I was there, there were projects being put to the prime minister, either to discuss or to approve, because in my presence he was not asked to approve anything and no specific projects were even discussed. I just hope I

"Right sir Now that was the total amount for that purpose Now he said the next morning they had to pay out urgently certain amounts for salaries and other contractual commitments, and the auditor-general had informed them that because this new act was now in operation, an act which I took the initiative to draw up and to have passed in order to bring the whole administration of the Secret Accounts under one final authority, the Treasury, and have the audit done by the auditor-general, now he said because that act had been passed, the auditor-general had informed Information that in order to draw down amounts against the global approved amount of R14,8 million it was necessary for me to sign this document he said, setting out all sorts of details of their secret activities

"I said I was not prepared to do so I do not think I need go through that, because you were good enough to publish my evidence on that and make a finding in your report, but it is an important matter to me and I merely reiterate that I said all along 'If I sign this thing you are going to say, or someone will say, I approved various projects that might be in this letter' — it was a thick letter —

and I said that I am not prepared to do

"And he said 'We will not put that construction on it, we are in this dilemma that the auditor-general says that if you do not sign this we cannot draw any amounts', and he said 'We've got to have certain amounts tomorrow morning'

"I said 'Right, I will sign If you say that, I will accept that' I had no reason to think there were any irregularities or anything else It is one Cabinet minister talking to another where our relationship is always very *mala fide*

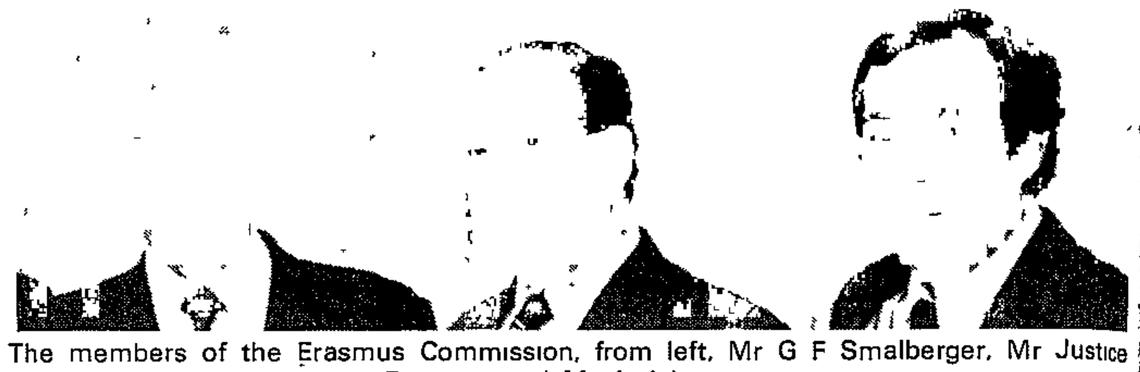
"I said 'Fine', but I said 'I still do not accept that that is the way it needs to be done and I am going to go back tomorrow morning to the Treasury and I am going to, if necessary, consult the law advisers because I do not think you are correct, and if it transpires that

(page 4)

" 'Ek kom nou by Dr Mulder se brief van 12 Mei, 1978 wat deur Dr Rhoodie deur middel van die BBC openbaar is en wat hy blykbaar as bewys van my goedkeuring van sekere van sy geheime projekte voorhou. Hierdie brief, en trouens ook die vroeere brief van Dr Mulder wat ek reeds behandel het (dit was die brief wat ons op 26 April 1978 bespreek het) moet gelees word teen die agtergrond van die Wet op die Rekening vir Geheime Dienste, 1978, wat verlede jaar deur my ingedien is juis om die finansiering van geheime dienste van alle departemente op 'n nuwe grondslag te hanteer (Dit was van toepassing van 1 April 1978) Artikel 2(3) van hierdie Wet is ter sake

" 'Ek wil onmiddellik enige polemiek oor die interpretasie van hierdie artikel en in besonder wat van my as Minister van Finansies ingevolge hierdie wetsbepalings verwag word, uit die weg ruim Ek haal aan uit 'n regsmening wat die Staats-regsadviseurs kort na die inwerkingtreding van die Wet verstrek het juis na aanleiding van Dr Mulder se eerste brief aan my Hierdie regsmening lees soos volg

" 'Ons bevestig ons sienswyse vantevore uitgespreek dat waar artikel 2(3) van die Wet op die Rekening vir Geheime Dienste, 1978, voorsiening maak vir die beskikbaarstelling van geld vir aanwending vir dienste van 'n geheime aard wat die Minister van Finansies en die ander betrokke minister van tyd tot tyd in die nasionale belang bepaal, slegs vereis word dat hulle 'n soort of soorte geheime dienste



The members of the Erasmus Commission, from left, Mr G F Smalberger, Mr Justice Erasmus and Mr A J Lategan

bepaal en hulle nie 'n plig opgelê word om individuele dienste of 'n bepaalde diens te bepaal nie '

" 'Soos ten opsigte van ander Staatsdepartemente wat geheime fondse ingevolge hierdie artikel ontvang, byvoorbeeld, Polisie, word daar slegs van my verwag om die soort of soorte geheime diens te bepaal en nie individuele projekte nie

" 'Edele Senatore wat die gepubliseerde brief van 12 Mei, 1978 gesien het, sal weet dat dit presies is wat ek gedoen het Ek het, naamlik, Dr Mulder gemagtig om die globale bedrag wat vir sy projekte voorsien is, en ek haal uit die brief aan, 'aan te wend vir die onderstaande kate-

made the statement in the House?" — "Yes, yesterday was the 22nd That is the date"

Mr Smalberger "Senator Horwood, do you adhere to the statement contained in exhibit 45A?" — "I adhere absolutely, sir, to that"

Mr Lategan: "Senator, I want to, with your permission, ask you one or two general questions Do you regard it as not the duty of the minister of finance to have knowledge of the particular nature of any secret project for which you are responsible to provide the funds from Parliament?"

"I would personally think that that would be a much more satisfactory position and that is why I repeatedly asked the Departmnt of Information for particulars so that I could at least have some knowledge of what these projects were, and I could never obtain it So I think that would be a more satisfactory position, undoubtedly"

"In other words, do I understand you correctly to say that you are of the opinion that the minister of finance should know more of the nature of the project in regard to which money is expended?" — "Yes, I would certainly say that"

"Was that your opinion when you took over as minister of finance from the late Dr Diederichs?" — "Yes May I say that when I took over at that time I did not know that there were these secret projects In fact, at that moment I did not know that there were secret accounts, so I must make that point clear"

Judge Erasmus: "Yes, we have it already that you took over in 1975, but could you give us a more exact date?" — "I took over at the beginning of 1975, I would think, if I remember correctly, it must have been about February 3 I could be a day out Round about February 3"

"Thank you"

Mr Lategan: "Now, Senator, when you did take over from the late Dr Diederichs, I suppose, not having been minister of finance before, there were a number of questions that you had to ask Dr Diederichs in order to enable you to determine the field and the scope of your activities as minister of

knew what the true nature of these projects were?" — "He certainly did not mention the prime minister to me as a man who knew the nature of these projects"

"Where you left with the impression that only the minister of Information knew what the nature of the projects was?"

"I think that would be a correct way to put it I think that my impression that I came away with was this was so highly secret that he himself, who told me he had been involved in the early discussions of this operation, if I may call it that, that he himself was not fully by any means informed, and I really cannot recall that he mentioned the prime minister's name in that context"

"Did it perhaps not strike you as strange that even the Cabinet, which is the highest executive body governing the country, should not be *au fait* with the nature of these things?"

(Judge Erasmus intervenes)

Judge Erasmus: "But you had it that the minister of Information knew what they were all about?" — "I am sorry, sir?"

"But you were left with the impression that the minister of Information knew full details about these projects?" — "Oh, yes"

"So once you felt that, then you did not enter upon the question as to whether the Cabinet as such would know?" — "I must admit that is how I accepted it"

"Is that how you accepted it?"

"It was clearly said because you may recall, and I am sure it is in my previous evidence, that

I discussed, when Dr Diederichs asked me to come in that afternoon in February 1975, we talked generally about the Budget and a few things and then he came to this issue of the secret activities and this fight against the onslaught on South Africa, and Dr Diederichs made it quite plain that this was a highly secret operation, the groundwork of which had been done two or three years before, and that this was under the minister of Information, highly secret, but under the responsibility of the minister of Information

"And I went so far as to say, I think it is in my evidence, that 'Let us ask the minister of In-

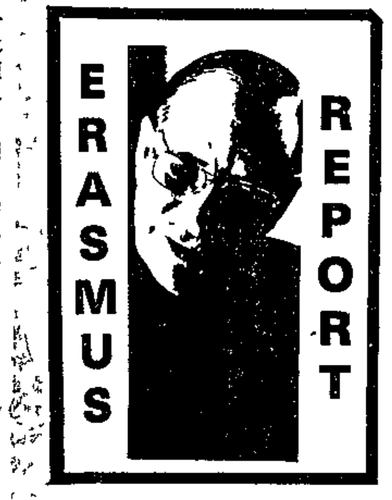
of the minister's office?"

"I was asked on two occasions, as I mentioned to you in my previous evidence The first occasion it was merely to see some publications and have tea, as far as I was aware On that occasion I asked, I said 'It is very interesting but I am not quite clear why am I asked to be here' And the answer that was given, and I think that was given by Dr Mulder, the answer was to this effect 'Dat ons het gedink met jou akademiese agtergrond sal jy belangstel in hierdie soort ding'

"Now why I should have been asked again towards the end of 1977, I absolutely would not know and, in fact, again on that occasion I said the moment I saw a document there, I said at once 'Look, I know nothing about these things and I do not have any part I can play', and I excused myself and I walked out"

"This was the occasion when you had another urgent commitment?" — "Right This was towards the end of 1977"

Judge Erasmus: "Now what was the occasion just prior to that where they told you that you were invited because of your academic background and that you would probably be interested? Could you give us a date more or less there?" — "It



is very difficult I have been trying to think out when that could have been"

"Was it a question of months, let me put it that way?

"Let me say this, sir I was asked at the very last moment on that first occasion I was asked 'Could I come across right away, they would like me to come' It was right on the spur of the moment

"In 1976 I had very serious back trouble which started in July, 1976, and I was bedridden for a long time and I had to have a major operation and this went on for months, and I am sure in my own mind it could not have been in 1976 I think it was in 1975, in the recess"

"How long was this prior to the second occasion?"

"I would think it was in the recess of 1975 because in 1976 I was out of action for a long time, and I certainly did not go

when I was in Washington attending the annual general meeting of the IMF at the end of September, 1978, last year, I understand that at a meeting late in September, when I was away, that in fact, the prime minister mentioned this to the Cabinet But I was not even present there"

"That is Mr Vorster?"

"That would have been Mr Vorster That was the information that I was given by colleagues That would have been right at the end of September, 1978 But on no occasion prior to that did either the prime minister or Dr Rhoodie or Dr Mulder or anybody else give me any indication or inkling of any kind that State monies were in some way being funded to the Citizen, and I would like to make that absolutely emphatic, if I may"

"Have you any particular knowledge about State funds being syphoned to To the Point?"

"I have no specific knowledge on that, no knowledge which I can regard as authoritative, other than what I have read and what I have heard about this one"

"But no own peculiar knowledge?" — "No own peculiar knowledge"

"No further questions"

UITERS GEHEIM
ANNEXURE D

Sy Edele Senator O P F Horwood
Minister van Finansies
Hendrik Verwoerdgebou 318
KAAPSTAD
8001

Geagte Kollega

Kragtens art 2(iii) van die Wet op die Rekening vir Geheime Dienste (1978) deel ek u mee dat die Department van Inligting voornemens is om die geld wat u in die huidige boekjaar aan hom sal beskikbaar stel aan te wend vir die onderstaande kategoriee-dienste, nl·
Uitgewers en publikasies
Konferensies
Front-organisasies
Medewerkers
Advertensies
Skakeldienste
Lobbyiste
Institute en stigtings
Nuus- en fotodienste
Rolprenteproduksie en -verspreiding
Ekonomiese aksies.
Gaste
Reise en ander aangeleenthede wat hiermee in verband staan

Ek sal dit waardeer as ú in die huidige stadium sal instem tot die aanwending van R7 850 500,00 vir bogemelde doel eindes

Met vriendelike groete
die uwe

C P MULDER
12 Mei, 1978

was also not satisfied with inadequate steps to close the gap on pensions for different races and the inadequate subsidies for basic essential of life

The continuation of the im-

dards from others'

"Growth to improve the quality of life of every South African is a major ingredient in the solution of South Africa's problems, and its implementation an

aspirations, however, and a plan would be made to involve the entire population more fully in the economy

Mr Schwarz proposed a "peace bond" to raise money for the purpose of raising the quality of life in black urban townships

He said the Budget could well be a pre-election Budget, but urged the government not to go to the country until there had been complete disclosure and firm action on the Information scandal — Sapa

Mr Harry Schwarz

Report no secret says Schwarz

HOUSE OF ASSEMBLY — The Auditor-General's secret report about the former Department of Information, particularly about the financing of the Citizen, should have come before Parliament in terms of the law, Mr Harry Schwarz (PFP Yeoville) said yesterday

"This secret report should not have been secret at all," Mr Schwarz said

Debates had taken place in the select committee about the Information Department They had also taken place in the Assembly and a commission of inquiry had been asked for

"The auditor-general sat in the official bay and knew of the Citizen and said nothing

"The then prime minister sat in his seat and said nothing and Dr Mulder when he spoke on the Citizen did not speak the truth,"

Mr Schwarz said

Mr Schwarz said he believed the public of South Africa wanted a complete audit of secret funds The former Auditor-General, Mr Gerald Barrie, had presented a secret report to both the then prime miniser and the Minister of Finance in August 1977 This report had never been presented to the select committee on public accounts or Parliament

"There is no provision in the exchequer and Audit Act for reports which are not to be tabled in Parliament

"There is provision for special reports that they must be presented to Parliament and if the minister does not present them, the Auditor-General must send them to the President of the Senate and the Speaker," Mr Schwarz said

Ruling on petition

HOUSE OF ASSEMBLY — The Speaker of the House of Assembly, Mr J J Loots, yesterday ruled that the petition to have the State President, Mr John Vorster, impeached could not be discussed in the House

During debate on the second reading of the Budget, Mr G J Kotze (NP Malmesbury), said he had read in a newspaper report that Mr Harry Schwarz (PFP Yeoville) had not yet signed the petition to set in motion the machinery for the State President's impeachment

Mr Speaker interrupted saying he was not going to allow the petition, or reasons for members signing it or not signing it, to be discussed

Mr Kotze said Mr Schwarz was a very busy man and did not have much time at his disposal — Sapa

'Evidence that govt is free from blame'

HOUSE OF ASSEMBLY — There was irrefutable evidence in the Erasmus Commission report that the government was free from all blame in regard to the Information issue, Dr P J Viljoen (NP Newcastle) said yesterday

Speaking during the second reading debate on the Budget, Dr Viljoen said the Opposition could not survive without the Information debacle and for this reason they were absolutely bound to keeping it alive

The Opposition did not care if they damaged South Africa irreparably

"They can't afford justice to take its normal course If they do, they will have to explain their stupid policy again"

The Minister of Finance, Senator Owen Horwood, and other ministers had been acquitted of all blame by two judicial commissions

"I hope the enemies of South Africa will now stop their shameful war" — Sapa

Business today

HOUSE OF ASSEMBLY — Today's business:

Resumption second reading Appropriation Bill (Mr Barend du Plessis NP Florida) — Sapa

Call to pass on cut rates

HOUSE OF ASSEMBLY — When the Reserve Bank reduced the interest rate, the reduction should be passed on through commercial banks, Mr Theo Aronson (SAP Walmer) said yesterday

Introducing an amendment to the Appropriation Bill, Mr Aronson said he had received several complaints from businessmen who said some commercial banks did not pass on the reduced interest rates from the Reserve Bank until specifically requested by their clients to do so

Mr Aronson's amendment urged the government to combat unemployment and improve the standard of living, increase the share of private enterprise in the gross domestic fixed investment, give more effective relief to pensioners and assist every South African to obtain a meaningful stake in South Africa — Sapa

Senator Horwood: I was worried . . .

Continued from page 7

answer that immediately I was never present there

You were not present there? — No sir

Mr Smalberger· You were never present at any meeting at which the projects of the former Department of Information were discussed?

"That is correct May I just refer to the meeting which was mentioned to me when I last appeared before you where Dr Rhoodie, I think, in his evidence, if I recall correctly, Dr Rhoodie said that there had been a meeting in the prime minister's offices, either his own office or the committee room, my recollection was there was a meeting in the committee room of the prime minister's suite of offices, if I may put it that way, and my recollection is he said it was November 30, 1977, and that I could not tell you the precise date, but that I did say that towards the end of 1977 I was at very short notice asked to be present to come across to the prime minister's office, which I did, and I was then told that there was a meeting in the committee room, and when I went there the prime minister was there, Dr Mulder, General Van den Bergh and Dr Rhoodie, and there was a table and thus I would simply be repeating my evidence I gave "

(Judge Erasmus intervenes)

Judge Erasmus· "Yes, when you were there you looked at the books and you asked them to excuse you because you had an appointment for an early dinner "

"I had This was the early afternoon and I was asked at very short notice and I had to fit this in and I had another important appointment at that time, which I had to ask the people to wait for me

"What I was anxious to say, I am glad this was raised this morning, sir There were a whole lot of books and publications on a table and I was asked if I would like to look at them, these were the things the Department of Information were doing, which I did There were quite a lot of things there

"And then we had tea and on that occasion, and that was the only occasion that I can recall at any time that I was present where some sort of document was in the hands of, I remember, Dr Rhoodie sitting with a document and Dr Mulder, and there were one or two documents on the table That is my recollection and there was no discussion while I was there of any project whatsoever

"I would like to make that point very clear because if there had been I would immediately have said, but I have consistently failed to obtain any information from Dr Rhoodie or the Department of Information, hadn't given that impression "

"No, we haven't got that impression As a matter of fact, we have carefully considered this portion of the evidence given the last time and we believed your evidence, so you need not worry about that aspect "

Mr Smalberger. "Senator Horwood, I want to show you page three of exhibit 17A already handed in by you That relates to the approval of money for the former Department of Information " — "Yes "

"Part of it was published on the front page of the Cape Times on the 22nd "

Judge Erasmus "I think the only question he can answer in regard to that letter is whether any of those projects set out in that letter intimated to you that they were in regard to the Citizen "

"I naturally saw this in the Cape Times, and I have a record

of that letter of May 12, 1978, and you may recall, sir, that after the Secret Services Account Act had been passed last year, it took effect on April 1, 1978, it was after that on April 26 that Dr Mulder one evening asked me if I could drop in into his office, he had a very urgent matter and it was to ask me to sign a document that he had in his hand

"We did not even sit down, it was really a letter addressed to me, a long thing, and he said it was necessary to get my signature to that document so that amounts could be released against the global amount which had been approved for the Information Department, for the year I need not have signed this document to allow you to draw down amounts urgently, I will immediately get in touch with you'

"In the meantime, I asked him for the document and on this document it said 'Uiters geheim Geen afskrifte' He said 'I cannot give you this document, we haven't got a single copy'

"So I said "Fine', and I went back and the next morning I got the Treasury in I expressed my reservations, I said 'Would you consult the law advisers', which they did, and within a couple of days, I think, if I remember, a weekend intervened, but within a matter of a couple of days the law advisers came back

"They said 'We will give you our view and confirm it in writing, but in the meantime it is quite clear that the minister of finance, in our opinion, does not have to sign such a document setting out all the details of secret projects of activities

" 'What is required is, in terms of the act, that the Department of Information, or the minister, must in writing apply to the minister of finance and there must simply be set out to the minister of finance the broad categories of the activities "Die soort of soorte van die bedrywighede, die kategoriee" '

"I referred to this in a carefully-prepared statement in the Senate yesterday, and with your permission, sir, I would appreciate it if I could hand you a copy of this statement "

"What exhibit would that be Mr Geyser?"

Mr Geyser. "Exhibit 45A "

Judge Erasmus· "You hand that in as exhibit 45A "

"If I may hand you copies of that, gentlemen I wonder, Mr Chairman, if I may just read that part of the document which refers precisely to this matter and this statement in the Cape Times yesterday?"

Judge Erasmus: "Very well, yes, do that "

You will recall then, sir, that the R14,8 million, how the law advisers said I did not have to sign that detailed letter Dr Rhoodie insisted I must sign."

"Yes, I have a clear recollection of that "

"And now I come to the question of May [illegible] goriee dienste, naamlik ' en dan word hulle uiteengesit in die brief, en dan volg 'n lys van kategoriee in die brief Daar is nie 'n enkele spesifieke projek wat genoem word nie en wat dus goedgekeur was nie '

"Kan ek net verder lees, meneer die Voorsitter, ek wil net my ?"

Regter Erasmus· "Ja, seker '

Getuie: " 'Wat bereik dr Rhoodie met die openbaarmaking van hierdie brief? As hy wil bewys dat ek bewus was dat sy departement geheime projekte hanteer het dan is hy besig om iets te bewys wat niemand nog oort ontken het nie

" 'Vandat ek minister van finansies is, maak ek dan elke jaar voorsiening in 'n globale bedrag op die begroting vir die Departement van Inligting se geheime aktiwiteite Wat hy moet bewys, is dat ek die spesifieke geheime projekte van sy departement goedgekeur het of dat ek bewus was van onreelmatighede ten opsigte van die aanwending van geheime fondse, behalwe natuurlik die wat deur die ouditeur-generaal gedurende verlede jaar se Parlement-sitting aan die Parlement bekend gemaak is

" 'Hy het nog hoegenaamd nie bewys dat ek enige spesifieke geheime projekte van sy departement goedgekeur het nie want hy kan dit nie doen nie Seer sekerlik bewys hy ook nie dat ek bewus van onreelmatighede was nie In teendeel, die goedkeuring wat ek verleen het en wat hy nou as bewys vir sy standpunt voorhou, is absoluut reelmatig en in ooreenstemming met 'n wet van die Parlement wat ek self ingedien het Al waarin dr Rhoodie geslaag het, en dit vind ek laakbaar, is om 'n uiters geheime staatsdokument op onreelmatige wyse, en ek vermoed in oortreding van die Wet op Amptelike Geheime, in die buiteland rond te smous en om 'n misleidende voorstelling daarna te heg' "

Judge Erasmus: "Well, that is argumentative and we've got that Thank you very much The date on which you made that statement is the date that appears at the end of that document, the 22 3 1979 "

"Did you get the impression finance?" — "Yes, I think that is correct, although, of course, one would more particularly determine that from one's most senior officials, the secretary for finance, secretary for the Treasury "

"But more particularly, things that were peculiar almost only to the knowledge of the previous minister of finance? I mean, in the passing-over process there were many things, I suppose, that he would want to tell you "

"He told me, in fact, very little In fact, you know, this was the one occasion he asked me to talk to him in February shortly after I became minister of finance, and the only point he really raised was this question of those secret activities of Information "

"Was that the first time you heard about the existence of these secret projects?" — "As far as I can recall, to the very best of my knowledge and belief, yes "

"I am asking you specifically this question, Senator, for the reason that it might well later on be asked by other people Were you not curious, were you not interested to ask Dr Diederichs what are these secret projects about? What is the nature of these things? 'I, as new minister of finance, I've got to account for the financing of these things Now what are they? Are they in the interests of the country at all perhaps?' "

— "Perfectly correct, and I did on that occasion say 'What precisely is this?' And Dr Diederichs informed me that this was a highly secret operation and that, in fact, it was left to the Department of Information to conduct these activities

"It was, he said, and I remember that clearly, 'dit was om die totale aanslag teen Suid-Afrika te probeer', he used the word either 'afweer' or 'bekamp' or some such word, but it was to try to counter what he called a total onslaught on South Africa, and he said to me quite clearly that he himself was not aware of the full details of this at all, but he said this was highly secret and it was being done under the supervision or control of the Department of Information "

"Did you get the impression to that meeting on crutches or with sticks or anything of that kind So that is why I am led to believe it certainly was not in 1977 I wasn't asked twice in 1977 to be there The best conclusion I can make is that it must have been in the latter half of 1975 "

Mr Lategan: "Senator, just on something else Dr Mulder has told the commission at the previous sitting during December, that at one stage he was confronted, firstly, with the fact that the Department of Defence had refused to provide his budget for a year for the secret projects for the following year, and he went on to say that there was a flap in his department, and eventually he left it to Dr Rhoodie to provide the finance by way of a foreign loan Do you have any knowledge of that?"

"On this particular issue I would feel happy if you wish to pursue it, if you could do so with the secretary for the Treasury, because he would have been better informed on that than I I have a recollection that there was a problem, that Defence, who had not been happy about this particular way of handling the matter, that Defence had said they did not wish any amount of secret funds to be placed in their special account again

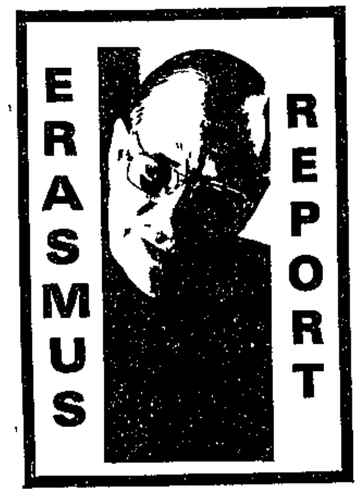
"I believe, if I remember correctly, what happened was that in the end provision, in fact, was not made in the estimates for that year for this purpose Precisely how events followed after that, I would appreciate it if I could consult our records in order to give you an absolutely factual account, but I do recall there was a problem there and that there was certainly a delay as a result of that, and I do not think the Treasury was informed, kept informed of that in the sense that we could make the necessary provision strictly on time But I would " (Judge Erasmus intervenes)

Justice Erasmus. "You cannot take it further than that?" — "I would feel happier if the full details were obtained from Treasury because I am sure they would have the whole thing, chapter and verse, but I recall there was a problem There was a problem "

Mr Lategan: "I just wanted to ask you one more question After 1977, November, 1977, were you informed by the then prime minister of the existence and of the nature of the Citizen?" — "Would you say at the end of 1977?"

"As from November, 1977?" — "In no shape or form, absolutely not "

"Were you ever present at a Cabinet meeting where the Cabinet was told of the existence — not the existence, but of the fact that the Citizen was being funded by the State?



was no more secret kind of activity than that operation under the minister of Information "

Mr Lategan. "So as regards Dr Rhoodie, from that moment on he knew or he was aware that you were not informed of the nature of the project?" — "He was fully aware of it at that time "

"He was aware that you were not aware?" — "He was absolutely aware that I knew nothing about it There is no question about it "

Mr Lategan: "That is what is worrying me at this moment What could be the reason why Dr Rhoodie asked you, or perhaps at the request of Dr Rhoodie you were asked by the prime minister to come in at once, let us get him in', and Dr Mulder could not be found, and it was then that Dr Rhoodie was asked to come in, and it then proceeded as I told you, that Dr Rhoodie, Dr Diederichs, simply repeated in a few minutes to Dr Rhoodie the sort of discussion, the sort of conversation we were having, and he then raised the question of this R15 million commitment at least a minimum per year for five years ahead, and he said to Dr Rhoodie words to the effect that the new minister does not seem to be prepared to proceed on that basis, and then Dr Rhoodie really became, you know, quite worried about that, and the discussion while Dr Rhoodie was present turned practically entirely on that issue, but what was stressed repeatedly was that this was absolutely secret I am sure it was said there that there

SA 'prepared for growth'

HOUSE OF ASSEMBLY — The government had done everything possible to stimulate the South African economy and the time had come for the private sector to do the same, Mr Henmie van der Walt (NP Schweizer Reneke) said yesterday

Speaking in the Budget debate, he said everything was prepared for future growth

The Budget proposals introduced by the Minister of Finance, Senator Owen Horwood, were historic It was remarkable that he could put R762 million back into the economy now

South Africa's ability to carry a floating rand was another indication that it was standing on its own legs

Mr Van der Walt said he was delighted with the new Budget at a time when it was needed most The economy had been stimulated over the years and the fruit of that was about to be reaped

The South African Government had helped the mining industry which would earn almost R400 million this year

Mr Van der Walt asked the official Opposition why they had campaigned against the government on the Information affair

The government could not rule the country if it had to answer gossip daily — Sapa

Schwarz: 1979 Budget could have been much better

HOUSE OF ASSEMBLY — The Budget could have been much better, the chief Opposition spokesman on finance, Mr Harry Schwarz, said yesterday

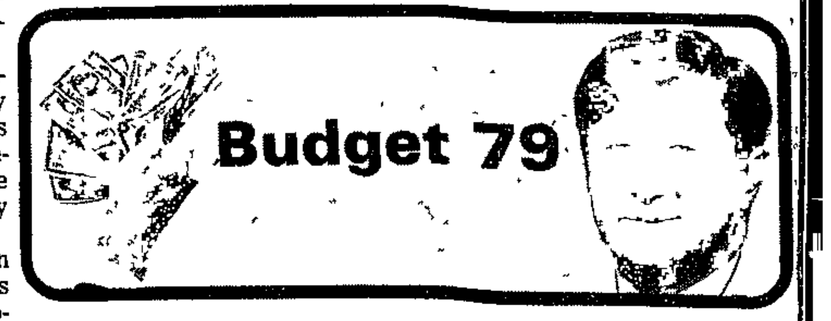
While the economy was in a better state than last year, the inflation rate was unacceptably high and the degree of unemployment held serious dangers for the country, Mr Schwarz (PFP Yeoville) said in the second reading debate on the Budget

"One must warn against euphoria There are still many weaknesses and problems which, unless they are adequately dealt with, can make the cyclical upswing of relatively short duration "

Mr Schwarz moved an amendment declining to pass the second reading of the appropriation bill because.

- "The expansionary measures contained in the Budget are inadequate to bring about the rate of economic growth required to achieve adequate employment and social stability,
- The government's continued failure to rid our society of discrimination constitutes a major obstacle to higher productivity, which is the prerequisite to adequate economic progress,
- The government has failed to improve in adequate measure the quality of life of the underprivileged section of our community,
- The government has not taken appropriate steps in respect of the means test applicable to pensioners, the level of social pensions and investments to be made for retirement,
- The Government's bungling of the Information scandal is undermining confidence, and there is no evidence of improvement in the performance in that sphere and an improved quality of [illegible] is provided with a port levy and the failure of action on sales tax and GST were unsatisfactory The concessions for the divorced were inadequate and, despite improvement, the position of the working married woman was still unsatisfactory

There was confusion in regard to pension and retirement annuity concessions Export



trade incentives were unsatisfactory and the government had bungled teachers' salaries

The government had failed to help the savers and had not adequately encouraged productivity

"While welcoming moves to eliminate discriminatory aspects of the taxation of blacks, the time over which it is proposed to implement this is far too long," he said

The extent of the cyclical upswing in the economy would depend almost exclusively on the degree of confidence shown by investors and consumers

"We need and want the upswing and therefore we appeal to the private sector to take up the challenge and make the economy go "

The growth needed in South Africa was growth in the sectors which gave employment and enabled wealth and income gaps to narrow through basic economic forces This would require [illegible] urgent political priority if stability is to be maintained "

The growth rate of four percent being aimed at by the Minister of Finance, Senator Owen Horwood, was inadequate to provide jobs for the more than 200 000 people pouring onto the labour market every year

Unemployment was a political time bomb, Mr Schwarz said

There should have been direct incentives in the Budget for establishment of new labour intensive industries and the creation of further jobs in existing enterprises

Mr Schwarz said the "vague" proposals on fringe benefits and capital gains tax would cause uncertainty among the entrepreneurial class

The economy required consumer spending on goods and services which stimulated local production Economic growth required political confidence.

"The country needs to pull itself right We cannot go on with the political malaise of the Information scandal "

Investors wanted tangible signs that stability would be maintained in South Africa and that changes would be made which would ensure stability in the long term

The promise that discrimination would be removed had [illegible] be [illegible]

this verbally and in writing for quite a period, each time being told this is something that is so secret they cannot divulge this information to us

"So I would have immediately then said 'Look, I am not prepared at this stage to discuss these matters' But what happened was, there was a document and it looked as if there were certain things listed and I said to them 'What is this?' — this is my broad recollection — and they said 'Well, these are some of the things we are doing'

"And I said 'But how many of these things have you got listed?' And they said nearly 150 The point I made was 'But how can you possibly handle such a large number of cases, or whatever you might call them? How can you possibly handle 150 of these activities?' And they said 'Oh no, they could handle them'

"My point was, sir, that I was worried about the amount of money being expended on this secret activity As I said to you at the very beginning, when Dr Diederichs in February, 1975, just shortly after I became minister of finance, when he called me in one day and later Dr Rhoodie joined us and he told me how this money, it had been agreed that an amount of at least R15 million a year would be provided for certain secret activities that would be co-ordinated and, as it were, supervised by Information, he said I have committed you ahead, I said they can get this amount for at least five years

"I immediately said then I could not possibly commit myself to anything The Budget was a yearly process, I would not commit myself to any amount beyond the year of the Budget, that it would depend on the country's financial state, so I would not commit myself to that and I certainly would not commit myself to any kind of period ahead

"The reason I say that is, this was consistent with that when I heard there was something like 150 things they were trying to do without any mention of any single one at all I immediately said 'Look, I am worried, I do not think you should go on that scale, you should cut this down, there is too much money being spent'

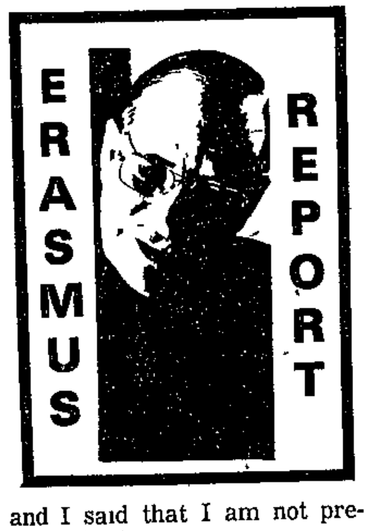
"But why I am anxious today, sir, and I have not seen the record of my evidence, I am going on my recollection, but I hope I did not give any kind of impression unwittingly that while I was present that short time, and I do not think I was there more than a quarter of an hour, but I hope I did not give any impression that while I was there, there were projects being put to the prime minister, either to discuss or to approve, because in my presence he was not asked to approve anything and no specific projects were even discussed I just hope I

R14,8 million

"In regard to secret projects?"

"Right sir Now that was the total amount for that purpose Now he said the next morning they had to pay out urgently certain amounts for salaries and other contractual commitments, and the auditor-general had informed them that because this new act was now in operation, an act which I took the initiative to draw up and to have passed in order to bring the whole administration of the Secret Accounts under one final authority, the Treasury, and have the audit done by the auditor-general, now he said because that act had been passed, the auditor-general had informed Information that in order to draw down amounts against the global approved amount of R14,8 million it was necessary for me to sign this document he said, setting out all sorts of details of their secret activities

"I said I was not prepared to do so I do not think I need go through that, because you were good enough to publish my evidence on that and make a finding in your report, but it is an important matter to me and I merely reiterate that I said all along 'If I sign this thing you are going to say, or someone will say, I approved various projects that might be in this letter' — it was a thick letter —



and I said that I am not prepared to do

"And he said 'We will not put that construction on it, we are in this dilemma that the auditor-general says that if you do not sign this we cannot draw any amounts', and he said 'We've got to have certain amounts tomorrow morning'

"I said 'Right, I will sign If you say that, I will accept that' I had no reason to think there were any irregularities or anything else It is one Cabinet minister talking to another where our relationship is always very *mala fide*

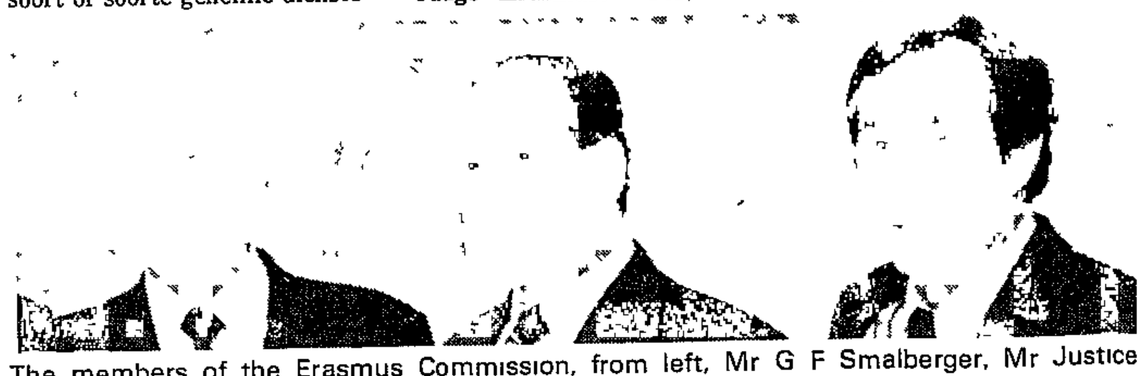
"I said 'Fine', but I said 'I still do not accept that that is the way it needs to be done and I am going to go back tomorrow morning to the Treasury and I am going to, if necessary, consult the law advisers because I do not think you are correct, and if it transpires that

mentioning This is my statement in the Senate yesterday (page 4)

" 'Ek kom nou by Dr Mulder se brief van 12 Mei, 1978 wat deur Dr Rhoodie deur middel van die BBC openbaar is en wat hy blykbaar as bewys van my goedkeuring van sekere van sy geheime projekte voorhou Hierdie brief, en trouens ook die vroeere brief van Dr Mulder wat ek reeds behandel het (dit was die brief wat ons op 26 April 1978 bespreek het) moet gelees word teen die agtergrond van die Wet op die Rekening vir Geheime Dienste, 1978, wat verlede jaar deur my ingedien is juis om die finansiering van geheime dienste van alle departemente op 'n nuwe grondslag te hanteer (Dit was van toepassing van 1 April 1978) Artikel 2(3) van hierdie Wet is ter sake

" 'Ek wil onmiddellik enige polemiek oor die interpretasie van hierdie artikel en in besonder wat van my as Minister van Finansies ingevolge hierdie wetsbepalings verwag word, uit die weg ruim Ek haal aan uit 'n regsmening wat die Staats-regsadviseurs kort na die inwerkingtreding van die Wet verstrek het juis na aanleiding van Dr Mulder se eerste brief aan my Hierdie regsmening lees soos volg

" 'Ons bevestig ons sienswyse vantevore uitgespreek dat waar artikel 2(3) van die Wet op die Rekening vir Geheime Dienste, 1978, voorsiening maak vir die beskikbaarstelling van geld vir aanwending vir dienste van 'n geheime aard wat die Minister van Finansies en die ander betrokke minister van tyd tot tyd in die nasionale belang bepaal, slegs vereis word dat hulle 'n soort of soorte geheime dienste



The members of the Erasmus Commission, from left, Mr G F Smalberger, Mr Justice Erasmus and Mr A J Lategan

bepaal en hulle nie 'n plig opgelê word om individuele dienste of 'n bepaalde diens te bepaal nie '

" 'Soos ten opsigte van ander Staatsdepartemente wat geheime fondse ingevolge hierdie artikel ontvang, byvoorbeeld, Polisie, word daar slegs van my verwag om die soort of soorte geheime diens te bepaal en nie individuele projekte nie

" 'Edele Senatore wat die gepubliseerde brief van 12 Mei, 1978 gesien het, sal weet dat dit presies is wat ek gedoen het Ek het, naamlik, Dr Mulder gemagtig om die globale bedrag wat vir sy projekte voorsien is, en ek haal uit die brief aan, 'aan te wend vir die onderstaande kate-

"Is that the date when you made the statement in the House?" — "Yes, yesterday was the 22nd That is the date "

Mr Smalberger "Senator Horwood, do you adhere to the statement contained in exhibit 45A?" — "I adhere absolutely, sir, to that "

Mr Lategan. "Senator, I want to, with your permission, ask you one or two general questions Do you regard it as not the duty of the minister of finance to have knowledge of the particular nature of any secret project for which you are responsible to provide the funds from Parliament?"

"I would personally think that that would be a much more satisfactory position and that is why I repeatedly asked the Department of Information for particulars so that I could at least have some knowledge of what these projects were, and I could never obtain it So I think that would be a more satisfactory position, undoubtedly "

"In other words, do I understand you correctly to say that you are of the opinion that the minister of finance should know more of the nature of the project in regard to which money is expended?" — "Yes, I would certainly say that "

"Was that your opinion when you took over as minister of finance from the late Dr Diederichs?" — "Yes May I say that when I took over at that time I did not know that there were these secret projects In fact, at that moment I did not know that there were secret accounts, so I must make that point clear "

Judge Erasmus: "Yes, we have it already that you took over in 1975, but could you give us a more exact date?" — "I took over at the beginning of 1975, I would think, if I remember correctly, it must have been about February 3 I could be a day out Round about February 3 "

"Thank you "

Mr Lategan "Now, Senator, when you did take over from the late Dr Diederichs, I suppose, not having been minister of finance before, there were a number of questions that you had to ask Dr Diederichs in order to enable you to determine the field and the scope of your activities as minister of

no other member of the Cabinet including the prime minister, knew what the true nature of these projects were?" — "He certainly did not mention the prime minister to me as a man who knew the nature of these projects "

"Where you left with the impression that only the minister of Information knew what the nature of the projects was?"

"I think that would be a correct way to put it I think that my impression that I came away with was this was so highly secret that he himself, who told me he had been involved in the early discussions of this operation, if I may call it that, that he himself was not fully by any means informed, and I really cannot recall that he mentioned the prime minister's name in that context "

"Did it perhaps not strike you as strange that even the Cabinet, which is the highest executive body governing the country, should not be *au fait* with the nature of these things?"

(Judge Erasmus intervenes)

Judge Erasmus "But you had it that the minister of Information knew what they were all about?" — "I am sorry, sir?"

"But you were left with the impression that the minister of Information knew full details about these projects?" — "Oh, yes "

"So once you felt that, then you did not enter upon the question as to whether the Cabinet as such would know?" — "I must admit that is how I accepted it "

"Is that how you accepted it?"

"It was clearly said because you may recall, and I am sure it is in my previous evidence, that I discussed, when Dr Diederichs asked me to come in that afternoon in February 1975, we talked generally about the Budget and a few things and then he came to this issue of the secret activities and this fight against the onslaught on South Africa, and Dr Diederichs made it quite plain that this was a highly secret operation, the groundwork of which had been done two or three years before, and that this was under the minister of Information, highly secret, but under the responsibility of the minister of Information

"And I went so far as to say, I think it is in my evidence, that 'Let us ask the minister of In-

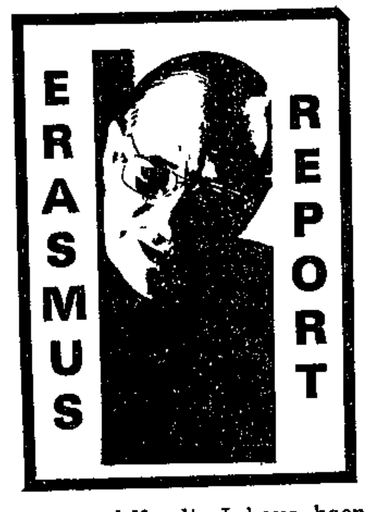
or the minister's office?"

"I was asked on two occasions, as I mentioned to you in my previous evidence The first occasion it was merely to see some publications and have tea, as far as I was aware On that occasion I asked, I said 'It is very interesting but I am not quite clear why am I asked to be here' And the answer that was given, and I think that was given by Dr Mulder, the answer was to this effect 'Dat ons het gedink met you akademiese agtergrond sal jy belangstel in hierdie soort ding'

"Now why I should have been asked again towards the end of 1977, I absolutely would not know and, in fact, again on that occasion I said the moment I saw a document there, I said at once 'Look, I know nothing about these things and I do not have any part I can play', and I excused myself and I walked out "

"This was the occasion when you had another urgent commitment?" — "Right This was towards the end of 1977 "

Judge Erasmus "Now what was the occasion just prior to that where they told you that you were invited because of your academic background and that you would probably be interested? Could you give us a date more or less there?" — "It



is very difficult I have been trying to think out when that could have been "

"Was it a question of months, let me put it that way?

"Let me say this, sir I was asked at the very last moment on that first occasion I was asked 'Could I come across right away, they would like me to come' It was right on the spur of the moment

"In 1976 I had very serious back trouble which started in July, 1976, and I was bedridden for a long time and I had to have a major operation and this went on for months, and I am sure in my own mind it could not have been in 1976 I think it was in 1975, in the recess "

"How long was this prior to the second occasion?"

"I would think it was in the recess of 1975 because in 1976 I was out of action for a long time, and I certainly did not go

that I understand that when I was in Washington attending the annual general meeting of the IMF at the end of September, 1978, last year, I understand that at a meeting late in September, when I was away, that in fact, the prime minister mentioned this to the Cabinet But I was not even present there "

"That is Mr Vorster?"

"That would have been Mr Vorster That was the information that I was given by colleagues That would have been right at the end of September, 1978 But on no occasion prior to that did either the prime minister or Dr Rhoodie or Dr Mulder or anybody else give me any indication or inkling of any kind that State monies were in some way being funded to the Citizen, and I would like to make that absolutely emphatic, if I may "

"Have you any particular knowledge about State funds being syphoned to To the Point?"

"I have no specific knowledge on that, no knowledge which I can regard as authoritative, other than what I have read and what I have heard about this one "

"But no own peculiar knowledge?" — "No own peculiar knowledge "

"No further questions "

UITERS GEHEIM

ANNEXURE D

Sy Edele Senator O P F Horwood
Minister van Finansies
Hendrik Verwoerdgebou 318
KAAPSTAD
8001

Geagte Kollega

Kragtens art 2(III) van die Wet op die Rekening vir Geheime Dienste (1978) deel ek u mee dat die Department van Inligting voornemens is om die geld wat u in die huidige boekjaar aan hom sal beskikbaar stel aan te wend vir die onderstaande kategoriee-dienste, nl

Uitgewers en publikasies
Konferensies
Front-organisasies
Medewerkers
Advertensies
Skakeldienste
Lobbyiste
Institute en stigtings
Nuus- en fotodienste
Rolprenteproduksie en -verspreiding
Ekonomiese aksies
Gaste
Reise en ander aangeleenthede wat hiermee in verband staan

Ek sal dit waardeer as u in die huidige stadium sal instem tot die aanwending van R7 850 500,00 vir bogemelde doel eindes

Met vriendelike groete
die uwe

C P MULDER
12 Mei, 1978

was also not satisfied with inadequate steps to close the gap on pensions for different races and the inadequate subsidies for basic essential of life

The continuation of the im-

dards from others

"Growth to improve the quality of life of every South African is a major ingredient in the solution of South Africa's problems, and its implementation an

Report no secret says Schwarz

HOUSE OF ASSEMBLY — The Auditor-General's secret report about the former Department of Information, particularly about the financing of the Citizen, should have come before Parliament in terms of the law, Mr Harry Schwarz (PFP Yeoville) said yesterday

"This secret report should not have been secret at all," Mr Schwarz said

Debates had taken place in the select committee about the Information Department They had also taken place in the Assembly and a commission of inquiry had been asked for

"The auditor-general sat in the official bay and knew of the Citizen and said nothing

"The then prime minister sat in his seat and said nothing and Dr Mulder when he spoke on the Citizen did not speak the truth," Mr Schwarz said

Mr Schwarz said he believed the public of South Africa wanted a complete audit of secret funds The former Auditor-General, Mr Gerald Barrie, had presented a secret report to both the then prime miniser and the Minister of Finance in August 1977 This report had never been presented to the select committee on public accounts or Parliament

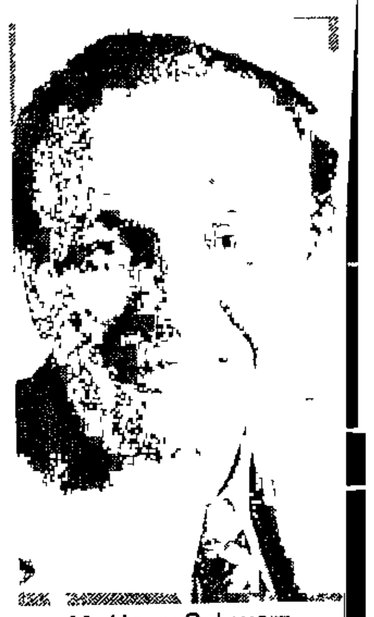
"There is no provision in the exchequer and Audit Act for reports which are not to be tabled in Parliament

"There is provision for special reports that they must be presented to Parliament and if the minister does not present them, the Auditor-General must send them to the President of the Senate and the Speaker," Mr Schwarz said

ispir thous, however, and a plan would be made to involve the entire population more fully in the economy

Mr Schwarz proposed a "peace bond" to raise money for the purpose of raising the quality of life in black urban townships

He said the Budget could well be a pre-election Budget, but urged the government not to go to the country until there had been complete disclosure and firm action on the Information scandal — Sapa



Mr Harry Schwarz

Ruling on petition

HOUSE OF ASSEMBLY — The Speaker of the House of Assembly, Mr J J Loots, yesterday ruled that the petition to have the State President, Mr John Vorster, impeached could not be discussed in the House

During debate on the second reading of the Budget, Mr G J Kotze (NP Malmesbury), said he had read in a newspaper report that Mr Harry Schwarz (PFP Yeoville) had not yet signed the petition to set in motion the machinery for the State President's impeachment

Mr Speaker interrupted saying he was not going to allow the petition, or reasons for members signing it or not signing it, to be discussed

Mr Kotze said Mr Schwarz was a very busy man and did not have much time at his disposal — Sapa

'Evidence that govt is free from blame

HOUSE OF ASSEMBLY — There was irrefutable evidence in t Erasmus Commission report that the government was free fr all blame in regard to the Information issue, Dr P J Viljoen (I Newcastle) said yesterday

Speaking during the second reading debate on the Budget, Viljoen said the Opposition could not survive without the Inforr tion debacle and for this reason they were absolutely bound keeping it alive

The Opposition did not care if they damaged South Afr irreparably

"They can't afford justice to take its normal course If they they will have to explain their stupid policy again "

The Minister of Finance, Senator Owen Horwood, and ot ministers had been acquitted of all blame by two judicial comm sions

"I hope the enemies of South Africa will now stop their sham war " — Sapa

Business today

HOUSE OF ASSEMBLY — Today's business:

Resumption second reading Appropriation Bill (Mr I end du Plessis NP Florida) — Sapa

Call to pass on cut rates

HOUSE OF ASSEMBLY — When the Reserve Bank reduced the interest rate, the reduction should be passed on through commercial banks, Mr Theo Aronson (SAP Walmer) said yesterday

Introducing an amendment to the Appropriation Bill, Mr Aronson said he had received several complaints from businessmen who said some commercial banks did not pass on the reduced interest rates from the Reserve Bank until specifically requested by their clients t so

Mr Aronson's amendment urged the gov ment to combat unemployment and improve standard of living, increase the share of pri enterprise in the gross domestic fixed investn give more effective relief to pensioners and a every South African to obtain a meaningful s in South Africa — Sapa

(259) 21/7/79

How the Commission found no Cabinet committee

STAFF REPORTER

THE Erasmus Commission has rejected allegations by Dr Eschel Rhoodie that a Cabinet committee or subcommittee had approved and monitored the secret projects of the Department of Information

In their report tabled in Parliament yesterday, the commission decided that nowhere in the evidence was the concept of a Cabinet committee or subcommittee defined

The existence of such a committee, which Dr Rhoodie referred to as an informal committee, has been a crucial element in the issue of Cabinet involvement in The Citizen and other Information Department irregularities

Dr Rhoodie has referred specifically to the existence of "a secret though unofficial Cabinet committee", while both Dr Connie Mulder, former Minister of Information, and General Hendrik van den Bergh, former head of BOSS, have said that Dr Rhoodie from time to time reported to three Cabinet Ministers on the Info secret projects.

In addition, Mr David Abramson [illegible]

"Yes, Dr Rhoodie often talked of a Cabinet committee which, in turn, was denied by Mr Vorster"

The commission put it to the General· "You personally know nothing of the Cabinet committee?" His answer was. "I never attended such a Cabinet committee, except in the case of To The Point"

He was asked· "Did you ever ask the Prime Minister about the Cabinet committee if such a committee existed?" The answer "Yes, he denied it."

● Mr Hubert Jussen, publisher of To The Point According to his evidence the Department of Information had nothing to do with To The Point during its initial years and in any case Mr [illegible] knows of it or was involved in it"

● Dr Mulder, who had said in evidence that to refer to the body as a committee would be wrong, as it had been an informal discussion group between three Ministers — Mr Vorster, Dr Diederichs and Dr Mulder He had also said that the purchase of South African Associated Newspapers' shares and the Citizen project were never discussed before this "committee".

● Mr P W Botha, who said there was no Cabinet committee dealing with matters concerning the former Department of Information and its projects Notwithstanding his own knowledge, he had asked for the matter to be investigated [illegible] Rhoodie on May 5, 1978 And as far back as March 1975 Dr Rhoodie claimed in a letter to the Chief of the Defence Force, then Admiral H H Bierman, that he was "working according to a schedule approved by the Hon the Prime Minister· the Minister of Finance and the Minister of Information" This letter was quoted in the first report of the Erasmus Commission

On December 31, 1977, Mr David Abramson made a detailed statement to his lawyer in which he said "All secret projects were approved by a Cabinet committee consisting of three members of the Cabinet This committee comprised of the following people Mr B. J Vorster, Senator Horwood and Dr Connie Mulder, together with General Hendrik van den Bergh, Eschel Rhoodie and Mr Les de Villiers (Deputy Secretary of the Department of Information)"

A copy of this statement by Mr Abramson came into the hands of the Rand Daily Mail, which quoted it prominently and in detail on March 23

Both Dr Rhoodie's claims and Mr Abramson's statement considerably preceded the first official denial of the existence of such a Cabinet committee This denial came on February 6, 1979, when Mr P W Botha told Parliament he had appointed two people to go through Cabinet minutes dating back to 1975, and they had been unable to find any reference to such a Cabinet committee His statement did not deal with the question of whether an unofficial or informal committee would have been recorded in the official minutes

In reaching its conclusion that the Cabinet committee was a "figment of the imagination", the Erasmus Commission has referred to evidence given to it previously by the Rhoodie brothers, Mr Vorster, Dr Mulder, and Gen Van den Bergh None of these persons were recalled for questioning on this specific issue in terms of the commission's special mandate of March 14 Of those quoted only Mr Botha and Mr Hennie Smit, were called for the purposes of this particular investigation.

Dr Mulder was not recalled, but in his public attack on Mr Vorster, published in Rapport on March 25, he named Mr Vorster and Senator Horwood as two Cabinet Ministers who knew about the funding of The Citizen before September last year While not referring specifically to an informal three-man Cabinet committee, he said "I want to state categorically that from time to time, Dr Rhoodie reported to three Cabinet Ministers concerning Information's secret projects"

Dr Mulder also gave times, dates and venues of meetings held between himself, Mr Vorster and the Minister of Finance (in 1974 Dr Diederichs, in 1975 and 1976 Senator Horwood) to discuss Info secret projects

However, faced with the evidence of Drs Mulder and Rhoodie on the one side, and Mr Horwood on the other, the commission in its report yesterday said it was impressed by Horwood's decisiveness where Dr Mulder had given hesitant and vague replies

Senator Horwood has consistently denied in Parliament that he was ever a member of the alleged Cabinet committee or that he knew anything about The Citizen project — in spite of having signed documents authorising expenditure of R14,8-million on itemised Info projects

Mr Gerald Browne, the former Secretary for Finance, attended, Dr Eschel Rhoodie has claimed, while still in office, a meeting held at Senator Horwood's home at which Dr Rhoodie briefed Senator Horwood on some of the secret projects This meeting was also attended by Dr Mulder, Dr Rhoodie claimed Yet there is no indication that Mr Browne has been recalled to give evidence following these allegations that he knew of Senator Horwood's involvement in secret projects

Dr Rhoodie has also claimed that Mr Ben Schoeman, former Minister of Transport, was one of those involved, along with Mr Vorster, Dr Diederichs, Dr Hilgard Muller, Mr P W Botha and Dr Mulder in a multimillion rand secret project started in 1973 Mr Schoeman too has not been called to give evidence on Dr Rhoodie's allegations

Mr Les de Villiers, who as a Deputy Secretary for Information was responsible for secret projects, and as such obviously a key witness, gave evidence to the Erasmus Commission earlier this year, but there is no indication in this report that he was questioned about Cabinet reponsibility or involvement in The Citizen or other irregularities He was not recalled to give evidence following Dr Rhoodie's latest allegations

Other officials whom Dr Rhoodie has claimed knew of secret projects including the funding of The Citizen before the scandal was exposed, and who have not been recalled by the Erasmus commission since those allegations were made, include Mr Louis le Grange, former Deputy Minister of Information, Mr J T Kruger, Minister of Justice, Mr Dries Pretorius, Secretary of the Treasury, Mr Braam Fourie, former Information Department accountant, Mr Louw Reynders, former BOSS auditor, deputy secretaries of the Treasury Mr Koert Pretorius and Mr Sarel du Plessis, and Information Department officials Miss Marsha Retief and Sonika Maree, and Mr Carel du Toit

Other people named by Dr Rhoodie as knowing of aspects of secret projects — but not necessarily of irregularities, and who have not been recalled — include the Secretary for Foreign Affairs, Mr Brand Fourie, Cabinet Ministers Andries Treurnicht, Willem Cruywagen, F W de Klerk, former Minister M C Botha, State officials such as Beyers Hoek, Gerbie Grobler, Martin Zimmerman, Kobus van Graan and J Els, and Chris Senekal and Dr Senekal of the Rserve Bank.

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3/4/79

man of Hortors and a key figure in an Info secret project, made a statement to his lawyer last year that all secret projects were approved by a three-man Cabinet committee

In addition Dr Rhoodie has named many public servants who he claims knew about various secret projects or knew of meetings and discussions of those projects.

But the Erasmus Commission in its latest report states it was clear that where two or more Ministers were together by chance and came to know of an irregularity, or were busy with an alleged irregularity, there could be absolutely no question of a so-called "committee", as no official group tie existed between them

To substantiate its finding the Commission referred to the evidence of the following persons:

● Dr Deneys Rhoodie, brother of Dr Eschel Rhoodie and a Deputy Secretary of Information. The commission found that "according to this evidence it is clear he does not mention which Ministers were on the so-called sub-committee and it would appear that he calls it a sub-committee of the Cabinet simply because one member of the Cabinet, Dr Mulder, served on it."

● General Van den Bergh, who stated that Dr Eschel Rhoodie had told him that the Department of Information had a financial interest in The Citizen. The General's evidence continued. sion, did not testify about such a committee.

● Mr Vorster, former Prime Minister He told the commission "I heard the Cabinet committee story for the first time after Mr Barrie (the former Auditor-General) began to investigate, and reference to the committee was made in his presence. I immediately denied the existence of such a Cabinet committee I know of no such committee."

The commission "In other words, you deny that General Van den Bergh conveyed such a report to you on behalf of Rhoodie?"

Mr Vorster "It would have been crazy ('gek') because there was no such Cabinet committee."

The commission put it to Mr Vorster that Senator Owen Horwood, the Minister of Finance, had also testified that he did not know of such a committee. To this Mr Vorster replied: "It was also not in Dr Diedrichs' time, as he left as Minister of Finance and Minister Horwood took his place"

● Dr Eschel Rhoodie and his reference to an informal Cabinet committee formed by the Prime Minister, Mr Vorster, Dr Diedrichs and Dr Mulder, to approve estimated expenditure.

"Even if Dr Rhoodie were right," said the commission, "then the existence at that time of a Cabinet committee to which he referred does not implicate the Cabinet at present in existence, as not one of the present Cabinet members tive.

● Mr Hennie Smit, Minister of Coloured Relations, who had been directed early in 1977 to record Cabinet resolutions He was asked to establish how many Cabinet committees were in existence at present He found 19 — none connected with the former Department of Information.

Mr Smit had also carried out research in connection with Cabinet committees going back to 1975 but could not trace any Cabinet committee in connection with Information He did not know the term "Cabinet sub-committee" at all

The commission concluded "Mr Vorster's evidence, as confirmed by the evidence of Mr P W Botha and Minister Hennie Smit, is comprehensive enough to finally dispel the conjectures that such a Cabinet committee existed

"The commission finds that the existence of such a Cabinet committee is, according to the evidence thus far on record, a figment of the imagination"

This conclusion is reached by the commission in terms of its mandate, specifically extended by the Prime Minister, Mr P W Botha, on March 14 to investigate whether any member of the present Cabinet had prior knowledge of The Citizen or other Info irregularities

But the claim that a secret, unofficial Cabinet committee approved and monitored the secret projects, was made by Dr

Cabinet cleared of early knowledge of Info irregularities

DR KOORNHOF

Star 3/4/79

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WHAT THE CITIZEN SAID

The Citizen, centre of the Information scandal, today commented on the interim Erasmus report under the headline "Accept the findings."

Its editorial begins:

"The Erasmus Commission has found that no member of the present Cabinet knew of the subsidisation by the State of The Citizen.

"Or of other irregularities in the Department of Information.

"The Opposition and its Press should accept this finding. . . ."

The headline on a report of the commission's findings reads: "Citizen: Present Cabinet cleared."

By Tom Duff
Political Reporter

CAPE TOWN — The Erasmus Commission has cleared present Cabinet members of early knowledge of Information irregularities and questions evidence given by Dr Connie Mulder, Dr Eschel Rhoodie and General Hendrik van den Bergh.

The commission was given two weeks by the Prime Minister, Mr P W Botha, to investigate whether members of the present Cabinet knew about the funding of The Citizen and other irregularities in the Department of Information before these were revealed by Government instituted inquiries

The commission's report was tabled in Parliament yesterday

It has found that, besides four Ministers who heard about the funding of The Citizen and certain irregularities on September 24 last year, no present Cabinet member had any knowledge of:

- The subsidising of The Citizen before the former Prime Minister, Mr Vorster, brought it to their attention at a Cabinet meeting on September 26
- Any other irregularities in the former department before these were disclosed to Parliament in December

Evidence was given to the commission by the there was evidence which could possibly implicate members of the present Cabinet

(1) The alleged Cabinet committee.

The report says: "The commission finds that the existence of such a Cabinet committee is according to the evidence thus far on record a figment of the imagination"

(2) The Citizen

The report says that according to some evidence three Ministers could possibly be implicated They are the Prime Minister Mr P W Botha, the Minister of Finance, Senator Owen Horwood, and the Minister of Plural Relations, Dr Piet Koornhof.

The report says the evidence implicating Mr Botha is vague and rests on deductions which could possibly be made by "imaginative persons"

This is because he was Minister of Defence, and because money from which the newspaper was financed came from funds channelled by his department to the Department the former head of the Bureau for State Security, General Hendrik van den Bergh, is based on hearsay and no weight can be attached to it.

Senator Horwood's evidence, the report says, is "direct, straightforward and decisive."

Of Dr Mulder's evidence, the report says: "But Dr Mulder's evidence, apart from its vagueness, is always in conflict with the real evidence. He always wants to tell other stories than the correspondence before the commission actually discloses."

The report adds: "Dr Mulder's evidence makes it indisputably clear that he cannot be accepted where he tries to upset or evade real evidence"

The commission says there is the question of whether Senator Horwood was not negligent because he apparently did not inquire in the greatest detail how funds would be used by the former department

"In this connection it should be remembered that it was precisely the policy of the Department of Information to keep the projects secret, that there is no question of a blank cheque which Senator Horwood gave to the Department of Information and that he is not the Auditor-General."

(3) The transfer to Switzerland of R10-million.

General Pienaar, the then Comptroller of the Defence Force, testified about an incident in 1974 when he was sitting next to the then chief of the SADF, Admiral H H Bierman, in the officials' bay in Parliament.

Mr P W Botha spoke to the admiral, who then told General Pienaar he had to go to the Secretary for Finance, Mr Gerald Browne, to arrange for money to be transferred to Switzerland

Mr Browne testified that 10-million dollars was transferred on the instructions of Dr Nico Diederichs, the then Minister of Finance This was done to enable the Department of Information to buy the Washington Star

The commission has found that Mr Botha did not know what the Department of Information needed or used the money for and that he was not interested in it. These were the functions of another department

(4) Dr Rhoodie buying his own office furniture without calling for tenders.

The commission has found that General van den Bergh's evidence about this and claims that Mr Vorster and Senator Horwood gave permission for the opening of a secret bank account is "a figment of the imagination"

(5) The Grand Prix.

General van den Bergh said in evidence that he thought the 1976 grand prix was State-funded

Dr Koornhof testified that he had approached the Treasury unsuccessfully to sponsor the race

He could not get hold of the Anglo American chairman, Mr Harry Oppenheimer, so he phoned Mr Louis Luyt, who later assured him that he would personally undertake to sponsor the race

"Approximately a year later he learnt for the first time that Mr Luyt had, through The Citizen, sponsored the grand prix

"This astounded him and he testified that if this were an irregularity it was not his fault but that of Mr Louis Luyt"

Star 3/4/79
(259)

The state not to buy US newspaper

Political Reporter

Department of Information involvement with other news publications, apart from The Citizen, was confirmed by the Erasmus Commission in its interim report tabled in Parliament yesterday.

The commission confirmed that an attempt was made in 1974 by the defunct department to buy the Washington Star and that it had something to do with the magazine To The Point in its later years.

According to the report, R8,5-million was transferred to Switzerland — to enable the department to buy the Washington Star.

The money was channelled through the special Defence account to the Union Bank, Switzerland.

General Prenaar, the former comptroller of the South African Defence Force, said in evidence that in September 1974 in Parliament Mr P W Botha had spoken to General H H Bierman in the officials' bay.

General Bierman had then leant over to him and told him to see the Secretary for Finance, Mr Gerald Browne, to arrange for the funds to be transferred to Switzerland.

The report says: According to Mr Browne, this was a highly secret project and the purpose for which the money was transferred was not made known to General Bierman or the Department of Defence and they would not know it."

Mr Botha also testified that he did not know for what purpose the money was required and had objected to it going through the Department of Defence.

The commission said it was still investigating whether all the money had been returned to South Africa.

There are two references to To The Point in the interim report which do not clearly state the Department of Information's involvement with the magazine.

The first is made in evidence given by General Hendrik van den Bergh in connection with the alleged Cabinet committee handling Information projects.

In reply to a question, he said "I never attended such a Cabinet committee, apart from the case of To The Point."

The commission, in the following paragraph of the report, says: "As far as General van den Bergh's reference To The Point is concerned, it is clear from the evidence of Mr Hubert Jussen that the Department of Information had nothing to do with To The Point during its initial years."

KNOWLEDGE

The next reference is made in a transcript of evidence given by Senator Owen Horwood, in which he was asked if he had any particular knowledge of State funds being sy- of State funds being sy- phoned into the magazine.

He replied that he had no specific knowledge which he could regard as authoritative.

Evidence was also related in the report about an attempted takeover of the Natal Mercury, which was revealed in the commission's first report last year.

The report says that Dr Piet Koornhof had been implicated in the attempted purchase by General Van den Bergh.

General van den Bergh had given evidence that he had "learnt from Minister Koornhof that he had given instructions to one Morgan to buy the Natal Mercury for an amount of between R4,5-million and R5-million.

"According to General van den Bergh the matter fell through, however, because Mr Vorster said the State could not buy newspapers.

"Minister Koornhof testified that he and Morgan did, in fact, talk about the purchase of the Natal Mercury, but the State had absolutely nothing to do with it.

"It was to be an exclusively private undertaking."

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Afrikaans Press questions Mulder's earlier allegations

Earlier statements and allegations made by Dr Connie Mulder concerning the present Information furore have been questioned by Johannesburg's two Afrikaans morning papers today.

Commenting on the front page of his paper the editor-in-chief of Die Transvaler, Dr Willem de Klerk, today called upon the executive committee of the NP in Transvaal to question Dr Mulder on his earlier allegations.

"The second report of the Erasmus Commission has proved beyond doubt that no member of the present Cabinet was aware of the Department of Information's involvement with The Citizen project.

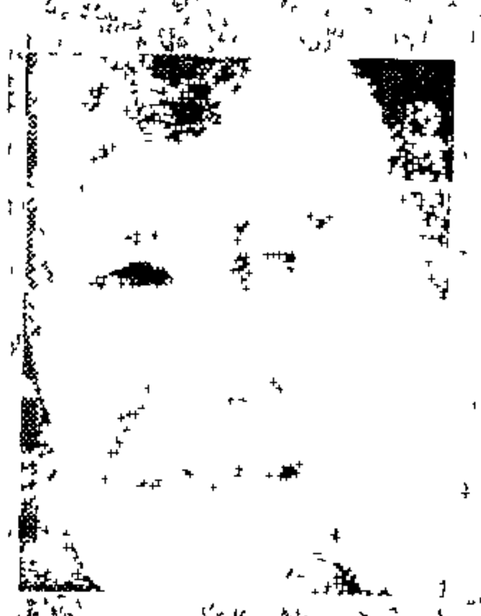
"The report also proves the Prime Minister, Mr P W Botha and Senator Horwood are free of any suspicion placed upon them by opposition groups and statements from elsewhere."

Die Transvaler writes that although the report is only of interim value it accepts it on the grounds of the evidence led before the Eramsus Commission.

Commenting in a leader page article Beeld wrote today that "those looking for furhter scandals involving the former Department of Information will now have to move in another direction if further attacks on the present Cabinet are to be made."

Beeld continues: "The commission has proved that the furore has not spread further than the former Department of Information. This means that the leaders of this department Dr Eschel Rhoodie and Dr Connie Mulder, were solely responsible for the row surrounding the former Department of Information.

"The most important aspect of the report, however, is the fact that the Prime Minister and the present Cabinet can now continue their work freed of all stumbling blocks."



SENATOR HORWOOD

Secret projects upset Horwood

Political Staff

CAPE TOWN — Since taking over as Minister of Finance in 1975 Senator Horwood was seriously concerned because he did not have details of the secret projects for which he was providing funds, meeting in the Prime Minister's residence in November 1977, at which all Information projects were raised and at which the Prime Minister is alleged to have been shocked, become ill and asked permission to leave the meeting

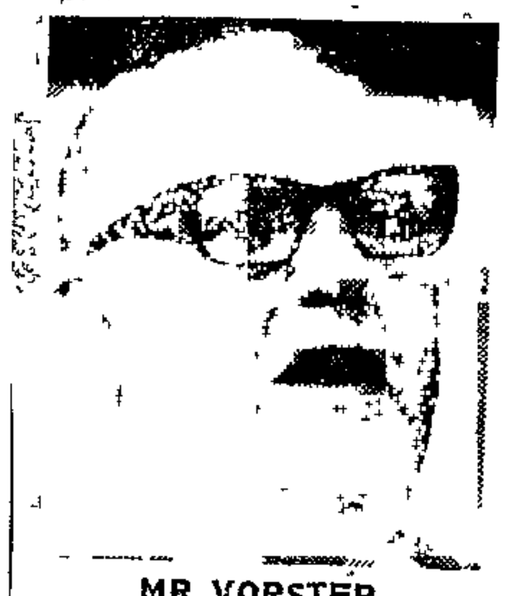
No finding on Vorster

Political Reporter

CAPE TOWN — Fresh light has been thrown on the involvement of the former Prime Minister, Mr John Vorster, in the secret activities of the defunct Department of Information in the interim Erasmus Commission report tabled in Parliament yesterday

But no findings were made by the commission on evidence implicating Mr Vorster in the secret projects, including the establishment of The Citizen newspaper

At the beginning of its interim report the commission states that Mr Vorster was no longer a member of the Cabinet and therefore fell outside the ambit of its investigations.



MR VORSTER

The report contains many references in evidence taken from witnesses and in general comment referring to involvement by Mr Vorster.

EVIDENCE

Most of the evidence given implicating Mr Vorster is included in the evidence of Dr Eschel Rhoodie and Dr Connie Mulder.

At one point the commission states "Only after the (former) Prime Minister had put his stamp of approval on the amount (funds for secret projects) was Senator Horwood simply informed that the amount had been determined in consultation with the Prime Minister, and Senator Horwood had no other choice but to include the amount in his estimates."

At another point the commission refers to evidence that agreed with evidence given by Dr Connie Mulder, namely "that the rest of the Cabinet was not informed about secret projects because the (former) Prime Minister regarded the matter as so secret"

Confirming evidence in this case was a letter authorising R7 850 500 projects for the Department of Information but which did not disclose "that any of this money would be spent on The Citizen"

SECRET

Both Dr Mulder and Dr Rhoodie state emphatically that Mr Vorster was privy to the secret projects.

According to Dr Rhoodie After the amount of fund had been decided upon by the hierarchy of secretary (himself), the Minister (Dr Mulder) and the Prime Minister the nature of the projects for which they were requested was kept secret within this restricted circle"

At another point, giving evidence about his lie to Parliament over the ownership of The Citizen, Dr Mulder said he had to decide between two duties

In its findings the commission said no member of the present Cabinet had known of the financing of The Citizen before the Cabinet meeting of September 26 1978, "although Mr L S v d V Reynders had already during November 1977, in the course of his official inquiry into the affairs of the said department, brought it to the notice of Mr Vorster and others"

(News by Bruce Cameron, House of Assembly, Cape Town)

the Erasmus Commission was told

In evidence before the commission Senator Horwood claimed that he was left in the dark despite all his efforts to be informed.

The secretary of the Treasury, Mr A J Pretorius, in correspondence with Dr Eschel Rhoodie, tried to establish details of the projects but these were refused on the grounds that the then Prime Minister, Mr Vorster, had instructed that they should remain secret

In its findings the commission said The Citizen project was kept secret from Senator Horwood "and, in all fairness, one does not expect him to search for a black cat in a dark room when he has no knowledge of the cat"

However, Senator Horwood was twice invited, at short notice, to meetings at which information projects were exhibited and discussed by Dr Connie Mulder, Dr Rhoodie and Mr Vorster

But Senator Horwood denied to the commission that he was present at a

Senator Horwood said he was told little about the secret project by his predecessor Dr Diederichs. The first time he heard of the secret projects was shortly after he took over from Dr Diederichs in 1975.

Asked whether he was not curious as to what these projects were, Senator Horwood said he was

Dr Diederichs told him they were highly secret

Overseas interest

By Andre Meyerowitz

BRUSSELS — The Belgian Government has been asked by anti-apartheid groups and MPs to find out whether Dr Eschel Rhoodie undertook any secret Department of Information schemes in this country.

A highly placed Foreign Ministry official said: "South African links are so strong anyway, that Dr Rhoodie would have been preaching to the converted"

There is a medical convention involving Belgian and South African doctors, co-operation between museums, university exchanges, the obvious diamond link with Antwerp, and Belgium's biggest tobacco concern is a member of Dr Anton Rupert's empire.

PROTEA CLUB

Links predating the Rhoodie era have not been questioned and little attention is being paid to Antwerp as the erstwhile seat of To The Point magazine.

Protea, a "contract club which aims to present objective information about South Africa," was set up a little more than two years ago The Belgo-South African Interparliamentary Association includes Flemish and Francophone politicians

The Star's Washington Bureau says. The Washington Star has demanded an investigation into the South African Information scandal and the possible involvement of American publishers, journalists and politicians

259 Star 3/4/79

Prime Minister, Mr P W Botha, and Cabinet Ministers Mr Pik Botha, Mr Alwyn Schlebusch and Mr Chris Heunis that Mr Retief van Rooyen told them on September 24 last year of a number of irregularities in the former department. Among these was the State funding of The Citizen.

Mr Vorster confirmed the allegations to them when they approached him the next day. On the day after this, September 26, Mr Vorster revealed the facts at a Cabinet meeting.

The commission specifically states that Mr Loot Reynders of the Bureau for State Security had already in November 1977, in the course of his official inquiry into the affairs of the department, brought the State funding of The Citizen to the notice of Mr Vorster and others.

The commission says the findings in its report unmistakably indicate that the "pollution" does not spread wider than the former department.

The commission indicates that it will not hesitate to amend its findings if new evidence makes it reach another conclusion.

The commission also indicates that Mr Vorster fell outside the terms of the commission because he was no longer a member of the Cabinet.

The report mentions five incidents of alleged irregularities which it says were the only ones where of Information.

"There is no direct evidence that Mr P W Botha knew that the State financed The Citizen," says the report. It adds that he denied such knowledge and the commission accepts his evidence.

Dealing with evidence about Dr Koornhof having been involved in an effort to buy the Natal Mercury, the commission says he testified that he and "one Morgan" did in fact talk about buying the newspaper.

But he said the State had nothing to do with it. It was to be an exclusively private undertaking.

The report says of allegations concerning Senator Horwood: "No acceptable evidence was placed before the commission that The Citizen specifically was brought to Senator Horwood's notice before September 26 1978."

The commission could not condemn him on suspicion alone — especially where this was aroused by allegations of the former Minister of Information, Dr Connie Mulder, who had lied to Parliament about The Citizen.

The commission could not condemn him on suspiwood on the "meagre and uncertain" evidence of Dr Eschel Rhoodie, the former Secretary for Information. Dr Rhoodie was "a fugitive from justice in foreign countries because he knows what the commission's findings in respect of him were".

It says the evidence of

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THE ARGUS, WEDNESDAY APRIL 4 1979

Rhoodie tried to destroy WCC—report

ARGUS 4/4/79 ① 259 ~~2 357~~

Argus Bureau

LONDON. — The South African Government has spent hundreds of thousands of rands in a covert operation to discredit or destroy the World Council of Churches,' the Guardian reports in a major story today.

The newspaper claims the money went on an organisation called the Christian League of Southern Africa 'which has been conducting a vehement campaign against the WCC over recent years'.

The rev Fred Shaw, a Methodist minister who is head of the league, denied the allegations in an interview with the Guardian from the organisation's headquarters in Pretoria yesterday.

The newspaper adds that it has been 'reliably informed' that the league was receiving funds from the Department of Information as long ago as 1975.

In 1977 a league leader and Dr Eschel Rhoodie drew up a detailed plan to fight the WCC.

R350 000

As a result, reports the Guardian, the Department of Information budgeted 'a secret annual grant' of more than R350 000 for the league.

It also helped the league buy an expensive house in Pretoria for its headquarters.

Initially the Government provided money only for the league's house magazine, Encounter.

The department decided in 1977 to step up its involvement after judging that the WCC was becoming increasingly dangerous to South Africa.

OPEN OFFICES

With Government money the league was to open offices in 'America and London.'

It was also to expand its magazine, step up its programme for overseas visitors, organise seminars and launch an ambitious programme 'aimed at exposing and denouncing the WCC's "Marxist" ties.'

The Argus Correspondent in Paris reports that South Africa's secret agents intervened in Kenya's political crisis in 1975, infiltrating into President Jomo Kenyatta's entourage through two ministerial accomplices, in a bid to mould Kenyan policies, a magazine has claimed.

SAA JETS

About 12 mostly black secret agents got close to 'Mzee' Kenyatta and members of his family, particularly to put pressure on the president to reject efforts to ban South African Airways jets from landing at Nairobi airport on a vital refuelling stop.

Disclosing this aspect of three Information-scandal linked operations in black Africa, the Paris-based magazine Jeune Afrique this week said Dr Rhoodie threw a luxury party in the Seychelles three months later for these Kenyan accomplices.

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Six at birth of Info secret funds plan

STAR 4/4/79

(259)

By Kevin Stocks and Chris Olckers

The secret funds used and misused by the former Department of Information were organised at a meeting in Cape Town in 1972 attended by three Cabinet Ministers and three civil servants.

This has been established in The Star's continuing investigation into the Information scandal.

The Cabinet Ministers were the then Prime Minister, Mr Vorster, the then Minister of Finance, Dr Diederichs, and the then Minister of Information, Dr Mulder.

DR RHOODIE

As The Star revealed on February 19 these three men were, in the following year, to approve the "programme of action" drawn up by Dr Eschel Rhoodie for the use of the funds.

The civil servants who attended were Mr F G Barrie (then about to be replaced by Dr Rhoodie as Secretary of Information), Mr Gerald Browne, then Secretary of Finance, and the then head of Boss, General Hendrik van den Bergh

THE CITIZEN

Mr Browne attended as representative of the Department of Finance which had to allocate money for the secret funds and obtain exchange control permission for the movement of money used outside the country.

Mr Barrie subsequently promoted to Auditor-General, was the man who reported to Parliament on certain financial irregularities within the Department of Information but failed to tell the Select Committee on public accounts that the Government had financed The Citizen.

According to the latest report of the Erasmus Commission of Inquiry, Mr Brown knew of the attempt to buy the Washington Star

He told the Commission that R8-million had been received from the Department of Defence for this project but that the Department of Defence had not known the use to which the money was to be put.

DR DIEDERICHS

The Prime Minister, Mr P W Botha, denied knowing the purpose of the money as did the former Comptroller of the Defence Force, General Ernst Pienaar who paid over the money, and the then Commandant General, Admiral H H Bierman.

As Mr Browne did know, he would presumably have briefed his Minister, then Dr Diederichs

He would also have been in a position to brief Senator Horwood when the senator took over the Finance Ministry However the Erasmus report does not go into the question of whether Senator Horwood knew about the Washington Star project, although the money was still outstanding at that time

● US to ask for Info secrets — Page 19

Nats clamour for Mulder's expulsion

RDM 4/4/79

(259)

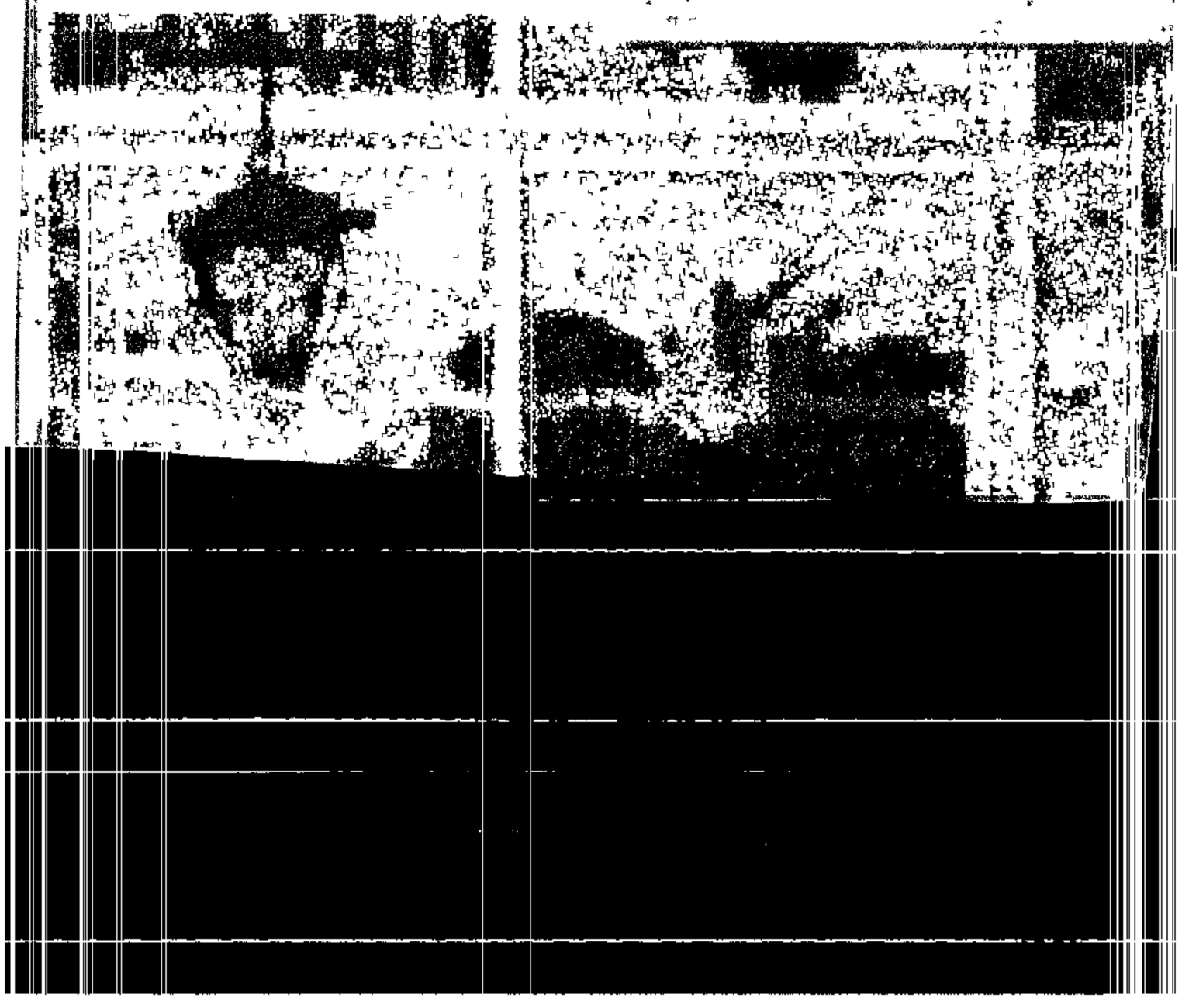
BY HELEN ZILLE
Political Correspondent

CAPE TOWN

DR ANDRIES Treurnicht, the Nationalist Transvaal leader, faces direct pressure from the Prime Minister and the party's Natal and Free State leaders to expel Dr Connie Mulder from the National Party today.

The pressures on Dr Treurnicht mounted as his Transvaal executive prepared to meet in Cape Town this morning to consider Dr Mulder's future.

The move follows the former Minister of Information's statements implying that the former Prime Minister, Mr Vorster, had lied over his own involvement in the establishment and funding of The Citizen.



RDM 4/4/79

Explain Info's Rhodesian link

(259)

Political Correspondent

DR ZAC de Beer of the Progressive Federal Party has called on the Minister of Foreign Affairs to explain a reference to a "Rhodesian Action project" contained in the Erasmus Commission's special report.

The campaign is mentioned in one of the documents presented to the commission as evidence.

The document was a letter from the former Minister of Information, Dr Connie Mulder, to the Minister of Finance, Senator Owen Horwood. It said all the projects mentioned in the document had been discussed and approved except "the Rhodesian Action project".

This comes at a time when allegations have been made overseas that the Government was involved in an "influence-buying campaign" in which black Rhodesian leaders were paid money to ensure they did not adopt an anti-South African Government line.

Shortly after the publication of the report, the Minister of Foreign Affairs said he knew nothing about a project conducted in Rhodesia Dr Eschel Rhoodie had undertaken "thousands of projects".

"I cannot keep track of them I know nothing about this one. It may be another of Dr Rhoodie's fancies," Mr Pik Botha said.

"In the projects that I inherited from the Department of Information, there is nothing of this nature."

Mr Botha said the project "must have started and ended before my time"

Before Mr Botha took control over Information schemes, 57 secret projects had already been scrapped as a result of investigations by the Pretorius Committee which evaluated them

Dr De Beer said Mr Botha owed South Africa a full explanation for the reference to the Rhodesian Action project

"One must presume that if one Minister writes to another about a project, this project must have existed," Dr De Beer said.

"I don't know at this stage whether this project is dead or alive"

Dr De Beer said it was "highly dangerous" for South Africa to become involved in any way on a secret or public basis with events in Rhodesia.

Such an action amounted to interference in the domestic affairs of another nation, Dr De Beer said.

Dr Mulder, who resigned from the Cabinet and the Transvaal party leadership over the Information scandal, has also said recently that the Minister of Finance, Senator Horwood, was aware of The Citizen project before the Cabinet was officially informed about it in September last year

And he reaffirmed his statements on Monday — despite the Erasmus Commission's finding that no members of the present Cabinet were aware of The Citizen funding before last September

Nationalist sources said last night Dr Treurnicht was now facing direct pressure from the Prime Minister, Mr P W Botha, and the two other provincial leaders, Mr Alwyn Schlebusch (Free State) and Senator Horwood (Natal) to expel Dr Mulder

Mr Schlebusch is regarded as the "verligte hope" to succeed Mr Botha as Prime Minister — if he can beat the verkrampte Dr Treurnicht to the job.

Dr Mulder's position became even more precarious as the Natal parliamentary caucus of the National Party decided unanimously at a special meeting yesterday to request the Prime Minister to ensure that its leader, Senator Horwood, was not undermined.

A statement yesterday by the Natal party chairman, Mr Stoffel Botha, MP for Eshowe, said that the cau-

Dr Connie Mulder, the elusive man in the Information scandal, caught talking to a visitor at his home yesterday Dr Mulder, who has refused to pose for photographs at this crisis period in the Info dispute, may be expelled from the National Party today

Another Citizen possible — Eglin

THE ASSEMBLY — There was nothing to stop "another Citizen" or other serious irregularities in the use of public funds, Mr Colin Eglin, Leader of the Opposition, said yesterday

The country was not better off than before despite assurances that the Secret Services Accounts Act of last year could prevent irregular use of public funds, Mr Eglin said during the Second Reading Debate on the Budget

Mr P W Botha, the Prime Minister, had saddled the Erasmus Commission with an impossible task by asking it to report in 15 days on whether any member of the present Cabinet knew of irregularities before September 26, he said

Mr John Malcomess (NRP East London North) said the Erasmus Commission interim report was not a finding of not guilty but of not proven

The report's weakness was that it did not clear up conflicting statements by the State President and Dr Mulder, he said

Mr Eglin said two issues of vital importance had been established beyond doubt by the interim report

One was that former Prime Minister and three other Ministers had been transferring funds without the knowledge of Parliament

Also Dr Mulder and the (then) Prime Minister (Mr B J Vorster) knew about The Citizen before the 1977 election but they withheld the information

For those two reasons all Members of the present Cabinet who served Mr Vorster had to accept joint responsibility for the Information scandal, he said — Sapa

● See Page 5

Mulder's actions — which it condemned — were not in the interests of the party and warranted disciplinary action

The Prime Minister "is requested to take whatever steps he thinks are necessary to stop the further undermining of our leader" the statement said.

The resolution was interpreted as a clear request to Mr Botha to see that Dr Mulder is expelled.

Last night, Dr Treurnicht was only prepared to say that a decision on Dr Mulder's future would be taken at the Transvaal executive meeting today

Nationalist sources confirmed yesterday that Dr Mulder's position was the focus of a much wider battle between the Prime Minister's supporters and the conservative faction that looks to Dr Treurnicht as the party's future leader

They said that unless Dr Treurnicht took immediate steps to expel Dr Mulder over his two statements, Mr Botha would have no option but to state publicly that he had asked Dr Treurnicht to get rid of him

This would bring party ri-

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Expel Mulder, urge Nats

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From Page 1

valry and feuding into the open, and show up Dr Treurnicht as refusing to accept the advice of party leadership and jeopardising party unity, they said.

Sources have explained that the behind-the-scenes power struggle between verligtes and verkramptes over Dr Mulder extends far beyond the Transvaal

While the verkramptes are very powerful in the Transvaal, they are in the minority in the other provinces The verligtes therefore have to fight Dr Treurnicht's rapid rise from outside the Transvaal

To counter this, Dr Treurnicht's strategy is to rally Transvaal Nationalists to him and destroy the small verligte base in the province An example is his ousting of Mr Louis Nel over the "Bols affair".

On the other hand, he is extremely reluctant to divide the verkramptes and weaken his leadership base — and this would be inevitable if he expelled Dr Mulder, who has a powerful core of support in the Transvaal

Nationalist sources yesterday dismissed speculation that Dr Mulder was being retained in the party to prevent him "bringing down the pillars of government" with further evidence of Cabinet involvement in the Info scandal

In Pretoria last night, the leader of the Progressive Federal Party in the Provincial Council, Mr Douglas Gibson, said the failure of the Attorney-General to take action against Dr Mulder was inexplicable, reports the "Mail" Pretoria Bureau

He told a Waterkloof meeting Dr Mulder appeared clearly to have contravened the Constitution Act by violating the dignity of the State President.

Dr Treurnicht's hesitation to take action against Dr Mulder was an indication that Dr Treurnicht's own position was not secure, Mr Gibson added.

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Secret Info cash organised in 1972

ARGUS 4/4/79

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Argus Correspondent

JOHANNESBURG. — The secret funds used and misused by the defunct Department of Information were organised at a meeting in Cape Town in 1972 attended by three Cabinet Ministers and three civil servants.

The Ministers were the then Prime Minister, Mr B J Vorster, the then Minister of Finance, Dr Nico Diederichs, and the then Minister of Information, Dr Connie Mulder.

These three were, in the following year, to approve the programme of action drawn up by Dr Eschel Rhoodie for the use of the funds.

The civil servants who attended were Mr F G Barrie (then about to be replaced by Dr Rhoodie as Secretary for Information), Mr Gerald Browne, then Secretary for Finance, and the then head of the Bureau for State Security, General Hendrik van den Bergh

Exchange control

Mr Browne attended as representative of the Department of Finance, which had to allocate money for the secret funds and obtain exchange control permission for the movement of money used outside the country.

Mr Barrie, subsequently promoted to Auditor-General, was the man who reported to Parliament on certain financial irregularities in the Department of Information, but failed to tell the select committee on public accounts that the Government had financed the Citizen.

According to the latest report of the Erasmus Commission, Mr Browne knew of the attempt to buy the Washington Star.

He told the commission that R8-million had been received from the Department of Defence for this project, but that the Department of Defence had not known how the money was to be used.

The Prime Minister, Mr P W Botha, denied knowing the purpose of the money, as did the former Comptroller of the Defence Force, General Ernst Pienaar (who paid over the money, and the then Commandant-General, Admiral H H Biermann.

As Mr Browne did know, he would presumably have briefed his minister, then Dr Diederichs.

Payment only

He would also have been in a position to brief Senator Horwood when the Senator took over the Finance Ministry.

However, the Erasmus report does not go into the question of whether or not Senator Horwood knew about the Washington Star project.

The meeting in 1972 was not concerned with details of projected Information projects, but rather with setting up the financial structure to pay for them.

Miss Lombard be granted an extension of time until the end of

US to ask for Info secrets

STAR (1) 259
4/4/79 (2) ~~337~~

By Hugh Roberton, The Star Bureau

WASHINGTON — The Carter Administration may soon ask the South African Government for a detailed account of its secret attempts to buy influence in the United States

Officials at the highest level are known to have argued that such a demand is justified in the light of disclosures by the Erasmus Commission

The disclosures, and recent allegations by Dr Eschel Rhoodie, they have claimed, suggest that US law may have been widely and repeatedly broken over several years

THREE AREAS

Officials said the US Embassy in Pretoria should be instructed to request details

State Department spokesmen were today unable to say whether the embassy had made a formal request but officials confirmed there was strong pressure inside the Administration and from Congress for it

NEWSPAPER

There are three major areas of concern

The major one is the Erasmus Commission's confirmation that millions of dollars were made available secretly for the purchase of The Washington Star.

Coupled with this have been allegations that, having failed to buy that paper, the Government later made the money available for the purchase of The Sacramento Union in California for R8-million, a purchase the Justice Department is known to be looking into

The Washington Star and two television networks have called for an inquiry into the extent of efforts to establish a secret South African "beachhead" in the US media

It would be a major contravention of the Foreign Agents Registration Act for any foreign government to seek even a share of a US newspaper or television station without its representatives registering with the US Justice Department

Though the Erasmus Commission has confirmed South African Government complicity in a bid to buy The Washington Star, no South African representative was ever registered in this connection

Another area of concern is the allegation that South African money was used to fund election campaigns against critics of the South African Government's race policy.

HAYAKAWA

There have been repeated claims that former Senator John Tunney of California, was defeated by Senator Sam Hayakawa in 1976 because Senator Hayakawa received secret South African funds.

Senator Hayakawa has denied all knowledge of South African contributions.

He admitted he cannot tell whether he got any through front organisations.

TRADE UNION

Americans are also concerned about allegations that prominent trade union officials received bribes from South Africa and that the corruption may have extended to certain Government officials.

The House of Representatives Ethics Committe, for instance, has had to suspend its inquiry because it has no firm evidence to work on

The Los Angeles Times News Service says the Department of Justice, according to officials, was awaiting State Department cables from South Africa to assess the finding of the Erasmus Commission

Erasmus 2 in London

The Star Bureau

LONDON — Mr Francois van Zyl and Mr Hendrik Klem, the special investigators for the Erasmus Commission are back in London — and this time the British Government were officially notified in advance of their arrival

A Foreign and Commonwealth Office spokesman said yesterday they had been told, in writing, by the South African Embassy of the two attorneys' arrival on Monday

The advance notification had said Mr van Zyl and Mr Klem would conduct one interview in London "on an informal basis"

After the last visit here by Mr van Zyl and Mr Klem, a fortnight ago, the South African Charge d'Affaires, Mr David Louw was called in to the Foreign Secretary, Dr David Owen.

Whitehall sources today said it was incorrect to have described that meeting, as a "rebuke" for the South African representative

The sources described the notification by South Africa House of the current Van Zyl-Klem visit as an act of courtesy The South Africans were under no obligation to give such information

candidature

: B.A. (UCT) 1965
M.A. (Western Washington State College) 1977

Field of Research : History of the Malays at the Cape of Good Hope 1652-1930.

(Ph.D. Board)

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Afrikaans Press split on Erasmus report

RDM 4/4/79 (259)

Political Staff

AFRIKAANS newspapers were yesterday sharply divided in their reactions to the Erasmus Commission's interim report

The report found that Cabinet Ministers did not know The Citizen was being funded with taxpayers' money before they were officially informed by the former Prime Minister, Mr Vorster, in September 1978

It also found that Mr Vorster knew of the funding in November 1978, but informed the Cabinet only after being confronted by a group of Ministers 10 months later.

Die Transvaler yesterday took the unusual step of running a front page editorial in which it unequivocally accepted the report

The newspaper called on the Transvaal National Party to confront the former Minister of Information, Dr Connie Mulder, who has claimed that the Minister of Finance, Senator Owen Horwood, was aware of The Citizen funding long before September last year

But Die Vaderland said it would reserve judgment until the final Erasmus Commission report at the end of May because it had raised new questions which required more clarity

"The commission finds that the former Prime Minister was aware of The Citizen 10 months before he informed the Cabinet," Die Vaderland noted.

"It also found that after consultation with Dr Mulder, Mr Vorster gave final approval for secret project funds"

The newspaper did not, however, elaborate on the questions these facts raised

Die Transvaler and Die Vaderland are owned by the Perskor group of which Dr Mulder is a director.

English-language newspapers reacted with greater indignation, calling on Sen Horwood and Mr Vorster to resign and asking who was to be believed — Mr Vorster or Dr Mulder.

An editorial in the Cape Times said the commission ignored the key question of who was to believed

The commission had not even examined their controversial public statements — in which Dr Mulder made Mr Vorster out to be a liar — making the so-called interim report of limited value in clearing the air

The Natal Mercury said in an editorial· "We were under the impression that from April 1, 1978, Sen Horwood, as Minister of Finance, was required by Act of Parliament, the Secret Services Account Act, to specifically satisfy himself that all secret funds were spent 'in the national interst'. In spite of this requirement he appears to have been content with general headings, codes or even skimpier information — but no details"

On that account he should resign. But so should Mr Vorster because he clearly knew of the massive misappropriation of taxpayers' money, but waited until his last Cabinet meeting before telling, the editorial said

Senator Horwood: there are still a lot of unanswered questions

RDM 5/4/79

(259)

BRIAN O'FLAHERTY

Information's secret projects.

Senator Horwood told the Commission that, although he had attended the meeting in November 1977, the secret projects had not been discussed. He had stayed for only 15 minutes and then went off to other appointments

The legal expert pointed out that Senator Horwood's evidence indicated there had been a discussion "even if in broad terms"

"There doesn't seem to have been cross-examination about that or the fact that the publications were on display and Senator Horwood did not see something as big as The Citizen masthead"

Dr Eschel Rhoodie, the former Secretary for Information, told the Rand Daily Mail that all the major secret projects were displayed at the meeting. Copies of The Citizen and other Information activities were displayed

The display, said Dr Rhoodie, was prepared by three Information department employees Miss M Retief, Miss S Maree and Mr C Du Toit. They were not called to give evidence before the Commission

Present at the meeting were the then Prime Minister, Mr John Vorster, former Information Minister, Dr Connie Mulder, Dr Rhoodie, former BOSS chief, General Hendrik van den Bergh, and Senator Horwood

In its report, the Erasmus Commission cleared Senator Horwood of having had prior knowledge of the establishment and funding of The Citizen with taxpayers' money

The legal expert said points in Senator Horwood's evidence could provide valuable information if he were cross-examined on them

He explained the value of cross-examining a witness on his evidence and the tests which could be used to check the evidence for accuracy

The tests were outlined by the Judge President of the Transvaal, Mr Justice Cillie, in his judgment in the Rand Daily Mail Prisons Trial in the late 60s and published in "The Newspaperman's Guide To The Law", by Kelsey Stuart

The expert said "When testing for accuracy you have to take into account whether the witness is correct, his history and whether he has first hand information or not

"You have got to take into account the nature of the evidence given and whether it can be easily ratified. You have to look for corroboration or the absence of corroboration, for literary licence, hyperbole and improbability

"The person asking the questions should have an open but not uncritical mind and should not dismiss contradictory information unless he finds it unreliable"

"One time-honoured test in checking for veracity is to take the testimony and compare it against known facts, and to re-examine where it doesn't square with them This requires a searching set of questions

"If there is evidence of a diverse type, you have to cross-examine a witness

"The evidence may or may not be true, so you apply these tests You cross-examine to establish whether one witness really did know about something or whether another witness had better knowledge.

"Very often in the Commission the cross-examination being pursued by the advocate appeared to have broken down at an interesting stage"

The points the legal expert felt could provide more information if Senator Horwood were again questioned on them were

● While speaking about his attempts to obtain details of the secret projects, Senator Horwood said "In the course of 1976, I said to the Secretary to the Treasury- 'Look I'm not prepared to put up with this Ask Dr Rhoodie to give me information as to his secret operations that will satisfy you'"

The expert asked. "Why should he want the Secretary to be satisfied. Surely he should want to satisfy himself He surely would want to know"

● Senator Horwood said he attended a meeting in the Prime Minister's office in November 1977, where secret projects of the Department of Information publications were displayed, and that he looked at them.

"There were some books, as I recall, that looked like some periodicals and possibly a few newspapers and so on

" and I was asked if I would like to look at them, these were the things the Department of Information were doing, which I did There were quite a lot of things there."

Sen Horwood also said: "There was no discussion while I was there of any project whatsoever I would like to make that point very clear because if there had been I would immediately have said, 'but I have consistently failed to obtain any information from Dr Rhoodie or the Department of Information, even though I and the Secretary of the Treasury had asked for this verbally and in writing for quite a period, each time being told this is something that is so secret, they cannot divulge this information to us'

"So I would have immediately then said 'Look, I am not prepared at this stage to discuss these matters' But what happened was, there was a document and it looked as if there were certain things listed and I said to them 'What is this?' This is my broad recollection — and they said, 'Well, these are some of the things we are doing'"

The expert commented "That indicates there was some discussion, even if in broad terms"

Sen Horwood said " I do not think I was there more than a quarter of an hour but I hope I did not give any impression that while I was there there were projects being put to the Prime Minister, either to discuss or to approve, because in my presence he was not asked to approve anything and no specific projects were even discussed I just hope I hadn't given that impression"

The next paragraph of the report quotes a member of the commission "No we haven't got that impression As a matter of fact we have carefully considered this portion of the evidence given the last time and we believed your evidence so you need not worry about that aspect"

The expert asked "Does this indicate that the commission was completely satisfied at this stage and no further questioning was necessary on this aspect?

"There doesn't seem to have been any cross-examining about the fact that things were discussed broadly and that publications were on display and Senator Horwood didn't see something as big as the mast head of The Citizen That question doesn't seem to have been asked"

● Sen Horwood said Dr Mulder had asked him to sign a document releasing money for the secret projects and that he had said all along "If I sign this thing you are going to say, or someone will say, I approved various projects that might be in this letter- and I am not prepared to do it"

The expert asked. "Why didn't Senator Horwood ask for information?"

Sen Horwood later said he had signed the document but then decided to consult law advisers to check if he needed to sign every voucher.

They had told him that "it is quite clear that the Minister of Finance in our opinion does not have to sign such a document setting out all the details of secret projects or activities"

The expert said "Senator Horwood initiated the law, why does he need law advisers to tell him what he meant?"

● During questioning, Senator Horwood confirmed he believed it the duty of the Minister of Finance to have knowledge of the particular nature of any secret project "for which you are responsible to provide the funds from Parliament"

Sen Horwood said this was why he repeatedly asked the Department of Information for particulars so that "I could at least have some knowledge of what these particulars were and I could never obtain it So I think that would be a more satisfactory position"

The expert said "He initiated the law and piloted it through Parliament Why didn't he say 'I have got to be satisfied'?"

● Sen Horwood said when he took over as Minister of Finance he was told that money had been committed ahead for the secret projects He declined to take part in this

The expert said "He was told he had been committed He declined to be committed to doing these things in the annual budget. Why did he go on signing these things?"

● Sen Horwood said that during a meeting in February 1975 the former Minister of Finance, Dr Nico Diederichs, had told him of the existence of the secret projects and that they fell under the responsibility of the Minister of Information"

" I went so far as to say that let us ask the Minister of Information to come in at once, let us get him in and Dr Mulder could not be found and it was then that Dr Rhoodie was asked to come in "

The expert said "He was doing the right thing in trying to speak to Dr Mulder but he says he couldn't find him He seems to have just dropped it I think he should have been asked what he did next"

● Answering a question on why he had been asked to attend the November 1977 meeting, Sen Horwood said: "I was asked on two occasions as I mentioned to you in my previous evidence The first occasion, it was merely to see some publications and have tea as far as I was aware"

"On that occasion I asked, I said it is very interesting but I am not quite clear why I am asked to be here And the answer was given, and I think it was given by Dr Mulder, the answer was to this effect: 'We thought with your academic background you would be interested in this sort of thing'"

He said he did not know why he was again asked to

RDM 5/4/79 (259)

A JOHANNESBURG legal expert has outlined areas in the evidence given by the Minister of Finance, Senator Owen Horwood, to the Erasmus Commission which he believes should be subjected to searching cross-examination.

And Professor John Dugard, Director of the Centre of Applied Legal Studies at the University of the Witwatersrand, has called for the release of all the testimony given to the Erasmus Commission.

"Many aspects of the report would seem to have warranted deeper probing," he said. "One wonders whether that happened. Unless the full evidence is published, one won't know."

Among the areas in the evidence which the legal expert highlighted were:

- Senator Horwood's presence at a meeting in November 1977, where secret projects — publications and possibly "newspapers" — were on display.
- His attempts to get details of the Department of

a meeting towards the end of 1977. He had seen a document there, told the others present that he knew nothing about these things and could play no part. He excused himself and walked out.

The expert asked: "Now why should he on these two occasions leave in a rush? He says he did not seem to be able to get exact details about the projects when he wanted them and had asked for them time and time again.

"He had two golden opportunities to get the information he was looking for. Why did he not take the opportunity?"

RDM

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Pik calls on Eglin to resign

From Page One

speaking to Mr McHenry, but had not told the Foreign Minister of his talk with Mr McHenry

"One would have expected him to disclose that he had spoken to a member of the Western group and to have briefed the Minister in the interests of South Africa," Mr De Klerk said

The Leader of the South Africa Party, Mr John Wiley, said where the previous Opposition had been the enemy of all foes of South Africa, the present Opposition was a horse of a different colour

The Leader of the New Republic Party, Mr Vause Raw, expressed shock at the allegations

"I considered the information given us by the Minister of Foreign Affairs so highly confidential that I did not disclose it to my own caucus," he said. — Sapa.

Ultimatum to Mulder — retract or go

From Page One

to the pressures to accept the special report, he would destroy his credibility and support and go down as one of the most pathetic figures in the country's political history, Professor Willem Kleynhans, head of the Political Science Department at the University of South Africa, commented in Pretoria yesterday

"Now is the time for him to emerge with the full story If he has the proof to back up his allegations against the former Prime Minister, Mr Vorster, and other Cabinet Ministers that they knew of the subsidisation of The Citizen, he must spell it out — small print and all"

Professor Kleynhans said by refusing to accept the report and giving full exposure to any supporting facts he might have, Dr Mulder could retain his considerable support among Right-wing Transvaal Nationalists and a base for a possible political comeback.

"But if he accepts the report and brands himself a liar, he will destroy his base and support He will be finished and become one of the most pathetic public figures this country has ever seen," Prof Kleynhans said

RDM 5/4/79

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Retract — or go, Nats tell Mulder

RDM 5/4/79 (259)

DR MULDER
. . . considering

Mrs Helen Suzman (PFP Houghton) said the call for Mr Eglin's resignation was blatant political hypocrisy.

She believed Mr Eglin had, in a responsible way, tried to resolve the impasse in negotiations over SWA

His integrity was beyond doubt.

Mr De Klerk said Mr Eglin had initially denied, but later admitted, phoning Mr McHenry, but denied divulging any confidential information.

Mr Eglin's initial denial had been untrue

Mr De Klerk then said that Mr Eglin had denied asking Mr McHenry to make an appointment for him with United Nations Secretary-General, Dr Kurt Waldheim

Yet, earlier, Mr Eglin had asked that of him

Either Mr Eglin or Mr McHenry was lying

Mr Eglin had also discussed confidential matters with Mr Botha the day after

□ To Page 2

made public, Dr Mulder issued a statement saying he stood by a previous Press statement in which he claimed Mr Vorster knew of The Citizen project from the beginning and that Senator Horwood became aware of it before the Cabinet briefing.

National Party sources pointed out that this amounted to a direct repudiation of the commission's findings

Demands mounted for Dr Mulder's expulsion from the party and the issue became a focal point for a broader verligte-verkrampte clash in Nationalist ranks.

Dr Treurnicht, who had hoped to avoid a confrontation with Mulder loyalists in the Transvaal, faced pressure from the combined verligte forces in the other three provinces.

This pressure was expressed publicly in a statement by the Natal National Party caucus calling on the Prime Minister, Mr P W Botha, to see that disciplinary action was taken against Dr Mulder for his attack on Senator Horwood — the party leader in Natal

Asked if he considered yesterday's action on Dr Mulder sufficient, Mr Stoffel Botha, chairman of the party in Natal, said he had no comment to make.

Dr Treurnicht's full statement reads:

"Because the Transvaal executive of the National Party accepts the findings of the Erasmus Commission, it unanimously requests Dr C P Mulder to accept unequivocally that he accepts the authority of the Erasmus Commission and accepts the findings contained in both reports of the commission as already published.

Unless Dr Mulder gives such an undertaking to the secretary of the executive before or at 12 noon on April 6, his membership (of the party) will be terminated.

If Dr Mulder succumbed

□ To Page 2

RDM
5/4/79
259

By HELEN ZILLE
Political Correspondent

CAPE TOWN

DR CONNIE MULDER has 48 hours to drop his Info allegations against the former Prime Minister, Mr Vorster, and the Minister of Finance, Senator Owen Horwood — or be expelled from the National Party.

This ultimatum was given to Dr Mulder yesterday by his successor as Transvaal party leader, Dr Andries Treurnicht.

In a statement after a meeting of the Nationalist Transvaal executive in Cape Town, he said Dr Mulder had until noon on Friday to accept unequivocally the Erasmus Commission's findings.

If he did not give this undertaking, his membership of the party would be terminated, Dr Treurnicht said.

The ultimatum demands, in effect, that Dr Mulder withdraw his allegations that the Mr Vorster was aware of The Citizen project from its inception, and that Senator Horwood knew of the project before September last year.

This would mean that Dr Mulder, the former Minister of Information, would have to accept sole ministerial responsibility for the Info scandal — a position he has strenuously resisted.

Dr Mulder said last night he would carefully consider his position before making a decision.

Asked whether he was prepared to stand by his recent statements against Mr Vorster and Senator Horwood, he said: "No comment."

Dr Mulder reaffirmed the statements after the Erasmus Commission's interim report was tabled in Parliament earlier this week.

The special report found that Mr Vorster learnt of The Citizen project in November 1977 and that Senator Horwood did not know it before being informed at a Cabinet meeting on September 26 last year.

Immediately after the commission's findings were

'Eglin leaked SWA secrets'

THE ASSEMBLY — The Foreign Minister, Mr Pik Botha, yesterday called for the resignation of the Leader of the Opposition, Mr Colin Eglin — and was supported by the Minister of Posts and Telecommunications, Mr F W de Klerk, who said the credibility and trustworthiness of Mr Eglin had been destroyed.

It was claimed in debate that Mr Eglin had divulged, by telephone, confidential information concerning the negotiations on South West Africa afforded him by Mr Botha to the chief Western negotiator on SWA, Mr Don McHenry — and later tried to cover up that he had made the call.

Mr Botha said he had given the information to several Opposition leaders and Mr Eglin had soon afterwards passed it on to Mr McHenry.

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Mulder given 48-hour deadline

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CAPE TIMES 5/4/79

Political Staff

DR CONNIE MULDER, former Transvaal leader of the National Party, has been given 48 hours to drop his allegations against the State President, Mr John Vorster, and the Minister of Finance, Senator Owen Horwood — or be expelled from the party.

This ultimatum was issued to Dr Mulder yesterday by his successor, Dr Andries Treurnicht, after a meeting of the Transvaal executive in Cape Town

In a statement issued after the meeting, Dr Treurnicht said Dr Mulder had been given till noon on April 6 (tomorrow) to accept unequivocally the findings of the Erasmus Commission If he did not give this assurance, his membership of the party would be terminated Dr Treurnicht said

The ultimatum demands in effect, that Dr Mulder withdraw his allegations that the State President, Mr Vorster, was aware of the Citizen project from its inception and that Senator Horwood knew of the project before September last year This would mean that Dr Mulder would have to accept sole ministerial responsibility for the scandal — something he has strenuously resisted

The Erasmus Commission's special report found that Mr Vorster learnt of the Citizen project in November 1977 and that Senator Horwood did not know it before being informed at a Cabinet meeting on September 26 last year

Dr Connie Mulder

Immediately after the commission's findings were made public, Dr Mulder issued a statement saying he stood by a previous press statement in which he claimed that Mr Vorster knew of the Citizen project from the beginning and that Senator Horwood became aware of it before the Cabinet briefing

National Party sources pointed out that this amounted to a direct repudiation of the Erasmus Commission findings Demands grew for Dr Mulder's expulsion from the party and the issue became a focal point for a wider verligte/verkrampte clash

Dr Treurnicht, who had hoped to avoid a confrontation with Mulder loyalists in the Transvaal, faced pressure from the combined verligte forces from the other three provinces The pressure was expressed publicly in a statement by the Natal National Party caucus, calling on the Prime Minister Mr P W Botha, to see that disciplinary steps were taken against Dr Mulder for his attack on Senator Horwood

Asked whether he considered the steps against Dr Mulder to be sufficient, Mr Stoffel Botha, National Party leader in Natal, said he had no comment to make on the matter

The full statement issued by Dr Treurnicht reads

"Because the Transvaal executive of the National Party accepts the findings of the Erasmus Commission, it unanimously requests Dr C P Mulder to accept unequivocally that he accepts the authority of the Erasmus Commission and accepts the findings contained in both reports of the commission as

already published.

"Unless Dr Mulder gives such an undertaking to the secretary of the executive before or at 12 noon on April 6, his membership (of the party) will be terminated."

● Dr Mulder said last night that he would carefully consider his position before responding to the ultimatum.

He said he had no further comment on the ultimatum.

Asked whether he was prepared to reaffirm his statements that Mr Vorster and Senator Horwood knew about the funding with taxpayers' money of the Citizen before the Cabinet was officially informed last September, Dr Mulder said: "No comment."

Cape Times
5/4/79

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Mulder 'did not approve' – Rhoodie accusations

STAR 5/4/79

(259)

Political Correspondent

CAPE TOWN — Dr Connie Mulder denied to the State President, Mr Vorster, that he approved of accusations made by Dr Eschel Rhoodie against the Cabinet and Mr Vorster, it was disclosed today.

Senator Jack Steyl, secretary of the Transvaal National Party, who was present at the confrontation between Mr Vorster and Dr Mulder in Cape Town two weeks ago, spoke today about the meeting.

Senator Steyl said Mr Vorster had asked Dr Mulder whether he had had any continued contact with Dr Rhoodie, to which Dr Mulder had replied in the negative.

"The State President then asked Dr Mulder whether he approved of all the accusations and allegations made by Dr Rhoodie against him, Mr Vorster, and the Cabinet. To this, Dr Mulder also replied in the negative.

In his statement to Rapport after Mr Vorster's disclosures of his talk with him, Dr Mulder said he had shown Mr Vorster a copy of The Citizen in its new tabloid format as far back as December 1976.

Senator Steyl said Mr Vorster had asked Dr Mulder, in the light of his denial of Dr Rhoodie's allegations, why he had not immediately denied them. Dr Mulder replied that he was not talking to the Press.

According to Senator Steyl, exchanges between Mr Vorster and Dr Mulder about the knowledge of The Citizen went like this.

Mr Vorster — Did you ever tell me or the Cabinet about The Citizen?

Dr Mulder — No, except when I discussed the change of format of The Citizen with you.

Mr Vorster — Why would you have discussed that with me if you had never told me about it before?

Dr Mulder — I did not previously want to in any way embarrass you or compromise you because General van den Bergh more than once reported to me and Dr Rhoodie about alleged discussions which he had with you about the matter.

Mulder will go it alone, say top Nats

STAR 5/4/79

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By Chris Olckers

Dr Connie Mulder will probably challenge the National Party as an independent candidate in the Randfontein by-election.

His close friends and leading Nationalists believe this will be the consequence of the Transvaal party's ultimatum to him yesterday to accept the Erasmus Commission's authority and its findings or be expelled from the party

Dr Mulder has refused to comment on the ultimatum, which gives him until noon tomorrow to make up his mind He said he was still considering his position today

REJECT

National Party sources in Randfontein say it is virtually certain he will stand on his principles, and reject the ultimatum.

To accept it would be an admission that his previous statements firmly implicating the former Prime Minister, Mr John Vorster, and Senator Owen Horwood, Minister of Finance, in the Information scandal, were incorrect.

Earlier this week, before the ultimatum, Dr Mulder said he had no intention of standing as an independent in the by-election — "at this stage"

He has powerful support in conservative Randfontein and, if he does stand, there will be strong prospects of a deep and public split in the Transvaal branch of the National Party

Already some Transvaal Nationalist MPs are believed to be upset about the ultimatum They believe the party's provincial leader, Dr Andries Treurnicht, was pressured to issue the ultimatum in an attempt to embarrass him.

But none of the MPs are likely to break with the party if Dr Mulder is kicked out as they believe that Nationalist verligtes would then have successfully split the conservative forces under Dr Treurnicht.

Yesterday Dr Mulder got his first open support from a Nationalist front-bencher in Parliament, Mr W J C "Koeks" Rossouw

In the Budget debate he paid unexpected tribute (after the party caucus early in the day) to Dr Mulder as a man who would not let South Africa down

"Leave Connie alone," he said "He was a son who did for South Africa

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'Mulder will go it alone'

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▶▶ From page 1

what he thought was right Unfortunately he was caught by circumstances."

Mr Rossouw, re-elected unopposed last year as MP for Stilfontein, is a noted apartheid hardliner.

The leader of the New Republic Party, Mr Vause Raw, also entered the fray yesterday, saying Dr Treurnicht's ultimatum had been "an act of weakne...."

Dr Mulder's associates in Randfontein say he was angry at not being given the chance to address the party caucus and at being denied any other opportunity to state his case

"His principles are so strong in this that he would not allow himself to be crucified so that others could get away scot-free," one Nationalist said

Beeld, the Afrikaans newspaper reflecting the views of the Cape-based Nasionale Pers, today urged Dr Mulder to retire permanently from politics.

He would destroy himself politically if he either repudiated or stuck by his earlier statements, Beeld's editorial said

Info: Broker may testify on 'shares for Ministers'

ARGUS 6/4/79 (2) 259

By Donald Andrew

A CAPE TOWN investment broker, Mr Richard Benson, has applied to give evidence to the Erasmus Commission about shares allegedly allocated to Cabinet Ministers by a growth fund company at the time Mr David Abramson a key figure in the Information scandal, was its managing director.

At the same time he is pressing the police to complete an eight-year investigation of the activities of the company, National Fund Investments Limited (NFI), which, he alleges, was central to the collapse of share prices on the Johannesburg Stock Exchange (JSE) in 1969.

Mr Benson estimates that at the time the South African investing public lost between R250-million and R300-million in two growth funds, National Growth Fund (NGF) and South African Trust Selections (SATS), and in the controlling company, NFI

Between 1969 and 1971 the value of these units was halved and NFI fell 97 percent in value from the listing day (September 8 1969), when they were traded at up to 465c each, and fell to 14c in November 1970

Mr Abramson was managing director of Fund Advisers Limited, which ran NGF, of Trust Administrators Limited, which ran SATS, and of NFI, the controlling company.

Mr Richard Benson

Mr Benson claims NFI was floated while it was near bankruptcy because of administrative collapse and that investors were kept in ignorance of this. He says they discovered the true position only after they had lost their money

Mr Benson wishes to draw attention of the commission to a report published in Die Afrikaner on June 18 1971, suggesting that the Prime Minister in 1969 and eight Cabinet Ministers might have been allocated shares at 150c each in NFI before it was listed

No denial

Mr B M Schoeman, editor of Die Afrikaner, told The Argus that no reaction, and certainly no denial, had been received against the article.

Die Afrikaner story quoted a similar article which appeared in the Sunday Tribune on June 6 1971, saying the then Prime Minister, Mr B J Vorster, and eight Cabinet Ministers 'have substantial share holdings in NFI'

'The share register shows that in October 1969, Mr Vorster held 5 000 shares.'

The following Cabinet Ministers at the time each held 1 000 shares. Dr N Diederichs, Dr C P Mulder, Mr S L Muller, Mr Ben Schoeman, Mr P C Pelser, Mr Frank Waring, Mr J J Loots and Dr P G J Koornhof (then a Deputy Minister), the report said

'Did not know'

'The chairman of the company, Mr H C Kuiper, said yesterday (June 5, 1971) he did not know when or how the Ministers received their shares.'

A Sunday Tribune editor at the time told The Argus there had been no rebuttal of the report.

The prospectus specified those people (mainly NGF and SATS unit holders) entitled to be allocated shares before flotation.

Mr Benson said the share register showed that Mr Vorster was allocated his 5 000 on September 2 1969 — six days before the listing. Access to the share reigster to verify Mr Benson's claim was denied to The Argus by the share registrars.

The Cabinet Ministers would have qualified for an allotment if they had held a substantial number of units in NGF and or SATS at the time.

Lost R16-m

Mr Benson claims numerous public investors lost about R16-million when they bought about 11-million NFI shares through the JSE in 1969-70, before the near collapse of the company in 1969 was first announced to shareholders in 1970.

Furthermore, he maintains an additional R17,5-million was lost in 1969-70 by subscribers who bought the shares at 150c and saw their price drop to 14c in 1970.

Mr Benson says he has proof that R13-million of the R17,5-million finished up in the pockets of the promoters of the scheme and the R4,5-million balance was lost as a result of the near collapse of the group before it was listed.

Reassurance

On February 3 1970 Dr Diederichs, Minister of Finance, was reported as saying there was no valid reason for the panic on the stock exchange.

On February 8 1970 Dr Diederichs was reported as saying in a Press statement that there was no cause for 'undue or hasty reaction' by the public to the announcement of management changes at NFI and the suspension of dealings in the share on the JSE

The report continued: 'Dr Diederichs emphasised that the two mutual funds administered by NFI — NGF and SATS — were backed by some of the strongest financial institutions in South Africa.'

On February 17 1970 Dr Diederichs was reported as repeating the assurance that the boards of directors of the management companies concerned with NFI (Fund Advisers and Trust Administrators) were taking active measures to overcome administrative problems.

He added that the office of the Registrar of Financial Institutions had confirmed that the unit trusts concerned (NGF and SATS) were backed by strong financial interests

Dr Diederichs's statements were made in the same month that Mr Abramson abruptly left the NFI group and disappeared from the limelight

Secret envoy

In 1977 Mr Abramson again made news headlines with his takeover of Hortors, one of South Africa's oldest and largest printing and publishing concerns

Sometime between 1970 and 1977 Mr Abramson is thought to have operated as a Government secret emissary and top Department of Information agent.

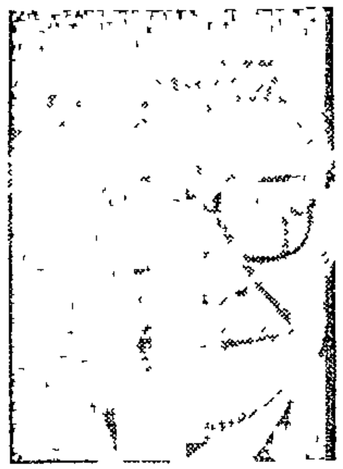
On February 19 this year it was reported from Paris: 'Dr Diederichs was also instrumental in obtaining the collaboration of businessmen with the Department of Information

'It was he who brought Mr David Abramson within the Information net and started the process that led to the attempted setting up of an international pro-South African publishing empire'

On November 12 last year it was reported that the Reserve Bank went to exceptional lengths in the mid-70s to grant Mr Abramson permission to raise a multi-million-rand loan overseas.

That loan was the basis of a publishing empire, with a holding company in Bermuda, which now stretches from South Africa to Britain, France and the Netherlands.

The loan was used by Mr Abramson and his partner, Mr Stuart Pegg, to secure a 20 percent share in the British publishing company Morgan Grampian in 1976.



Dr N Diederichs

In 1977 Mr Abramson and Mr Pegg made an estimated R5,2-million profit from the sale of Morgan Grampian and used it to secure their takeover of Hortors.

Close ties

Mr Pegg was Mr Abramson's personal assistant when he headed the NFI group. Mr Pegg was also a former business associate of British tycoon Mr Jim Slater. It was a former dormant company of Mr Slater's Slater-Walker Group in Bermuda which was used as one of the holding companies for the publishing empire.

The Guardian newspaper in Britain reported in December last year that Mr Abramson is said to have acted as a courier for Dr Diederichs in secret financial negotiations with Western powers.

Several Government departments and bodies have been asked for public investigations into the NFI affair on many occasions since 1971.

Mr Benson first asked the police in 1971 to investigate the scheme.

The Commanding Officer of the Commercial Branch for South Africa, Brigadier T Sherman, told The Argus that a docket had been handed to the Attorney-General in Johannesburg 'a couple of times' in the past but that there had been a consistent refusal to prosecute.

Brigadier Sherman said investigations are continuing in the light of new evidence presented by Mr Benson

Mr Benson said he had not been able to obtain from the Attorney-General a certificate of refusal to prosecute detailing the charges. Without these details, he is unable to proceed with a private prosecution against those whom he believes illegally gained from the public investors' losses.

The secretary of the Erasmus Commission, Mr J F Geyser, informed Mr Benson that he would be contacted on or after April 3.

In the House of Assembly on Wednesday, Mr George Bartlett, MP Amanzimtoti, asked the Minister of Justice, Mr Jimmy Kruger, whether police were investigating alleged offences by the directors and managers of two affiliated companies at the time of the listing of one of the companies on the JSE

Mr Kruger confirmed investigations were being conducted as the result of an approach by a shareholder.

Mr Bartlett told The Argus today that the two companies referred to are NFI and National Fund Holdings

PM told Parliament untruth, says PFP

RDM 6/4/79 (259)

By HELEN ZILLE
Political Correspondent

THE ASSEMBLY — The Prime Minister, Mr P W Botha, was yesterday accused of telling an "outright untruth" to Parliament during the special short session held last year to discuss the Information scandal

The charge was made in Parliament by Mr Horace van Rensburg (PFP Bryanston) who called for a Select Committee to investigate whether "the Prime Minister lied to this House or not"

Mr Van Rensburg based his charges on a contradiction between a paragraph in the interim report of thh Erasmus Commission, released this week, and an interjection the Prime Minister made during the special two day "Info-session" of Parliament in December

During the session Mr Botha rejected out of hand allegations that R10-million had been channelled through the Special Defence Account to Switzerland by General Ernest Pienaar on the instructions of Admiral H H Biermann

Evidence revealed by the Erasmus Commission claimed that a transfer of $10-million had taken place and this had been confirmed before the commission by the Prime Minister

Mr Botha was not in his green bench yesterday as Mr Van Rensburg quoted the contradiction as the basis of his allegation that the Prime Minister had told "an outright untruth to the House"

Nationalist Members remained silent as Mr Van Rensburg continued "I would call it an outright lie if I was allowed to use that word. In the event, I call it an outright untruth."

The exchange in the special session started when Mr Ron Miller (NRP Durban North) asked if the money had been channeled to Switzerland

The Prime Minister That is an outright lie

Mr Miller: Then the question is, why did that money go to Switzerland and why did it come back from Switzerland? That was an amount of R10-million

The Prime Minister Will the Hon Member be prepared to testify about that before the Erasmus Commission? . . . It is gossip and you know that — it is cowardly gossip

Mr Van Rensburg said yesterday the "gossip" had been confirmed by the Erasmus interim report

Info's US

TV link

RDM 259
NM 7/4/79
(559)

DR RHOODIE
... new link

Eschel's 25% stake in major agency

continued p2

MAIL INVESTIGATION TEAM

THE RAND Daily Mail can reveal today that South Africa has a share in a major British-American television agency. More than R1-million of secret South African Government money was used to help American millionaire Mr John McGoff buy a half stake in UPITN.

The money was part of 10-million US dollars allocated to the Department of Information's secret funds from the Department of Defence in a vain bid to enable Mr McGoff to buy the Washington Star.

When the bid failed, Mr McGoff used the money to help buy the Sacramento Union newspaper and a 50% share in UPI.

The original allocation to Mr McGoff was part of a Government master-plan to build a clandestine international propaganda network.

Details of the UPITN project are contained in documents which have come into possession of the Rand Daily Mail.

They are part of a detailed statement which Mr David Abramson, former chairman of Hortors, made to his lawyer on December 31 last year.

UPITN is considered the second biggest film news agency in the world.

Information in the Mail's possession is in conflict with a statement issued by UPITN executive vice-president, Mr Ken Coyte, who told the British newspaper, The Guardian, that assurances had been obtained from Mr McGoff that the South African Government was in no way involved in his stake in UPITN.

Mr Coyte told The Guardian that there was "no possibility whatsoever" that South African money was involved.

He said that editorially the agency "wouldn't tolerate interference of any kind".

Mr Coyte said that since mid-1975, when Mr McGoff bought into the company, UPITN had made eight documentaries on South Africa out of a total of more than 300.

According to the information in the Mail's possession, Mr McGoff used about R1,3-million of South African Government money in the UPITN venture.

This had originally been part of an amount of 10-million US dollars allocated to Mr McGoff in his vain bid to buy the Washington Star.

Much of this amount was used by Mr McGoff to buy the influential Californian newspaper, the Sacramento Union, after the failure of the Washinton Star takeover bid.

According to the Guardian, Mr McGoff bought his

☐ To Page 2

RDM
259
7/4/79

Van den Bergh won't talk to Van der Walt

RDM 3/4/79 (259)

CAPE TOWN. — General Hendrik van den Bergh, chief of the former Bureau for State Security, has refused to give evidence before the Van der Walt Committee.

The committee replaced the Mostert Commission in the investigation into contravention of the exchange control regulations by, among others, the former Department of Information.

A decision must now be taken on whether to subpoena Gen Van den Bergh, committee chairman, Mr Hennie van der Walt, M P, said yesterday.

He said he understood the general had refused to testify because he had been discredited by the Erasmus Commission — and considered there was no point in his talking to another commission.

Info deal exposed

SA cash used for TV firm

CAPE TIMES 7/4/79 (259)

THE Cape Times can disclose today that South Africa has a share in a major British-American television agency — UPITN.

More than R1 m of secret South African Government money was used to help the American millionaire, Mr John McGoff, buy a half stake in UPITN

The money was part of 10 million US dollars allocated to the Department of Information's secret funds from the Department of Defence in a vain bid to enable Mr McGoff to buy the Washington Star

When the bid failed, Mr McGoff used the money to help buy the Sacramento Union newspaper and a 50% share in UPI

The original allocation to Mr McGoff was part of a Government master plan to build a clandestine international propaganda network

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Much of this amount was used by Mr McGoff to buy the influential Californian newspaper, the Sacramento Union, after the failure of the Washington Star takeover bid

According to the Guardian, Mr McGoff bought his share in UPITN from Paramount Pic-

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From page 1

tures through an American company he owns, the Sacramento Union Corporation The stake was subsequently transferred to a company called Global Communications, of which Mr McGoff is president

On Thursday, the Prime Minister, Mr P W Botha, was accused in the House of Assembly of telling an "outright untruth" to Parliament during the special short session held last December on the scandal

The charge was made by Mr Horace van Rensburg (PFP, Bryanston), who called for a select committee to investigate whether "the Prime Minister lied to this House or not"

Mr Van Rensburg based his charges on a contradiction between a paragraph in the interim report of the Erasmus Commission and a series of interjections the Prime Minister made during the special "Info-session"

During the session Mr Botha rejected out of hand allegations that R10-million had been channelled through the Special Defence Account to Switzerland by General Ernest Pienaar on the instructions of Admiral H H Biermann

Evidence revealed by the Erasmus Commssion stated that a transfer of $10-million had taken place and this had been confirmed before the Commission by the Prime Minister

According to Hansard, the official record of Parliamentary proceedings, Mr Ron Miller (NRP Durban North), said

" I would like the Prime Minister to help me with a particular problem which we have That is to find out whether there is any truth in the rumour that General Pienaar, now retired, was comptroller of the Defence Force and that he, on the instructions of Admiral Biermann, chanelled R10-million through the Special Defence Account to Switzerland This was approximately in 1974 "

The Prime Minister "That is an outright lie!"

The $10-million, according to the second Erasmus Report, was transferred by the Reserve Bank to the Union Bank of Switerzland on the instructions of Dr Diederichs, then Minister of Finance, earmarked for the McGoff bid for the Washington Star

According to the report, Mr Botha testified that he did not know at all for what the Department of Information needed the money

"As the then Minister of Defence he was not interested in it He objected to the money going through the Department of Defence to the former Department of Information but this was nevertheless done at the insistance of Dr Diederichs "

The report said the Commission was still investigating the question of whether all the money had been returned to South Africa

Cape Times
7/4/79
259

REVEALED: ESCHEL'S R500 000 CONTRACT

259.

Sun. Express 8/4/79

Van Zyl stepped in to beat US offers

By KITT KATZIN

JOHANNESBURG businessman Mr Joe van Zyl has shown the Sunday Express a copy of his contract with Dr Eschel Rhoodie. It shows he undertook to pay the fugitive former Secretary for Information R500 000 to buy his silence and prevent him releasing tape-recorded and documentary evidence relative to the Information scandal.

Mr Van Zyl said he stepped in to beat a R200 000 offer to Dr Rhoodie from a United States TV company.

And, when he realised the crippling consequences that release of evidence would have for South Africa, he had immediately prepared himself to offer even more to keep the tapes and documents secret.

The contract, drawn up last month after 19 hours of talks at a secret Paris hideaway, was signed by Mr Van Zyl, Dr Rhoodie; attorney Mr Brian Kahn, acting for Mr Van Zyl, and General Hendrik van den Bergh, head of the former Bureau for State Security.

The money was to be paid at the rate of R100 000 a year and raised through the sales of distortion-free metal-shearing machines, due to come off the production line in three weeks time

In terms of the written contract, Mr Van Zyl and General Van den Bergh were to have flown back to Paris to finalise the offer after the former security chief had evaluated the tapes and documents.

Gen Van den Bergh was to seperate the evidence into two packages:

Package A would contain evidence classed as State secrets and the contents would never be revealed. Package B was to be Dr Rhoodie's insurance

It was to contain evidence relative to general secret projects of the former Department and be released only if Dr Rhoodie or his [illegible] if he wa[illegible] South Africa forcibly, or if his travel documents were confiscated

If the contents of that package had to be released, Dr Rhoodie and Mr Van Zyl would split the profits from the sale of any documents or tapes, 50-50.

Under the contract, Mr Van Zyl also undertook to offer Dr Rhoodie a job with his international Prepazyl group of companies.

But, when Mr Van Zyl returned to South Africa, the Government stepped in by "challenging Eschel to release the information".

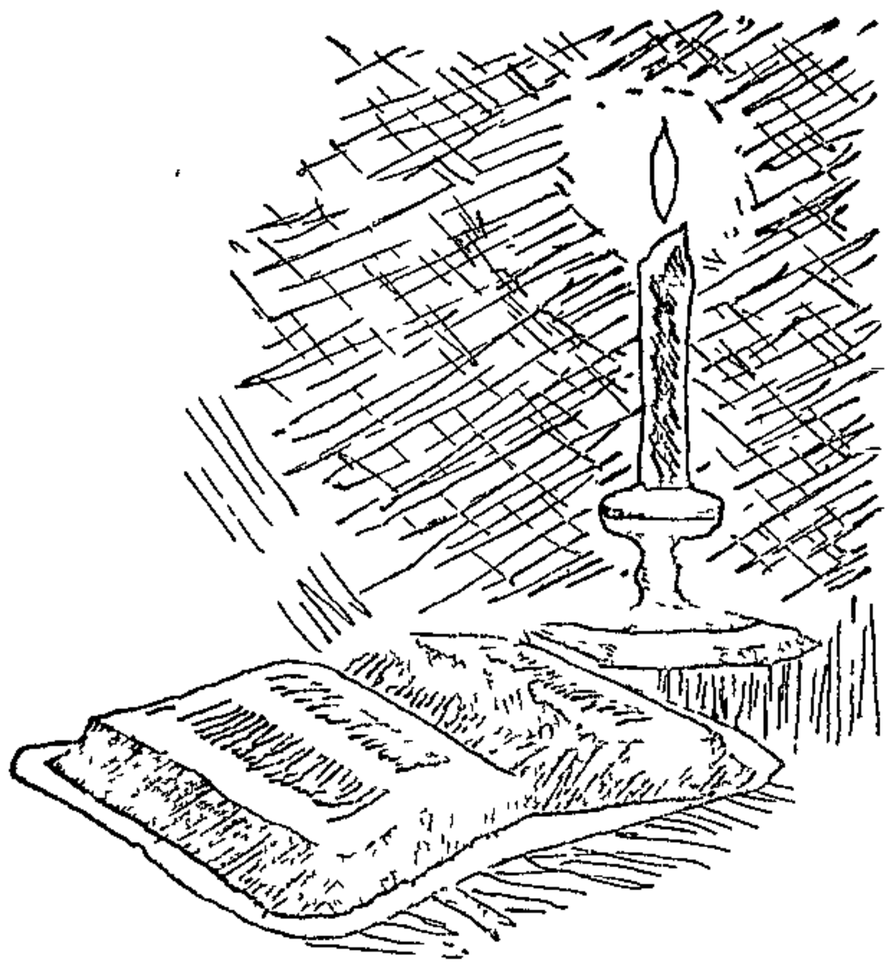
"And then they withdrew my passport," he said.

That meant he could not finalise the agreement.

He told the Government that if the "dynamite" tapes and documents (which he had carefully studied) were disclosed, South Africa would be "blown apart".

As a result of reported subsequent offers to Dr

● To Page 2



Package B: Eschel's 'insurance'

From Page 1

Rhoodie for the tapes and documents from US newspapers, he appealed to the Security Police to return his passport

"But they did not do so. I could not make personal contact with Eschel. The Government advised me to testify to the Erasmus Commission."

Mr Van Zyl said the packages remain locked in bank vaults in England and France, but although the contract with Dr Rhoodie has not been finalised, it was, in his view, still binding on Dr Rhoodie.

Nonetheless, he still hoped to complete a formal agreement.

He said that in the absence of a formal contract so far Dr Rhoodie had remained staunchly loyal.

In terms of the initial agreement, a "reasonably short period" was allowed for the signing of a formal contract. That period officially expired yesterday, but Mr Van Zyl believed he still had sufficient time to formalise the contract.

If, however, he could not, he would not hesitate to reveal fresh irregularities carried out — details of which were contained in the Rhoodie packages — when he stood as an independent candidate in the forthcoming Johnanesburg West parliamentary by-election.

Asked why he was prepared to reveal precisely that which he was trying to prevent Dr Rhoodie from revealing, Mr Van Zyl said: "Because the Government, in encouraging Eschel Rhoodie to tell all, abused its power for political self-gain. It also reacted appallingly to some of the secret projects mounted by Dr Rhoodie — and remember, I know precisely what is at stake and which political leaders were involved."

"In my view it is absolutely essential that the taxpaying public is made aware of additional facts.

"But coercing Eschel Rhoodie into releasing what I was prepared to pay R500 000 to stop was the last straw.

"If Dr Rhoodie, in the light of his peculiar circumstances, chooses not to release the information — which appears to be the line he has taken, even in the absence of an official agreement — I will certainly step in to air some of the crucial issues.

'That's for sure."

● Mr Joe van Zyl, who spent 19 hours studying Dr Rhoodie's tapes and documents, believes he "heard and saw" sufficient evidence to convince him that several Cabinet Ministers and Government officials were aware of the State funding of The Citizen BEFORE the former Prime Minister, Mr Vorster, informed the Cabinet last September.

This week the Erasmus Commission found that no members of the present Cabinet knew before that date.

Mr Van Zyl said: "I can assure you that in regard to whether or not Cabinet Ministers were aware of The Citizen project (before September last year), the tapes and documents told me another story."

He was not prepared to identify the ministers involved and declined further comment.

THE BIBLE AND YOU

THE RELEVANCE OF THE BIBLE

Paul's words in 11 Timothy 3:16 underline its relevance for knowing and understanding our faith. Hebrews 4:12 reminds us that it is alive and dynamic, reaching to life's innermost areas, bringing conviction from God. Only those who study it really discover its relevance. It has a way of coming to mind in all manner of circumstances. "I will keep Your word in my heart, that I may not sin against You," wrote David. Those who cherish it and store it up in the memory find it to be relevant as a bulwark against sin, as it is recalled under the promptings of the Holy Spirit. Those who have not experienced this have yet to discover the relevance of the Bible and its power to renew and to preserve.

THE STUDY OF THE BIBLE

A good many people find the Bible unrewarding because they have never developed any kind of serious or systematic approach to its study. Here are some broad principles that need to be observed:

1. Prayer:
You will not find the Bible to be the compelling Word of God without prayer. It is important always to pray before you read, asking that God will Himself speak to you, otherwise you may come to the Bible in a rush, and lose much of what God would say to you. A spirit of prayer helps to open your mind and heart to what the Bible has to say, and one will find much to pray about during one's reading of the Word.

2. Reading
You will never find the Bible to be the compelling Word of God without reading it.

Barrie: I didn't tell Vorster

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S Times 8/4/79

THE former Auditor-General, Mr F G Barrie, did not tell the former Prime Minister, Mr Vorster, about The Citizen.

Mr Barrie revealed this in a statement to the Sunday Times this week, two weeks after Mr Vorster's amazing apparent disclosure that he had heard about The Citizen affair from Mr Barrie in August 1977.

After a Press conference held after his interview with Dr Connie Mulder in Cape Town on March 22, Mr Vorster was reported to have said he had asked Dr Mulder why he had not discussed The Citizen with him personally.

"I asked him," Mr Vorster was widely reported to have said, "why he did not inform me and why I had to hear about it from Mr F G Barrie in August 1977."

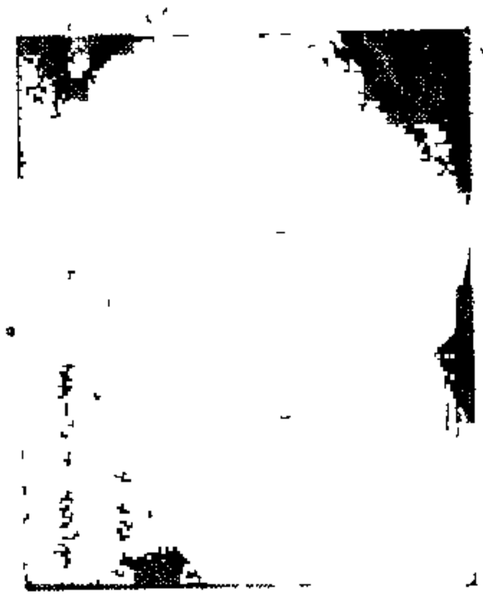
In a statement published in last week's Sunday Times, Mr Harry Schwarz, chief PFP spokesman on the Information scandal, said Mr Barrie would have to explain why he had not disclosed The Citizen affair to the select commitee which last year investigated wasteful expenditure by the former Department of Information.

Categorically

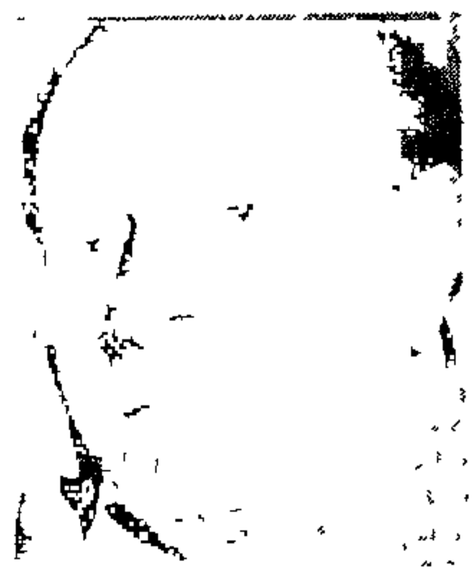
Mr Barrie said this week he wanted to "state categorically" that he had no knowledge of The Citizen's affairs in August 1977.

"Furthermore, when I appeared before the select committee on public accounts during last year's parliamentary session, I still knew nothing about The Citizen.

"Even had I been aware of the facts in this connection, it would have been legally beyond my powers to report to Parliament on this or any other secret project



MR VORSTER
Statement widely reported



MR BARRIE
No knowledge of The Citizen

By FLEUR DE VILLIERS

according to Act No 81 of 1969 and Act No 6 of 1974."

He had been able to report on the travelling expenses of senior Information officials, in accordance with a Treasury instruction (No 1843) which states that all travelling and susbsistence expenses incurred by an official in whatever connection should, unless otherwise prescribed, be met from the vote from which the official's salary is actually paid.

Insinuation

Mr Barrie said he had been unable to "clarify the matter" of whether he had reported to Mr Vorster about The Citizen when approached for comment last week, "but in the meantime it has been cleared with the State President".

His statement was "not contradictory" to what the State President had said in the recent past, "but was in accord with his view of the matter", Mr Barrie said.

It was as a result of his report to Mr Vorster, then Prime Minister, on July 29 1977 that Mr L Reynders had been appointed to audit the accounts of the secret projects.

It had been Mr Reynders who had subsequently advised Mr Vorster of the financing of The Citizen, he said.

"I take very strong exception indeed to Mr Schwarz's insinuation that I was acting on instructions from other people

"I consider the independence of the Auditor-General to be one of the cornerstones of sound financial government, and I deeply resent the slur cast on me as the incumbent at that time.

"I trust that Mr Schwarz's sense of justice will prevail on him to admit that he was hasty and unfair in his conclusions"

Commenting on Mr Barrie's statement, Mr Schwarz said he was "only too delighted to hear" that Mr Barrie had not told Mr Vorster about The Citizen.

Nevertheless, Mr Barrie's quarrel was with Mr Vorster and not with him, Mr Schwarz said.

Although Mr Vorster's statement had been reported on March 23 in nearly every newspaper in South Africa, including those which supported the Government, and despite considerable public debate, neither Mr Vorster nor anyone else had disputed its accuracy, particularly that section which purported to quote Mr Vorster directly and which related to the report Mr Barrie had made to him in August 1977

"I certainly had no reason not to accept the accuracy of the quote when, more than a week after the

event, I was asked to comment on it.

"If Mr Vorster now accepts Mr Barrie's contentions and corrects his statement, I am extremely pleased," Mr Schwarz said.

He had always had a high regard not only for the office of the Auditor-General, but also for Mr Barrie personally, and had been saddened by Mr Vorster's statement, in the light of the evidence given by Mr Barrie before the select committee on public accounts.

"I am pleased that what has happened now has completely restored my confidence not only in the office of the Auditor-General, but in Mr Barrie personally."

Vorster: No banker link

A spokesman for the State President's office has denied the existence of any personal link between Mr Vorster and the retired Dutch banker, Mr Henri Merkx-Vroom, who claimed last week to know Mr Vorster.

Mr Merkx-Vroom's claim was made in a tape-recorded telephone conversation with Mr Josias van Zyl, the Johannesburg businessman who accompanied General Hendrik van den Bergh to Paris in an effort to persuade Dr Eschel Rhoodie not to release secret information in his possession.

Mr Merkx-Vroom also claimed friendship with Mr Hubert Jussen — former proprietor of the Citizen and front man for the Department of Information — and he owns a flat in the same luxury block in Cannes as Mrs Olga Jussen.

His entry into the Information affair was, as the Sunday Times reported last weekend, rather mysterious.

He claimed not only to know Mr Vorster but also Mr P W Botha and Dr Connie Mulder, and to have control over Dr Rhoodie.

He offered to fly to South Africa or to the Seychelles to meet Mr Vorster, Mr Botha or Dr Mulder for negotiations in which he suggested he would be acting as an intermediary for important foreign interests.

A tape-recording of his conversation with Mr Van Zyl came into the possession of the Sunday Times, but when he was approached directly he denied it had ever taken place.

Now, according to the State President's spokesman, Mr Vorster has denied ever having heard of Mr Merkx-Vroom or having known him.

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S. Times

8/4/79

PW in a spot over transfer of funds

Times 8/4/79

(259)

THE PRIME Minister, Mr P W Botha, faces a major crisis of confidence over a denial he made in Parliament last year on key aspect of the Information scandal.

Political Correspondent

Mr Botha, who finally admitted on Friday that the Government accepted the findings of the interim Erasmus report, told Parliament last December that an allegation that $10-million had been transferred from his Defence budget to an overseas account for the purchase of the Washington Star newspaper was a "downright lie".

In the Erasmus report published this week a former Secretary for Finance, Mr Gerald Browne, testified that the amount had been transferred although the purpose of the transfer was not known to the Department of Defence

Opposition politicians have demanded a full explanation and apology from Mr Botha.

At the same time the Leader of the Opposition, Mr Colin Eglin, said that the Erasmus report, which had exonerated Mr Botha and the Minister of Finance, Senator Horwood, from advance knowledge of the Citizen affair and other irregularities, had not cleared up doubts as to whether Mr Botha and Senator Horwood had discharged their legal, formal and statutory responsibilies in connection with the secret Information funds.

Doubts

The Information millions had been hidden from Parliament in the Defence Special Account. The Act which governed this account specified that money in it might only be used to defray expenditure with the approval of the Minister of Finance.

Senator Horwood had a statutory responsibility to determine both the amounts in the account and the use to which they would be put

Instead, the Erasmus commission found that the then Prime Minister, Mr Vorster, had approved the estimated funds needed for secret Information spending and Senator Horwood was simply a rubber stamp

The Act also specified that it was the responsibility of the Minister of Finance, acting in consultation with the Minister of Defence, to determine the extent to which the Defence Special Account was subject to an audit by the Controller and Auditor-General

Did Senator Horwood discharge this responsibility, Mr Eglin asked

The same doubts remained about Mr P W Botha's role

As Minister of Defence he had to accept responsibiliy for the administration of the account, he also had to accept, with the Minister of Finance, responsibility for determining the extent of the audit and issue the certificate to block outside auditing

In Parliament this week, Mr Botha admitted he had issued the audit certificates which, according to the first Erasmus report, he "could not furnish", presumably because he did not know how Information spent the funds or how they were audited.

"I am not yet satisfied that he fulfilled these statutory, formal and legal responsibilities," Mr Eglin said

Despite the fact that the allocation of the funds remained the responsibility of the Minister of Finance in consultation with the other Ministers concerned, Sen Horwood was told by the law advisers when presented with a "coded" request for funds by Dr Connie Mulder he was not required to know the details of the secret projects to which the funds would be allocated

Controls

Why, asked Mr Eglin, did the Minister of Finance introduce a Bill in March to improve controls when, in April, he had to go to the law advisers to discover whether any controls existed?

More pertinently, why did he tell Parliament on March 16 1978 that he "knew of no problems in the Special Account Acts and no irregulartiries" when, according to the Erasmus commission, he had been objecting to them for three years?

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development -- Prof. S.J. Terblanche, Economics, University of Stellenbosch.

5. April 3. Income distribution in South Africa -- Mr. Sean Archer, Economics, UCT.

6. April 10. African models of economic development -- Mr. Johan Maree, Economics, UCT.

7. April 17. Government regulation of the South African economy -- Mr. David Rees, Economics, UCT.

8. May 1. The South African economy, present and future -- Dr. Nick Segal, Pretoria.

Section 3 : EDUCATION

9. May 8. A history of the education system of South Africa -- Dr. E.G. Malherbe, Natal.

10. May 15. The crisis in African education -- Dr. B. K. Hartshorne, Pretoria (former Director of Planning, Bantu Education Department).

11. May 22. Can we survive on our education system until the year 2000? -- Dr. P.E. Spargo, Education, UCT.

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PAY UP! PAY UP!

259. S Times 8/4/79

It costs you more than you think when public servants give away your money. KEN OWEN and MELANIE YAP report

FOR every ten rands the Government dispenses to encourage sports and other kinds of simple fun, R5,09 goes into the pockets of the officials of the Department of Sport. Other administrative costs swallow another R1,24.

cost R80 000 this year) on recreation

The department also runs "recreational training courses" where members of the public are trained to act as "recreation leaders".

And it put up R100 000 towards the cost of the Wilderness Foundation's inter-

Sunday Times 8/4/79 (259)

By the Government's own standards, these ratios are staggering. For example, the Receiver of Revenue usually insists that private charities must pass on at least 75 per cent of net income to the needy if they want tax exemptions

The reason is obvious

One of the oldest rackets known to man is to raise money under the guise of performing "good works" but to use most of it for salaries and "costs".

Unusual department

But the Receiver's sound rule doesn't apply to Government departments, since they spend taxes, they don't pay them

Hence the Department of Sport has budgeted to distribute R1 549 000 to sporting organisations, at a cost in salaries of R788 700 Other administrative costs will come to R192 900.

That works out at R1 to an official for every R2 given to sport and recreation.

Even by the standards of other Government departments, the Department of Sport is unusual.

It intends to spend R419 000 in the coming year on "policy formation by the Minister, Secretary and other members of the department's management, organising the department, managing its personnel and financial administration, determining working methods and procedures, exercising control through head office, and rendering of centralised professional, administrative and office auxiliary service"

(That sum happily excludes the salary of the Minister, Mr F W de Klerk, which comes from the Department of Posts and Telegraphs)

In plain English, it is the cost of running a department of about 100 people or, as the Estimates of Expenditure put it, 100 man-years

But the Department of Foreign Affairs, which has to worry about 1 462 man-years scattered around the globe, manages to do the same job — all the way from "policy formulation" to "auxiliary services" — for only R3 080 000

In other words, it manages 14 times as many officials at only seven times the cost — and that includes the R30 000 salary and allowance of Mr Pik Botha

The comparison is not quite fair to the Department of Sport.

Fancy name for taxes

There are economies of scale to be achieved in bigger departments — in plain English, the more money you waste, the less it costs to waste each rand — but there is no department which demonstrates more vividly how the Government spends your taxes

Its prime function is to give away money And like all Government departments it achieves this by confiscating money from some people to give it to others

Its "sports promotion programme" consists in the main of dispensing grants-in-aid — a fancy name for taxes — to sports bodies to train officials, to hold symposiums, to attend conferences or courses, to employ coaches from abroad, to "administer sport", to "liaise effectively".

It is studying (cost R100 000) the possibility of developing Granger Bay as a harbour for recreational craft to relieve congestion in Cape Town harbour

The department has a secondary programme, the promotion of recreation — in plain English, persuading adults to play — which requires grants-in-aid to train recreation officials, to get overseas experts, to send officials abroad, to "effect liaison", and to pay for university research (it will national congress in Johannesburg on the grounds that camping in the bush falls in the words of Mr Ben Keet, the deputy secretary, "under the broad area of recreation"

Anyway, the Department of Education didn't want to pick up the tab

Bureaucratic murk

Mr Dave Dalling, MP for Sandton, has been asking questions in the House about the department's work, and he has managed to throw some extra light on how your money is spent — at least so far as light can penetrate the murk of bureaucratic language.

He found the functions of the officials at the department's ten regional offices include.

- Technical and organisational services to sport and recreational bodies
- Planning of sport and recreational projects

Sunday Times
8/4/79

● Determining of the needs of sport and recreational bodies with respect to participation and better achievements as well as the planning, initiation and organisation of schemes in this respect

● Assistance with the planning, organisation and presentation of special projects

● Liaison with all sports and recreational bodies as well as with Head Office and private "instances"

● Circulars and other correspondence to national and provincial sport and recreational bodies in respect of the liaison of these bodies with the department

Unnecessary service

● Arranging of payments and the application of grants-in-aid as far as individual projects are concerned

● Control of reports and financial statements regarding the presentation of projects

● Technical and organisational assistance in respect of international participation

● Assistance with international liaison of national sports controlling bodies in South Africa

and so on for 29 numbered paragraphs of bureaucratic bumpff.

What it boils down to is that they spend a lot of time figuring out ways to spend your money so that other people can play games; and for this singularly unnecessary service, they skim one-third off the top in salaries.

But perhaps that is because the job is more difficult than it seems.

It can't be easy, these days, to persuade working South Africans to run out and play — they're having the devil's job to earn the taxes for a Government whose spending (State Revenue Account) has risen more than four-fold in 11 years.

That's right, from R2 413-million in 1969/70 to R11 033-million in the coming year.

Sunday Times
8/4/79

while others play the game . . .

How you can get your money back

THE best way to retrieve your money from the Department of Sport is to take up scale model boating.

The department last year gave the SA Model Boat Association R11 070 — which works out at about R79 for each of the 140 "registered participants" in this "sport".

If you don't like getting your feet wet, you might try croquet. The Minister of Sport says it has 350 registered participants, so his department gave the SA Croquet Association R4 930.

That's just over R12 a member — not nearly as profitable as model boats, but much more genteel.

Tug-o'-war (1 400 registered participants, R19 012 for the SA Tug-of-War Union) pays a little more than R13 but it's heavy work.

The SA Tenniquots Board got R5 650 out of the department but — and this is a puzzle — it doesn't seem to have any registered members at all.

At least, none was listed when the Minister of Sport replied to a question in Parliament by Mr Dave Dalling, PFP.

Tennis is a nice game, socially acceptable and good exercise, but there's no money in it for the ordinary player.

Golden rule

The SA Lawn Tennis Union did get more than R26 000 out of the department, but it has so many registered participants (84 000) that it's hardly worth the trouble: 33 cents a player.

A study of the subsidies and the membership lists produced no clear pattern to explain the department's subsidies, so we asked Mr Ben Keet, deputy secretary, for the criteria used to dish out our money.

He replied: "We work on strictly fixed criteria with the sports recognised by the South African Olympic Council and the South African Sports Federation.

"The different sports have money allocated to them on the basis of merit, taking into account the coaching and training available, and the numbers who participate in the sport.

"We also look at the size of a particular sport — a sport that has 80 000 people taking part must have a higher priority than one for only 20 people.

"We also look at the possibility for the development of the sport — has it got potential for growing and getting more participation."

Clearly, then, model-boating has a soaring future ahead of it, while rugby (198 000 players, R11 760) is on its deathbed.

There are other ways to recoup your taxes — and, indeed, to make a profit — out of the department, provided you remember the second golden rule of survival in heavily taxed countries: Adopt a way of life which is subsidised by the Government. (The first golden rule, which is to convert income into capital, is for rich people)

In a small way, that is what you are doing when you take up model-boating and let the Government contribute to the cost of your facilities. But there is a better way.

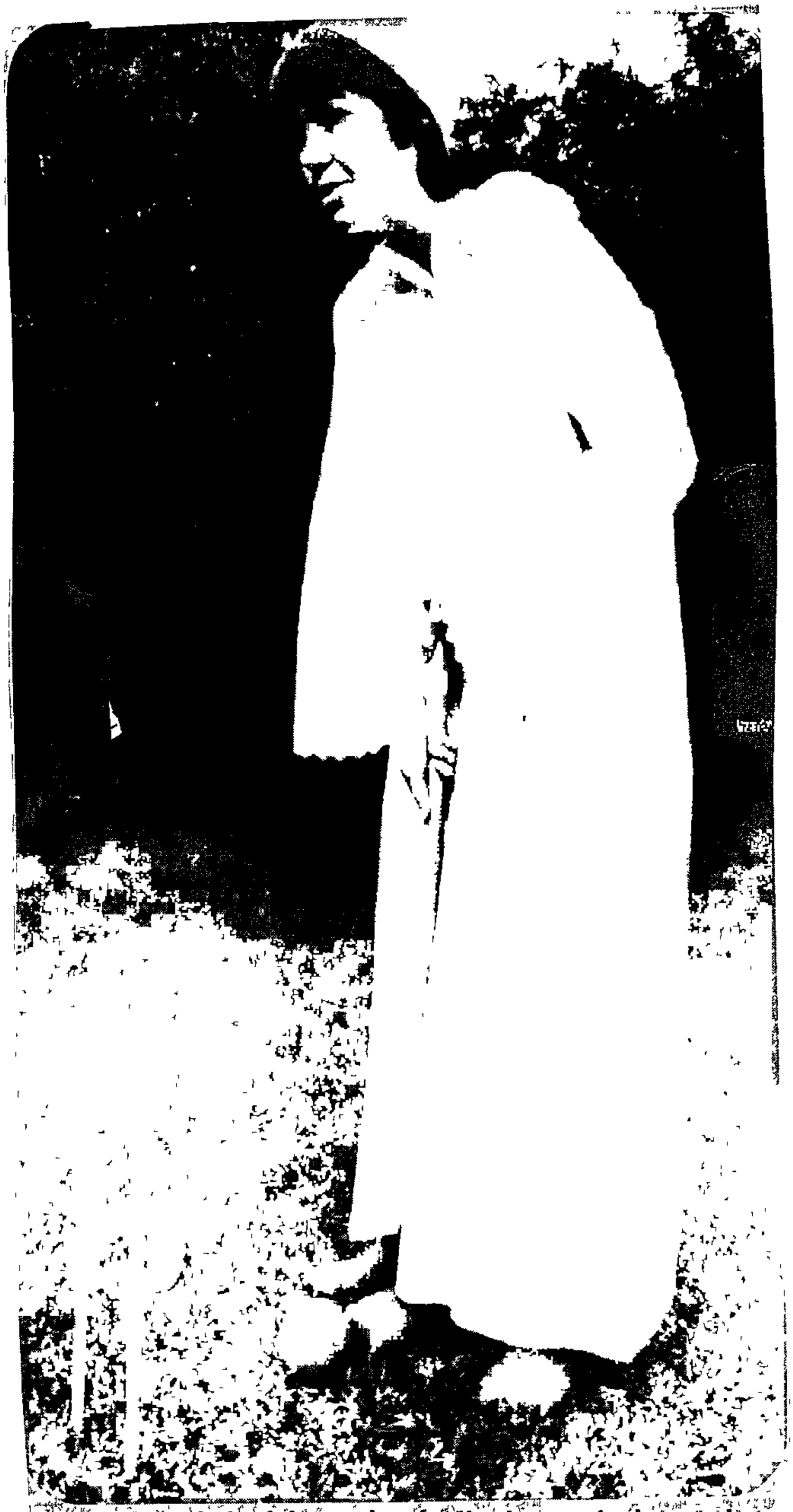
Become a sports official. Last year the Government forked up R84 000 for the SA Olympic and National Games Association.

It spent R13 705 on conferences for sports administrators. It has courses, seminars and symposia for officials so that, properly handled, you need never again have the nagging fear of unfilled recreational time on your hands.

Better still: Make research into sport a way of life. Last year the Department of Sport dished up R284 000 for "sport and recreation research".

That's a quarter million begging to be spent on finding ways to make "Playtime More Patriotic".

Get in there, man, and grab your share. After all, it's your money.



Croquet in style in Johannesburg's Northern suburbs . . . but does the young lady know she can get a Government subsidy?

Sunday Times 6/4/79

Sunday Times 8/4/79

Paying for love

MANY people believe that the Department of Sport must be permitted to spend tax money on sports promotions because it's in South Africa's interest when foreigners can be persuaded to come and play with us.

The Department's spending tends to sustain this belief.

Last year it donated R17 000 to foreign cyclists to persuade them to race against our cyclists. Foreign gymnasts got R10 000, ice skaters R7 000 and model yachtsmen (or, more precisely, people who play with model yachts) got R4 000. It came to a grand total of R128 000.

That, by the way, was a bargain. In earlier years the Government forked out R250 000 for the SA Grand Prix. But, thanks to the unpleasantness surrounding the former Information Department, it has suspended that generous venture.

Now lovers of motor racing, and patriotic people who want James Hunt and Nikki Lauda to love us, are putting up the money themselves. This system works just about as well as the departmental subsidies, except that none of the public's money is devoted to the salaries of Government officials.

The question, however, is whether the payment to foreign sportsmen is helping to restore South Africa to its rightful place in international sport. The answer, to judge by the Minister's answers in Parliament, is: Hardly.

In 1978, visas were denied South African teams of surf lifesavers, waterskiers, polocrosse players, rowers, surfers, billiard and snooker players, golfers, underwater sportsmen, air riflemen, softball players, trampolinists and many others.

Invitations to compete were withdrawn, usually under political pressure, from lifesavers, tug-o-warriors, canoeists, game fishermen, skiboat anglers and even a school cricket team.

South Africa is excluded, barred or suspended from a couple of dozen sports. From athletics to yachting, and from chess to bowls for the blind.

No matter how much the Government spends on sport, or on foreign tours, or on foreign sportsmen, or on propaganda, or on research, or even on liaison, it cannot undo the harm done by apartheid. And indeed, Nationalists of all kinds, officials and sportsmen, administrators and players, are finally abandoning apartheid.

Where propaganda failed, reform may yet succeed. The following article assesses how much progress has been made — and what problems remain.

. . . and earning respect

Sunday Times 8/4/79

By BRIAN T B JONES

SOUTH African sport has now reached a particularly important stage of its development toward full multiracialism

Gone are the days of strict sports apartheid, and the flirtation with "multinationalism" has been brief

Throughout South African sport, in varying degrees, the trend is definitely towards multiracialism — and this with at least tacit Government support

Soccer leads the way with the National Professional Soccer League (NPSL), which includes teams that are predominantly white or black with a sprinkling of players of other races, but also teams which are fully mixed.

Facilities at NPSL matches are open to all races and segregated seating has been abolished

Hangover

Teams of predominantly one race are a hangover from the days when the black NPSL, the white National Football League (NFL) and the multiracial Soccer Federation existed side by side. Today, fully mixed teams tend to be those which have joined the NPSL from the Federation.

Soccer is fortunate that there is a similarity of standards between the races, and that a Springbok team would produce a truly mixed side.

Other sports, such as rugby, suffer from a disparity of standards, due to the long isolation of the other races and partly to the lack of comparable coaching

Thus, although the Springbok side to tour France this year is to be selected from mixed trials, only the three coloured players, Hennie Shields, Errol Tobias and Nicky Davids, are thought capable of making the team on merit The determination to play mixed rugby is there however. Dr Danie Craven, president of the South African Rugby Board, has said, "we shall move — not because of outside pressure, but because of our own conviction "

Whereas rugby has separate controlling bodies, cricket has brought the different organisations under single provincial bodies controlled by the now non-racial South African Cricket Union

There are now white, black and mixed teams competing together and sharing facilities. Charles Palmer, chairman of the International Cricket Conference (ICC), was sufficiently impressed after an ICC delegation's recent visit to South Africa, not to rule out the possibility of unofficial tours by friendly ICC members.

Boxing, bowls, swimming and tennis are also becoming multiracial.

Black and white fighters, judges, trainers and referees, all take part together in South African boxing. No longer are there "racial" champions, but just one champion in each weight division.

There are now nine black and coloured bowls teams competing at club level, and team selection for provincial and national teams is nonracial.

Boost

Mixed competitions are organised by the white-controlled South African Swimming Union, and blacks are included in its age group championships which are regarded as nurseries for the sport.

Tennis was given a boost by the president of the International Tennis Federation, Mr Phillipe Chatrier, on completion of the ITF's recent fact-finding visit.

"Many improvements, many forward steps, have been taken in this country," was his verdict.

The changes are there for all to see, but mixed sport is being held back by apartheid legislation, by squabbles among South African administrators and by the hardline attitude of some overseas politicians.

Clubs which have gone "open" tend to remain either white or black with only a few members of other races.

This is largely due to residential separation, and clubs and teams will never become truly mixed while residential separation is strictly enforced by legislation like the Group Areas Act.

For example, rugby player "Cheeky" Watson was convicted for entering a black area without permission after playing for the black side, Kwaru.

Existing legislation is only circumvented by special Government permits For the final of the multiracial BP Soccer Cup played at Orlando Stadium in Soweto, whites were given permission to enter the township to watch the game, provided that they left Soweto by six pm

For the world title fight between South Africa's "Happy Boy" Mgxaji and the world lightweight champion, Sam Serrano, on April 14, it was necessary to obtain a permit from the Minister of Sport which suspends all racial restrictions at the Goodwood Stadium.

The liquor laws as they stand prevent the serving of liquor to blacks by whites, and are a severe restriction on social mixing in places where liquor is sold. Again, permits are needed.

At school level, mixed sport is prevented by the separate-education systems for each race In the Cape province, Transvaal and Natal, there is a degree of inter-school mixing, but only on a black against white basis.

For many years the leading proponent of multiracial sport has been the South African Council on Sport (SACOS) under Mr Hassan Howa

SACOS tended to regard itself as having a monopoly on the idea of multiracialism in sport and have refused to join the new deal devised by former whites-only sporting bodies.

Rejects

Believing that there can be "no normal sport in an abnormal society", Mr Howa rejects the permit system, the granting of "privileges and not rights" and says that sport will only become normal when it has become fully mixed right down to primary-school level

In soccer, therefore, the South African Soccer Federation under SACOS has refused to merge with the NPSL, but at the cost of losing its best teams and its sponsorship to the new multiracial league. The same situation exists with tennis and cricket

Until the South African sports administrators are able to come together and provide one all-embracing organisation for the control of South African sport the movement towards full multi-racialism will continue to be hindered, and international recognition will still be difficult to regain

Even then, it will not be plain sailing. The attitude of overseas politicians was made clear at the Athens conference of European Sports Ministers when Denis Howell, Britain's Minister for Sport, condemned sportsmen who agreed to play against South Africa, claiming that they "are being used to give respectability to South Africa's apartheid system"

But South African sport has reached a stage where it can accommodate demands for mixed teams, crowds, and facilities in a way it never could before.

Full, rather than tacit, acceptance by the South African Government that multiracial sport is here to stay, the settling of internal squabbles, and sufficient encouragement from foreign politicians and administrators, could see South African sport return to the world arena on a basis which would allow full and equal participation by all races.

CONNIE PRAAT OOR SY PLANNE

Rapport 8/4/79 (259)

Connie se planne

Rapport
8/4/79

259

* VERVOLG VAN BL. EEN *

Die telegramme was eenders en het gelui:

„In die lig van die verklaarde standpunt van die Erasmus-kommissie:

(1) dat sy bevindings in die tussentydse verslag m.b.t. die voorkennis van die Kabinetslede t.o.v. aspekte rakende die gewese Departement van Inligting in die finale verslag geamendeer kan word (sien paragraaf 4 bl. 2 van die tussentydse verslag)

en

(2) Dat Sy Edele Regter Erasmus nadruklik verklaar dat die finale bevindings op of ongeveer 30 Mei 1979 gemaak sal word en

(3) dat regter Erasmus self uitdruklik verklaar het dat die gemelde finale bevindings, waaronder bevindings t.o.v. geloofwaardigheid, kan verskil van die tussentydse bevindings reeds gemaak (sien paragraaf 4 bl. 2 van die tussentydse verslag) kan dit derhalwe nie regtens van my verwag word om aan die versoek van die dagbestuur soos amptelik namens die dagbestuur aan my oorgedra, te voldoen nie

Gevolglik behou ek soos ek regtens geregtig is om te doen, my die reg voor om ná bekendmaking van die finale bevindings van die Erasmus-kommissie, my kant van die saak, hetsy persoonlik of deur regsverteenwoordigers, volledig voor die dagbestuur te stel.

CONNIE MULDER."

DIE groot vraag waaroor politici dié naweek bespiegel — of dr. Connie Mulder hom in die tussenverkiesing in Randfontein verkiesbaar gaan stel — het die gewese Minister en voormalige Transvaalse NP-leier gister self in 'n onderhoud met RAPPORT beantwoord.

Hy sê hy gaan beslis nie nou kandidaat wees by die tussenverkiesing in sy ou kiesafdeling nie.

Dan swyg hy oor sy verdere planne, wat die moontlikhede ooplaat dat hy mettertyd in 'n ander kiesafdeling as onafhanklike kan staan.

BERIGTE DEUR THINUS PRINSLOO

Dr Mulder hou klaarblyklik 'n deur oop om terug te kom in die politiek.

Net voor hy Vrydag geskors is as lid van die NP het hy aan die Transvaalse NP-hoofbestuur telegramme gestuur wat sinspeel op 'n moontlike aansoek om later weer lid van die NP te word. Daarin behou hy hom die reg voor om na die finale Erasmus-verslag „my kant van die saak, hetsy persoonlik of deur regsverteenwoordigers, volledig voor die dagbestuur te stel".

By Tambotiestraat 10, Randfontein, hou dr. Mulder voet by stuk: „Die Erasmuskommissie bestaan tog ook uit feilbare mense."

Oor die groot vraag: Wat nou? lui die telefoon daar sedert Vrydagaand onophoudelik.

Antwoorde op al die vrae het hy nog nie, maar oor een is hy beslis. Hy het reeds sy steun aan die NP se amptelike kandidaat in Randfontein, dr Boy Geldenhuys, toegesê, en „ek sal nie op my woord teruggaan nie".

Feilbaar

Veglus en 'n diep seer het gisteroggend om die beurt gestraal uit die oe van die man wat 'n skrale ses maande gelede gekom het tot naby die hoofleierskap van die party waaruit hy Vrydag geskors is.

„Om skielik oornag dit alles te laat vaar, is seker vir niemand maklik nie. Aan die ander kant kon ek nie my gewete verkrag deur my ongekwalifiseerd neer te lê by alle bevindings van albei die verslae nie.

„Die Erasmus-kommissie bestaan immers tog ook uit feilbare mense wat moet oordeel volgens getuienis wat voor hulle afgelê word."

Dan kwyn die veglus en flikker die seer. „Dit is jammer dat sake tot hierdie punt moes kom in die lig van my besondere liefde vir die Nasionale Party.

Die gesprek kom weer terug tot sy besluit Vrydag wat hom in die politieke woestyn gedompel het. Was dit moeilik?

„Ja en nee. Ja, omdat die NP my hoofbelangstelling was, langer as 20 jaar, en omdat ek in die politiek was sedert ek 18 was, toe ek op universiteit as Jeugbondleier gekies word.

„Gedurende my hele parlementêre loopbaan, as LV en as Minister, het ek my volle aandag aan die party gegee.

Dan weer by die dinge wat die besluit makliker gemaak het. „Ek moet verder met my gewete saamleef, en om dit te kon doen, was die keuse maklik.

„Ten spyte van hierdie ingrypende keuse het ek nou gemoedsrus en is ek meer ontspanne as die afgelope twee jaar. Mense wat my veroordeel oor my optrede, moet hulle net afvra wat hulle sou gedoen het as hulle voor so 'n keuse geplaas was."

Die finale aanloop tot die afsluiting van die Connie Mulder-era (so lyk dit in dié stadium) in die Nasionale Party het Vrydag skuins voor tienuur op Potchefstroom begin — twee uur voordat die ultimatum van die NP verstryk het.

Dr. Mulder, geklee in 'n grys pak, het haastig die Noordbrug-poskantoor binnegestap.

Uit sy baadjiesak het hy vyf telegramme van twee velletjies elk gehaal. Daarvoor moes hy met drie tienrandnote en 'n paar munte betaal.

Die telegramme was gerig aan dr. Andries Treurnicht, sy opvolger as Transvaalse leier, sen. Jack Steyl, hoofsekretaris van die NP, en aan die drie ondervoorsitters van die party in Transvaal, min. Fanie Botha, min. Jimmy Kruger en min. Hendrik Schoeman.

VERVOLG OP BL. 6

MNR. LOUIS LUYT—praat van die „grootste confidence trick" —

Rapport 8/4/79

259

Luyt praat oor Vorster, Citizen

VERVOLG VAN BL. 1

Mnr Luyt wou aanvanklik nie met RAPPORT oor The Citizen praat nie wat, nadat bekend geraak het dat dit met staatsgeld gefinansier was, die middelpunt van die Inligting-skandaal geword het.

Nadat mnr. Luyt egter gekonfronteer is met 'n bewering van dr. Connie Mulder dat hy (mnr. Luyt) die koerant nog voor publikasiedatum al met mnr Vorster bespreek het, het mnr Luyt begin gesels. Dr Mulder het die bewering teenoor RAPPORT gemaak.

Mnr Luyt: Ek is verskriklik ontmoedig deur die getuenis, veral ... dat persone wat — so is aan my vertel — bewus was van die projek Citizen, in werklikheid geen kennis daarvan gedra het nie. Met die inherente gevare van die projek vir my persoonlik — finansieel en andersins — sou dit nie in my die moeite werd gewee het nie tensy ek kon staatmaak op die ongekwalifiseerde steun van mnr. Vorster as hoogste gesag in die land.

Agterna beskou, is die enigste verontschuldiging van die Citizen-projek dat die Erasmus-kommissie nie vir my gespreek het van enige onreelmatigheid.

„Ek wil dit ondubbelsinnig stel. Ek was gewillig om my naam te leen aan 'n projek om 'n meer gebalanseerde beeld van Suid-Afrika te skep. Ek het dit twee jaar gedoen sonder enige vergoeding van watter aard ook al.

„Die gevolg van die onthullings is natuurlik dat die vrye toegang wat ek gehad het tot sekere lande, wat nie aan die normale Suid-Afrikaner beskore is nie, nou belemmer word deur die agterdog waarmee 'n mens daar bejeen word.

„Maar ek is nie van plan om betrokke te raak in enige konfrontasie tussen persoonlikhede nie. Ek is ook nie bereid om behalwe vir getuenis afgelê voor die Mostert- en Erasmuskommissies verder oor hierdie saak te praat nie.

RAPPORT: Dr. Mulder beweer u het The Citizen met mnr. Vorster bespreek, nog voordat dit op straat verskyn het.

Mnr Luyt: Ek het The Citizen met verskeie politieke leiers bespreek. Maar ek wil weer beklemtoon: Ek is nie bereid om buite my getuenis voor die kommissies inligting te verskaf nie. Vra liewer vir mnr. Vorster self hieroor.

RAPPORT: Politieke leiers soos wie?

Mnr Luyt: Mnr. Vorster, sowel as dr. A. P. Treurnicht, mnre. Harry Schwarz, John Wiley en ook mnr. P. W. Botha. Ek het lank met hulle gesels om te sê dat ons graag 'n oop deur na hulle sal wil hê.

RAPPORT: Het u die finansiering van The Citizen met mnr. Vorster bespreek?

Mnr. Luyt: Nee, reg of verkeerd, het ek maar aanvaar dat hy geweet het van die staatsfinansiering.

RAPPORT: Wat het u dan met mnr. Vorster bespreek?

Mnr. Luyt: In bree trekke die middeweg-standpunt wat die koerant gaan inneem, en die versoek dat ons vrye toegang tot hom moet kry om sekere sake uit te klaar.

RAPPORT: Wat het u met die ander politieke leiers bespreek?

Mnr. Luyt: Presies dieselfde.

RAPPORT: Wanneer het u met mnr. Vorster gepraat?

Mnr. Luyt: Ek was 'n maand voor The Citizen op straat verskyn het, in sy kantoor.

Rapport 8/4/79

LUYT OOR VORSTER, CITIZEN

Rapport 8/4/79

(259)

AS mnr. John Vorster inderdaad nie van die staatsfinansiering van The Citizen geweet het nie, beteken dit dat hy wat Louis Luyt is, die slagoffer was van „die grootste confidence trick wat ooit op iemand gespeel is".

So sê mnr. Luyt in 'n eksklusiewe onderhoud met RAPPORT. Die gewese baas van die omstrede Citizen het vir die eerste keer die sluier gelig oor die woelinge agter die skerms selfs nog voor die koerant op 7 September 1976 op straat verskyn het.

Mnr. Luyt sê dat hy 'n maand voor dié datum die destydse Eerste Minister, mnr. Vorster, in sy kantoor in Kaapstad oor sekere aspekte van die koerant gespreek het.

Van die finansiering van The Citizen het hy nie gepraat nie, want hy het „reg of verkeerd" aanvaar mnr. Vorster weet daarvan, sê mnr. Luyt.

In sy getuienis voor die Mostert-kommissie het mnr. Luyt nie gespesifiseer wie hom meegedeel het dat mnr. Vorster hom uitgekies het om The Citizen te begin nie.

Toe RAPPORT hom vra wie so gesê het, het mnr. Luyt gesê hy het verder voor die Erasmus-kommissie daaroor getuig en hy mag nie die getuienis bekend maak nie.

Mnr. Luyt se getuienis voor die Mostert-kommissie is egter gepubliseer en lui onder meer: „Aan my is gesê dat die Eerste Minister my uitgekies het om dit te doen vanwee die feit dat ek nie links of regs — ek nie in die politiek in was nie . . ."

En later: „Ek het ook gesê ek doen dit — want dit is vir my gesê dit is vir die land en omdat dit die Eerste Minister was wat gevra het, het ek gesê goed . . .

„Ons het selfs van Triomf se fasiliteite gebruik gemaak wat baie geld gekos het, sonder vergoeding, omdat ons gevoel het dit is 'n goeie ding, en omdat die Eerste Minister kwansuis, volgens hulle, dit wou gehad het."

VERVOLG OP BL. 6

Disgraced Mulder plotting revenge?

Sunday Times 8/4/79 (259)

DR CONNIE Mulder, stripped of his National Party membership, can be expected to launch an all-out attack on his former Prime Minister, Mr John Vorster

This was the view of his former followers in Parliament this week as they digested the shock of his final humiliation.

They also revealed a mounting feeling among Nationalist MPs that Mr Vorster should step down from the Presidency, especially in the light of the Erasmus Commission's interim report, published on Monday, and the expected onslaught by Dr Mulder.

The final restraint on Dr Mulder — a chance to put his case to the Transvaal executive — had been turned down when his expulsion was confirmed

As the NP was not prepared to give him a hearing, he would now be forced to go public to "defend his honour", they said.

Conservative MPs pointed out that, while still Transvaal leader, Dr Mulder, who once came within an ace of being Prime Minister, had persistently defended his actions in the Information scandal by referring to a statement in Parliament by Mr Vorster last year in which the former Prime Minister had accepted full responsibility for all secret projects.

No choice

Many expected him now to make good the claim that he would contest his old seat, Randfontein — and win.

Verkrampte MPs, once Dr Mulder's power base in the party, conceded that Dr Andries Treurnicht and the Transvaal executive had been left with no choice but to expel Dr Mulder since, his refusal to accept the Erasmus Commission's findings could be construed as an attack on both the Prime Minister, Mr P W Botha, and Senator Owen Horwood, Minister of Finance.

They were, however, bitter about manoeuvres by party verligtes.

They said the Natal caucus demand for action against Dr Mulder would never have been made if it had not first been cleared with Mr P W Botha.

It was unheard of for one provincial caucus to meddle in the affairs of another.

Verkrampte MPs, however, had no quarrel with Dr

By FLEUR DE VILLIERS

Treurnicht's handling of the affair, which was done with just the right measure of reluctance to retain their support.

Verligtes were, however, angered that the disgraced champion of the Transvaal right was let down so gently.

Despite a widespread belief that Dr Mulder will now go public, some observers thought he would wait until he had testified once more before the Erasmus Commission.

They point out that the commission had stressed that its findings could be changed, and even reversed, in the final report.

If Dr Mulder was cleared in the final report he would have an excellent case for reinstatement in the party.

-22-

While these changes in the linguistic configuration of the North were occurring, changes were also taking place in Government attitudes regarding [illegible] concept of all.

[illegible] that good.

-23-

Mundas desired it so as to protect the colonial regime from a position of popular ethnic unity in their area; the colonial administration had [illegible] the unification of the Protectorate's [illegible] possible united resistance. [illegible] that Nyanja be made the official [illegible] taught in schools [illegible] Chilembwe Rising of 1915, replied:

"Though the spread of one dialect through the schools should, [illegible] eq. 1st must be [illegible] in the Protectorate [illegible] I consider not desirable. One of the chief [illegible] and with [illegible] be postponed." 120

[illegible] the North, there [illegible] in addition to English, be [illegible] had researched Tumbuka and through [illegible] Kondowe [illegible] additions of [illegible] in the [illegible] ethnicities, the Tumbuka [illegible] 1931 [illegible] 121

[illegible] Nyanja 'be introduced as a [illegible] Later than Class 4 in all Government and Assisted Schools.' 125 Having decided to introduce Nyanja [illegible] missionaries [illegible] assistance from the government [illegible] Mission into a frenzy. On the [illegible] it was 'unable to accept this position' [illegible] 15th of July 1933 the Mission announced that [illegible] linguae franca decision on several grounds. First, it was educationally [illegible] 12. 21

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[illegible] ethnic unity in the [illegible] possible [illegible] that [illegible] taught [illegible] Chilembwe [illegible] 1915 [illegible] 'Though the [illegible] in the [illegible] I consider [illegible] and [illegible] be postponed.' 120

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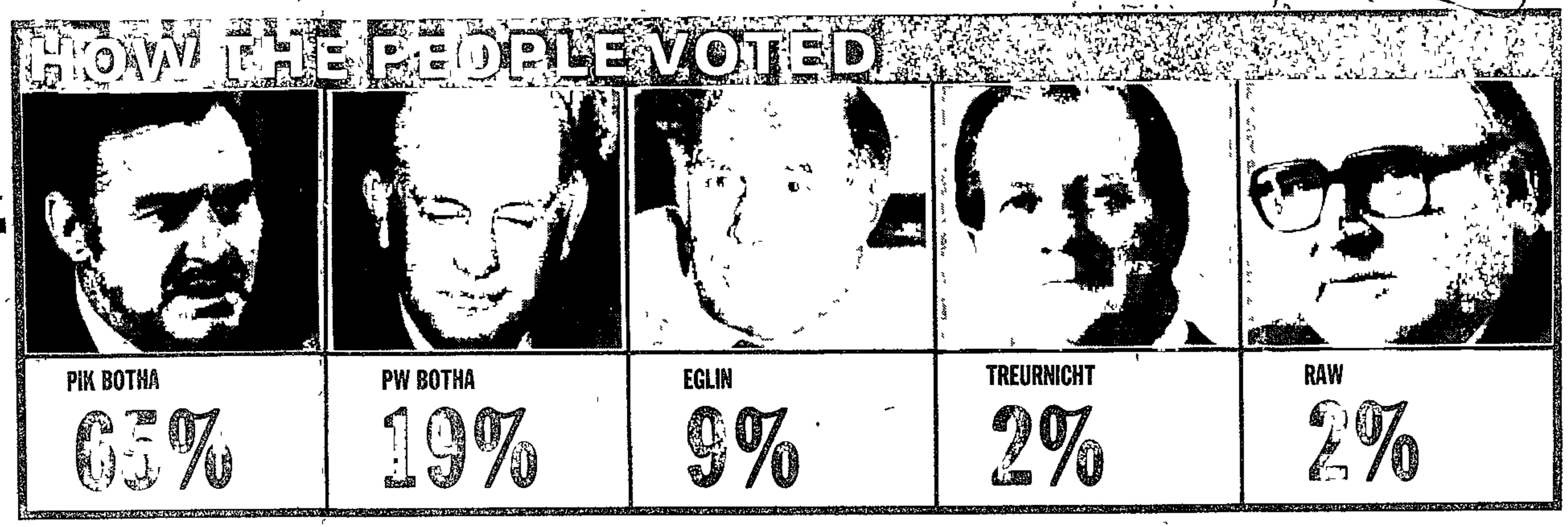
[illegible] 13. [illegible] Sub-Committee [illegible] 14. [illegible] 15. [illegible] from GNP because: [illegible] 16. [illegible] GNP [illegible] 17. [illegible] 18. [illegible] 19. [illegible] 20. [illegible] 21. [illegible] 22. [illegible] 23. [illegible] 24. [illegible] 25. [illegible] 26. [illegible] 27. [illegible] 28. [illegible] 29. [illegible] 30. [illegible] 31. [illegible] 32. [illegible] 33. [illegible] 34. [illegible] 35. [illegible] 36. [illegible]

(259)

Only 1 in 5 say they trust him to run SA

Sunday Times 8/4/79 (#59)

POLL SHOCK FOR PW



Votes shock for premier

The question asked was: Here is a list of names. Whom would you trust to

● From Page 1

not yet established himself as a trusted leader

Despite the many adverse comments about his manner on television, women support him more strongly than men — 21 per cent to 17,8 per cent

He does poorly in "English" cities, but well in Port Elizabeth, close to his home base at George, where is is presumably better known

His Foreign Minister, on the other hand, enjoys the confidence of nearly 70 per cent of the English, and just under 60 per cent of Afrikaners

This is possibly a result of his key role in toppling Dr Mulder, an act which was for a time perceived among Nationalists as a reprehensible breaking of ranks

Mr Eglin's support among Afrikaners is a negligible 1,7 per cent (though even his 15,3 per cent support among the English probably falls below the support for his party), and this must be worrisome for the PFP

Mr Raw does even worse among Afrikaners His support is nil

Conversely, Dr Andries Treurnicht has virtually no English support (0,7 per cent)

Nor does he have any significant urban support although a poll taken in the rural areas might show him to be rather stronger there.

His power base, of course, lies in the rural Waterberg and among the least sophisticated voters of the Transvaal.

Mrs Kirstein describes the generally low leadership ratings as "a very significant finding".

She said there could be no doubt about the overwhelming popularity of the Foreign Minister, even if it had eroded a bit since last September.

In any event, the margin for error was low — about three per cent either way.

A total of 1 000 voters were interviewed by trained pollsters, both English and Afrikaans, from April 2 to April 4, and the samples were carefully controlled so that they were truly representative of the voting-age whites citizens in each of the country's eight major metropolitan centres

It covered about two-thirds of the white population living in Johannesburg, Pretoria, the Reef, Durban, Cape Town, Port Elizabeth, East London and Bloemfontein.

The question put was: "Here is a list of names. Who would you trust to lead South Africa?"

Both IMS and Mrs Kirstein have established reputations for this kind of research, which she has carried out for universities and corporate clients

Her methods and technology have been supervised by top social scientists.

This week's surveys were constructed not only to represent the proportions of English and Afrikaans adults in each of the metropolitan areas, but also to reflect faithfully their age composition and sex

Therefore, says Mrs Kirstein, there is no chance that the results could be distorted by the over-representation of any group, though in the cities where the sample was small, like Bloemfontein, the margin for error may be as high as ten per cent.

Sunday Times 8/4/79 (259)

Lead South Africa?
The full result, showing support percentages for each candidate

Name	Total	Male	Female	Afrik	English	18-34	35+
Pik Botha	65,0	65,7	64,3	59,8	69,4	67,5	63,1
P W Botha	19,4	17,8	21,0	33,4	7,6	19,0	19,7
Colin Eglin	9,0	9,6	8,6	1,7	15,3	9,3	9,0
Treurnicht	2,3	2,9	1,8	4,1	0,7	1,6	2,8
V Raw	2,2	2,7	1,8	—	4,1	2,3	2,1
None	2,0	1,4	2,6	0,9	3,0	0,2	3,3

The breakdown of the percentages into the areas polled is:

Name	Jhb	Reef	Pta	C T	DBN	P E	E L	Bloem
Pik	73,5	69,4	69,4	60,8	67,4	59,2	66,7	58,1
P W	15,2	20,7	24,5	19,9	12,4	32,7	11,1	29,0
Eglin	8,1	6,5	2,1	15,1	17,1	6,1	11,1	6,5
Treurnicht	1,8	1,3	9,8	—	0,8	—	—	3,2
Raw	0,9	2,2	1,4	2,4	5,4	2,0	3,7	—
None	0,4	—	2,8	1,8	7,0	—	7,4	3,2

By KEN OWEN

ONLY one out of five white South Africans trusts the Prime Minister, Mr P W Botha, to lead South Africa in its present time of crisis.

The man they trust — by an overwhelming margin — is Foreign Minister Pik Botha. He is the choice of 65 per cent of the people.

This is the finding of an authoritative, nationwide public opinion-poll conducted for the Sunday Times by IMS, one of the country's leading market-research organisations.

The most startling result is that the Prime Minister, after six crisis-torn months in the country's most visible political office, enjoys the confidence of only 19,4 per cent of the white population.

That is better than the 11,2 per cent who named him as their choice to succeed Mr John Vorster when IMS carried out its last poll for the Sunday Times in September.

But clearly he has not succeeded in establishing the public stature that most of his predecessors appeared to have enjoyed.

On the other hand, the leaders of the other two main parties, Mr Colin Eglin, of the PFP, and Mr Vause Raw, of the NRP do no better.

Mr Eglin scored only nine per cent, and Mr Raw only 2,2 per cent.

This means that, as with Mr P W Botha himself, both opposition leaders enjoy much less support in the electorate than do the parties which they lead.

Nor, in fact, does the conservative leader of the Transvaal Nationalists, Dr Andries Treurnicht, enjoy much confidence. Only 2,3 per cent of those polled said they would trust him to lead South Africa.

Even Mr Pik Botha may have lost a little support since September when he polled almost 85 per cent support.

However, Mrs Lulu Kirstein, managing director of IMS, says the two polls are not strictly comparable.

In September, there were only three names listed — the two Bothas and Dr Connie Mulder.

This week's poll dropped Dr Mulder's name but added those of Dr Treurnicht, Mr Eglin and Mr Raw.

Even so, the results as a whole suggest a public disillusionment with political leaders which is odd for South Africa where politicians tend to attract adulation.

In the case of the Nationalist Prime Minister, this adulation among the party rank and file has in the past approached deification.

Mr P W Botha has done especially badly among English voters, where he scored only 7,6 per cent support, but even among Afrikaners he has the trust of only one person in three.

Whether this is a result of the Info scandals, or for some other reason, is open to speculation, but the fact of the matter is that he has

● To page 2

Sunday Times 8/4/79

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Louis Luyt thought former PM knew

CAPE TIMES 9/4/79

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Own Correspondent

JOHANNESBURG. — Fertilizer magnate Mr Louis Luyt claimed at the weekend that if the former Prime Minister, Mr Vorster, was truly unaware of the state financing of the Citizen, then he — Mr Luyt — had been the victim of "the biggest confidence trick ever played on anybody".

Mr Luyt's interview with the Sunday newspaper Rapport was a response to the allegation by the former Minister for Information, Dr Connie Mulder, that Mr Luyt had discussed the Citizen newspaper before its launching with Mr Vorster

Mr Luyt said that a month before the launching, in September, 1976, he spoke to Mr Vorster in his offices in Cape Town about certain aspects of the newspaper

Mr Luyt said he had not discussed the financing of the newspaper with Mr Vorster because he had taken it for granted that Mr Vorster was aware of the financing of the newspaper by the government

In response to a question quoted in the interview Mr Luyt said "No, rightly or wrongly, I merely accepted that he (Mr Vorster) knew of the government financing"

per to consult him on issues that might arise

Dr Treurnicht, Mr Schwarz and Mr Wiley were not available yesterday to comment on what Mr Luyt had discussed with them

In his interview with Rapport, Mr Luyt failed to clarify who informed him that Mr Vorster had chosen him to start the Citizen

Mr Luyt said in his evidence to the Mostert Commission that he had been informed that the then Prime Minster chose him to start the Citizen because he was neither leftwing nor rightwing and was not involved in politics

He said, however, that he had given further evidence on this aspect to the Erasmus Commission, which is investigating irregularities relating to the expenditure of the former Department of Information

In his evidence to the Mostert Commission, Mr Luyt did not specify who informed him that it was Mr Vorster who chose him to start the Citizen

According to yesterday's report, Mr Luyt said he had given further evidence to the Erasmus Commission about this and that he was not permitted to make the evidence public

Mr Luyt's published evidence in the Mostert Commission report read· "I was told that the Prime Minister selected me to do it because of the fact that I was not leftwing or rightwing — and because I was not in politics

"I also said that I would do it — because I was told that it was for the country and because it was the Prime Minister who was asking me to do it"

Looked at in hindsight the only ameliorating aspect of the Citizen project was that the Erasmus Commission had found that he (Mr Luyt) was not responsible for any irregularity

"I want to put it unequivocally. I was willing to lend my name to a project to create a more balanced picture of South Africa I did it for two years without any reward of any kind"

Significant

Mr Japie Basson, PFP MP for Bezuidenhout, said yesterday that the fact that Mr Luyt had discussed the matter before hand with Mr Vorster was significant in that, had Mr Vorster not known the sources of finance for the newspaper, it was inconceivable that he would not at least have queried Mr Luyt on this aspect

In the interview Mr Luyt said that if Mr Vorster had indeed not known of the government's financing of the Citizen, then he, Mr Luyt, had been the victim of "the biggest confidence trick ever played on anybody"

Mr Luyt went on to say that his discussions with Mr Vorster about the Citizen, in broad terms, had covered the middle-of-the-road viewpoint which the newspaper intended to adopt and a request to Mr Vorster for free access to him for clarification on certain matters

He said that, with the inherent personal and financial dangers of the project, it would not have been worth the trouble unless he could rely on the unqualified support of Mr Vorster as the highest authority in the country

Discussions

He said he had similar conversations with other politicians including the present leader of the National Party in the Transvaal, Dr Andries Treurnicht, Mr Harry Schwarz, national chairman of the PFP, Mr John Wiley, leader of the South African Party, and the present Prime Minster, Mr P W Botha

"I talked to them to tell them that we wanted to have an open door to them"

He said these discussions were similar to those with Mr Vorster in which he discussed the viewpoint the Citizen intended to adopt

Mr Martin Spring, who was editor of the Citizen for a short period at the beginning of the newspaper's existence, said he had never been informed of Mr Luyt's discussion with Mr Vorster

"I was not aware of it," he said

Opposition circles regarded this fact — that Mr Luyt had not told the editor of his meeting with Mr Vorster — as unusual, particularly since, according to Mr Luyt's version, his main objective in seeing Mr Vorster at that stage had been to discuss access by the newspa-

Cape Times
9/4/79
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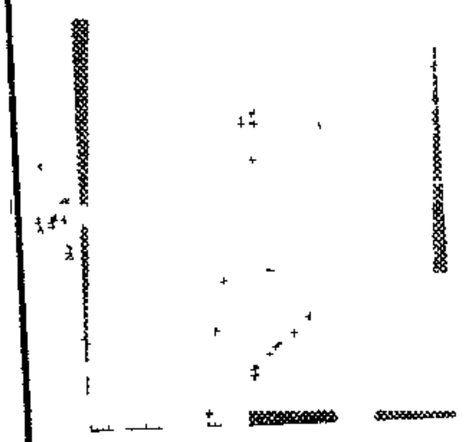
I accepted PM knew of State funds—Luyt

Star 9/4/79.

(259)



Mr Louis Luyt . . . accepted that Mr Vorster knew.

Mr Louis Luyt discussed The Citizen with the then Prime Minister, Mr B J Vorster, a month before the newspaper first appeared and accepted then "rightly or wrongly"—that Mr Vorster knew about the State financing of the paper

Mr Luyt said this in an interview with the Afrikaans Sunday newspaper, Rapport, in which he was questioned about Dr Connie Mulder's allegations that he talked to Mr Vorster about The Citizen before the paper was launched on September 7 1976

Mr Luyt, who was a front for the former Department of Information, confirmed he spoke to Mr Vorster a month before this date

Questioned further, Mr Luyt said he discussed the "moderate standpoint" the newspaper would take and "the request that we should have free access to him to clear up certain matters"

The report also quotes Mr Luyt as saying that if Mr Vorster did not know about the State financing of The Citizen, he and Mr Luyt were victims of "the biggest confidence trick that was ever played on anybody"

Questioned about his evidence before the Erasmus Commission in which he said he was told Mr Vorster had chosen him to launch The Citizen, Mr Luyt refused to say who had told him this, saying he had given further evidence about the matter which he could not reveal

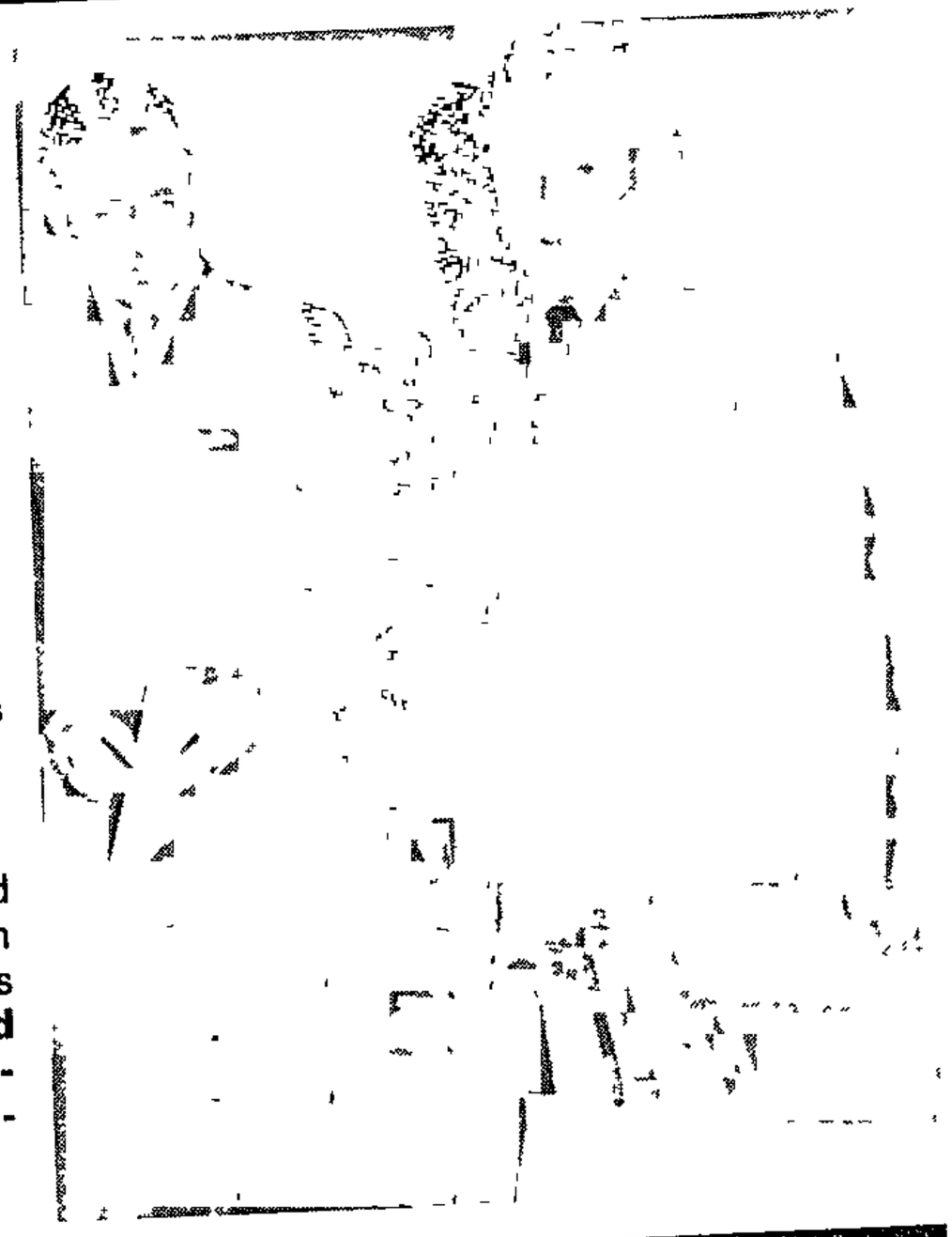
"With the inherent dangers — financial and otherwise — that the project held for me, it wouldn't have been worth my while unless I could depend on the unqualified support of Mr Vorster as the highest authority in the land," said Mr Luyt

How Mulder might have ruled — by Eschel Rhoodie

RDM 10/4/79

Dr Connie Mulder's defeat in last year's premiership struggle and his expulsion from the National Party last Friday ended the dream he shared with Dr Eschel Rhoodie of restructuring South Africa as a "plurality of democracies" which would have removed race as the central factor in the country's politics

Dr Rhoodie outlined the grand scheme in one of his interviews overseas with **Rand Daily Mail Investigations Editor MERVYN REES**



DR CONNIE MULDER could think big He was more like Dr Verwoerd than Mr Vorster He was prepared to tackle South Africa's problems on a national scale. And the blueprint for doing it is probably still in Dr Eschel Rhoodie's study drawer in Pretoria

Both Eschel Rhoodie, former Secretary of Information now in exile, and General Hendrik van den Bergh, former head of BOSS, believe that Dr Connie Mulder had more determination than any other member of the Cabinet

"He was more like Verwoerd than Vorster, except that he was much more flexible and pragmatic and just as tough as Vorster in his early years as Prime Minister," Dr Rhoodie told me

"But most of all, Mulder was prepared to think big and tackle South Africa's issues on a national scale, not the piecemeal, laissez faire policy that earmarked the late Vorster years"

Dr Rhoodie said the blueprint for the course of government he believed Dr Mulder would have followed was still in a drawer of his study in Pretoria —unless the police had since removed it

The blueprint originated in talks he had with Gen Van den Bergh during the 1976 Olympic Games in Montreal, Canada — venue for meeting safely with people from Africa and the Middle East But the General acted as a sounding board, he said, never committing himself in any way

Central to their ideas was the establishment of "an informal and private thinktank" consisting of such prominent Nationalist verligtes as his brother, Prof Nic Rhoodie, and Mr Cas de Villiers

(Prof Rhoodie's Institute for the Study of Plural Societies at Pretoria University, and Mr De Villiers' Foreign Affairs Association were later found to have received substantial sums of money from the Department of Information, headed by Dr Mulder and Dr Rhoodie)

Dr Mulder, said Dr Rhoodie, accepted a basic proposal to break away "from the old policy line and to see South Africa as a plurality of peoples, forgetting the aspect of race and working towards structuring a plurality of democracies"

Some of the concepts worked out by the thinktank were presented to him for his discussions with the Cabinet Committee which drafted the Government's new constitution for whites, coloureds and Indians

"That he did not accept the final step, which would have turned the Council of Cabinets into a Federal Legislative Assembly, was perhaps due to opposition from others in the Cabinet, or perhaps he himself did not think it was politically feasible," Rhoodie said

But, he added, Dr Mulder did accept other major aspects These were

- That what was closest to the heart of all whites was the SSC factor — school, suburb and church

"If you protect those, you protect the same things that the white liberals fought for in Boston, in the US

"If the coloureds and Indians wanted to have general integration which most whites would have resisted, why not turn the whole thing upside down?

"Give them political integration, but on the level where it would not offend or affect the vital interests of whites, their own suburbs, schools and churches, but which would at the same time, satisfy the coloured leadership, namely political integration at the top

"Few intelligent whites can dispute the case for shared legislative power at the top After all, why should only whites have the right to decide whether or not a young coloured boy should be sent to the border, perhaps to die?

"The whites fear integration at street level, in their suburbs and in the educational and church system"

Acceptance of this argument, said Dr Rhoodie, would have paved the way for the successful establishment of three ethnically based Parliaments — for whites, coloureds and Indians

Such a development would also have fitted in with Dr Mulder's thinking on the establishment of an Association of Southern African States, consisting of independent countries in Africa south of the Zambezi

It would also have coincided with his other concept of a South Africa Council based on the principles of the European Parliament

- A two-year programme to consolidate all the homelands, whose land areas would also have been vastly increased. Ciskei, for example, would probably have included East London

KwaZulu would have been twice its present size and the Northern Transvaal homelands would have consisted of one massive bloc No one territory would have been smaller than Lesotho

Whites left in the new black areas would have had the choice of staying or settling elsewhere with Government aid

Dr Rhoodie said he and his colleagues were convinced the world would accept the homeland policy, particularly if the Zulus accepted a massively increased KwaZulu and if the Government could show it was really prepared to sacrifice land

"I know for a fact that the French Government sent a message to Mr Vorster saying that if KwaZulu was consolidated in one area and doubled in size to include Richards Bay, then they, the French, would have recognised an independent KwaZulu," Rhoodie claimed

"I doubt whether Buthelezi would have rejected independence on those grounds President Houphouet Boigny of the Ivory Coast also told me that in the face of such a programme he would have followed the French example"

- The status of Soweto, the socio-economic grievances of urban blacks and their political links with homelands

A Berlin-type solution was considered for Soweto It would have meant a free city, independently administered. Representatives of the city could have met with the central Government on matters of national importance affecting their lives

Dr Rhoodie referred to surveys of black grievances which placed demands for political participation at the bottom of the list of issues such as housing, jobs and education

"When Dr Mulder saw the results of the surveys, he said to me 'You know I can solve all these problems, barring the last grievance — lack of political participation — within the framework of existing National Party policy and within a matter of five to seven years," Dr Rhoodie said

The concept of giving independent homelands all the say over the affairs of people living in the urban areas was considered

"Enough money would have been given to the homelands for this purpose and if there were any problems in the urban areas it would have been black administrators who had to bear the brunt of the criticism, not the white administration," Rhoodie said

"This general outline of what a Connie Mulder government may have tackled is incomplete It can be criticised, but it would have been a lot more realistic and would have had a better chance than current policy has of black cooperation — the key to success — and of international recognition"

FBI will be called in on McGoff probe

By ANTHONY RIDER

WASHINGTON. — United States Justice Department officials will ask the FBI to investigate whether Michigan newspaper publisher Mr John McGoff used South African Government funds in an unsuccessful attempt to buy the Washington Star four years ago

The FBI will be asked to find out whether or not McGoff violated the Foreign Agents Registration Act which requires US citizens acting for foreign principals to register with the US government

An internal Justice Department inquiry into Mr McGoff's activities is already underway as a result of allegations made in South Africa that he used Department of Information secret funds in his bid for the Washington Star

Mr McGoff, 54, president of the Michigan-based Panax Corporation, has denied the allegations ever since they were first published last year

The Justice Department's interest has been quickened by a story in yesterday's Detroit Free Press

The newspaper said that while the Erasmus Commission did not name Mr McGoff directly, its report contained information that tended to support the allegations

The Free Press said its own repeated attempts last week to interview Mr McGoff were unsuccessful

The head of the Justice Department's foreign agents registration division, Mr Joel Lisker, would not comment on reports that the FBI would be asked to join the probe

He said only that an internal Justice Department investigation was underway

But another Justice Department official, who asked not to be named, said that within two weeks the FBI would receive a formal request to start a McGoff probe

He told the Detroit Free Press "I'm confident there is plenty of grist for an investigation"

Former Panax employees say Mr McGoff made an unexplained business trip to Switzerland in September or October 1974, a week before he went to Washington to bid for the Star

"I'd never heard of John going to Switzerland (on business) before," said one former Panax executive "That's the reason it sticks in mind"

He said that soon after Mr McGoff's return from Switzerland, a large sum — the executive did not know how much — was transferred to one of Mr McGoff's accounts in the First National Bank of Marquette

The bank is owned by Mr Samuel Cohodas, a Panax director with long-standing business connections with Mr McGoff

The Michigan publisher's bid for the Star was not done in the name of Panax.

Instead he founded a separate private company first called Star Communication but later renamed Global Communication, and the bid was made through this company

Former Panax employees say Mr McGoff refused to tell even close associates who was financing the bid, and speculation abounded in the Panax offices.

"Nobody around the company knew where he was getting the money from," said one "There was talk about South Africa in the office But we never saw anything concrete"

Another former employee said Mr McGoff was aware of the staff rumours and tried to scotch them.

"He said 'I know there are these rumours I wouldn't do that I'm a patriot and I would not accept money from anyone outside the United States'."

A former Panax executive said Mr McGoff took great pains to keep the affairs of Global Communications separate and secret from most Panax employees, bypassing the Panax bookkeeping and secretarial staff for Global's business

Cheques to pay Global's bills were handwritten by one employee, Mr Robert Leipprandt, who kept its books locked in his office

The Detroit Free Press said the use of South African money in the Star bid would not have been illegal in itself

But federal law requires all persons who "act as an agent of a foreign principal" to register with the Justice Department.

The law specifically covers people who buy newspapers with foreign funds if more than 20% of the total purchase price comes from foreign sources

Violation carries a maximum penalty of five years' jail and a $10 000 fine.

Mr McGoff has never registered with the Justice Department as a foreign agent

The Detroit Free Press also reported that Mr McGoff invited Dr Connie Mulder to address a meeting of Panax general managers at Boyne Mountain, Michigan, in May, 1975.

It said the two men flew to the conference in a Learjet owned by Mr Louis Luyt, with whom Mr McGoff was associated, according to the Free Press, in the failed bid to take over South African Associated Newspapers in 1975.

The Free Press said Mr McGoff was asked to invest in The Citizen, but refused.

The paper says that in 1975 Mr McGoff went to Washington and intervened successfully on behalf of former chief of the Defence Force Admiral Hugo Biermann, who was trying to get a US entry visa.

'McGoff: Share but no say'

A REPORT in the Rand Daily Mail on Saturday, claiming South Africa gave an American publisher about R1 500 000 to help him buy a 50% share in UPITN, was answered by UPI president Mr Roderick W Beaton yesterday

The report said the deal was part of a secret plan to foster a positive world image of South Africa — "part of a master plan to build a clandestine international propaganda network"

The money was said to have gone to Mr John McGoff to help him buy the news organisation Global Communications, which he heads, holds the principal interest in UPITN

Mr Beaton said in New York yesterday neither Mr McGoff nor his firm had any editorial control on UPITN.

"No single person or stockholder controls the editorial policies of UPITN," Mr Beaton said "United Press International (UPI), Independent Television News (ITN) and Global Communications hold equal rank in this area Mr McGoff has made no attempt to influence the editorial content of UPITN."

UPITN executive vice-president Mr Kenneth Coyte said from London UPITN "wouldn't tolereate interference of any kind".

Since Mr McGoff bought into the company, he said, UPITN had produced eight documentaries on South Africa out of an overall total of more than 300.

In Michigan, a spokesman said Mr McGoff was in the Virgin Islands but he did not know when he would be back — UPI

Grave 'outright lie' charge faces PW

(259) Rom 10/4/79

BY MARTIN SCHNEIDER
Political Editor

THE Prime Minister, Mr P W Botha, faces the gravest charges ever made in Parliament against a South African Prime Minister.

Mr Botha will be asked by the Opposition to explain during his vote in the House of Assembly later this month at least four statements, one of which has already been branded in Parliament as an "outright untruth"

Declaring the Opposition's intention to probe charges against Mr Botha, the Progressive Federal Party chairman, Mr Japie Basson, said last night Mr Botha could not be allowed to "escape from his actions".

The thrust of the Opposition attack is based on a statement by Mr Botha in the House last December when he described as an "outright lie" Opposition suggestions that R10-million had been channelled through the Special Defence Account to Switzerland in 1974

Mr Horace van Rensburg, PFP MP for Bryanston, described Mr Botha's statement as an "outright untruth" in Parliament last week.

Responding to the charge, Mr Botha said in a statement he had nothing to add to the Erasmus Commission's findings and referred correspondents to his speech in the House during the special Information Department debate

His statement did not specify any particular aspect of the speech

Mr Van Rensburg said last night that despite the fact his charge had been repeated by other Opposition speakers in the House, "no Minister or Nationalist MP reacted"

Other charges are that:

- Mr Botha told a Press conference on November 3,1978 that "no funds voted for defence purposes were allotted to the Department of Information". The Erasmus Commission found the Department of Information's secret projects were financed by money transferred from the Special Defence Account which is controlled by Mr Botha as Minister of Defence.
- Mr Botha said after the Mostert Commission report that evidence regarding the funding by the Government of The Citizen newspaper was "one sided" and "untested" But five weeks before his statement, the former Prime Minister, Mr Vorster, informed the Cabinet about the Government's financing of The Citizen
- Mr Botha may have misled the House on a second occasion. According to the Erasmus Commission, the chief of the Defence Force, General Magnus Malan complained in a letter to Dr Eschel Rhoodie, former Minister of Information: "In view of the fact I regard the procedure (of financing Info's secret projects from the Department of Defence) as unethical and irregular, I want to point out that you would certainly feel so too if your Minister had had to stand up in the House and recite untruths in order to obtain additional funds."

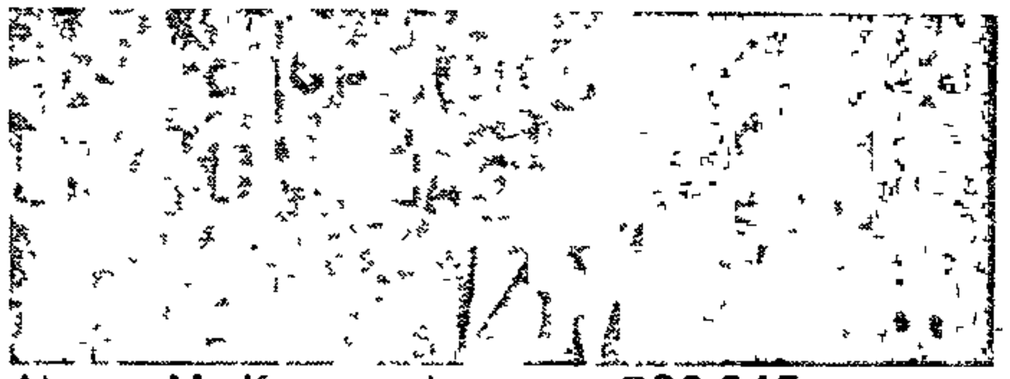
Mr Basson said the PFP would raise Mr Botha's actions in the House on April 19.

Other sources suggested the PFP would consider demanding the appointment of a Parliamentary select committee to investigate Mr Botha's statements

'Mail' beats Kruger's gag bid

(259)

RDM 13/4/79



Above, Mr Kruger who earns R30 345 a year as Minister of Justice Below, blank spaces in the Morning Final edition of the Rand Daily Mail, March 12

Together again Dr Eschel Rhoodie and his wife

Eschel comments on those denials

By MERVYN REES

DR ESCHEL RHOODIE said in a statement yesterday that he was sorry that the Prime Minister Mr P W Botha, was resorting to attacks on his character by accusing him of personal cowardice.

Mr Botha as well as the ter of Justice Mr J T

that Rhoodie has to say

"Concerning Mr Le Grange's statement yesterday I never said to Rand Daily

Own Correspondent

CAPE TOWN

AN ORDER preventing the Rand Daily Mail from publishing claims by the former Secretary for Information, Dr Eschel Rhoodie, involving the Minister of Justice, Mr J T Kruger, was discharged with costs in the Cape Supreme Court yesterday.

Mr Kruger was ordered personally to pay the costs. It was found that he brought the action in his personal capacity.

The judgment was handed down by the Judge-President of the Cape, Mr Justice J W van Zijl, with Mr Justice L de V van Winsen concurring.

Argument on the final order was heard on March 30 after Mr Justice Van Zijl granted Mr Kruger an urgent order in an early-morning hearing on March 12 restraining the Rand Dai-

the Natal Mercury and the Eastern Province Herald, or any other newspaper owned or controlled by SAAN, from publishing the report.

The report cited in yesterday's judgment quoted Dr Rhoodie as saying

"I confirm that Mr Jimmy Kruger spoke to me several times to help clear a statement from a tape recording by a French journalist which Mr Kruger admitted to me would mean the end of his career if published"

"I did so, and he replied, if ever a shadow fell over my life, he would move mountains to help me He is not doing so now."

"I spoke to him on many occasions at press conferences, receptions and so on When I saw him in the lobby in Parliament in 1978, shortly after the Barry report leaked from the Auditor General's office, I told him that I was going to request a police investigation into the leak, since the matter was deadly serious."

"He replied 'Yes,' and since it implicates the Prime Minister who has warned us he would have to resign if the Citizen's story got out we had to be doubly careful'," Dr Rhoodie said

During the urgent application, at which Mr Kruger gave evidence, Mr Kruger described himself as the Minister of Justice, Police and Prisons

He said he would be prejudiced if the report was published

According to the judgment, which quoted Mr Kruger's replying affidavit, the Minister contended that the first part of the report was false and defamatory in several respects

Dealing with the second part of the report, Mr Kruger said the defamatory "sting" lay in the false

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GENERAL NEWS

Kruger loses court action to prevent publication of Rhoodie report

RAND DAILY MAIL, Wednesday, April 11, 1979 5

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CAPE TOWN — The Supreme Court yesterday discharged with costs an order granted to the Minister of Justice, Mr J T Kruger, restraining the Cape Times Limited and South African Associated Newspapers Limited from publishing a report quoting certain claims by Dr Eschel Rhoodie.

The companies successfully opposed the granting of a final order preventing publication of the report, parts of which Mr Kruger alleged were false and defamed him in his personal capacity

The Judge-President of the Cape, Mr Justice J W van Zyl, found that Mr Kruger brought the action in his personal capacity and ordered that he must pay the costs personally

His full judgment, with Mr Justice de V van Winsen concurring, reads

"During the small hours of the morning of Monday, March 12, the Minister of Justice applied for an interdict restraining the Cape Times Limited and South African Associated Newspapers Limited (hereinafter referred to as Associated Newspapers) from publishing in their morning newspapers a certain report which had been made to them by Dr Eschel Rhoodie concerning the Minister's knowledge in regard to the Government's financing of the Johannesburg morning newspaper "The Citizen" and which the Minister regarded as being defamatory of him As the morning newspapers of these companies were about to go to press, there was no time to draft the necessary application nor to place the matter before the court on affidavit I consequently allowed the application to be made orally

The Minister was the sole witness and after having heard his testimony, I granted the following order which at the commencement of the proceedings had been put before me in draft form

"1 That a rule nisi do issue calling upon the Cape Times Limited and South African Associated Newspapers to show cause, if any, on March 27, 1979 at 10 30 am why they should not be restrained from publishing in The Cape Times, Rand Daily Mail, the Natal Mercury and Eastern Province Herald or any other newspaper owned or controlled by them the following report or words to that effect alleged to have been conveyed by Dr Eschel Rhoodie to the said newspapers to wit.

"I confirm that Mr Jimmy Kruger spoke to me several times to help clear a statement from a tape recording by a French journalist which Mr Kruger admitted to me would mean the end of his career if published. I did so, and he replied, if ever a shadow fell over my life, he would move mountains to help me He is not doing so now I spoke to him on many occasions at Press conferences, receptions and so on When I saw him in the lobby in Parliament in 1978, shortly after the Barrie report leaked from the Auditor-General's office, I told him that I was going to request a police investigation into the leak, since the matter was deadly serious He replied.

"Yes, and since it implicates the Prime Minister who has warned us he would have to resign if The Citizen's story got out we had to be doubly careful' "

2 That pending the return day of the rule of the said owners are restrained from publishing the said report and from distributing any newspaper carrying such report

3 That the return date of this rule may be anticipated upon 24 hours' notice

4 That the said owners are to show cause on the return date why they should not be ordered to pay the costs of these proceedings

The evidence upon which the rule was granted can be generalised as follows On Saturday, March 10, the Cape Times carried a report containing the following statement

"Shortly before the General Election in 1977, the then Prime Minister, Mr Vorster, is said to have addressed a full Cabinet meeting on The Citizen newspaper project and to have warned them that if the project ever became public knowledge he would have to resign . Dr Eschel Rhoodie, speaking to the Cape Times at his hide-out in Quito, Ecuador, last month claimed that he had been told this by Dr Connie Mulder, former Minister of Information, and the Minister of Justice, Mr J T Kruger "

This report, the Minister stated, had not, before publication, been placed before him for verification as is required by the "Press Code". The Minister thereupon issued a statement to the South African Press Association denying the truth of the report He did this in the following terms

"I said that I had never spoken to Dr Rhoodie about The Citizen, or matters appertaining to his Department, or the Information scandal at any stage I further said I had only met Dr Rhoodie casually on a few social occasions. I only spoke to Dr Rhoodie twice on matters relating to my own Depatment

Once was when I granted an interview to a French journalist at the request of the Department of Information and I then 'phoned Dr Rhoodie and asked him to make certain that the journalist had not misunderstood anything I had said. The reason I did that was that the journalist was not proficient in English and I was not certain he had actually understood exactly what I said in the interview

The second occasion was when Dr Rhoodie was in the Secretaries' bay in Parliament . And Dr Mulder's Vote was on.

Dr Mulder was actually speaking, when I walked up to Dr Rhoodie and I asked him when I could expect his Department's little booklet in answer to Amnesty International's allegations of deaths in detention Dr Rhoodie remained seated in the bay and I left Parliament through the back door behind the Speaker

Then I said in this Sapa report the Cape Times never contacted me to verify Rhoodie's statement as is required by the code of ethics of journalists and I also further said I will take the matter up with my lawyers with a view to suing the Cape Times for defamation."

During Saturday the Minister also answered a number of queries from the Press arising out of the Cape Times report During Sunday the Minister received no further Press inquiries until after he had retired for the night. At 9 55pm he was phoned from Johannesburg by Jeremy Gordin of the Rand Daily Mail who read to him a report containing replies by Rhoodie to the above statement which the Minister had given to South African Press Association on Saturday. What was read to the Minister as being the report from Rhoodie is given in the rule nisi quote *(supra)* The Minister denied the truth of Rhoodie's replies and requested Gordin to hold over the report until the next day, as it was not relevant to anything that was "apposite right at the moment," and consequently there was no need to publish it immediately and as the postponed publication would also give him the opportunity, before replying on the morrow, of consulting the file in his office containing a copy of his interview with the French journalist and would show that the interview had nothing to do with his career The postponement would also give him the opportunity of obtaining affidavits from "two Pressmen" who could testify to the fact that he had not spoken to Rhoodie in the lobby of the House as al-

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leged by Rhoodie. He stressed that he wanted this opportunity to be able to explain his side of the story. Gordin said he would consult his editor and ring him back within ten minutes While waiting for this reply the Minister was telephoned by Gordon Kling, a reporter from the Cape Times, who wanted his comments on the same report which his paper had received from the Rand Daily Mail Kling was informed by the Minister that he was waiting to hear from the Rand Daily Mail whether it was going to hold over the report, and if it was not going to do so he would have to take steps "to protect myself". Almost immediately Gordin telephoned him back and he and Kling both told the Minister that their respective editors were going to publish the report

The Minister asked for an interdict restraining the publication of the report as he would be prejudiced if the report was published "in the circumstances and context of the Information scandal" because the phrase "it would mean the end of my career if published" contained in the first half of the report may cause people to think he had done something so wrong that his career should end. It also left it open to public speculation as to what he had in fact done. In respect of the second half of the report he contended that it was no rejoinder to his reply to the report that had appeared in the Cape Times, but was new matter, and what is more he had not given the alleged reply about the need to cover up the then Prime Minister's knowledge about The Citizen The rejoinder, the Minister alleges, deals with a happening that took place in February 1978, i e. after the general elections, whereas the original report in the Cape Times to which the Minister had replied deals with a matter that had taken place before the General Election in 1977

The Minister cited Associated Newspapers as the owner of the Rand Daily Mail, Natal Mercury and Eastern Province Herald, and Cape Times Limited as the owner of the Cape Times.

The heading to the rule nisi does not cite the Cape Times Limited as the Second Respondent and does not designate the Minister by name but as the Minister of Justice

Associated Newspapers filed an opposing affidavit in which it raised the following defences

1. The Rand Daily Mail is a newspaper printed in Johannesburg and published principally in the Transvaal and owned by Associated Newspapers whose registered address head office and principal place of business is in Johannesburg. The company accordingly does not fall within the jurisdiction of this Court,

2. The Natal Mercury is owned by Robinson and Company, Proprietary Limited which has its registered office and principal place of business in Durban. The Eastern Province Herald is owned by Eastern Province Newspapers Limited — (which is a subsidiary of Associated Newspapers) — whose registered office and principal place of business is in Port Elizabeth As both these owners are separate legal entities, Associated Newspapers cannot be restrained in respect of the operation of either of these newspapers;

3. The Minister has moved the Court in his official capacity as Minister of Justice and in his official capacity he has in the present circumstances no cause of action founded on defamation; and

4. In the alternative the words complained of in the first portion of the report are not defamatory when spoken of a politician as a politician may feel compelled to resign for many respectable and even laudable reasons and a reasonable reader would not put the worst construction on these words. The words complained of in the second half of the report cannot be construed as defamatory of the Minister in his personal capacity.

The Cape Times Limited also filed an opposing affidavit and took the same defence raised by Associated Newspapers in paragraphs 3 and 4 above.

In a replying affidavit the Minister denied that he had brought the application in his capacity as Minister and stated that he was acting in his personal capacity. He claimed that the heading to the rule nisi citing him as the Minister of Justice was an error made by the Registrar when issuing the order and concerns technical and formal matters of no account.

He admitted that Associated Newspapers' Head Office and principal place of business is in Johannesburg, but stated that numerous copies of the Rand Daily Mail are offered for sale in Cape Town and a copy of the newspaper is available every day in the reading rooms of the Members of Parliament in the Houses of Parliament, and consequently denied that Associated Newspapers is not subject to the jurisdiction of this Court

The Minister did not contest Associated Newspapers' averment in respect of the ownership of the Natal Mercury and the Eastern Province Herald

In regard to the defence that the words complained of are not defamatory, the Minister gave details of the interview he had had with the French journalist in February 1978. The interview had nothing to do

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The Minister of Justice, Mr J T Kruger . . . ordered to pay court costs personally.

with the particular projects of the then Department of Information. It turned on the French journalist's allegations that the Western world did not consider South Africa a democracy but a fascist state and would pressurise South Africa The Minister gave his views on the futility of a trade boycott and his views on the West's preparedness to trade with dictatorships and why they should more readily be prepared to trade with South Africa which could never be a dictatorship. The journalist, who was accompanied by a female photographer, had a poor command of English and he and his companion were very unsympathetic towards the South African Government The Minister therefore telephoned Rhoodie and requested him to see to it that his discussion with the French journalist was properly understood and that it would not be truncated, distorted or published out of context This was a function Rhoodie was called upon to perform in the ordinary course of his duties. Rhoodie assured him that the interview would normally be edited, therefore if anything had been removed by editing "it could only have been meaningless phrases or short sentences which were meaningless having regard to the context of the interview" He alleged that Rhoodie's statement which the Rand Daily Mail and the Cape Times intended to publish deviated in vital respects from the truth In the first place, there was no incriminating matter that had to be cleared from the tape to avoid its publication putting an end to his career In the second place his expression of gratitude to Rhoodie is highly overstated

The first part of the report he contended is false and defamatory in the following aspects, I quote

"(i) It conveys that there was something so incriminating or damaging to me on a tape that its mere publication would mean the end of my career — not only as Minister but my whole political career

"I accordingly wanted the evidence to be destroyed, i e to have it cleared off the tape

"(ii) On the day that the said newspapers intended publishing Dr Rhoodie's statement about clearing a statement of mine from a tape, which would have meant the end of my career if published, it was common knowledge that Dr Rhoodie was connected with the 'Information scandal', an event which had shocked the public

"The ordinary reader, reading the bald statement of Dr Rhoodie, may reasonably have concluded that the alleged statement had something to do with the so-called 'Information scandal' This is the reason why I told the reporter, Mr Jeremy Gordon, that I was quite willing to allow the press to publish it, provided I was given an opportunity of putting the full facts before the ublic. This was denied me

"(iii) After this had been done by Rhoodie, I promised to do all in my power should he ever be in difficulties but I have proved grossly ungrateful.

"(iv) The above must also be seen against the background that I have continued in office The inevitable conclusion is that I have cynically remained in office when any honourable man would have felt impelled to resign."

In regard to the second portion of the intended report, the Minister states

"(d) (It) should in my submission be read as a follow-up to the report which was published on March 10, 1979 in the Cape Times and to which I referred in my evidence The defamatory sting in the said report of March 10 lies in the false statement that the whole Cabinet (including myself) had been fully informed of The Citizen undertaking *before* the 1977 election, and that I had told Dr Rhoodie so The second part of the report builds on this false foundation and attempts to lend an air of verisimilitude thereto by giving 'details' of a conversation which never took place The defamatory implications are not only that I (with the other members of the Cabinet) had dishonestly fought the 1977 election whilst suppressing information about The Citizen but also that I afterwards intended to be very careful to prevent the facts from leaking out It must be pointed out that the proposed report to be published on March 12, the alleged report of Dr Rhoodie, indicates the place and the content of what I had purportedly told him, and although it does not substantiate the report of March 10, it is an attempt to do so, thereby indicating the degree of maliciousness"

In a rejoining affidavit the editor of the Cape Times states in respect of the background against which the Minister wished to have the proposed report judged

"I say that the relevance of the 'background' is that Dr Rhoodie has over a period of some weeks made allegations concerning certain members of the Cabinet. The members concerned, and others, have made counter-statements, denying what Dr Rhoodie has said, and

making allegations against him Both sides have made their statements through the medium of the Press To my knowledge, all the major newspapers have reported the accusations, denials and counter-accusations Mr Kruger himself has used the Press for this purpose, as he says in his evidence. All these exchanges have been the subject of intense and legitimate public interest. In the circumstances I respectfully submit that the Respondent's newspapers were entitled to publish the allegations objected to They would have been published as a matter of genuine public interest, with no intention of injuring or insulting Mr Kruger, and without malicious intent I submit such publication would not be wrongful or unlawful."

Before leaving this factual side of the matter it is necessary to state that all parties have referred to article 2 (c) of the Code of Conduct of the South African Press This article reads

"Where there is reason to doubt the correctness of a report and it is practicable to verify the correctness thereof, it shall be verified Where it has not been practicable to verify the correctness of a report, this shall be mentioned in such report"

The Minister contends that the Respondents' newspapers did not act in accordance with the spirit of this article He contends that at 10 o'clock on a Sunday night, and when he was at home away from his office, he was not in a position to deal with the untruthful allegations in Rhoodie's statement. By insisting upon publishing Rhoodie's statement immediately the Respondents, the Minister alleged, deprived him of the opportunity envisaged by article 2 (c) of having his repudiation of Rhoodie's untruthful allegations published in the same issue accusation and repudiation next to each other The Respondents on the other hand contend that they gave the Minister an opportunity of repudiating the allegations later — if necessary the following day Such a procedure of course, places the Minister at a disadvantage A repudiation published a day later is far less effective. It does not necessarily reach the same readers. Even when it does, the gap in time, the possible non-availibility of the earlier paper, and a natural resistance against reading a stale report, deprive the reader of a truly adequate opportunity of assessing the validity of the conflicting statements. And finally and perhaps most important of all a contention advanced in a later statement is not so readily received by the reader as it has to displace or eradicate points of or impressions that have already been formed by having read the first statement, circumstances that do not arise when the conflicting contentions come simultaneously to a still open mind which can choose freely between them The provisions of act 2 (c) however have no bearing upon the present dispute.

I turn now to consider the above facts. The rule must obviously be discharged against Associated Newspapers as far as it relates to the conduct of the affairs of the Natal Mercury and the Eastern Province Herald It is not the owner of these journals

I leave aside for the moment the defence that the Minister is suing in his capacity as Minister of Justice and that on the facts and circumstances of the present case he has no cause of action in his ministerial capacity I also leave aside the defence raised by Associated Newspapers that it is not subject to the jurisdiction of this Court and turn to the defence on the merits which has also been raised by the Cape Times Limited and which, if successful, will therefore dispose of the case against both these parties

It is trite law that if a person apprehends that another may commit a delict against him he may move the Court to restrain his would-be wrongdoer from doing him injury by obtaining an interdict against him Greenberg J in *Heilbron v Blignaut* 1931 WLD 167 at page 169 states it as follows

"If an injury which would give rise to a claim in law is apprehended, then I think it is clear law that the person against whom the injury is about to be committed is not compelled to wait for the damage and sue afterwards for compensation, but can move the Court to prevent any damage being done to him."

Motion proceedings are virtually the only proceedings that can be taken timeously to interdict the imminent perpetration of an apprehended delict For an applicant to obtain such an interdict on motion he must prove (1) a clear right, (2) an injury actually committed or apprehended, and, (3) no other remedy by which he can be protected with the same result If only a *prima face* right can be established — i e. a right open to some doubt — the interdict will still be granted if the continuation of the thing against which the interdict is sought would cause the applicant irreparable injury and the discontinuation of the thing complained of would not involve irreparable injury to the other party See *Setlego v Setlego* 1914 AD 221 at p.227. This is applicable to all delicts including defamation. See the Heilbron case (*supra*) and *Cleghorn and Harris Ltd v Natal Union of Distributive Workers* 1940 CPD 409

The Minister has asked for a final interdict He clearly has a right to prevent the publication of words which in fact are defamatory of him It is also clear that the only way that he can timeously avert the publication of such words in a daily newspaper is by way of interdict The Minister must also show that the words are defamatory of him He alleges that he has done this by proving the actual words intended to be published and the circumstances in which they would be published

The Respondents do not dispute the words complained of but take the defence that the words are not defamatory of the Minister, neither *per se* in the circumstances in which they have been used. He, therefore, has no reason to apprehend that he will be injured in his good name, if they are published. The words relate to two unconnected incidents and must in consequence be look at, in turn, to determine in each instance whether or not they are defamatory of the Minister

The Minister alleges that the words "He asked Rhoodie several times to help clear his statement from a tape recording by a French journalist which, he admitted to Rhoodie would be the end of his career if published", are defamatory of him, because they are untrue and incriminating and that "the ordinary reasonable reader may reasonably conclude" that the matter cleared from the tape may have something to do with the "so-called Information scandal".

There are two errors in this reasoning. In the first place the words complained of do not directly charge or accuse the Minister of a crime or fault, nor do they directly involve him with any accusation or charge If the words do any of these things they must do it by implication. For the words to be defamatory in such circumstances the implication must be one that must inevitably be drawn and be the only one that can reasonably be drawn by an ordinary reasonable reader The Minister says this is exactly what has happened, the words involve him "with the so-called Information scandal" and the ordinary reasonable reader may reasonably come to such a conclusion It is not sufficient that the words *may* cause the ordinary reasonable reader to come to such a conclusion They *must* cause the ordinary reasonable reader to come to such a conclusion. The words in fact are such that they could cause an ordinary reasonable reader to come to other conclusions that are not defam-

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that the words the Minister wished to have cleared were a statement that dealt with some matter unconnected "with the so-called Information scandal" but were politically embarrassing to him and which, if published, would mean the end of his political career for instance as a member of his party. The words are therefore not *per se* defamatory The dictum of Lord Esher quoted with approval by Van der Heever J A in *Conroy v Nicol and Another* 1951 (1) p 653 at p 663 is apposite

"It seems to me unreasonable that, when there are a number of good (non-defamatory) interpretations, the only bad one should be seized upon to give a defamatory sense to a document"

In the second place to involve the Minister "with the so-called Information scandal" is not necessarily a defamatory incrimination if it involves him only in a political sense, i e. whether he knew of and as such was a party to the Government financing the publication of the Citizen It is the right of every citizen to concern himself with the affairs of the country by expressing his views, approving or disapproving of the actions of the persons concerned directly in the government of the country, and as long as he does not impute to them improper motives or dishonourable conduct, his words are not defamatory, however unfair or unfounded his criticism or condemnation may be. In *Conroy's* case (*supra*) van der Heever J A at page 660 states that an attack on a member of the Government in respect of policy no matter how severe is not defamatory

"tensy die aantuiging is dat hy dit gedoen het uit 'n oneerlike of hom onterende dryfveer",

and at p 661 he says of the general right of members of the public to discuss and criticise public affairs

"Die vryheid van die burger on landsake te bespreek en die beleid van die regering te kritiseer sal tot verdwyning toe ingekort word indien die lede van die regering in 'n gees van kruidjie-roer-my-nie die burger met 'n lastersaak kon vexeer telkens as hy iets van die regering se wat nie 'n kompliment is nie, ondanks die feit dat sy uitlatings nie in die ware sin lasterlik is nie"

In *Botha and Another v Marais* 1974 (1) SA (AD) 44 Ogilvie Thompson C J says at page 50 in respect of a very strongly worded criticism of the plaintiff in a defamation suit concerning political utterences:

"die gewraakde woorde is wel afkeurend van Respondent se gedrag maar, in die geheel beskou, is hulle, na my mening, nie naamskandend van hom nie. Ek kom dus tot die gevolgtrekking dat Respondent nie daarin geslaag het om te bewys dat hy deur die gewraakde woorde belaster is nie"

The words complained of in the present matter are, standing by themselves, not 'naamskendend' of the Minister. They do not impute to him improper motives or dishonest conduct and are consequently not defamatory in the circumstances the Minister alleges they were used i e involving him with "the so-called Information scandal"

I turn now to the second incident dealt with in the intended report i e the Minister's reply to Rhoodie when Rhoodie told him he was going to request a public investigation into the leaking of the Auditor-General's report on the Department of Information:-

"Yes, and since it implicates the Prime Minister who has warned us he would have to resign if the Citizen's story got out, we had to be doubly careful"

The Minister says that this report becomes defamatory when it is used with the report of Saturday, March 10 quoted earlier in his judgment He alleges that the Saturday report is defamatory and the sting of that report lies in the false statement that the whole Cabinet had been fully informed of The Citizen undertaking before the 1977 elections and that he had told Rhoodie so The report, that the Respondents intended to publish, he says builds on the false report of Saturday attempting to give a verisimilitude to it by giving details of a conversation which never took place The Minister says the second report is defamatory because the two reports read together imply not only that he and the other members of the Cabinet had fought the 1977 elections dishonestly by suppressing information about the Citizen but also that after the elections he was careful to prevent the facts about the Citizen from leaking out Accepting the Minister's assessment of these two reports at its high-water mark it still means that the words complained of concern the Minister's and the Cabinet's behaviour in respect of party policy A decision to finance the publication of The Citizen and to suppress the fact are matters of policy Matters of Government policy as has been stated above, may be freely criticised and condemned even if such criticism and condemnation is unfounded or unfair It is not defamatory unless improper motives or dishonest conduct is imputed to the person complaining of the words or as Van der Heever J A said "tensy die aantuiging is dat hy dit gedoen het uit 'n oneerlike of hom onterende dryfveer" The words are not directed at the Minister's person as such, but at the alleged policy he and his party had pursued and the manner in which they had carried it out In these circumstances these words too are not defamatory

The rule nisi must therefore be discharged

As the words which the Minister wishes the Respondents to be prevented from publishing are neither *per se* defamatory nor made defamatory by the circumstances in which he alleges they were used he has, on the facts before us, not established that he would suffer any wrong if they were published The Court can therefore not, as asked, grant a rule *pendente lite* to enable the Minister to obtain a final interdict by trial action.

The Respondents are entitled to their costs The question now arises against whom must the order of costs be given If the Minister cited the Respondents in his capacity as Minister, the costs should be given against the State, but if he cited them in his personal capacity, the costs should be given against him personally I am satisfied that the Minister intended to act in his personal capacity The words complained of in no way attack him in respect of any action done by him in his capacity as Minister of Justice, Police or Prisons, i e in his capacity as Minister of any of these departments His reference to himself as Minister was merely done to identify himself and in the informal manner in which the proceedings were taken during the early hours of the morning, it was overlooked that he did not state in specific terms that he was acting in his personal capacity, though the facts of the application all indicate that he was I also agree with him that in the light of the facts of his application and the manner and time at which it was made no great weight can be attached to the heading of the Court's order as issued by the Registrar It may be that the Minister was not entitled to employ the State Attorney in his personal capacity but I do not think that his doing so is in itself proof that he was in fact acting in an official capacity. I am satisfied that it happened in the rush of obtaining the order before the morning papers had finally gone to press, without consideration whether in law he was entitled to do so I accordingly find that the Minister acted in his personal capacity

The rule nisi is discharged with costs

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Rapport
15/4/79

Connie

(259)

-spook loop nog op Potchefstroom

15/4/79
Rapport

ONSTUIMIGE studentegemoedere op Potchefstroom soek net een ding — 'n ontmoeting met mnr. Louis le Grange, Minister van Openbare Werke en Toerisme en L.V. vir Potchefstroom.

Hulle wil die Minister inlig oor die „gees van misnoeë" op die kampus oor die hantering van die Inligting-debakel en veral die behandeling wat dr. Connie Mulder — 'n lid van die Universiteitsraad van Potchefstroom — gekry het.

Dan jeuk hulle ook oor die trekpas wat hulle vandeesweek op 'n vergadering van die afdelingsbestuur van die NP op Potchefstroom gekry het. Dit nadat hulle vooraf toestemming van die voorsitter van die afdelingsbestuur, prof. Willie Robbertse, gevra en gekry het om die vergadering by te woon, sê die studente

*Mnr. Le Grange het gister aan RAPPORT gesê sy deur staan wawyd oop vir die studente en hulle is baie welkom om sake met hom te kom uitpraat.

Oor een ding staan die Minister egter vas: Dit was nie spontane protes nie, maar 'n georganiseerde demonstrasie en dit is georganiseer om verleentheid vir die NP te

Van die studente wat by die vergadering opgedaag het, was nie almal stoere onder-

...lder nie

denteraad, verklaar die onwaardige aftog by die vergadering so: Daar is seker gemeen, toe toestemming gegee is, dat „net vyf studente met dasse" sou opdaag.

Dit is egter eintlik studenteleier Theuns Eloff, president van die Afrikaanse Studentebond en voorsitter van die Studenteraad van Potchefstroom, wat op sy agterpote is:

* Politici was godjies — nou het hulle voete van klei. Pleks van om hulle nou in perspektief te sien as menslik feilbaar, maar nog leiers, sien ons hulle nou as politieke godjies wat in die modder lê. En dit is verkeerd.

„Dit sien ek as 'n groot gevaar en ek voel die ASB moet daaraan aandag gee", sê Theuns.

Die vonk in die kruitvat was 'n brief wat Potchefstroomse studente vandeesweek aan die afdelingsbestuur van die NP gestuur het waarin hulle beswaar gemaak het teen die eensydige skorsing van dr. Mulder.

Toe sowat 120 studente by die NP-vergadering opdaag om hul „solidariteit" met die brief te bewys, is hulle gevra om die saal te verlaat

Op dié vergadering het die afdelingsbestuur besluit om die hoofbestuur van die NP te vra om dr. Mulder 'n kans te gee om sy saak aan die NP-koukus te stel.

Theuns sê hulle betwys nie prof. Willie Robbertse se reg om hulle te vra om te loop nie.

Deur HINUS PRINSLOO

Wat wel krap, is mnr. Le Grange se uitlatings dat die studente „ongedissiplineerd en demonstratief" opgetree het.

Volgens Theuns het die studente vooraf toestemming van prof. Robbertse gevra om die vergadering by te woon en hy het ingestem. Prof. Robbertse het nie gevra hoeveel kom nie.

Voorts sê hy: Net een man word nou as sondebok in verband met Inligting voorgehou.

Die wantroue en misnoeë onder studente gaan nie in 'n oogwenk uitgewis word nie, sê Theuns.

Jan-Louis du Plooy sê die SR sal graag met mnr. Le Grange wil praat en hom ook meedeel dat daar 'n „gees van algemene misnoee op die kampus is.

Hy sê omdat die studente uitgejaag is, voel hulle nou dat die NP-leiers nie na die jeug wil luister nie Sommige sê nou hulle gaan nie weer nasionaal stem nie.

As daar kritiek kom, word gesê 'n mens moet stilbly om die party bymekaar te hou. „Dis nou bols . . . daar is lank nie meer net een denkrigting in die NP nie. Met die Noord-Suid-stryd in die NP kan mens amper nie meer sê „Ons Nasionaliste maak nie so nie," sê Jan-Louis

Steynman de Bruyn, visevoorsitter van die SR, sê hy voel die studente het die regte kanale gebruik.

Die studente wat die vergadering wou bywoon, was nie 'n groep moeilikheidmakers nie, maar 'n groep Nasionaliste met kommer in hul harte.

'n Ou gewoonte in die N.P. steek nou weer kop uit: Sodra 'n mens verskil, word 'n liberalis-bordjie om jou nek gehang en dan is dit klaar met jou, sê Steynman.

Prof. Robbertse sê hy wil nie kommentaar lewer nie. As studente 'n „appeltjie wil skil, moet hulle maar na my huis kom".

Dr Pieter Mulder, seun van dr Connie Mulder wat dosent in kommunikasiekunde aan die universiteit is, wou geen kommentaar lewer nie.

Dr. Mulder is 'n kampusverteenwoordiger van die N.P -dagbestuur. Sy jonger broer, Corne, is voorsitter van die N.P -tak op die kampus.

RAPPORT verneem die twee Mulder-broers het op die vergadering van die dagbestuur die versekering gegee dat hulle nie met die studenteprotes gemoeid is nie.

TWEE studenteleiers wat die trekpas op die NP-vergadering gekry het nadat toestemming verkry was dat hulle die vergadering bywoon Links is Steynman de Bruyn, visevoorsitter van die SR, en regs is Jan-Louis du Plooy, adjunk-voorsitter

steuners van dr Muller ... Party was eerstejaars wat nie eens geweet het waarom dit gaan nie.

Mnr. Le Grange sê 'n studenteverteenwoordiger het gevra of 'n paar studente wat belang stel, kan kom. Prof Robbertse het gemeen dit was 'n **bona-fide** geval.

As die studente so 'n **bona-fide**-belangstelling in die NP se sake gehad het, hoekom het hulle vooraf die pers in kennis gestel dat hulle die vergadering gaan bywoon wat, tegnies gesproke, geslote was, vra mnr Le Grange.

Mnr Le Grange sê studente was nog altyd na aan sy hart, maar daar moet nie geprobeer word om hom te vertel dat kaas botter is nie.

Jan-Louis du Plooy, adjunk-voorsitter van die stu-

15/4/79

Rapport

Laws suggest Ministers contravened regulations

Star 19/4/79. (259)

By Kevin Stocks

Evidence in the two published reports of the Erasmus Commission suggests that three of South Africa's top politicians technically contravened laws which control the handling and use of Defence funds

This has been revealed by a close scrutiny of the reports and of the Defence Special Account Act and the Secret Services Accounts Act.

The three men are the former Prime Minister, Mr John Vorster, the present Prime Minister, Mr P W Botha, and the Minister of Finance, Senator Owen Horwood.

The study also reveals that at least two senior public servants may be involved, but because neither Erasmus report has ruled on them The Star cannot anticipate future findings of the commission by naming them.

CLEARED

The commission, however, has already cleared Mr Vorster, Mr Botha and Senator Horwood.

After relating evidence before the commission to the legislation, it would appear that the three failed to follow procedure stipulated by Parliament for controlling public money.

One of the Acts, the Secret Services Accounts Act (No 56 of 1978) was in fact introduced by Senator Horwood himself

Section 2 (2)(a) of the Defence Special Account Act lays down that funds from the Special Defence Account may be used only for the special activities of and purchases of the Department of Defence and the Armaments Board.

But both Mr Botha and Senator Horwood apparently allowed funds to be transferred to the Department of Information

It states, however, that such funds should be for services " . determined from time to time by the Minister of Finance and such other Minister (of a Department requesting the funds) as being in the national interest"

DETAILS

Although Senator Horwood has said his own legal advice is to the effect that he did not need to know the details of such secret projects (and that he did not know about most of the Information projects), he has not said on what basis he "determined" the projects were in the national interest

According to the Erasmus Commission Mr Vorster was responsible for the method of financing the Information projects

He would, therefore, have been responsible for ordering the transfer of Defence Funds to the Bureau for State Security for the use of the Department of Information, which would have been a contravention of the Defence Special Account Act.

for its special projects, and this would have been in contravention of the Act.

DEPOSITED

The first Erasmus report has revealed that the funds used by the Department of Information were deposited in an account kept by the then Bureau for State Security and paid out by the bureau to the Department of Information as required

This would have been a contravention of section 2(4) of the Defence Special Account Act, which stipulates that the funds of the account must be kept in the Paymaster-General's Account at the Treasury

The Act also states that even expenditure for the purposes of the Department of Defence and the Armaments Board can take place only "with the approval of the Minister of Finance."

EVIDENCE

According to his own evidence before the Erasmus Commission Senator Horwood also seems to have disregarded specific obligations laid on him by the Secret Services Accounts Act (No 56 of 1978)

This Act was introduced last year to make it legally permissible to transfer secret funds to departments other than those with such funds specifically authorised by Parliament

Star
19/4/79

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Questions for Rhoodie

RDM 19/4/85 (259)

WASHINGTON. — US Justice Department officials would like to question the disgraced former South African Secretary for Information, Dr Eschel Rhoodie, about alleged payments to American politicians.

"We have been looking into the allegations and would like to ask him about them," a Justice Department spokesman said yesterday.

In a BBC television interview last month Dr Rhoodie said that campaigning politicians had received cash payments from an Information Department fund. They included Senator Roger Jepsen, a Republican who last year won the Iowa Senate seat from Democrat Dick Clark, a persistent critic of South Africa.

Senator Jepsen said the allegation was ridiculous.

An investigation by the House of Representatives Ethics Committee failed to find any involvement of members of the House — Sapa-Reuter.

ERASMUS AND VD BERGH HEAD FOR SHOWDOWN

(259)

General is handed new summons . . . but will he defy it?

By KITT KATZIN

THE man who called the Erasmus Commission a farce and vowed that he would never again talk to its "character assassinators", has been summonsed to appear before the commission for a second time tomorrow.

But General Hendrik van den Bergh, the man who also publicly accused the commission of publishing a "packet of lies" and got away with it, may not comply with the summons

And if he doesn't — and yet again defies the commission — the 64-year-old former BOSS chief, once the most powerful man in South Africa and confidant of fugitive Dr Eschel Rhoodie, is sure to be headed for a classical showdown with the commission and the authorities

The showdown could lead to the general, for 13 years security adviser to the former Prime Minister, Mr Vorster, being fined up to R10 000 or going to prison for a maximum six months, or both, if the State decides to prosecute him

The general, say his confidants, is adopting a strong moral stand rather than a defiant one Although he has every intention of co-operating with the commission, he is insisting on a sense of "fair play"

The summons — ordering General Van den Bergh to report to the commission offices in Union Buildings, Pretoria, at 9am tomorrow — was served on him by two policemen at his home in Pretoria on Thursday night

But yesterday the wily former security chief, who has already had emergency consultations with his attorneys, hinted strongly that there could be trouble ahead

Declaring angrily that the Erasmus Commission had called him a liar, and reiterating that it had rejected all his evi-

[illegible] said the commission told, has taken into account the possibility that General Van den Bergh may ignore the summons And, if he does, the commission will not hesitate to take "further and immediate steps"

The commission also has [illegible] that he will [illegible] matter of "pr[illegible] moral fairness' [illegible] evidence is p[illegible] full, together, pe[illegible] his seven hour [illegible] mony submitt[illegible] commission last

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N

● Mr Justice Erasmus recalling general

● Gen Van den Bergh another appointment

But General Hendrik van den Bergh, the man who also ... of lies" and got away with it ... no ... the commission of publishing a packet ... comply with the summons

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Declaring angrily that the Erasmus Commission had called him a liar, and reiterating that it had rejected all his evidence, the general said the commission owed him an apology

If this was not done and the public record was not set straight, according to close sources, there would be a grave danger that the general might ignore the summons and refuse to testify — irrespective of the personal consequences

Although General Van den Bergh declined to comment further, I understand that he made it abundantly clear to the two policemen that acceptance of the summons did not necessarily mean he would comply

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ERASMUS AND VD BERGH HEA FOR SHOWDOW

(259)

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But General Hendrik van den Bergh, the man who also publicly accused the commission of publishing a "packet of lies" and got away with it, may not comply with the summons.

And if he doesn't — and yet again defies the commission — the 64-year-old former BOSS chief, once the most powerful man in South Africa and confidant of fugitive Dr Eschel Rhoodie, is sure to be headed for a classical showdown with the commission and the authorities.

The showdown could lead to the general, for 13 years security adviser to the former Prime Minister, Mr Vorster, being fined up to R10 000 or going to prison for a maximum six months, or both, if the State decides to prosecute him

The general, say his confidants, is adopting a strong moral stand rather than a defiant one Although he has every intention of co-operating with the commission, he is insisting on a sense of "fair play"

The summons — ordering General Van den Bergh to report to the commission offices in Union Buildings, Pretoria, at 9am tomorrow — was served on him by two policemen at his home in Pretoria on Thursday night

But yesterday the wily former security chief, who has already had emergency consultations with his attorneys, hinted strongly that there could be trouble ahead

Declaring angrily that the Erasmus Commission had called him a liar, and reiterating that it had rejected all his evidence, the [illegible]eral said the commission owed him [illegible] pology

If thi[illegible]s not done and the public record w[illegible]ot set straight, acco[illegible]ing to close so[illegible] there would be [illegible]e danger that [illegible]ral might [illegible]e summons a[illegible] festi[illegible]ective o[illegible]

P.T.O

Sun. Exp. (259)

General may snub Erasmus

From Page 1

with it He also made it clear that, because of an "important personal engagement", he could definitely not make the 9am deadline tomorrow

Asked if he could report later in the day, or on another day, General Van den Bergh again did not commit himself, saying only that he would consider the request

The officers then warned him that if he did not comply he would run the risk of being arrested and charged

But the general, whose passport was withdrawn last month, is not too concerned, I am told, with the prospect of a court action

Perhaps, say sources close to him, he would use the opportunity to "spill the beans" on many of the unresolved issues concerning the Info scandal, not least of all the Citizen affair, with which he was closely associated

But, by the same token, the Erasmus Commission, which is nearing the end of its marathon evidence-gathering session, is equally determined to bring the general back for further testimony

The commission, I am told, has taken into account the possibility that General Van den Bergh may ignore the summons And if he does, the commission will not hesitate to take "further and immediate steps"

The commission also has knowledge of General Van den Bergh seeking legal advice as to whether he will testify

General Van den Bergh, according to close sources, was "completely surprised" when the summons was served on him

He argues, according to these sources that it was inconceivable for a commission of inquiry to recall a witness whose evidence it had previously totally rejected

And the general also claims that the commission had told him he would never be called again, on the ground that his evidence was unreliable Furthermore, with his passport withdrawn, he regards himself as "stateless"

But if General Van den Bergh decides to testify it is certain, say the sources, that he will insist, as a matter of "principle and moral fairness", that his evidence is published in full, together, perhaps, with his seven hours of testimomy submitted to the commission last year

In that report, the commission found General van den Bergh to be the "power behind the throne", and also said of him that he had manipulated the then Prime Minister, Mr Vorster

But if General Van den Bergh does testify according to his terms, it seems that he may again refer to the Citizen project in detail, particularly in the light of the commission's second report, which exonerated all present members of the Cabinet of any prior knowledge of Information irregularities

● General Van den Bergh became the centre of a raging controversy this year when the Transvaal Attorney-General, Mr J E Nothling, declined to prosecute him on charges of insulting, disparaging and belittling the Erasmus Commission

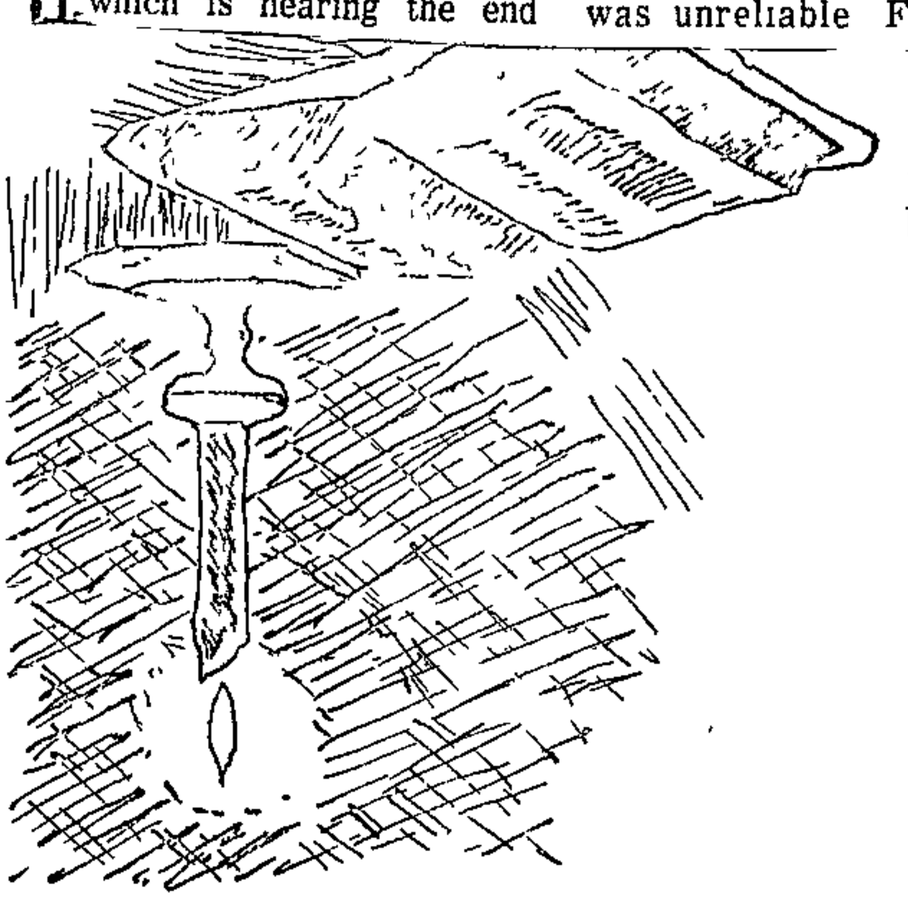
This followed General Van den Bergh's comments that the commission was a farce and that he rejected its findings "with the contempt it deserves"

At a Press conference at his home in described the commission's findings as "the biggest character assassination ever seen in South Africa"

As a result, a public campaign mounted by the Committee of Equality Before the Law collected more than 20 000 signatures asking for the general to be prosecuted

And the general himself signed the petition

● General Van den Bergh, who has also refused to give evidence to the Van der Walt Commission investigating foreign-exchange contraventions, still believes that the Erasmus Commission is a farce and that its first report was "full of lies"



THE BIBLE AND YOU

THE RELEVANCE OF THE BIBLE

Paul's words in II Timothy 3:16 underline its relevance for knowing and understanding our faith. Hebrews 4:12 reminds us that it is alive and dynamic, reaching to life's innermost areas, bringing conviction from God. Only those who study it really discover its relevance. It has a way of coming to mind in all manner of circumstances. "I will keep Your word in my heart, that I may not sin against You," wrote David. Those who cherish it and store it up in the memory find it to be relevant as a bulwark against sin, as it is recalled under the promptings of the Holy Spirit. Those who have not experienced this have yet to discover the relevance of the Bible and its power to renew and to preserve.

THE STUDY OF THE BIBLE

A good many people find the Bible unrewarding because they have never developed any kind of serious or systematic approach to its study. Here are some broad principles that need to be observed:

1. Prayer:
You will not find the Bible to be the compelling Word of God without prayer. It is important always to pray before you read, asking that God will Himself speak to you, otherwise you may come to the Bible in a rush, and lose much of what God would say to you. A spirit of prayer helps to open your mind and heart to what the

Clarify Swiss transfer — De Beer

ZAC DE BEER
. . opportunity

THE ASSEMBLY — The Prime Minister, Mr P W Botha, should clear up the question of his involvement in the transfer to Switzerland of R11,5-million from the Special Defence Account while he was Minister of Defence, Dr Zac de Beer (PFP Parktown) said yesterday

The Prime Minister's vote in the Budget debate was the appropriate opportunity for Mr Botha to clarify a conflict between evidence before the Erasmus Commission and a remark he had made during the special session of Parliament last December, Dr De Beer said

During the special session Mr Botha said in an interjection it was an outright lie that he had authorised the transfer from the Special Defence Account .

Evidence before the Erasmus Commission, however, indicated he had done so, Dr De Beer said

Dr De Beer also said that while South Africa was changing the accent of its relations with the west, it should be remembered that the west was the major source of capital investment in the Republic

South Africa needed capital if it was to achieve a higher rate of economic growth — Sapa

Genl. V. d. Bergh en Erasmus: Drama verwag

RAPPORT 22/4/79

15a

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Deur
THINUS PRINSLOO

GENL HENDRIK VAN DEN BERGH kan môreoggend by die Erasmus-kommissie in Pretoria weer 'n groot opskudding veroorsaak, reken mense wat hom baie goed ken.

Die generaal is deur die kommissie gedagvaar om weer te getuig. Vriende erken hy sal wel by die kommissie opdaag, maar weier om te getuig. Die stof oor sy rusie met die kommissie het nog lank nie gaan lê nie.

Vrydag was genl. Van den Bergh langdurig by 'n senior regsadviseur. 'n Mens kan aanvaar dat hy sy optrede van môre haarfyn bespreek het.

Genl Van den Bergh het die kommissie ná sy eerste verslag en bevindinge as 'n klug bestempel. Dis algemene kennis dat hy brand om sy saak in 'n ope hof te stel. Die generaal wil hê dat al sy getuienis bekend gemaak moet word.

Hy het die kommissie kennelik nog nie vergewe dat dié hom as 'n leuenaar bestempel het nie. Vriende meen dat hy môre op sy manier sal terugkap.

'n Tyd gelede het hy almal verbaas deur die petisie vir sy eie vervolging op die Kerkplein te gaan onderteken, met 'n stekelrige boodskap aan 'n koerant daarby.

Twee polisie-offisiere het die dagvaarding dat genl Van den Bergh weer moet getuig, Donderdagaand by sy huis in Pretoria afgelewer. Toe al het die vonke gespat, verneem RAPPORT.

Genl Van den Bergh wou gister niks oor sy planne sê nie, buiten dat hy regsadvies inwin.

Sun Times 22/4/79

The Info survivor

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IT'S ALL FALL DOWN

... except for Mr Jan van Zyl Alberts

THE Information scandal has taken a heavy toll of its leading characters, yet the financial front man of the Department's most controversial secret projects —Mr Jan van Zyl Alberts — continues in business all but unscathed by his deep involvement.

Not so for former Information Minister, Dr Connie Mulder, who, his ambitions of premiership thwarted, languishes at home in Randfontein.

By GEOFFREY ALLEN

Not so also for General Hendrik van den Bergh, retired head of BOSS, who mutters of injustices and devotes his energies to his dairy farm near Pretoria.

And particularly not so for the former Departmental secretary, Dr Eschel Rhoodie, who wanders the world as a jet-age Flying Dutchman

Mr Van Zyl Alberts has survived, apart from a blemished business reputation, despite the finding of the Erasmus commission into irregularities in the defunct department that in a number of instances the private funds in his accounts and those provided for the Department from the Treasury were indistinguishable

Yet he was at the heart of the most controversial of [illegible] ts, the R32-companies and maintains an opulent lifestyle which includes a chauffeur-driven Mercedes Benz car and a mansion in Pretoria's exclusive Waterkloof Ridge

Though hundreds of newspaper column centimetres have been devoted to him since the Information scandal broke a year ago the details of his past remain an engima which neither he nor his close associates are prepared to clarify.

The basic details are there

Born in Aliwal North in 1914, he was educated at Middelburg High School and the University of Pretoria, graduating with a Bachelor of Commerce degree and later qualifying as a chartered accountant

He was interned during World War 2 at Koffiefontein, together with the State President, Mr John Vorster, and Gen Van den Bergh

He became branch manager of a furniture store in Welkom, where he was elected to the town council, which he served until May 1963

Then he became Chief Officer Marketing and Sales for the State-financed steel producer Iscor from 1962 until 1964

Insurance selling came next and eventually he was general manager of the Rentmeester group of companies

At present he is involved in publishing and film-making, among numerous other interests both in South Africa and abroad

Records lodged with the Registrar of Companies in Pretoria show that he holds 34 directorships

Until late last year Mr Van Zyl Alberts was managing director of the magazine To the Point which has long been under suspicion as yet another front organisation.

According to the sworn evidence of Mr E F du Preez, accountant to fertiliser millionaire Mr Louis Luyt, Mr Van Zyl Alberts was linked to the Government at least as long ago as the early 1960s, when he assisted Professor P W Hoek in compiling his controversial report on Anglo American

The report was finished in 1967, after, according to Prof Hoek, several years of investigation by himself, "and others", into the group's companies

When news of the report leaked to the Press in 1969 it caused a furore and Prof Hoek sought, and won, a court injunction preventing its publication

Mr VAN ZYL ALBERTS
Unscathed

Cont

Sunday Times 22/4/79

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million funding of the Citizen newspaper.

Sworn testimony has it that the project, which rocked the country when it became public, was his brainchild.

By his own admission, Mr Van Zyl Alberts has been a clandestine Government financial conduit since 1973 when Dr Rhoodie persuaded him to front for the Information Department.

Links

Other testimony suggests that his links with the Government go back even further, to the early 1960s.

Apart from the Citizen project he has been involved in:

- The abortive attempt to take over South African Associated Newspapers, publishers of the Sunday Times and Rand Daily Mail, in which, in opposition to declared Government policy he hoped to interest foreign newspaper magnates.
- The purchase, partially with public funds, of a farm, Vrekver, where Information's overseas guests were to be entertained and for which the Department bore a loss of R24 000 in operating costs alone.
- The purchase, partly with public funds, of four flats in the block Valhalla in Cape Town.
- The eventual purchase of the Citizen from Mr Louis Luyt after a row over the project between Mr Luyt and his masters at Information.
- The formation of "several" companies and trusts for channelling clandestine public money to the secret projects, many of which are still operative.
- And, most mysterious of all, he was linked to the infamous Hoek report which recommended the dissolution of Mr Harry Oppenheimer's Anglo-American Corporation because it posed an economic and political threat to Afrikanerdom.

Explaining his involvement in the Information debacle the Erasmus commission said:

"Alberts is a chartered accountant. Prior to 1973, he had for many years been general manager of the Rentmeester group of companies.

"During 1973 he was persuaded by Dr Rhoodie thenceforth to act as a front in several projects the Department wanted.

"It is clear from the evidence that Alberts did not always keep his own private funds separate from those of the department.

"Although it would appear that this was done deliberately for the purposes of camouflage, the danger inherent in such non-separation was that it could easily lead to confusion and ultimately give rise to irregularities."

Today he continues to run a complicated network of

Secret funds — tighter control ahead

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Political Staff

THE ASSEMBLY. — New legislation which will mean greater control over secret funds is on the way, the Prime Minister, Mr P W Botha, said yesterday.

His announcement on the last day of the Prime Minister's Debate came as a surprise to Opposition members who have called throughout the Information scandal for stricter control.

Mr Botha also gave details of the reorganisation of the former Bureau for State Security — now the Department of National Security — in reply to a question from Mr Colin Eglin, Leader of the Opposition, who asked what the Government was doing to prevent what had happened under General Hendrik van den Bergh from happening in the future.

Mr Botha said General van den Bergh's post as Security Adviser had been scrapped and the head of the Department of National Security was now in exactly the same position as the secretary of any other department.

Mr Botha said that as soon as he had taken over as Prime Minister and Minister of National Security he had introduced new co-ordination between the police, the army and the Department of National Security.

There were regular meetings of the National Security Council which included the heads of these departments

The new legislation on the use of secret funds had flowed from these discussions and a satisfactory arrangement had now been reached with the Auditor-General.

RDM 24/4/79

Botha: New control of secret funds

CT. 24/4/79. (259)

Political Staff

HOUSE OF ASSEMBLY.— New legislation which would mean greater control over secret funds was on the way, the Prime Minister, Mr P W Botha, said yesterday.

His announcement on the last day of the Prime Minister's Vote debate came as a surprise to opposition members, who have called throughout the Information scandal for stricter control

Mr Botha also gave details of the reorganization of the former Bureau for State Security, now the Department of National Security

He was replying to Mr Colin Eglin, Leader of the Opposition, who asked what the government was doing to prevent what had happened under General Hendrik van den Bergh from happening again

Mr Botha said General Van

Mr P W Botha

den Bergh's post as security adviser had been scrapped and the head of the Department of National Security was now in exactly the same position as was the secretary of any other department

The duties of this department were to gather, correlate and interpret information concerning national security he said in reply to Mr Eglin, who had pointed out that the Erasmus Commission had indicated the need for greater control over the department's activities

Mr Botha said that as soon as he had taken over as Prime Minister and Minister of National Security he had introduced new co-ordination between the police, the army and the Department of National Security

There were regular meetings of the National Security Council, which included the heads of these departments

The proposed legislation on the use of secret funds had flowed from these discussions, and a satisfactory arrangement had been reached with the auditor-general

Reacting to probes by Mr Derick de Villiers, Progressive Federal Party MP for Constantia, about South Africa's "more neutral" stand in foreign policy, Mr Botha denied that he had said South Africa would go it alone

"I never said that we would loosen ourselves from any country, but that we will not go to war if they make war," said Mr Botha

Many of the countries who criticized South Africa would be highly dependent on her in a conflict As an example he cited the West's dependence on South Africa and Rhodesia for chrome supplies in the event of conflict with Eastern countries

Mr Botha said Information propaganda could be regarded as part of South Africa's total defence effort

He was defending his claim that no money budgeted for defence was used for other purposes, even though funds for the former Department of Information was secretly channelled through the defence special account

He has challenged the Opposition to call for a parliamentary select committee to investigate this contention

Responding to opposition criticism that even though Information secret funds were budgeted under a separate item, they were presented to Parliament and the public as part of the defence budget, Mr Botha quoted Article 76 (1) of the Defence Act

This empowers the Minister of Defence to do or cause to be done "all things which in his opinion are necessary for the efficient defence and protection of the Republic"

Mr Botha said he had been wrong on a "technical point" and had successfully opposed the method of budgeting secret Information funds But he had legal opinion that this provision in the act could include making money available to counter the propaganda onslaught against the country

"Our struggle in the world is not just a military struggle or just a police struggle Part of the total struggle includes propaganda, the putting of your case

"There is a case to be made

To page 2

From page 1

for putting the good things about South Africa because in this way you can help to lessen the people who are shot dead for South Africa

Mr Botha said he believed in making secret Information funds available and believed the department should have as much money as possible

"I never believed in the misuse of State money for any purpose, because I never believed the end justifies the means," he said

Mr Botha's explanation of why he had described as "an outright lie" a claim that R10 m had been transferred to Switzerland for an Information-backed project was seen as unconvincing by Dr Zac de Beer (PFP Parktown)

Dr De Beer said Mr Botha should give a more satisfactory explanation of why he denied a statement in Parliament which was later found by the Erasmus Commission to be correct

The prime minister has said he misunderstood the allegation made by Mr Ron Miller (NRP Durban North) about him during the special Information session last December

Mr Botha said he thought he was being challenged on allegation that funds for the purpose of defence were being "shuttled backwards and forwards from Europe"

Dr De Beer said yesterday that when the prime minister interjected "it is an outright lie", no mention had yet been made of money being sent backwards and forwards between South Africa and Europe The prime minister's explanation was therefore difficult to understand

Mr Botha was also criticized for not explaining the matter to the House earlier He had first raised the matter when challenged to do so in the debate on his vote last week although he had written to Mr Miller in January

Mr Botha said Mr Miller had expressed satisfaction with the reply and was free to release the correspondence between them on the issue

Police visit the office of Cape Times editor

CT. 25/4/79 (259)

A STATEMENT by Dr Eschel Rhoodie about Mr Jimmy Kruger and the Information scandal, a picture of the accused in the Eglin attempted murder case and a picture of a man convicted last year of murder figure in criminal charges against the Cape Times which are being investigated by the police

Detectives called at the office of the editor of the newspaper, Mr A H Heard, yesterday and said they were investigating criminal charges

They referred to three incidents a statement by Dr Eschel Rhoodie alleging among other things that Mr Kruger knew about government funding of the Citizen, which was the subject of a temporary court order last month, and two cases of allegedly taking or publishing pictures of prisoners without authority

Major P H Loubser, head of the Cape Town Criminal Cases branch of the CID, accompanied by Detective Sergeant E J van Zyl, called at the Burg Street offices of the Cape Times at 11 am, and said they were investigating alleged contraventions of the law

They sought statements from Mr Heard and from Cape Times staff who had been involved in the cases under investigation They are to return to the Cape Times on Friday in connection with the matter

After an application to the Cape Supreme Court by Mr Kruger, the Cape Times and other Saan newspapers were temporarily interdicted from publishing the Rhoodie statement in the early hours of Monday, March 12 but later, on the return date, the court dismissed Mr Kruger's application It ordered Mr Kruger to pay the costs personally, because it found that he had brought the action in his personal capacity

The pictures of prisoners which have led to the police investigation are the two accused in the Eglin case being escorted by policemen, and a picture of Behrooz Behzadi-Nejad who was convicted of murder in Cape Town in September last year and sentenced to death He lost his appeal in the Appellate Division in Bloemfontein in March

● Brigadier Arthur Ellingworth, detective chief for the Western Province Division, yesterday said the order to investigate charges against the Cape Times came from him

"The charges were brought under my attention and I issued the necessary instruction for the investigation Major Loubser is the investigating officer"

Last night Mr A H Heard, Cape Times editor, commented "It is not clear to me where the momentum for this sudden spate of official activity comes from It certainly shows quite remarkable attention to detail and length of memory concerning what is published in the daily press going back as far as January

"Judging from the number of other media which I am told were seen photographing the accused at the same time as the Cape Times in the Eglin case, the investigating authorities will have plenty more work to do

"One most happy feature of the police visit was the great cordiallity and friendliness of the two CID officers who called, which almost made it a pleasant experience"

Manager describes police beatings

(259) RDM 26/4/73

DURBAN — A nightclub manager said in the Durban Regional Court yesterday that he and two staff members were forced into a car by three detectives, then beaten up on the beachfront

Mr Mike Moskos, manager of Pussy Cat Nightclub, was giving evidence at the trial of three Murder and Robbery Squad detectives facing charges of assault, attempting to obstruct the course of justice and contravening police regulations

The detectives are Lieutenant George Erik Moolman of Durban, and Detective Sergeants Francois Christoffel Horrocks and Edwin Arthur Olivier of Brixton

It is alleged they assaulted Mr Francois van der Merwe, manager of the Cosmo Nightclub, and Mr Moskos and two of his staff, with intent to do grievous bodily harm, during the early hours of October 3 last year

The policemen are also charged with assaulting Mr Robert John Bayliss at the Pussy Cat Nightclub

It is alleged they attempted to obstruct the course of justice by threatening to assault Mr Van Der Merwe if he reported the incident

They are charged with contravening the police regulations by being under the influence of liquor while off duty

They have pleaded not guilty and denied all allegations against them

Evidence was that Mr Moskos heard a scuffle at the front door of the Pussy Cat Nightclub He went to the door and saw Sgt Horrocks hitting Mr Ronnie Singh, a member of the band.

He told Sgt Horrocks he was the manager and asked what was happening The sergeant tried to grab him and throw him against the wall Lieut Moolman grabbed him from behind and twisted his arm, he said

He was forced to cross the road and get into a car Sgt Horrocks said they had come from Johannesburg especially to beat them up Mr Singh, another employee, Mr Steve Pahlem, and a white man were also forced into the car

Mr Moskos said Sgt Horrocks swore at him, punched him in the face and told him to go back to Greece

When the car eventually stopped, Sgt Olivier opened the door of the car and as Mr Moskos alighted he kicked Mr Moskos on the shin, the court heard

Lieut Moolman grabbed him and punched him Then he produced a pistol, loaded it and jabbed Mr Moskos in the stomach with it, the court was told

Mr Moskos said Lieut Moolman ordered him to run but he did not as he was afraid he would be shot in the back He saw Mr Singh lying on the ground It appeared Mr Singh was unconscious

The hearing continues

Connie walks out on the commission

Star 26/4/79.

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Dr Mulder . . . today's picture

Own Correspondent

Dr Connie Mulder today declined to testify before the Erasmus Commission in Pretoria because he claimed he had been refused a fair hearing.

The former Minister of Information and Transvaal leader of the National Party made this dramatic announcement on the steps of the Union Buildings after he and his legal advisers had been closeted with the commission for more than two hours

Dr Mulder who looked tense and angry, released copies of letters between his lawyers and the commission to the large group of waiting Pressmen. He said they would justify his statement about not being given a fair hearing

The secretary of the Commission, Mr Johan Geyser, said just before lunchtime that the commission had no comment on Dr Mulder's action

He would not comment on whether or not a charge of contempt in terms of the Commissions Act was being considered gainst Dr Mulder.

The documents released by Dr Mulder consist of three letters — two from his attorneys to the commission and one from the

Mulder faces threat of fine or jail

continued

Dr Connie Mulder faces the prospect of prosecution and possible imprisonment or a fine — or both — for refusing to give evidence to the Erasmus Commission

In January this year, SAAN, publishers of the Rand Daily Mail, was fined R50 (or 25 days) for anticipating the findings of the commission by publishing an article entitled "Citizen R27-million"

Last year there was speculation that General Hendrik van den Bergh, former head of BOSS, could be prosecuted for his attack on the commission's first report, which he described as "the biggest character assassination ever committed in South Africa."

But the Transvaal Attorney General, Mr J E Nothling, decided on January 24 this year that it would not be in the public interest to prosecute General van den Bergh because his court appearance could lead to disclosure of certain evidence which had been given to the Erasmus Commission

The decision provoked a storm of protest, including the suggestion that the same reasoning might be applied to other figures in the scandal

Star

26/4/79

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commission to [illegible] ttor-

[illegible] hat Dr Mulder asked to be granted access to certain files from the former Department of Information and to evidence and documents handed in by previous witnesses before testifying before the commission.

In the first letter, dated Tuesday this week, Dr Mulder's attorneys asked for access to these documents and evidence, and said he would do his best to be ready for the commission by 9 am today if his requests were met.

Not possible

In the commission's reply, Mr Geyser informed the attorneys that files in its possession would be made available to Dr Mulder at the Union Buildings.

But because evidence was being heard in camera, it would not be possible to release to him previous evidence and documents in support of such evidence.

Mr Geyser also said that Dr Mulder would be expected to appear before the commission at 9 am today — regardless of the decision about the release of documents and evidence.

In the final letter, the attorneys reported that although Dr Mulder and his legal advisers had visited the Union Buildings on Tuesday, the necessary files were not made available to them.

Photo-copies of "previously selected" documents dealing with one specific secret project were shown to him, but the inspection was pretty futile.

Not justifiable

The attorneys informed the commission that they did not consider the argument that evidence would not be released because it was being heard in camera to be justifiable.

They referred the commission to certain legislation, and said the refusal to release the evidence to Dr Mulder constituted the withholding of his rights.

The attorneys said Dr Mulder had indicated his willingness to testify, and had gone to considerable expense and effort to prepare himself.

● Mulder faces fine, jail threat — Page 3.

Mulder must be charged —Opposition

CT. 27/4/79 (259)

Political Staff

OPPOSITION SPOKESMEN yesterday called for Dr Connie Mulder to be charged with contempt of the Erasmus Commission.

By stating that he could not get a fair hearing before the commission, Dr Mulder was clearly challenging the authorities to charge him and bring him to court so that he could state his case in public, they said

Dr Alex Boraine (PFP Pinelands) and Mr Vause Raw, leader of the New Republic Party, said Dr Mulder's case was a direct parallel to that of General Hendrik van den Bergh, who called the commission a "farce" and was never charged for contempt of the commission

One of the reasons given by Mr J Nothling, Attorney-General of the Transvaal, for not prosecuting General Van den Bergh was that it would be against the national interest to do so

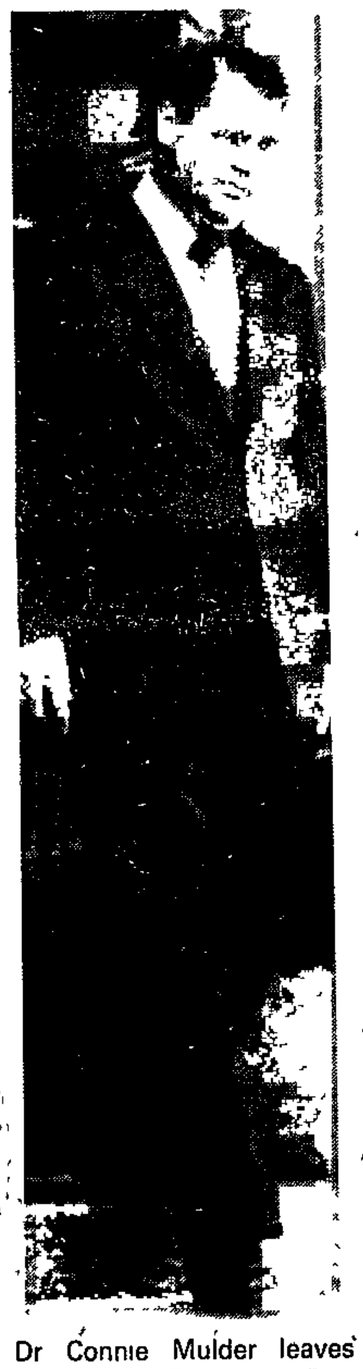
Dr Boraine said Dr Mulder was clearly following in the footsteps of General Van den Bergh because he wanted an opportunity to state his side of the Information scandal in open court

Dr Mulder has repeatedly claimed that the former Prime Minister, Mr John Vorster, knew of the Citizen project as early as December, 1975 — something that Mr Vorster has denied

Dr Mulder's attempt to be brought to court comes at a time when he has been found "not guilty" by reformed church Nationalists in Potchefstroom and is clearly undertaking a major campaign to implicate others in the Information scandal

According to reliable National Party sources, the meeting in Potchefstroom found Dr Mulder to be innocent and placed the blame for the informaton scandal firmly on the shoulders of Mr Vorster and the present Prime Minister, Mr P W Botha

Mr Raw said the whole Information affair would be thrown wide open again if the government failed to prosecute Dr Mulder



Dr Connie Mulder leaves the Union Buildings, Pretoria, yesterday after refusing to give evidence to the Erasmus Commission

"His reasons for refusing to testify must be heard in open court where he will be guaranteed a fair opportunity to state his case and clear his name To accomplish this the State must prosecute and so avoid the unnecessary speculation and suspicion that followed the failure to prosecute General Van den Bergh under similar circumstances," said Mr Raw

Mr Colin Eglin, Leader of the Opposition, said last night that Dr Mulder's allegation that he had been refused a fair hearing was very serious It was a clear breach of the Commissions Act

"It also raises a principle fundamental to our South African legal system — that every citizen is entitled to proper opportunity to defend himself, and this must surely apply to Dr Connie Mulder, who is fighting to defend his reputation and integrity

"The status of the commission and simple justice require that Dr Mulder's allegation be tested in an impartial court of law," Mr Eglin said

There was no other way but for Dr Mulder to be charged under the Commissions Act and brought before an open court of law, Mr Eglin said

The PFP spokesman on Information matters, Mr Harry Schwarz, said last night: "It is developing into an impossible situation When a subpoena is issued the law requires it should be complied with, and in view of the statement made by Dr Mulder the commission should deal with the allegations"

The Erasmus Commission should say why it did not intend taking action against Dr Mulder "at this stage", he said

Mr John Wiley, leader of the South African Party, said he abided fully by the decision

Meanwhile, the Van der Walt Commission has not yet decided whether to subpoena General Van den Bergh to give evidence The general has refused to give evidence before the commission, which is investigating exchange control contraventions

No further steps 'at this stage'

Own Correspondent

PRETORIA — Dr Connie Mulder yesterday refused to testify again before the Erasmus Commission, and it was later announced that the commission would not take any further steps against him "at this stage"

The former Minister of Information, who resigned after the Information scandal broke, arrived at the west wing of the Union Buildings at 8 45 am yesterday

Nearly three hours later, he left the security doors, parted company with his legal team and faced the press

Looking agitated and nervous he told waiting reporters that after discussions with the Erasmus Commission he had decided not to give further evidence because he had not been assured of a fair hearing

Dr Mulder also released, through his legal adviser, Dr P F Kotze, copies of two letters to the commission and a letter in reply

According to the letter released by Dr Mulder, his legal advisers first thanked the commission for a two-day extension given to Dr Mulder for his re-examination

The letter said it seemed unlikely that he could make any significant contribution if he was not allowed the opportunity to study two projects of the Department of Information and the opportunity to refresh his memory

The letter, delivered to the commission on April 24, said Dr Mulder knew of the existence of the files he wanted to study but they were not available to him

If they were not yet in the commission's hands, he was

➡➡➡➡ To page 2 B

(B) From page 1

The Cape Times

FRIDAY, APRIL 27, 1979

(259)

Charge Dr Mulder

DR CONNIE MULDER has been served with a subpoena to give evidence before the Erasmus commission, having refused to testify. We trust that no legal exception will be made in his case, and that if he persists with this refusal, he will be charged in terms of the Commissions Act It is vital that the impression be not given that prosecutions under this law are selective General Van den Bergh has already escaped scot-free after calling this same commission a farce and accusing it of character assassination It would be most damaging to the standing and prestige of the Erasmus commission if a former disgraced member of the cabinet were to be seen to enjoy the same sort of immunity from the attorney-general, whatever the reason

There has been no hesitation to charge opponents of the Nationalist government for refusing to give evidence to commissions Dr Beyers Naude's conviction, *vis-a-vis* the Schlebusch commission, is an example of the law being allowed to take its course Dr Mulder has no divine right to be above it, either

Pro-Mulder group to act

Political Correspondent

CAPE TOWN. — The student branch of the National Party in Potchefstroom is going to request Mr Louis le Grange, the town's MP, to address a meeting at which he will be challenged on the Information affair

This was confirmed yesterday by Mr Theuns Eloff, chairman of the Afrikaanse Studentebond and one of the town's most outspoken National Party supporters

According to Mr Eloff, Potchefstroom's academics, churchmen and NP members are bitter about the way the Government has dealt with the Info scandal — and this dissatisfaction will not end with the publication of the Erasmus Commission's final report

Mr Le Grange was not available for comment last night

Potchefstroom has clearly become the centre of a growing bloc of Dr Connie Mulder's supporters Mr Eloff said there was severe dissatisfaction over the handling of the Information scandal "especially the fact that one person is painted snow white and the other pitch black"

The latest moves to challenge Mr Le Grange, Minister of Tourism, on the Government's handling of the Info scandal comes in the wake of an alleged "hearing" reportedly inspired by members of the Gereformeerde Kerk (GK) in Potchefstroom at which Dr Mulder was found "not guilty" in the Info debacle

National Party supporters are divided into two main religious groups with the vast majority belonging to the Nederduitse Gereformeerde Kerk and the smaller GK or "Dopper" group

Before his resignation, Dr Mulder was the only Dopper in the Cabinet Potchefstroom is a Dopper stronghold and their MP, Mr Le Grange, is also a Dopper The clear signs that Doppers are rallying in defence of Dr Mulder are likely to increase tensions between the two church branches

MAURITZ MOOLMAN reports that Prof P J Coetzee, the rector of the Theological School in Potchefstroom, again denied the "hearing" had taken place.

Prof Coetzee, who made it clear that he does not speak for the church, said "If Dr Mulder did something censurable, which he did not, he would have been taken to task by his own congregation This did not happen"

He said that the decision yesterday not to make certain files available to Dr Mulder to assist him in his evidence before the Erasmus Commission confirmed his misgivings about the handling of the Information affair

CONNIE

'CHARGE CONNI MULDER'

2/4/77 RDM

MULDER

Erasmus says 'no steps' on defiance

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By HELEN ZILLE
Political Correspondent

THE COMBINED OPPOSITION last night demanded that Dr Connie Mulder be charged with contempt of the Erasmus Commission.

But after Dr Mulder's refusal to testify under subpoena yesterday, the chairman of the Commission, Mr Justice Rudolph Erasmus, said no further steps against the former Minister of Information were planned at this stage.

Opposition spokesmen said Dr Mulder's statement that he could not get a fair hearing before the Commission was a clear challenge to the authorities to charge him and bring him to court, so that he could state his case in public.

'Charge Mulder' demand

From Page 1

Mulder, who is fighting to defend his reputation and integrity

"The status of the Commission and simple justice require that Dr Mulder's allegation be tested in an impartial court of law," Mr Eglin said

Dr Mulder arrived at the Union Buildings where the Commission awaited him shortly before 9 am yesterday and emerged later looking tense, to release the letters, reports Sapa

He said they would explain why he refused to testify, and justify his statement that he was not given a fair hearing

Meanwhile, Mr Justice Erasmus released a brief statement saying Dr Mulder had appeared before the Commission and handed in written reasons why he did not want to testify

"The Commission has decided not to take further steps against him at this stage"

Dr Mulder first appeared before the Commission late last year and was sharply criticised in its first report, published early in December and debated in a special session of Parliament

In the first letter released to the Press, Dr Mulder's attorneys asked that he be given access to certain files of the former Department of Information and for access to documents and evidence by previous witnesses to enable him to prepare to give meaningful evidence

In reply, the Commission's secretary wrote that files in its possession would be made available to Dr Mulder at the Union Buildings However, because evidence was being heard in camera, the Commission could not release to Dr Mulder previous evidence and documents in support of such evidence

In the final letter, the attorneys reported that although Dr Mulder and his legal advisers had visited the Union Buildings on Tuesday, the necessary files were not available to them Photocopies of "previously-selected" documents dealing with only one specific secret project were shown to him, and the inspection was in fact futile, they said

● Meanwhile the Van der Walt Commission has not yet decided whether to subpoena Gen Van den Bergh to give evidence He has refused to give evidence before the commission, which is investigating exchange control contraventions

After his 2½-hour session with the Commission yesterday, Dr Mulder released correspondence between his lawyers and the Commission in support of his statement

The letters revealed that the Commission refused a request to hand over to Dr Mulder documents and evidence given to it by previous witnesses on the grounds that evidence is being heard in camera

In a letter to the Commission, Dr Mulder's attorneys said he would do his best to appear before the Commission by 9 am yesterday if the requests were met

Mr Colin Eglin, Leader of the Opposition, and Mr [illegible]se Raw, [illegible]der of the [illegible] Republ[illegible] Party, said [illegible] Mulder's case was a di[illegible]arallel of that of General Hendrik van den Bergh, who had called the Commission a "farce", but was never charged with contempt of commission

At the same time, pro-Mulder elements, already bitter about the way the Government has handled the Information scandal, have had their misgivings increased by the latest developments.

Giving reasons for the failure to prosecute Gen Van den Bergh, Mr J Nothling, Transvaal Attorney-General, said it would be contrary to the national interest

Mr Eglin said Dr Mulder was clearly following in Gen Van den Bergh's footsteps — he wanted an opportunity to give his side of the Information scandal in open court

Dr Mulder has repeatedly claimed that the former Prime Minister, Mr John Vorster, knew of The Citizen project as early as December 1975 — a claim Mr Vorster has strongly denied

Mr Raw said the whole Information affair would be thrown wide open again if the Government failed to prosecute Dr Mulder

"His reasons for refusing to testify must be heard in open court, where he will be guaranteed a fair opportunity to state his case and clear his name To accomplish this the State must prosecute and so avoid the unnecessary speculation and suspicion that followed the failure to prosecute Gen Van den Bergh under similar circumstances," Mr Raw said.

Mr Eglin said last night that Dr Mulder's claim that he had been refused a fair hearing was very serious. It was a clear breach of the Commissions Act

"It also raises a principle fundamental to our South African legal system — that every citizen is entitled to a proper opportunity to defend himself — and this must surely apply to Connie

To Page 2

RTHODOXY

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552 Mr J F

(a) What

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(a)	(b)	(c) R	Publishers/Uitgewers
This is the Republic of Transkei	30 000	80 000,00	Chris van Rensburg Publications
Progress & Exploitation	5 000	3 000,00	Maskew Miller
Heritage Series (Sport)	3 000	7 800,00	Purnell & Sons
Land of Beauty and Splendour	150	2 835,00	Van Schaiks
Land of Challenge	1 666	49 980 00	L A M Tyack
Quality of Life	500	4 500 00	Murray & Stewart
African Freedom Annual	5 700	37 620 00	SA Freedom Foundation/Vryheidstigting
The Communist Challenge to Africa	222	1 465,20	SA Freedom Foundation/Vryheidstigting
New Perspective in SA Education	220	1 930,50	Butterworth & Co
Springbok Saga	470	4 700,00	Don Nelson Publishers
Dictionary of SA Biography	201	8 683 20	Nasionale Boekhandel
Christian Terror	2	4 00	Encounter Books and Music
Venda	7	14,00	Benbo
Vorster's Africa	220	1 320 00	Ernest Stanton Publishers
Owambo	4	8 00	SA Freedom Foundation/Vryheidstigting
Namibia	104	329 68	C Struik
Images of SA	104	329 68	C Struik
US Foreign Policy and the RSA	4 000	14 000 00	Foreign Affairs Ass /Assosiasie Internasionaal
SESA Vol 1–12	201 of each/van elk 2 412	40 202 04	Nasionale Boekhandel
101 Traditional South African Recipes	2	9,10	CNA
Kommunistiese Stryd of Christelike Vrede	4 000	2 666 67	NG Sending Uitgewers
SA Government & Politics	220	1 351 35	Van Schaiks
Oceanography in SA	225	333,50	CSIR/WNNR
Sustagen Super Sport	50	400 00	Clastfinder Co
Mass Media in Black Africa	2	11 40	SA Freedom Foundation/Vryheidstigting
Das Voortrekkersmonument Pretoria (Duits/German)	100	20 80	Voortrekkermonument
SA An Appraisal	400 Soft cover/slapband 300 Hard cover/Hardeband	2 653 00	Union Acceptances
SA An Appraisal (French/Frans)	1 000	13 060,00	Union Acceptances
Communication	22	264 00	Erudita Publications
Borders of Decency	1 500	10 920 00	Howard Timmins Publications
Human Rights & Homelands	5 000	2 000 00	Foreign Affairs Ass /Assosiasie Internasionaal
South Africa's Involvement in Africa	8 000	3 600 00	Afrika-Instituut/Africa Institute
Convention on the Crime of Apartheid	4 000	2 400 00	Foreign Affairs Ass /Assosiasie Internasionaal
Resources of SA Today and Tomorrow	2	10 00	Die Chamber of Mines Tegniese Vereniging van SA
The Great Steam Trek	220	2 486,00	C Struik
A Few Months with the Boers	1	8,91	Universitas
SA Mosaic	2 506	30 000,00	C Struik
The Great Dams of SA	150	1 950,00	Purnell & Sons
From Segregation to Plural Democracy	5 011	2 505,50	Foreign Affairs Ass /Assosiasie Internasionaal
The Southern Oceans and the Security of the Free World	300	2 457,19	Stacey International, London
SA Jewry 1976-'77	8	120,00	Alex White
Heritage Series (Sport)	400	1 040,00	Purnell & Sons
Heritage Series (People)	200	672,00	Purnell & Sons
This is SA	425	2 125,00	Purnell & Sons
Marketing of the International Image of SA	225	1 575,00	UNISA
Dias to Vorster	225	2 137,50	Nasionale Boekhandel
Heritage Series (Environment, Farming, Government, Mining, People, Sport and Transport)	200 × 7 1 400	4 704,00	Purnell & Sons
History of the Post and Settlement of Walvisbay	225	2 992,65	Perskor
Great Dams of SA	50	584,34	Purnell & Sons
Newspaperman's Guide to the Law	2	50,05	Juta & Co
Tweetalige Woordeboek (Bosman en v d. Merwe)	1	14,52	Van Schaiks
How long will SA Survive	3	24,43	Van Schaiks
SA Land of Beauty and Splendour	50	565,00	Readers' Digest
Health of the People (German/Duits, French/Frans, Spanish/Spaans, English/Engels)	38 000	104 500,00	Chris van Rensburg Publications
Spandau Economic Boycott Against South Africa (German/Duits)	8 000	19 600,00	Juta & Co
The Black Worker of SA (German/Duits, French/Frans)	6 000	7 875,00	Africa Institute/Afrika-Instituut
French Publications on SA	600	2 400,00	State Library/Staatsbibliotek
SA Guide to Foreign Investors (French/Frans, German/Duits)	4 000	20 000 00	Erudita Publishers
SA Plan for the Future	500	5 325,43	Perskor
Black South Africans	5	45,66	Oxford University Press
US & SA Politics & Strategy	3 333	9 999,00	Foreign Affairs Ass /Assosiasie Internasionaal
Agriculture in South Africa	1 695 (Eng) 25 (Afr)	13 760,00	Chris van Rensburg Publications

depends on the view that the beneficiary has in breach of trust alienee — the hands of the trustee's bankers so long — the original trust assets is identifiable. Once again, the trustee's private creditors and his trustee in insolvency are excluded. The rules relating to the identification of the trust fund are somewhat

[35] Restatement of Trusts ss 261–3, Scott III 2221f, *Muir v City of Glasgow Bank* (1879) 4 App Cas 337, 352
[36] Scott III 2256f
[37] §§ 37, 39, 214, 249
[38] For what follows see Maitland *Equity* lecture 45, R Goff & G Jones *The Law of Restitution* (1966) Ch 35 For South African law see §§ 226, 229, 231, 344, 345

depends on the view that the beneficiary has the same ... which entitled him to ... the old assets ... an alienee to ... feature of the ... same principle ... erty as would be ... exercised Thus, ... asset *B* with the ... trust beneficiary ... *B*; and, as we ... what we should ... the claims of the ... alienate the new ... haser with notice ... without valuable

[39] § 344
[40] §§ 223–228
[41] Underhill op cit 560–6, 604–17; Keeton op cit 330–45.

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Publication of Foreign Affairs ...

27 Mr J D DU P PARSON asked the Minister of Foreign Affairs:

(a) What publications ... been known ... tion had ... came into being (b) who were the authors, (c) printers and (d) publishers of each of the publications, (e) how many copies of each publication were printed and (d) what was the total cost involved in each publication

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The MINISTER OF FOREIGN AFFAIRS

As far as can be established from the available documents the answer is as follows—

(a) Publication	(b)(i) Author	(b)(ii) Printer	(b)(iii) Publisher	Copies Printed	Cost in R
Conference Reports					
1 The Strategic Role of Mineral Resources	—	Colourpress	Foreign Affairs Association	150	293,00
2. Transkei-Birth of a State	D S Prinsloo	Colourpress	Foreign Affairs Association	1 000	5 967,96
3 Southern Africa—The Politics of Raw Materials	C F de Villiers	Colourpress	Foreign Affairs Association	1 000	4 750,00
4 The United States of America and Soutern Africa	C F de Villiers	Heer	Foreign Affairs Association	4 000	5 160,00
Popular Series					
1 Africa Survey	F R. Metrowich	Keartland	Foreign Affairs Association	3 000	9 800,00
Special Publications					
1 Independence My Way	K D Matanzima	Colourpress	Foreign Affairs Association	3 000	13 160,50
2. South Africa's Strategic Minerals—Pieces on a Continental Chessboard	D A. Pretorius and W C J van Rensburg	Colourpress	Foreign Affairs Association	3 000	27 845,00
3 US Foreign Policy and the RSA	D S Prinsloo	Heer	Foreign Affairs Association	10 050	8 930,00
Study Reports					
1 Soviet Strategy Towards Southern Africa	J A du Plessis	Colourpress	Foreign Affairs Association	1 200	1 392,00
2 China and the Liberation of Portuguese Africa	D S Prinsloo	Colourpress	Foreign Affairs Association	1 200	
3. Moscow, Havana and the Mpla Take Over of Angola	G S Labuschagne	Colourpress	Foreign Affairs Association	1 200	966,00
4 SWA The Turnhalle and Independance	D S Prinsloo	Colourpress	Foreign Affairs Association	11 000	3 628 90
5 The Brezhner Doctrine and South Africa	J A du Plessis	Colourpress	Foreign Affairs Association	2 000	842,00
6 SWA/Namibia—Towards a Negotiated Settlement	D S Prinsloo	Colourpress	Foreign Affairs Association	6 000	2 271,00
7. South Africa The Link Of Terror	J A du Plessis	Heer	Foreign Affairs Association	3 000	760 00
8 Walvis Bay and the Penguin Islands Background and Status	D S Prinsloo	Heer	Foreign Affairs Association	3 000	1 192,20
9 Revolutions and Railways In Southern Africa	D S Prinsloo	Heer	Foreign Affairs Association	3 000	1 292,00
10 Convention on the Crime of Apartheid, Human Rights and Self Determination	H Booysen	Heer	Foreign Affairs Association	8 000	1 604 00
11. SA—From Segregation to Plural Democracy	J A du Plessis	Heer	Foreign Affairs Association	8 000	1 378,00
Focus					
1 America and Africa after Angola	C F de Villiers	Colourpress	Foreign Affairs Association	1 200	827,00
2 South Africa and France	C F de Villiers	Colourpress	Foreign Affairs Association	1 200	731,50
3 The Challenge of Soweto	F R Metrowich	Colourpress	Foreign Affairs Association	6 000	1 340 00
4 The African—American Manifesto—a guideline to double standards	C F de Villiers	Colourpress	Foreign Affairs Association	1 000	477,00
5 South Africa—A Changing Society	C F de Villiers	Colourpress	Foreign Affairs Association	1 000	563 00
6 Lesotho s Expensive Border War	D S Prinsloo	Colourpress	Foreign Affairs Association	1 500	481,00
7 South Africa and the Demands for Change	C F de Villiers	Colourpress	Foreign Affairs Association	5 000	1 793,50
8 Human Rights and Home Lands	C F de Villiers	Heer	Foreign Affairs Association	8 000	2 006 40

There are ...

(i) If the trustee has in breach of trust alienated property, the beneficiary may recover it from a person who has acquired it from the trustee with notice of the trust or without valuable consideration or who has obtained it in similar conditions from an alienee with notice or without valuable consideration. This remedy

—RAPPORT, 29 April 1979 * *

Mulder oor ‚kol

‚Geheime

HY wil kategories konstateer dat mnr. John Vorster, dr. Nic Diederichs as Minister van Finansies en hy self as Minister van Inligting gereeld vergader het om oor geheime projekte te beraadslaag, verslag oor die geheime aksies te ontvang, uitstallings van projekte te besigtig en besluite oor spesifieke sake te neem, sê dr. Mulder in sy verklaring aan RAPPORT.

Hy noem die volgende as voorbeeld

Die besluit om To the Point te stig en te finansier uit die fonde waaroor die destydse Eerste Minister beheer gehad het, is deur genoemde drie Ministers geneem, terwyl mnr. Gerald Barrie (destydse Sekretaris van Inligting) en genl Van den Bergh teenwoordig was.

Toe R293 000 vir die boekjaar 1973/74 aan Inligting vir sensitiewe dienste beskikbaar gestel is, is voorsiening daarvoor gemaak in die Eerste Minister se begrotingspos

Die drie Ministers wat by hierdie reeling betrokke was en daartoe ingestem het, was mnr Vorster, dr Diederichs en dr. Mulder Dit het reeds in Maart 1973 gebeur

Dit is ook bevestig deur dr Rhoodie se brief aan die Sekretaris van die Tesourie op 27 Februarie 1973, sê dr Mulder In hierdie brief is agt geheime aksies aan die Tesourie meegedeel „waarvoor die fondse gebruik sal word"

Toe besluit is om die geheime fonds uit te brei en om jaarliks R15 miljoen vir die propaganda-oorlog beskikbaar te stel, is die besluit deur dieselfde drie Ministers geneem

Dieselfde drie Ministers het besluit dat die fondse deur die Departement van Verdediging se geheime fondse beskikbaar gestel moet word, en dr Diederichs het die saak met min P W Botha gefinaliseer

Die Erasmus-kommissie bevind inderdaad dat mnr

MIN HORWOOD

Vorster vir die reeling verantwoordelik was, en mnr Vorster aanvaar ook verantwoordelik vir die wyse waarop fondse bewillig is

Dieselfde drie Ministers (Vorster, Diederichs en Mulder) het besluit om 10 miljoen dollar aan te wend in 'n poging om die Washington Star in die hande van persone te laat beland wat minder negatief en afbrekend ten opsigte van Suid-Afrika is, sê dr Mulder

Dr Mulder noem verskeie datums waarop, volgens hom, die geheime ondernemings van sy departement met o m. die Eerste Minister en die Minister van Finansies bespreek is

Ter stawing verskaf hy fotostate uit sy dagboek dat hy vir die datums afsprake met hulle sou gehad het

Gedurende 1977 is by afsonderlike geleenthede aan mnr Vorster, min Horwood en aan dr Mulder 'n stel van etlike boekdele, die resultaat van 'n groot navorsingsprojek, oorhandig Dit was een van die projekte wat gefinansier is uit geheime fondse — projek G18 — R50 000 (Sien hieroor aanhangsel A van die tussentydse verslag)

Minister Horwood het sy boeke op 17 Junie 1977 ontvang en het hom bedank, sê dr Mulder

„Mnr Vorster was ook beïndruk met die omvang van die werk Waarom sou hierdie etlike boekdele net aan hierdie drie spesifieke ministers geskenk gewees het?"

By die jaarlikse 1977-verslagvergadering oor sensitiewe sake van Inligting het dieselfde drie Ministers, genl Van den Bergh en dr Rhoodie in die konferensiekamer van die Eerste Minister by die Uniegebou vergader Hiervan getuig min Horwood My secretary informed me just before lunch that the Prime Minister has asked that I come over to the conference room about half past two"

Hieroor sê dr. Mulder gister „Wat hier opval, is dat min Horwood uitdruklik getuig dat die Eerste Minister hom versoek het om teenwoordig te wees. Waarom sou die Eerste Minister hom juis vra om na die uitstalling van ons werksaamhede te kyk indien hy niks daarmee te doen gehad het nie? Waarom word ander Ministers nie genooi nie? Waarom word steeds net dieselfde drie Ministers uitgenooi om teenwoordig te wees?

„Volgens my dagboek het my private sekretaris die samekoms gereel en was dit vroegtydig reeds gefinaliseer Om hierdie drie besige Ministers by 'n vergadering te kry, was nie maklik nie en daarom is sulke reelings lank vooruit getref Dit word verder bewys deur die nota wat my sekretaris my die vorige dag oorhandig het om my aan die vergadering te herinner

„Volledigheidshalwe dien daarop gewys te word dat hoewel hierdie nota meld dat die vergadering by die Departement van Inligting gehou sou word, die vergadering vir die gerief van die Eerste Minister na die Uniegebou verskuif is"

By hierdie vergadering was die Citizen uitgestal en is die projek bespreek, sê dr Mulder. Hy kan nie Horwood by die spreking by hierd heid teenwoordi aangesien hy ná minute verskonin om 'n ander afsp kom

„Ek wil dit ka dat die drie spesi ters naamlik mi dr Diederichs (e

Barrie sê dis hoekom hy reguit na Vorster is

r ,komitee van drie'

‚Geheime projekte is gereeld bespreek'

„Volledigheidshalwe dien daarop gewys te word dat hoewel hierdie nota meld dat die vergadering by die Departement van Inligting gehou sou word, die vergadering vir die gerief van die Eerste Minister na die Uniegebou verskuif is."

By hierdie vergadering was die Citizen uitgestal en is die projek bespreek, se dr. Mulder. Hy kan nie sê of mnr Horwood by die Citizen-bespreking by hierdie geleentheid teenwoordig, as nie aangesien hy ná ongeveer 30 minute verskoning vra het om 'n ander afspraak na te kom.

„Ek wil dit kategories stel dat die drie spesifieke Ministers naamlik mnr Vorster, dr. Diederichs (en later mnr Horwood in sy plek na Februarie 1975) en ek self van tyd tot tyd saake in verband met die geheime projekte en aksies van die Departement van Inligting bespreek het en jaarliks (behalwe in 1976) verslag aangehoor het van dr. Rhoodie oor hierdie sake. Die drie Ministers het soms besluite geneem oor projekte, bv. die Washington Star, die metode van finansiering van die geheime aksies; die stigting van To the Point; en die beskikbaarstelling van die fondse uit die gelde van die Buro vir Staatsveiligheid of Departement van Verdediging.

„Hierdie spesifieke drie Ministers is deur die betrokke amptenare van inligting die komitee van drie genoem.

„Hierdie komitee het 'n wakende oog oor die geheime aksies van die departement gehou."

Dr. Mulder sê die feit is dat hierdie spesifieke drie Ministers van tyd tot tyd saamgeroep is om oor inligtingaksies en geheime projekte te besin of verslag te ontvang, ongeag wat 'n mens hierdie „komitee" sou noem.

DR. DIEDERICHS

Rapport
29/4/79

Barrie sê dis hoekom hy reguit na Vorster is

BEIDE dr. Connie Mulder en dr. Eschel Rhoodie het destyds geweier dat hy 'n volledige oudit van die geheime fonds van die Departement van Inligting doen.

Daarom het hy oor hul koppe gegaan en 'n afskrif van sy geheime verslag oor onreelmatige bestedings aan mnr John Vorster verskaf.

Só sê mnr Gerald Barrie, gewese Ouditeur-generaal, in 'n verklaring waarin hy antwoord op die beskuldiging van sen Warwick Webber (NRP) dat hy die privilegie van die Parlement geskend het deur die verslag eerste te oorhandig aan mnr Vorster en nie aan die Parlement nie.

Dr Mulder het „ná uitgerekte besprekings akkoord gegaan met my voorstel, maar het dieselfde dag nog van plan verander," sê mnr Barrie. Dr Mulder het net kans gesien dat hy die reis- en verblyfkostes van die amptenare ouditeer. Daarop het hy „na die hoogste gesag gegaan".

Mnr Barrie sê hy sou hoogs onverantwoordelik wees om aan die Parlement verslag te doen voordat hy volkome sekerheid verkry het dat onreelmatighede wel voorgekom het. Dit is wat hy met 'n omvattender ondersoek wou bereik.

Dit is wel so dat hy verslag moet doen aan die Parlement, maar niks verbied die Ouditeur-generaal om tydens oudit-ondersoeke verslae aan ander instansies voor te lê nie.

Daarby was dit noodsaaklik om oor die saak verslag te doen ten einde verdere verkwisting te probeer voorkom en het hy as Ouditeur-generaal 'n verdere probleem gehad. Hy is uitdruklik deur wetgewing verbied om geheime fondse te ouditeer en verslag daaroor aan die Parlement te doen.

‚Laat die volk nou self oordeel'

HIER'S HY! CONNIE VERTEL ALLES

SY besluit om nie langer stil te bly nie, „is vir klein Connie", het dr. Mulder gister op Randfontein met sy kleinseun en naamgenoot op die arm gesê. Hy is verlede jaar op 25 November gebore, die dag toe dr A. P. Treurnicht vir dr Mulder as NP-leier van Transvaal opgevolg het (Foto: Nardus Nel).

„NÁ al my mislukte pogings wil ek met die gegewens tans tot my beskikking my saak aan die publiek openbaar. Laat die volk nou self sy eie gevolgtrekkings maak."

Met hierdie woorde het dr. Connie Mulder dié naweek 'n omvattende verklaring aan RAPPORT verskaf waarin hy vir die eerste keer sy aandeel in die Inligting-skandaal in die openbaar uiteensit.

Die verklaring stel sy kant van die saak — die verhaal, sê hy, wat hy tot dusver so sonder sukses aan die Parlement, die Koukus van die Nasionale Party en die Transvaalse dagbestuur van die party wou stel.

Daarin verskil hy van verskeie bevindinge van die Erasmus-kommissie; sê hy waarom hy hom verplig gevoel het om in die Parlement die Regering se aandeel in die Citizen te ontken, en maak hy verskeie beweringe wat opnuut vuurwarm kole op die Inligtingsdebakel werp.

Hy beweer o.m.:

* Dat die nuustydskrif To the Point deur die staat begin en aanvanklik uit die begroting van die destydse Premier, mnr. John Vorster, gefinansier is.

Met hierdie besluit, geneem deur homself, mnr Vorster, dr Nic Diederichs, genl. Hendrik van den Bergh en mnr Gerald Barrie, is die beginsel gevestig dat 'n publikasie wat politieke standpunt inneem, met staatsgeld gestig kan word, sê hy.

* Dat hy, mnr Vorster en dr Diederichs gereeld vergader het om oor geheime projekte te beraadslaag, verslag oor geheime aksies te ontvang, uitstallings van projekte te besigtig en besluite oor spesifieke sake te neem. Die drie Ministers was onder die betrokke amptenare bekend as die Komitee van Drie.

* Dat mnr Vorster in 'n stadium dat hy kwaai onder druk van vrae van opposisielede was, in die Parlement 'n nota met die volgende strekking aan hom gestuur het:

„Ek dink jy moet die vraag soos volg ontmoet. Die Departement van Inligting besit geen koerant in Suid-Afrika nie en bedryf geen koerant in Suid-Afrika nie."

TO THE POINT

DIE mashoofde van die twee publikasies wat opslae maak in die Inligtingsdrama. „Die oorspronklike begeerte om 'n Engelstalige blad in die lewe te roep, loop soos 'n goue draad vanaf die stigting van To the Point via die Natal Mercury-projek, die SAAN-projek ." sê dr Mulder

Waarom hy sy kant wil openbaar

OP enkele uitsonderinge na het hy baie maande oor die Inligtingsake geswyg. Nou wil hy sy kant openbaar. Laat die volk sy eie gevolgtrekking maak, sê dr. Connie Mulder in die verklaring wat hy gister aan RAPPORT uitgereik het.

„Ek is deur die Eerste Minister, min P. W. Botha, gevra om nie die spesiale Koukusvergadering oor die Inligtingsaak in Desember 1978 by te woon nie. Voordat die koukus die eerste verslag van die Erasmus-kommissie aanvaar het, het ek aan die voorsitter van die Koukus geskryf en sekere bevindings van die kommissie uit die kommissie gerig.

„Die besluit om nie te getuig nie, het daaruit gespruit dat die dokumente, soos versoek, nie aan my beskikbaar gestel is vir voorbereiding nie, en dat aan my ander versoeke om 'n billike geleentheid om my getuieplig sinvol na te kom, nie voldoen is nie.

„Die verwyt wat die kommissie my in sy eerste verslag ten laste gelê het dat my getuienis in November vaag was, en dat ek alles as detail beskou het, was juis te wyte aan so 'n kort kennisgewing dat ek my nie behoorlik kon voorberei, en ook nie die geleentheid gehad het om my geheue te verfris uit dokumentêre stukke nie.

„Ek moes getuig oor 'n magdom ingewikkelde projekte wat oor 'n tydperk van ses jaar uitgevoer is. Desnieteenstaande het ek in hierdie moeilike omstandighede my getuienis eerlik aan gebied, en waar ek vaag was, was dit aan bogemelde omstandighede te wyte.

„Daarom wou ek 'n herhaling van hierdie toedrag van sake voorkom.

„Nieteenstaande my onderhandelings en die briewe van my adviseurs, kon ek nie vir my 'n billike verhoor verseker nie, en daarom het ek nie getuig nie.

„Ná al hierdie pogings aangewend is en nie geslaag het nie, wil ek nou my kant van die saak met die gegewens tans tot my beskikking aan die publiek openbaar. Laat die volk nou hul eie gevolgtrekkings maak."

VERVOLG OP BL. 2

Nou spat vonke om Mulder

(289)

Rapport 29/4/79

DIE vonke spat weer opnuut om dr. Connie Mulder, gewese Minister van Inligting, nadat hy hierdie week geweier het om verdere getuienis voor die Erasmus-kommissie af te lê.

Hy stem beslis nie saam met regter Rudolph Erasmus se weergawe van wat tussen hulle gebeur het nie, het hy aan RAPPORT gesê.

Volgens regter Erasmus oor die TV gesê het, is in die konferensiekamer in die Uniegebou aan dr. Mulder verduidelik dat die dokumente wat hy aangevra het om sy geheue te kan verfris, aan hom beskikbaar gestel sou word, maar eers nadat hy die getuie-eed afgelê het.

Hierop antwoord dr. Mulder: „Indien die berig korrek is, wil ek sê ek het geen herinnering dat so 'n aanbod aan my gemaak is nie. Die korrespondensie tussen my en die kommissie spreek van self."

Dr Mulder sê as dit aan hom verduidelik was dat hy net die eed moet aflê om die dokumente te kry wat hy gevra het, „dan sou my posisie totaal anders gewees het".

Daar was ook ander mense in die konferensiekamer, en sy standpunt kan dus getoets word, sê hy.

Volgens regter Erasmus kan hy nie begryp waarom dr. Mulder nie wou getuig nie. Die stukke waarin hy insae wou hê, was tot sy beskikking. Hy kon dit wel nie wegneem nie, maar kon dit daar bestudeer het.

„Al wat die kommissie wil hê, is sekere getuienis. Daar is fasette waaroor ons helderheid wil hê. Hy is die enigste in die land wat ons op die oomblik daaroor helderheid kan laat kry.

„Hy het die nodige getuienis, maar weier om dit te lewer."

Nog berigte op bl. 2 en 6

* Die kommissie het besluit om in hierdie stadium nie te vra dat 'n kriminele saak teen dr Mulder gemaak word nie. Die Kommissiewet verbied dit dat mense wat deur 'n kommissie gedagvaar word, „ná verskyning weier om as getuie die eed af te lê".

* Dr Mulder het ook twee skinderstories wat sterk loop, beslis ontken. Hy het gister aan RAPPORT gesê dis louter snert dat hy by 'n volgende verkiesing in Potchefstroom as onafhanklike kandidaat teen min Louis le Grange wil staan.

Die ander storie gaan daaroor dat teoloë van die Gereformeerde Kerk, waarvan dr. Mulder lidmaat is, 'n „verhoor" gehou en hom onskuldig bevind het aan onregmatige optrede.

Vir die Gereformeerde Kerk en die Potchefstroomse Universiteit het die skinderstorie groot verleentheid veroorsaak, en uit daardie oorde is dit sterk ontken.

Met die ontkennings stem dr. Mulder saam. Hy sê die storie van die „verhoor" is blatante leuens. Hy het wel met professore op Potchefstroom gesels — hy is immers lid van die Universiteitsraad — maar dit was beslis nie oor Inligtingsake nie.

waarteen ek beswaar gehad het. Ek het gevra om die Koukus later hieroor in te lig en my standpunt te stel.

„Die laaste Koukusvergadering wat ek as LV kon bywoon, was op 31 Januarie 1979. Ek wou hierdie Koukusvergadering daaroor toespreek, maar ook dit is my nie gegun nie.

„Op 5 April 1979 het ek by die Transvaalse dagbestuur uitstel gevra van die spertyd van 12h00 op 6 April 1979 om sodoende 'n geleentheid te skep dat ek met die dagbestuur kon konfereer om 'n oplossing vir die probleem te vind. Ook dit is geweier.

„Ek het nie kans gesien om my ongekwalifiseerd neer te lê by al die bevindinge van albei verslae van die Erasmuskommissie nie, en het daarom my lidmaatskap van die Nasionale Party verloor.

„Toe ek versoek is om 'n tweede keer voor die Erasmus-kommissie te getuig, wou ek die geleentheid graag benut, maar ek wou seker maak dat ek 'n billike verhoor kry. Om dit sinvol te kon doen, het ek sekere redelike versoeke aan die Erasmus-

(259) 29/10/79 Sunday Times

I gave Connie secret report SAYS BARRIE

By IVOR WILKINS

THE FORMER Auditor-General, Mr Gerald Barrie, has disclosed publicly, for the first time, the details of how he personally handed a copy of his secret report about suspected irregularities in the Department of Information to Dr Connie Mulder.

In a statement to the Sunday Times this week he revealed that he had handed over the report on August 1 1977. That was two days after he had given it to the Prime Minister.

Mr Barrie also asserted that in July 1977, Dr Mulder had agreed to an audit of the department's secret funds, but changed his mind later the same day.

Mr Barrie's claim that he gave the report to Dr Mulder soon after giving it to the Prime Minister was previously made in secret testimony to the Erasmus commission and was briefly recorded in its first report.

Irregularities

The report added, however, that Dr Mulder denied this.

The matter was re-opened this week in a statement to the Sunday Times in which Mr Barrie replied to questions raised in the Senate recently about his secret report, drawn up when he became seriously concerned about evidence of irregularities in the Information Department.

Senator Warrick Webber (New Republic Party) had wanted to know why Mr Barrie, a servant of Parliament, had withheld a report from Parliament.

He said at the time: "What is at issue here is a contempt of Parliament — that a servant of Parliament somewhere, somehow submitted a report which should have been presented to Parliament and that we now find has not been."

In his statement this week, Mr Barrie says: "Sen Webber displayed particular interest in my secret report of July 29 1977 and I am quite prepared to satisfy his curiosity.

Copies of the report were handed

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P.T.O

THE BIBLE AND YOU

THE RELEVANCE OF THE BIBLE

Paul's words in II Timothy 3:16 underline its relevance for knowing and understanding our faith. Hebrews 4:12 reminds us that it is alive and dynamic, reaching to life's innermost areas, bringing conviction from God. Only those who study it really discover its relevance. It has a way of coming to mind in all manner of circumstances. "I will keep Your word in my heart, that I may not sin against You," wrote David. Those who cherish it and store it up in the memory find it to be relevant as a bulwark against sin, as it is recalled under the promptings of the Holy Spirit. Those who have not experienced this have yet to discover the relevance of the Bible and its power to renew and to preserve.

THE STUDY OF THE BIBLE

A good many people find the Bible unrewarding because they have never developed any kind of serious or systematic approach to its study. Here are some broad principles that need to be observed:

1. Prayer:
You will n
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is importan
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to you, oth
Bible in a
would say t
to open you
Bible has t
to pray abo
Word.

2. Reading
You will n
reading it.
That is wor

Read systen
It is best
understood.
Mark; the
perhaps to
and then a
the Old Tes
which have

Read regula
One Christi
a vow that
time for ei
was never
reading and
of discipli

Read intell
Mastering
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ly.
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fast. He
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2:15).
we are

time tomorrow.
But General Hendrik van den Bergh, the man who also publicly accused the commission of publishing a "packet of lies" and got away with it, may not comply with the summons
And if he doesn't — and yet again defies the commission — the 64-year-old former BOSS chief, once the most powerful man in South Africa and confidant of fugitive Dr Eschel Rhoodie, is sure to be headed for a classical showdown with the commission and the authorities
The showdown could lead to the general, for 13 years security adviser to the former Prime Minister, Mr Vorster, being fined up to R10 000 or going to prison for a maximum six months, or both, if the State decides to prosecute him
The general say his confidants, is adopt-

Meiring gives Botha — claim

MR GERALD BARRIE
Audit blocked

From Page 1

prove my conclusions beyond reasonable doubt.
"In the report, I called it a preliminary investigation."
Mr Barrie said in any event he was "expressly excluded by statute from auditing and reporting to Parliament on secret funds".
He explained that he had submitted his secret report to the Prime Minister after being denied access to information.
"I had taken up the question of auditing of what I suspected to be expenditure from secret funds," he said.
"I did not, however, succeed in persuading the Secretary for Information to allow me to undertake a thorough audit of expenditure from these funds apart from travel and subsistence expenses.
"The next step was to approach the responsible Minister.
"Dr Mulder agreed to my proposal (to audit secret funds) but on the same day changed his mind."
Having been denied access to the information, he then went to the "highest authority, namely the Prime Minister".
Mr Barrie said in the 1978 Parliamentary session he had reported to Parliament on all matters in his secret report where he had sufficient evidence to prove his case beyond reasonable doubt.
Certain irregularities were also reported to the Public Accounts Committee as and when the investigations had been completed.
"It should be absolutely clear to anybody who wants to understand that I did not withhold any information from Parliament which I could legally make available," he said.
Asked to comment on Mr Barrie's statement, Sen Webber, who was at home in Natal, said
"It is impossible for me to react immediately to the full statement.
"I will do so at the first opportunity when I return to Cape Town this week
"What disturbs me is that his statement reveals a shocking situation where it is apparent that the Auditor-General, a servant of Parliament, has been subjected to pressures and controls by members of the Cabinet
"This is contrary to the whole spirit of the Constitution."

Mr Barrie says in his statement that he did not submit the report to Parliament because its allegations were unsubstantiated at the time
"The secret report of July 29 1977 made mention of probable irregularities, unauthorised expenditure and falsification, but the investigation was only in its early stages and more evidence was still needed to
the Prime Minister, and to Mr (Louw) Reynders after he had been instructed by the Prime Minister to audit the accounts dealing with the secret projects of the former Department of Information
"The Minister of Finance (Sen Owen Horwood) was not given a copy as he was not directly involved.
"The original of the secret report was kept in a safe in my office and handed to my successor on June 30 1978, my last day of service as Auditor-General."
Questioned about handing the document to Dr Mulder, Mr Barrie told me he had personally handed over the secret report on August 1.
"It is noted in my appointment book that day," he said
Mr Barrie said in the 1978 Parliamentary session he

to Mr B J Vorster, Dr C P Mulder and General H van den Bergh, at the request of the Prime Minister, and to

MORE INFO DYNAMITE AHEAD

Sunday Express (259) 29/4/79

By KITT KATZIN

TWO dramatic developments which took place in secret this week are set to bring the simmering Info scandal to the boil again — and are likely to lead to explosive new revelations about the affair.

In Pretoria the Erasmus Commission decided in principle to call for the prosecution of former Information Minister Dr Connie Mulder on charges of contempt

In Cape Town the Van der Walt Commission into exchange-control malpractices heard startling evidence about the Info affair from a mysterious witness at a closed session.

The evidence has been described to the Sunday Express as "dynamite" — even in the light of what has already come out

● Commission wants Mulder charged

● Mystery witness' explosive evidence

The decision by the Erasmus Commission was taken after a bitter and furious Dr Mulder — who rejected the commission's earlier findings then publicly challenged them — dropped yet another bombshell the week when he refused to testify again before the commission

Later he stormed out, claiming he had been refused a fair hearing.

Mr Justice Erasmus and his fellow commissioners, Mr A J (Braam) Lategan, Attorney-General of the Cape, and Mr C F Smalberger, Chief State Law Adviser, are not in any circumstances prepared to take Dr Mulder's rebellious and evasive action lying down

The determined chairman, Mr Justice Rudolph Erasmus, is expected to submit a formal "Charge Dr Mulder" plea soon to the Transvaal Attorney-General, Mr J E Nothling — the man who refused only two months ago to prosecute General Hendrik van den Bergh on the same ground

The former BOSS head, for 13 years security adviser to the former Prime Minister, Mr Vorster, called the commission "a farce" and its members "character assassins" A petition signed by more than 20 000 people wanted him to be charged.

This time, however, I understand the commission will insist on a prosecution — but with a request for "a temporary respite" It has apparently decided, according to informed sources, to ask that Dr Mulder be brought to court only after the committee has submitted its final report, due next month, to the State President, Mr Vorster

In that event, Dr Mulder could stand trial in the first week of June — and face the prospect of a possible prison sentence or a fine, or both

Dr Mulder has so far borne much of the blame for the Info scandal and there has been widespread dissatisfaction in some public circles — including among some Nationalists — that he has not been given a fair chance to put his side of the case even if this means implicating other top members of the Government.

The Erasmus Commission, I understand, is not concerned "one bit" with possible consequences that may emerge from the scope and detail of the "personal evidence" Dr Mulder would possibly submit in an open court hearing.

If Dr Mulder's refusal to testify is part of a carefully devised strategy to force the issue out into the open, the commission will meet the challenge. In fact, ac-

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P.T.O

From Page 1

cording to close observers, the commission would welcome a showdown.

The commission is also not perturbed about possible further evidence Dr Mulder may give on Info irregularities or whether the details may embarrass the Government or any individual

The decision by Mr Nothling on whether or not to prosecute Dr Mulder could be made, and announced, before the end of this week.

Mr Justice Erasmus, I am told, is extremely anxious to protect the credibility and integrity of the commission, especially at this late stage.

The reason for asking for a delay in staging a Mulder trial is that the commission is anxious to complete certain crucial issues to meet its May 31 deadline. It is not prepared to be thrown off course by "side issues"

It moves to Cape Town next week to reassess evidence before having its report translated and typed.

Dr Mulder claims that the commission's decision not to let him see certain evidence and documents handed in by previous witnesses constitutes a deprivation of his rights

The Sunday Express can reveal that

- The commission was anxious to obtain vital evidence from Dr Mulder on two specific subjects — and that he was the only person in the country who possessed the evidence.
- The commission regards as "totally unfair" Dr Mulder's allegations that it was not prepared to give him a fair hearing — especially in the light of personal assurances by Mr Justice Erasmus that he would even protect Dr Mulder where it was not possible for him to remember details or recall previous evidence accurately.
- At one stage Mr Justice Erasmus pleaded with Dr Mulder that "for his own sake" he should undertake to give evidence On TV on Friday, Mr Justice Erasmus said he had told Dr Mulder he would be given the files and documents he wanted once he had taken the oath. "But he refused to do so"
- Dr Mulder was represented by Mr Johan Kriegler, SC, Advocate Anton le Roux, Professor (Advocate) Fanie Jacobs, of the University of Potchestroom, and Dr P J Kotze, of Couzyn, Hertzog and Horak, Pretoria.

bs, of the University of Potchestroom, and Dr P J Kotze, of Couzyn, Hertzog and Horak, Pretoria.

Meanwhile, Sunday Express political correspondent John Matisonn learnt in Cape Town that the Van der Walt Commission had heard new evidence that would "shock the nation". An interim report by the commission could be published within the next six weeks. This may be tabled in Parliament before the end of the present parliamentary session, and would then be debated in Parliament about the same time as the final report of the Erasmus Commission.

The Van der Walt Commission was set up to investigate exchange-control malpractices. With the millions of rands of Info money which left the country to be "laundered" through front companies overseas, the former Department of Information was inevitably expected to feature prominently in the commission's investigations.

Among the members of this commission are two Progressive Federal Party MPs, Mr Harry Schwarz and Dr Zac de Beer, the New Republic Party's Mr Bill Sutton and Mr John Wiley, of the South African Party.

With Opposition members on the commission, a minority report cannot be ruled out

● Dr Connie Mulder's home in Tamboekie Street, Randfontein.

Connie's way . . .

Express Reporter

A STILL bitter and downhearted Dr Connie Mulder came out of the cold yesterday and spoke of how he, as Prime Minister, would have set about investigating the ramifications of his self-devised "Muldergate" dossier that finally cost him the premiership.

The former "Crown Prince" of the National Party spoke yesterday to the Sunday Express at his modest home in Tamboekie Street, Randfontein.

I asked him just how he would have handled the investigation had he — and not Mr P W Botha — been Prime Minister.

"I would have appointed a commission consisting of three Appeal Court judges and, if necessary, acting under the chairmanship of the Chief Justice.

"I would have even seriously considered appointing English-speaking judges (to allay any fears that Government officials or witnesses would be protected merely because they were Afrikaans-speaking) and I would have instructed the commission to hear evidence in camera."

The reason for this, he said, was that most of the Government's secret and sensitive projects (at least 180) — would have to remain secret in the interests of the country as a whole.

Evidence and charges of corruption or theft would obviously enjoy the highest priority — "and naturally I would allow the law to run its full course in this respect".

Finally, he would have "accepted full responsibility" for his actions".

Sunday Times 29/4/79

may go to court

'Cavalier' way he was treated enrages Nats

DR CONNIE Mulder may appeal to the Supreme Court for a declaration of rights against the findings of the Erasmus commission.

This is one of the possibilities being discussed in informed circles after this week's decision by the commission not to give Dr Mulder access to files which could assist him in his evidence.

Transvaal Nationalists, enraged by the "cavalier" treatment accorded Dr Mulder, have also warned that they may refuse to accept the commission's findings when the final report appears on May 31.

As the Government has already bound itself to the commission's first and interim reports, the threats could lead to a major political crisis in the party, a Nationalist MP warned yesterday.

Mulder loyalists believe that it could clear the way for his return to active politics and thus precipitate a final break in the party.

Fatal

Transvaal Nationalist MPs confirmed yesterday that there was "tremendous sympathy" for Dr Mulder in the party after what they believed to be his "unfair treatment" at the hands of the commission.

The commission's only recourse after Dr Mulder's statement that he had not received a fair hearing would be to charge him under the Commissions Act, Nationalist MPs said

If it failed to do so, its credibility could suffer a final, fatal blow

Meanwhile, there was strong pressure in political and legal circles for Dr Mulder to take his case to the Supreme Court where he can either ask for a declaration of rights or for his case to be reviewed

Legal experts told the Sunday Times yesterday that Dr Mulder could ask the Supreme Court to institute review proceedings and to set aside the commission's findings if it found that the commission had not acted correctly.

This was one of a number of options open to him, they said.

Mulder loyalists in the party said this week the former Minister of Information would be "strongly advised" to seek redress through the Supreme Court.

BY FLEUR DE VILLIERS

At the same time they realised that this action could plunge the National Party, bound as it was to the Erasmus commission's findings, into a major crisis

Before he appeared before the commission this week, Dr Mulder's legal advisers asked that he be allowed access to two departmental files to enable him to refresh his memory on two of the three topics on which he was to be questioned

The commission agreed, but when he arrived he was shown only 18 selected documents

Dr Mulder also asked for access to evidence adverse to him which had been heard by the commission and the right to confront witnesses. This was refused

Dr Mulder then refused to take the oath or to give evidence

Nationalist MPs said this week that the price which Dr Mulder had had to pay in terms of the wrecking of his political career and his expulsion from the party was so great that he was entitled to a fair opportunity to state his case.

Feelings

Resentment over Dr Mulder's treatment is high both among his former supporters in the National Party caucus and in the "Dopper" stronghold of Potchefstroom, whose member of Parliament and former Deputy Minister of Information, Mr Louis Le Grange, has come in for strong criticism in party circles.

Feelings are said to be running so high that Mr Le Grange could lose the coming election for the chancellorship of Potchefstroom University.

The main reason for the resentment against Mr Le Grange is believed to be the fact that although he served as Deputy Minister of Information under Dr Muder, he has emerged unscathed from the scandal and Dr Mulder has been made the chief scapegoat.

Argus 30/4/79

To the Point: Press Council's about-turn

Argus Correspondent

DURBAN. — In a dramatic about-turn, the South African Press Council said today that two newspapers, fined a total of R2 000 because of their 'incorrect' disclosures about the magazine To the Point, would now get another hearing

The newspaper Beeld, fined R500 and the Sunday paper Rapport, fined R1 500, were severely reprimanded for their insinuations that the magazine had close ties with the now defunct Department of Information

The complaints were made to the council in 1976 by the then Secretary for Information, Dr Eschel Rhoodie, and both papers were ordered to print full apologies and denials immediately

In terms of the Press Code, Rapport was ordered to publish on its front page an apology to Dr Rhoodie and the department

Mr G G A Uys, registrar of the Press Council and secretary of the Newspaper Press Union, said today there was no provision in the Press Council's constitution to reopen old cases.

'Obviously we must now treat these present circumstances as a test situation'

He said both newspapers were now entitled to come back to the council in the light of the new evidence in the Information debacle, and that they would be given fair hearings.

Mr Ton Vosloo, editor of Beeld, said they were considering what action to take 'It is not the money so much as the principle involved,' he said.

A spokesman for Rapport also said that they would make a decision later.

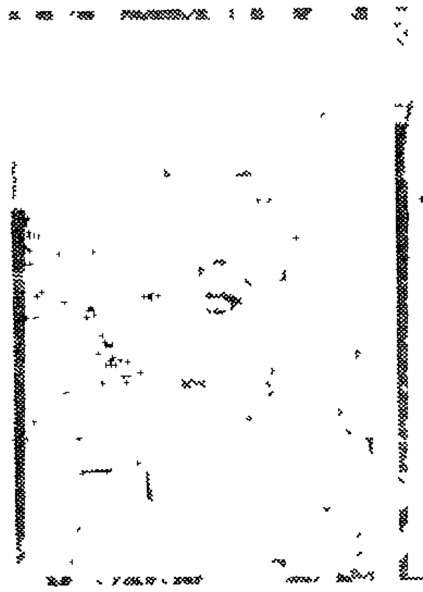
(1) 327
(2) 259
(3) 245

PHONE NUMBERS

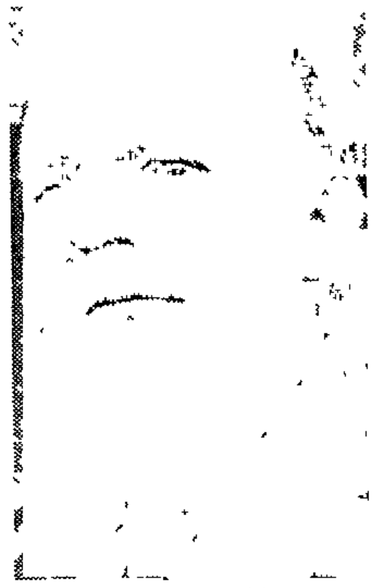
Classified Ads	32330
All other E L Depts	26141
King William's Town	23282
New Brighton	46359
Queenstown	2431
Umtata	2500

DAILY DISPATCH

Monday, April 30, 1979 — Founded 1872 — Price 12c



MRS KEMP . . . let my office down.



BRIGADIER SMAL . . . city should support her.

EL Mayor urged not to resign

EAST LONDON — East London's Deputy Mayor, city councillors and Border's Commissioner of Police yesterday urged East London's Mayor, Mrs Elsabe Kemp, not to resign because two of her children had been convicted of possessing dagga.

The Deputy Mayor, Mr Donald Card, said Mrs Kemp had told him she was considering resigning because she felt she had let her office down

Last week a son and a daughter of Mrs Kemp's were found guilty in the East London magistrate's court of possessing dagga

Mr Card said. "As a councillor Mrs Kemp has done nothing wrong This is a domestic matter and what her children do is not her fault. It was a minor offence that did not involve her

"I think she should sit out her term of office

"Mrs Kemp has done a wonderful job She has become very popular among parliamentarians and other mayors She should not resign," Mr Card said

Mrs Kemp left for Cape Town yesterday on Municipal business

Her husband, Mr D J E "Mossie" Kemp, said he could not speak for his wife It was her decision whether to resign

"But my own personal opinion is that she should not resign People should resign with dignity

"There is no way my children are drug addicts There is a lot of happiness in our home," Mr Kemp said

The Divisional Commissioner for Police in the Border area, Brigadier P J Smal, said he supported the Mayor in her office and urged her not to resign

"She has done a good job and the city should support her," Brigadier Smal said

The past Mayor of East London, Mr Joe Yazbek, said what had happened to the Kemp family could happen to any family

"There is no necessity for Mrs Kemp to resign as she is not personally to blame for anything She should not place the blame upon herself," Mr Yazbek said

Another former Mayor and present city councillor, Mr Robbie de Lange said "This is a domestic matter and very unfortunate It is difficult for an outsider to judge One should never kick a person when they are down

" What Mrs Kemp does is a matter for her own conscience Her conscience should be clear as she is not to blame I would not be prepared to ask her to resign," Mr De Lange said

Mr Ian Lipworth, the city councillor with the publicity portfolio, said Mrs Kemp should not even consider resigning

"The feeling that she has disgraced herself is entirely unfounded The council will probably pass a vote of confidence in her today and I shall support it," Mr Lipworth said — DDR

Editorial opinion, page 14.

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BORDER INDUSTRIAL REVIEW
Inside today

30/4/79 DD (259)

Info row blows open

JOHANNESBURG — The Information scandal blew wide open again yesterday as Dr Connie Mulder released new allegations pointing to a massive government cover-up and asked the public to decide who was telling the truth.

In a detailed and documented series of statements, Dr Mulder

- Claimed that the former Prime Minister, Mr Vorster, had sent him a note suggesting he deny in Parliament any government involvement in the establishment and funding of The Citizen newspaper,
- Repeated Dr Eschel Rhoodie's allegation that a Cabinet committee con- [illegible] of Mr Vorster, Dr

allegation involved his denial in Parliament last May that The Citizen newspaper was funded by the government

Recalling how the opposition repeatedly asked him questions about The Citizen, Dr Mulder said he eventually received a note from Mr Vorster in the House of Assembly.

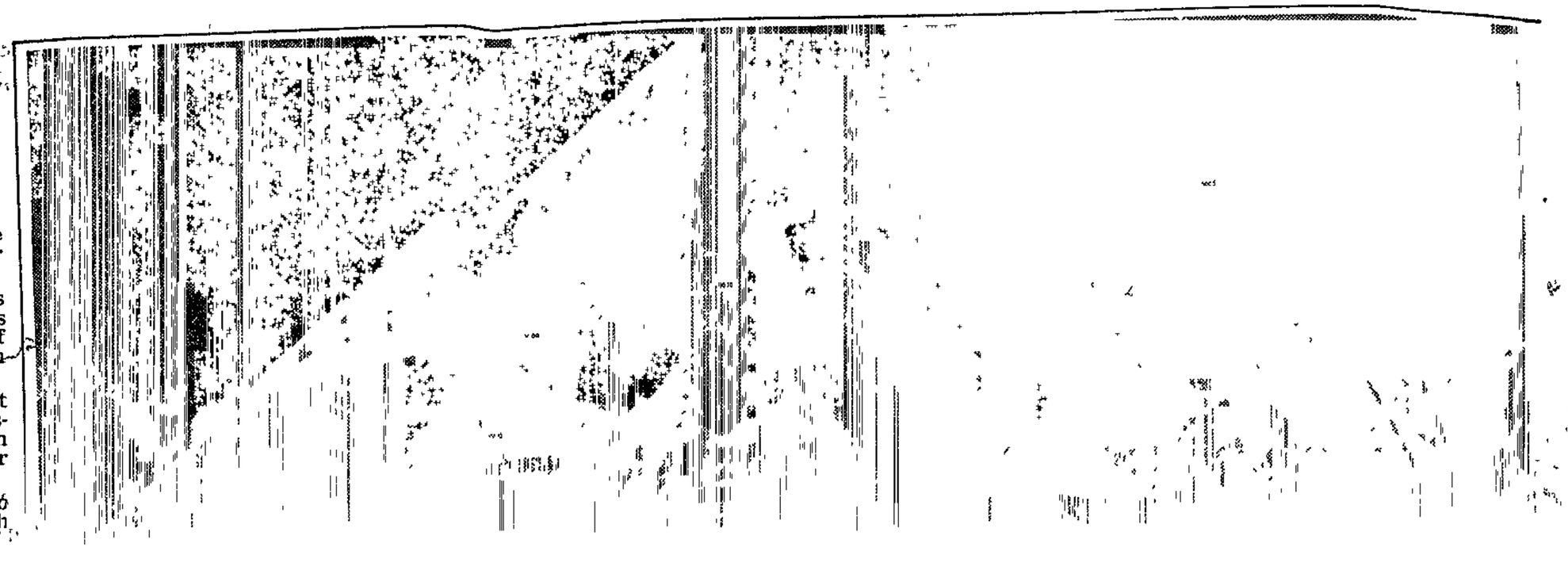
"After all these speeches (by the opposition) I could no longer avoid replies to the [illegible]

told Mr Vorster that the Natal Mercury was for sale

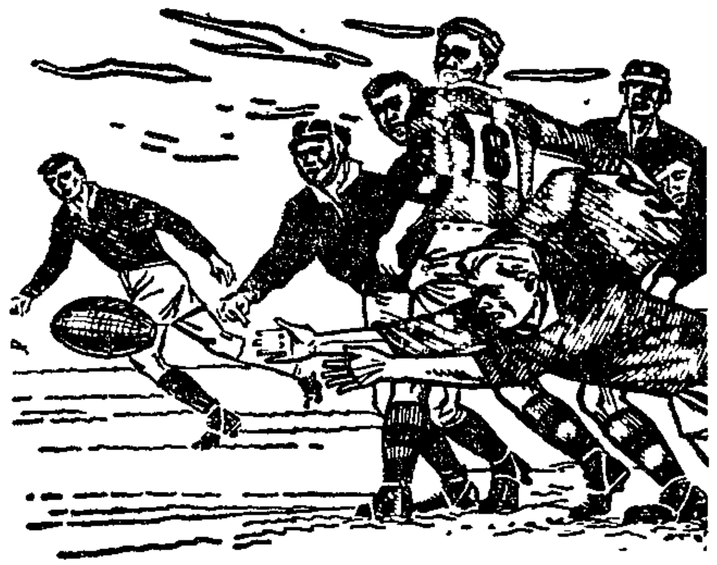
"The whole matter was fully discussed and it was decided that Dr Koornhof should go ahead with negotiations "

Referring to subsequent efforts to purchase or establish an English language newspaper, Dr Mulder said

"The original desire to establish an English [illegible]



About 100 friends and relatives attended the wedding of banned black consciousness leader, Mr Peter Jones, and Miss Amelia Nelson, a social worker, after their marriage at Macassar Anglican Church, Somerset West, on Saturday afternoon, Mr Jones was detained in August 1977 with the late Mr Steve Biko and released from detention in February this year. — Report page 15.



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of Finance, Senator Horwood, controlled all government secret projects, including The Citizen, and

● Disclosed that To The Point magazine was funded by the government, initially from Mr Vorster's Prime Minister's account and later through the Department of Information

The Minister of Foreign Affairs, Mr Pik Botha, now responsible for Dr Mulder's former Department of Information, last night confirmed that To The Point was in fact a government secret project

But in the statement, Mr Botha said the government would continue funding the magazine provided the publication would under no circumstances support any political party in South Africa

Mr Vorster, now State President, declined to comment on Dr Mulder's allegations which followed his refusal last week to testify before the Erasmus Commission probing the Information scandal

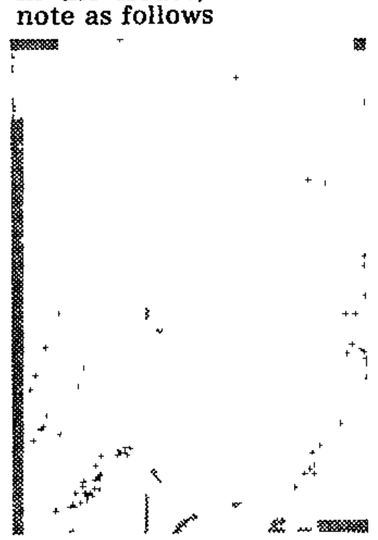
The commission has cleared Mr Vorster and the entire Cabinet of his successor, Mr P W Botha, of all complicity in the R64 million Information scandal

Dr Mulder, who was expelled from the National Party last month after refusing to accept the findings of the Erasmus Commission, said in his statement yesterday he had been refused a fair hearing by his party

"After all my unsuccessful efforts, I want to put my case before the public with the evidence at my disposal," he said "Let the people now draw their own conclusions"

His most damaging decide whether I would reveal the secret project and so destroy it," he said.

"At this time, the then Prime Minister, who was in the House, sent me a note as follows



DR MULDER . . . public must decide.

"I think you should answer the question like this 'The Department of Information does not own any newspaper in South Africa and operates no newspaper in South Africa'"

Dr Mulder said he had then responded to the questions using Mr Vorster's words

The allegation is particularly serious because Mr Vorster has repeatedly stated he only became aware of the government funding of The Citizen in August last year

Dr Mulder and Dr Rhoodie, the former Secretary of Information, now in self-imposed exile, have claimed Mr Vorster was aware of the project from its inception

Dr Mulder said the government had always wanted to have an English-language newspaper and claimed that Dr Koornhof, Minister of Plural Relations, had once

the inception of To The Point, through the Natal Mercury project, the Saan project and it crystallises in the establishment of the newspaper which was eventually called The Citizen"

The Saan-project was an attempt by the government to purchase the newspaper group controlling the Rand Daily Mail

Dr Koornhof last night declined to comment on Dr Mulder's statement in which he questioned whether the unsuccessful attempt to take over the Natal Mercury was a "private undertaking" as Dr Koornhof has testified before the Erasmus Commission

A statement issued by Mr Vorster's office yesterday said he declined comment on specific allegations, but pointed out that Dr Mulder had repeated claims already rejected by the Erasmus Commission

"The State President followed the honourable and correct course by giving evidence under oath three times to the Erasmus Commission at his own request about all relevant facts concerning the Information question

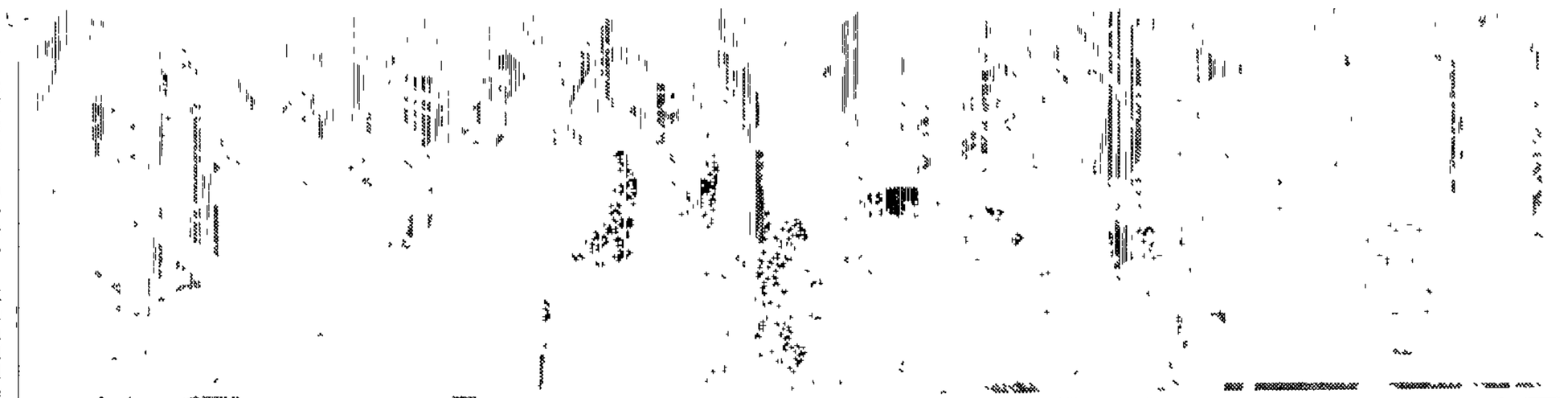
"The State President, therefore, has no comment to make on the statement by Dr Mulder which he, in contrast, was not prepared to confirm under oath and in which, among other things, certain so-called facts are mentioned which have already been rejected or found to be untrue by the Erasmus Commission"

Senator Horwood was not available for comment last night

Senator Horwood has consistently denied knowing details of Information's secret projects — DDC-SAPA

More Mulder revelations

pages 2 and 7



Jubilant Rhodesian rugby supporters — most of them Rhodes University students — cheer after their team scored when Rhodesia trounced Border 46-15 in East London on Saturday. Match report, page 20.

Jody in fourth place

MADRID — Patrick Depailler led from start to finish in the Spanish Formula 1 Grand Prix yesterday to give the French Ligier team its third victory of the motor-racing season.

Depailler drove masterfully at the Jarama circuit north of Madrid and was never threatened during the 255 km race

The Frenchman's victory, his second in Formula 1 racing, took him joint top of the world drivers' championships on 20 points, level with Canadian Gilles Villeneuve, of the Ferrari team

Second was Carlos Reutemann, of Argentina, driving last year's model Lotus Teammate Mario Andretti, of the US, the reigning world champion and winner here in 1977 and last year, was third in a new Lotus 80

South African Jody Scheckter came fourth in a Ferrari — SAPA-RNS

Blacks for top posts — Bishop

WASHINGTON — All key positions in the new Rhodesian Government including the army will be controlled by blacks, the Prime Minister-elect, Bishop Abel Muzorewa, said in a United States television broadcast yesterday

"The army is going to be under the control of a black Minister within a matter of weeks," he said

Asked if he were ruling out the prospect of Mr Smith's holding either the defence, or justice, law and order portfolios, the Bishop said the "real, powerful posts" would go to black Ministers

He would have a say over how the army was deployed because the security forces would be under the control of a black Minister

He said the army would continue chasing terrorist forces across the Rhodesian border into neighbouring countries if necessary

There was no reason for the war in Rhodesia to continue because the objectives of the war — a black majority government — had been achieved

He would continue to offer amnesty and a place in his government to members of the foreign-based Patriotic Front

"We intend to extend amnesty for all," he said

He would accept help from any nation, including South Africa He hoped the United States and Britain would end their embargoes and help his government.

Rhodesians wanted to live as good neighbours with Zambia and Mozambique

There is nothing in Zambia or Mozambique that we haven't got We could have eliminated Lusaka 500 times over on these raids" — DDC-SAPA-RNS

Smith faces crisis, page 15.

Ministers meet

GABORONE — The Foreign Ministers of the five front-line states arrived here yesterday for a summit meeting which begins today

The countries are Botswana, Angola, Mozambique, Tanzania and Zambia According to diplomatic sources here Rhodesia and SWA will be high on the agenda — SAPA

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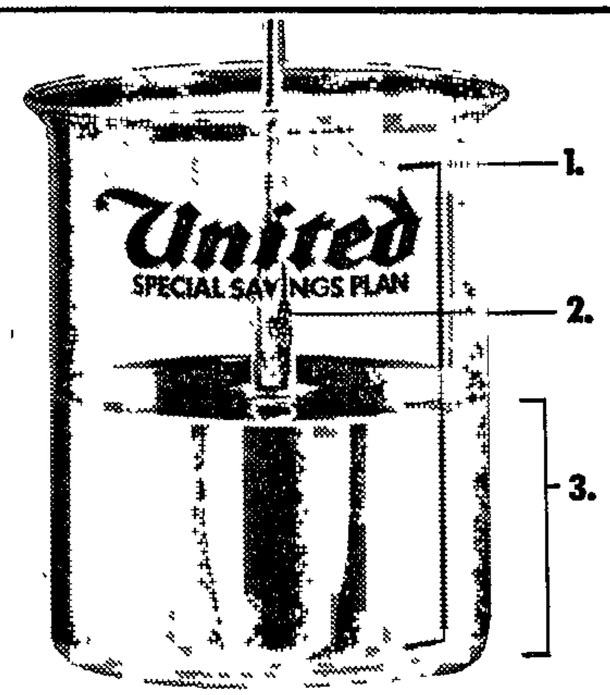

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J WALTER THOMPSON

Port Alfred farmer shoots 144 dogs

PORT ALFRED — Mr G. S. Pringle has shot 144 dogs in the last three months and will go on shooting them as long as his sheep are being killed

This is Mr Pringle's answer to complaints from residents of Port Alfred's Coloured township which borders his farm.

Coloured people told the Port Alfred Town Council the shooting was endangering their lives

After being asked to investigate, police reported to the council that Mr Pringle said 64 of his sheep had been killed by marauding dogs

In an interview, Mr Pringle said he had never fired in the direction of the township, but if township people were collecting wood on his farm without his knowledge, that was a different matter.

The previous owner of Mr Pringle's farm, Mr J P de Wet Steyn, said he had lost thousands of sheep to marauding dogs He estimated that at one stage, his losses must have run as high as R800-R900 a year

Port Alfred's assistant town clerk, Mr D Phillips, said more dogs had been licensed this year than ever before, despite increased licence fees

"The days are past when people can take a chance and hide their dogs away It's not funny these days being caught with unlicensed dogs, yet there are still quite a number without licences," Mr Phillips said

An owner of two unspayed bitches had had to pay R180 in fees and penalties this month' — DDC

The Mulder story

Let the people decide says Connie

JOHANNESBURG — With a few exceptions, he kept quiet for many months about the information affair Now he wants to reveal his side Let the people reach their own conclusions, Dr Connie Mulder says

"I was asked by the Prime Minister, Mr P W Botha, not to attend the special caucus meeting on the Information affair in December, 1978

"Before the caucus accepted the first report of the Erasmus Commission, I wrote to the chairman of the caucus and pointed out certain findings of the commission to which I objected. I asked if I could inform the caucus later about these and put my point of view

"The last caucus meeting which I could attend as an MP was on January 31, 1979 I wanted to address this caucus meeting on this aspect, but even this was not granted to me

"On April 5, 1979, I asked the Transvaal executive to postpone the deadline of 12 noon on April 6, to give me an opportunity to confer with the executive to find a solution to the problem "

This also was refused

"I could not see my way clear to resigning myself unreservedly to all the findings of both reports of the Erasmus Commission, and therefore lost my membership of the National Party

"When I was requested for a second time to testify before the Erasmus Commission, I wanted to take advantage of the opportunity, but I wanted to ensure that I would get a fair hearing

"To do this in a meaningful manner, I directed certain reasonable requests to the Erasmus Commission.

"The decision not to testify arose from the fact that documents requested were not made available to me for preparation and that my further requests for a fair opportunity to testify meaningfully were not met " Dr Mulder said

"The reproof which the commission administered to me that my testimony in November was vague and that I regarded everything as detail was precisely because I received such short notice that I could not prepare myself properly and also did not have the opportunity to refresh my memory from documents

"I had to testify on a great many complicated projects which were executed over a period of six years. Despite that, I offered my evidence honestly in these difficult circumstances and where it was vague it was due to the above circumstances

"Therefore I wanted to prevent a repetition of this state of affairs

"Notwithstanding my negotiations and the letters of my advisers, I could not ensure for myself a fair hearing and that is the reason why I did not testify — DDC

Mulder's side of Info

JOHANNESBURG — The statement issued by Dr Connie Mulder, former Minister of Information, to the Afrikaans Sunday newspaper, Rapport, reads

The "lie" in the Assembly on May 10, 1978

Because the Commission referred to the so-called lie I am supposed to have told in the Assembly, I feel obliged to also deal with this matter

What are the facts?

The success of secret projects which are tackled out of a specific secret fund obviously depends on the degree to which the projects are not revealed The disclosure of such projects makes their existence and that of a secret fund senseless

The same argument holds as regards activities financed out of the Prime Minister's special account for security services, as well as for projects and activities which are tackled out of the Department of Defence's special account

As regards these matters, there also applies a courtesy rule that no unnecessary questions are asked about them in Parliament The same rule did not apply as regards the Department of Information, apparently because the existence of the funds was not known to Parliament

In 1978, various written questions about matters which concerned the secret projects of the former Department of Information were put to me by members of the opposition Because the written answers to such questions created an impossible situation for me, I approached the former Prime Minister for advice

After a discussion he suggested I answer all written questions asked in this connection as follows "Taking into consideration the fierce struggle which is being waged internationally on all fronts against South Africa it is not in South Africa's interest to acknowledge or deny that use is made of the services of certain people, firms, organisations or companies or not, and whether money is or is not paid over to the above "

Various written questions which were put to me were also answered by me with this specific wording

My budget debate lasted two days in 1978 On the first day, Mr J Basson addressed himself to the previous Prime Minister and said the following "I think the Honourable Prime Minister must know — I am certain that he does in fact know — that a large proportion of the public, rightly or wrongly, believes that certain newspapers, such as The Citizen and other publications are being secretly provided with funds by the government for party political purposes "

At the end of the first day's debate, I answered certain questions posed by members of the opposition for an hour and a half, without reacting to this remark, because I did not see it as a question

The following day, the debate continued and the Leader of the Opposition, Mr C Eglin said "I want to return to a point put by the Honourable Member for Bezuidenhout, namely that the generally accepted supposition that the newspaper, The Citizen, is supported by secret government funds, is included in the speculation

"This opinion is generally accepted and I believe — I am happy the Honourable Prime Minister is here — that it is in the interest of the public of South Africa and it would be only fair towards The Citizen itself that the Honourable Prime Minister says explicitly in this debate whether this speculation is true or not — the Honourable Minister of Information can do this on the authority of the Prime Minister "

Mr J Wiley also touched on the same matter "I want to explicitly ask the Minister of Information a direct question seeing he was also the Minister of the Interior Are government funds being channelled to The Citizen at any level?"

Mr J Basson again entered the debate after that and said We have simply said there is a belief in circulation that The Citizen and other publications are being secretly supported by the government The Honourable Minister, after the question was put, talked for more than one and a half hours yesterday, but didn't answer it "

The Minister of Information "It was not a question "

Mr Basson "Of course it was a question! The Honourable Prime Minister must himself realise that rumour is in circulation Everybody knows about it We are entitled to raise it here and try to get clarity over it

"I was dumbfounded that we had the Honourable Minister standing up for an hour and a half without saying a thing about it That is why the Honourable Member of the Opposition came back to it "

After these speeches I could no longer avoid answering the question and had to decide whether I was going to disclose the secret project and so destroy it

At this point the previous Prime Minister, who was in the Assembly, sent a note with the following purport "I think you must meet the question as follows — the Department of Information owns no newspaper in South Africa and operates no newspaper in South Africa "

From this note I concluded that I was definitely not expected to disclose the project I remember that I specifically noticed his double reference to "in South Africa" In my final reply to the debate, I then answered the question with these specific words

I closed my address, after which Messrs H Schwarz and J Basson claimed I had not answered all the questions

Mr Basson said "Mr Chairman, I also put a question to the Honourable Minister to which I have not received an answer We ask the Honourable Minister specifically if the rumour was true that the government makes secret money available to The Citizen is true "

The Minister "I have already answered that "

Mr Basson "The answer which the Honourable Minister gave — he can correct me — was that the Department of Information were not owners of newspapers We know that But that was not the question, and I don't want it said again later that we made insinuations I am again putting this simple question to the Honourable Minister, and we could be glad to receive a direct answer "

The Minister "I shall answer that directly by saying that the Department of Information does not give funds to The Citizen "

I was forced in this final stage to give such an answer In the light of the previous debate, and the note from the Prime Minister, from which I had deduced I must not disclose the project, I had on the spur of the moment to make a choice

The clash of duties which arose here was between an oath of secrecy which I had taken as Cabinet Minister on the one side, and on the other the convention and tradition of Parliament that you don't mislead the Assembly

The relevant question which arises here is the following If it is regarded by a Minister as being in the national interest to suppress a fact, is it not permissible for him to do it? Is it, for example, justifiable to deny that South African troops were at a particular time in a neighbouring state, if it was judged that it was in the national interest to keep it secret?

To avoid similar situations for Ministers in the future, the commission made the following recommendation which I wholeheartedly support.

The commission recommends that Parliament considers, where provision for it does not already exist, prohibiting by means of one or other regulation, the putting of questions which have regard to any secret funds of any department to Ministers and the answering of those questions by Ministers in Parliament

From this recommendation of the commission, it can necessarily be concluded that the commission, by implication, understood my distressed situation And yet, even today, I am being condemned in the eyes of some people for acting in the interests of South Africa — DDC.

Mulder: committee screened projects

JOHANNESBURG — The former Minister of Information, Dr Mulder, said in a statement yesterday he wanted to state categorically that the former Prime Minister, Mr Vorster, Dr Nico Diederichs, as Minister of Finance, and he himself, met regularly to discuss secret projects, receive reports about secret actions, view displays of projects and decide about specific matter

He gave the following examples

- The decision to found To The Point and finance it out of the funds over which the then Prime Minister had control, was taken by the three abovementioned Ministers while Mr Barrie (then Secretary of Information) and General Van den Bergh were present.
- When R293 000 was made available to the Department of Information for sensitive services for the financial year 1973/74, provision was made for it in the Prime Minister's budget vote

The three Ministers involved in this arrangement who agreed to it were Mr Vorster, Dr Diederichs and Dr Mulder This occurred in March 1973

This was also confirmed by Dr Rhoodie's letter to the Secretary of the Treasury on February 27, 1973, said Dr Mulder In this letter, eight secret activities were communicated to the Treasury for which the funds would be used

- When it was decided to expand the secret funds to make R15 million annually available for the propaganda war, the decision was made by the same three Ministers

The same three Ministers decided that the funds must be made available through the Department of Defence's secret funds, and Dr Diederichs finalised the matter with Mr P W Botha

- The same three Ministers decided to use $10 million in an effort to get the Washington Star into the hands of people who were less negative and destructive towards South Africa, Dr Mulder said

He named various dates on which according to him the secret projects of his department were discussed with among others Mr Vorster and Dr Diederichs To support this he provided photostats of his diary to show that he had appointments with them on those dates

- On various occasions during 1977, a set of several volumes, the result of a large research project, were handed to Mr Vorster, Senator Horwood and Dr Mulder This was one of the projects financed out of the secret funds — project G18 — R50 000

Senator Horwood received his books on June 17, 1977, and thanked him, Dr Mulder said "Mr Vorster was also impressed with the scope of the work. Why would these been presented only to these three specific Ministers?" he asked

- At the 1977 annual report meeting about sensitive Information matters, the same three Ministers, General Van den Bergh and Dr Rhoodie met in the conference room of the Prime Minister at the Union Buildings

About this, Senator Horwood testified "My secretary informed me just before lunch that the Prime Minister had asked that I come over to the conference at about 2 30 "

Dr Mulder said yesterday "What strikes one here is that Minister Horwood expressly testified that the Prime Minister re

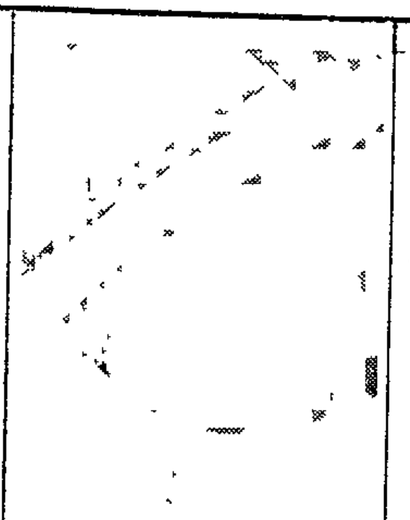
Why should the Prime Minister have asked him to come and look at the display of our activities if he had had nothing to do with them? Why were other Ministers not invited? Why were the same three Ministers still being invited to be present?

"According to my diary, my private secretary arranged this gathering and it was already finalised in good time. To get these three busy Ministers to a meeting was not easy and therefore such arrangements were made long beforehand This is further shown by the note which my secretary handed me the following day to remind me of the meeting

Citizen was displayed and the project discussed, Dr Mulder said He could not say whether Senator Horwood was present at the discussion of The Citizen because he excused himself after about 30 minutes in order to meet another appointment

"I want to state categorically that the three specific Ministers — namely Mr Vorster, Dr Diederichs and later Senator Horwood who replaced him after February 1975 — and myself discussed from time to time matters in connection with the secret projects and activities of the Department of Information "

"These specific three Ministers were known by the Information officials



MRS MAKWETLA

Bowler dies in EL

EAST LONDON — A Soweto bowler, Mrs Helen Makwetla of the Dube club, died on Saturday night after playing in the South African women's bowls tournament being held here

The tournament secretary, Mrs Phyllis Holwill, said yesterday Mrs Makwetla had played two games of singles at the tournament headquarters, Cambridge Club, on Saturday morning She won one of her games

In the afternoon while watching another tournament Mrs Makwetla complained of a headache and lay down at the Cambridge club, Mrs Holwill said

When Mrs Makwetla's teammates proceeded to a function at the Turnbull Park club on Saturday evening she decided to return to her beachfront hotel

Her teammates returned to find a doctor attending to Mrs Makwetla

She died in the ambulance on the way to hospital She is believed to have died of a heart attack

A minute's silence for Mrs Makwetla and other bowlers who have died recently was held at the annual meeting of South African Women's Bowlers Association here yesterday.

Mrs Makwetla leaves a husband and a son.

This was her second national tournament, the first being in Durban last year.

Marge banning unlikely

CAPE TOWN — Yellow margarine is unlikely to be banned, but the advertising of the product will have to change, the Minister of Agriculture, Mr Schoeman, said yesterday

However, Professor Harry Seftel, a leading health authority and professor of community medicine at the University of the Witwatersrand, said it would be "grossly irresponsible to even think of banning yellow margarine "

Parliamentarians, he said, were representing vested interests not health interests, and the Minister of Health "had to look over his shoulder at the Minister of Agriculture before he made announcements affecting the health of the nation "

The increase in sale of yellow margarine at the expense of butter blew up in Parliament last week after Mr Schoeman agreed with two opposition members that dairy farmers were suffering "misleading advertising" from margarine producers

He said he might have to ban the sale of yellow margarine if the advertising did not toe the line. When producers, five years ago, were given permission to manufacture and sell it, they had given the assurance they would not advertise in a misleading way

Mr Schoeman said yesterday: "Not one has kept his promise " — DDC

Foreign journalist questioned

JOHANNESBURG — Security police questioned the Norwegian representative of the International Federation of Journalists for nearly three hours yesterday after he was detained with six local newspaper reporters in Soweto.

Mr Ole Eriksen, who arrived in South Africa

The Mulder story

Eglin slams govt funding of magazine

CAPE TOWN — Leaders of the two main opposition parties last night questioned the continued public funding of To The Point magazine, which they regarded as a pro-government publication

They were reacting to the confirmation by Foreign Minister Pik Botha, that To The Point had been a secret Department of Information project which the present government had continued after Mr P W Botha took over as Prime Minister.

Mr Pik Botha announced that the magazine would in future be funded openly by the state, with the proviso that it should not support any particular party.

Spokesmen for the Progressive Federal party and the New Republic Party, drew a parallel between covert funding of The Citizen newspaper, which the present government had condemned, and similar funding of To The Point, which it had continued

The Leader of the Opposition, Mr Eglin, expressed shock that the government had continued secret financing of the magazine without informing Parliament or the taxpayers.

Mr Eglin said the revelation about To The Point had "thrown the whole Information scandal wide open once again"

The leader of the New Republic Party, Mr Vause Raw, called for an all-party committee to oversee the magazine's editorial policy under the future open state funding

He said it could not be left to an editor, who, responsible to the National Party, could not be impartial

He also called for steps to compel the former Information Minister, Dr Mulder, to testify before the Erasmus Commission

The leader of the South African Party, Mr John Wiley, said he supported the decision to continue public funding of what he regarded as a "first-class publication"

He called on the government to be more open and less defensive about projects which had served the national interest well

Mr Eglin said the revelation about To The Point made the present government as "guilty" as Dr Mulder had ever been

"If it was irregular and reprehensible to have funded The Citizen secretly from public funds, then it was also irregular and reprehensible to have done this in the case of To The Point," he said

"I am shocked at the belated admission that the Botha government has continued to finance To The Point from secret funds

"Whatever the government's future intention as far as To The Point may be, the fact is that the government continued to finance the pro-government To The Point — which has an extensive circulation in South Africa — with taxpayers' money for the past seven months without telling Parliament or the people who pay the taxes

"When will the full story of the Information scandal be brought into the open?" he asked

The NRP Information spokesman, Mr John Malcomess, described the intention to continue the public funding of To The Point as "scandalous".

He could see no point in continuing a situation similar to the public fundin gof The Citizen

"It is basically continuing on the same theme of using public funds to put over government policy "

Mr Malcomess said he was distressed that Mr Pik Botha, whom he had regarded as a verligte, should adopt this line — PS

Front magazine first suggested by Rhoodie

JOHANNESBURG — Dr Eschel Rhoodie, the disgraced former Secretary of Information, first suggested the formation of the "front" magazine, To The Point, and was made a senior executive on the publication in 1972 "to protect the South African Government's investment and interests in the magazine "

This is one of the detailed disclosures made by Dr Rhoodie, now living abroad in self-imposed exile, in Quito, Ecuador, recently

He said To The Point was one of the more than 180 secret projects of the former Department of Information, and gave previously undisclosed facts about government involvement in the magazine and the background to its launching in 1972

But the full story was never written because Dr Rhoodie later decided against disclosure of any of the secret projects, including To The Point, because of the agreement he reached with General Hendrik van den Bergh and Mr Josias van Zyl in Europe

But Dr Connie Mulder's disclosures at the weekend about the South African Government's involvement in To The Point confirm Dr Rhoodie's claims

Dr Mulder said at the weekend the principle of publications being financed with government money was established when it was agreed to launch To The Point with state money

This decision was taken, he said, by the then Prime Minister, Mr Vorster, the then Minister of Finance, Dr Diederichs, Dr Mulder himself, as well as Mr Gerald Barrie and General Hendrik van den Bergh

The Department of Information did not at that time have secret funds available The money came out of the Prime Minister's budget and later, when this became too large, a sum of R2 million was transferred to Information out of the Prime Minister's budget to "take over" To The Point, Dr Mulder claims

Dr Rhoodie, in his detail of how the magazine came into being, goes back even further

He says that when he was stationed in Holland in the late 1950s for the Department of Information, he first met Mr Hubert Jussen, with whom he discussed the concept of publishing an international news magazine that would be similar to Time and Newsweek, but which would concentrate on and reflect the events of Africa

Mr Jussen, according to Dr Rhoodie, was disillusioned with the liberal influences at all levels in Holland, and indicated he would be prepared to invest a large sum of money in such a publication that would counter those influences They both believed magazines of that nature circulated among the opinion formers and decision makers of the world

Dr Rhoodie said he then drew up a full report of his discussions with Mr Jussen and this was sent back to South Africa where it was given to Mr Vorster

A meeting was arranged between Mr Vorster and Mr Jussen in South Africa, and the green light was given to launch the magazine, funded out of Mr Vorster's budget as Information did not have the secret funds at that time.

Mr Gerald Barrie was then secretary for Information

Dr Rhoodie said the name of the magazine was based on his experiences in the United States "I learned in the early 60s when I was posted to Washington that you needed a 'hard sell' if you were to communicate with the Americans

"I found that when I walked into a Congressman or Senator's office, they were so busy that you could not afford to exchange pleasantries, talk about the weather, or ask them whether they had been to South Africa

"You had to get to the point immediately And this was where the name came from," Dr Rhoodie said

As he was not present at the discussions between Mr Jussen and the government, he said he did not know what the financial arrangements were But he believed Mr Jussen, a wealthy European publisher in his own right, was to put some money into the venture, and that this would eventually be taken over entirely by the government

Later, he was approached by Dr Mulder and asked to go to To The Point as an assistant editor to protect the government's interests and investment It was his function, he said, to act as the link between the government and the magazine

In this capacity, he followed government policy and tried to ensure these directives were reflected He had to work closely with top government people, including Mr Vorster, although many government officials he dealt with did not know his true role

Dr Rhoodie said he had had to resign completely from the Department of Information, but this had been one of the most pleasant periods of his working life

"I enjoyed it thoroughly after the many frustrations of the department."

He said he had never fully established what the financial involvement of the government was in To The Point, and had not experienced any difficulty working with Mr Jussen as their views had coincided

Later, when he was offered the post of Secretary for Information, it was a difficult decision to take as he had been happy and had also been earning more money

Dr Rhoodie also said he had been "sounded out" by Dr Connie Mulder as to whether he would accept the post of editor of Die Transvaler if it were offered to him.

This never came to anything and he believed it was merely a case of Dr Mulder "putting out a feeler " He ultimately decided to take the post of Secretary for Information, which was later to lead to the row with the then Secretary for Information, Mr Gerald Barrie, and the Public Service Commission

Dr Rhoodie also said he believed the government's decision to finance To The Point had set a precedent to be followed up by The Citizen. He said he could see no distinction in principle between the two publications

"I cannot understand now why, if Mr Vorster believed To The Point was a worthwhile project, he should deny all knowledge of the establishment of The Citizen "

He also claimed that when The Citizen ran into difficulties financially and there had been the row with Mr Louis Luyt, Mr Jussen and Mr Jan van Zyl Alberts had gone to see Mr Vorster in Cape Town to discuss taking over the newspaper.

Dr Rhoodie said that when Mr Jussen returned from that trip he had told him Mr Vorster had agreed to the government carrying on with the financing of the newspaper for another two years

Dr Rhoodie said that when he returned to the Department of Information after being at To The Point, he had had to "buy back" his pension and other benefits — DDC

Govt to support journal openly

CAPE TOWN — The international publication, To The Point, was a secret fund project and in future would be continued with open government support, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday

Reacting to statements made by Dr Connie Mulder in the Afrikaans Sunday press, he said the only condition for the continued government sponsorship of To The Point was that the publication would under no circumstances begin to support any political party in South Africa

Mr Botha said he had informed the director of To The Point Dr John Poorter, of the government's decision in Cape Town last week

Dr Poorter had been summoned to see Mr Botha in Cape Town and was told he could inform his personnel about the true situation regarding To The Point's government support

Dr Poorter told Mr Botha it was his intention to do so through the columns of the magazine itself

Mr Botha said this was one of the projects which he would deal with further in the proposed explanation to the Information spokesmen of the opposition parties which he had announced recently

"This was one of the covert projects which was recently assigned to the Information Service of South Africa

"As is the case with the other projects, this one had also to be thoroughly investigated in order to determine what the financial implications of the project were

"It was also necessary to obtain clarity about a reserve fund built up for the periodical and changes in the management which had to be effected "

"Furthermore, there was the question of possible contracted obligations which required attention," Mr Botha said.

Dr Poorter was told the government would not prescribe editorial policy to the publication, except that it would be a requirement that it would not support any political parties in South Africa in future — SAPA

I didn't know — editor

JOHANNESBURG — Dr John Poorter, chairman and editor of To The Point, last night said he believed the government support of the magazine had been in the distribution of its international edition

Dr Poorter said he had learnt of the government involvement in the conservative m

Daily Dispatch
30/4/79

Judge: we want to test evidence

JOHANNESBURG — Judge Rudolph Erasmus last night said he would like Dr Connie Mulder to give testimony on his startling weekend disclosures about the Information scandal.

Asked if he would recall Dr Mulder, Judge Erasmus said he might ask the secretary to his commission, Mr Johan Geyser, to contact Dr Mulder today and ask him "what his plans are'

Dr Mulder refused to give evidence before the Erasmus Commission last week because it would not release to him documents and evidence submitted by previous witnesses

On Friday Judge Erasmus said Dr Mulder would have been able to see the documents after taking oath Testimony by previous witnesses could not be given to him because the commission's hearings were in camera

Speaking from his home in Bloemfontein yesterday, Judge Erasmus said he had not had time to consider all the implications of Dr Mulder's refusal to testify.

"This man has a great deal of information on certain aspects My purpose is not to prosecute but if we can't fulfil our mandate we must consider taking action.

"He can reconsider if he would like to come and say to the commission what he has said to the press

"Then we can test the evidence. We can't test it when he gives it to a newspaper because we can't question him about it It is important for him to appear before the commission and give his evidence.

"He is in exactly the same position as Dr Eschel Rhoodie except Dr Rhoodie is in Europe and he is in South Africa "

Judge Erasmus said "because of the importance of the things he is saying, I wish he would come and say them to the commission".

The commission could then put to Dr Mulder what other witnesses had said and see what his reactions were — DDC

Barrie denies role

JOHANNESBURG — Mr Gerald Barrie, the former Auditor-General and Secretary for Information at the time of the launching with State money of To The Point, yesterday denied having anything to do with the decision to found the magazine.

Asked if he knew of the decision to start the magazine he said. "I would rather not comment on that."

Mr Barrie, while still Auditor-General, made a report on irregularities in the Department of Information which sparked off investigations which showed that the Citizen newspaper was funded by the State.

Mr Barrie said he had never attended a meeting with the persons Dr Mulder named as having decided to launch To The Point and "I didn't have anything to do with the decision to launch To The Point.

He said he could not approve a project if the spending was not from his department.

He said the Department of Information had not had secret funds during his time at the department. — DDC.

Minister of Foreign Affairs, Mr Pik Botha, last week.

He said he had discussed the matter with several members of his staff yesterday and would address the rest of his staff today.

He would also deal with the matter in his editor's memo in To The Point tomorrow

"I am glad that this statement has been made clarifying the situation of To The Point At the same time I want to emphasise that there has never been any question of To The Point being answerable to any outside body.

"I have never as an editor operated other than totally as a journalist I operated totally independently and have been the sole decision-maker as to content and policy of the magazine. I never in any way referred to anyone else "

He said that prior to becoming chairman recently of African International Publishing Company — the company which publishes To The Point — he was "never involved in monetary affairs of the magazine."

Dr Poorter and Mr Steve du Preez, the former general manager of AIPC, took over control of the magazine from Dutch publisher Mr Hubert Jussen, the former chairman of the company, about two weeks ago.

Dr Poorter said he had been asked to take over by Mr Jussen — who is also the former chairman of SA Today, the company which published The Citizen

Until December the managing director of AIPC was Mr Jan Van Zyl Alberts, who fronted for the government as managing director of SA today.

Dr Poorter said he believed the magazine had "proved over the years of publication that it had a unique place among readership both in South Africa and abroad" and despite the revelations still had a "great future." — DDC.

Connie Mulder's reply to the 'lie' allegations

RDM 30/4/79 (259)

THE TEXT of the statement issued by Dr Connie Mulder, former Minister of Information, to the Afrikaans Sunday newspaper

The "lie" in the Assembly on May 10, 1978.

BECAUSE the commission, on page 14 of its interim report, para 48, referred to the so-called lie which I am supposed to have told in the Assembly, I feel obliged to also deal with this matter.

What are the facts?

The success of secret projects which are tackled out of a specific secret fund obviously depends on the degree to which the projects are not revealed The disclosure of such projects makes their existence and that of a secret fund senseless The same argument holds as regards activities financed out of the Prime Minister's special account for security services, as well as for projects and activities which are tackled out of the Department of Defence's special account As regards these matters, there also applies a courtesy rule (hoflikhjeidsreeling) that no unnecessary questions are asked about them in Parliament. The same rule did not apply as regards the Department of Information apparently because the existence of the funds was not known to Parliament.

In 1978 various written questions about matters which concerned the secret projects of the former Department of Info were put to me by members of the Opposition Because the written answers to such questions created an impossible situation for me, I approached the former Prime Minister for advice. After a discussion of the matter he suggested that I answer all written questions asked in this connection as follows

"Taking into consideration the fierce struggle which is being waged internationally on all fronts against SA, it is not in SA's interest to acknowledge or deny that use is made of the services of certain people, firms, organisations or companies or not, and whether money is or is not paid over to the above."

Various written questions which were put to me were also answered by me with this specific wording (Question from Dr Z J de Beer, no 603, Hansard 1978, weekly No 15, questions and answers col 702; from Mr J D du P Basson, question 605, weekly No 15, question and answer col 703, Mr I F A de Villiers, question 606, weekly No 15, question and answer col 704)

In my Budget debate in the Assembly I also put my own viewpoint on this matter to an Opposition member as follows (Hansard 10 May, 1978, col 6486).

"If the Honourable Member, however, continues with these questions in regard to organisations, he must not think that I am so stupid ("toe") that I will play along with him. If he asks about a certain organisation and I say "No", he asks the same again in connection with another one and I say "No" So he goes on and this time when I refuse to answer, he immediately says that that organisation receives money from the Department I am not going to answer these sort of questions because every organisation in the country could in this manner fall under suspicion."

My Budget debate lasted two days in 1978. On the first day, Tuesday, May 9, 1978, Mr J D du P Basson addressed himself to the previous Prime Minister and said the following (Hansard, 9 May, 1978j, col 6333)

"I think the Honourable Prime Minister must know — I am certain that he does in fact know — that a large proportion of the public, rightly or wrongly, believes that certain newspapers such as the Citizen and other publications, are being secretly provided with funds by the Government for party political purposes"

At the end of the first day's debate, I answered certain questions posed by members of the Opposition for an hour and a half, without reacting to this remark, because I did not see it as a question.

The following day, Wednesday, 10 May 1978, the debate continued and the leader of the Opposition, Mr C W Eglin, said amongst other things (Hansard, May 10, 1978, col 6427)

"I want to return to a point put by the honourable member for Bezuidenhout, namely that the generally accepted supposition that the newspaper, The Citizen, is supported by secret Government funds, is included in the speculation. This opinion is generally accepted and I believe — I am happy that the Honourable Prime Minister is here — that it is in the interest of the public of South Africa . . (interjections) I believe it is in the interest of the public of South Africa and it would be only fair towards The Citizen itself that the Honourable Prime Minister says explicitly in this debate whether this speculation is true or not — the Honourable Minister of Information can do this on the authority of the Prime Minister I believe this would be fair to the public and to the Citizen itself"

Mr J W E Wiley also touched on the same matter (Hansard, 10 May 1978, col 6452)

"I want to explicitly ask the Minister of Information a direct question seeing he was also the Minister of the Interior Are Government funds being channelled to the Citizen at any level?"

Mr J D du P Basson again entered the debate after that and said about this matter (Hansard 10 May 1978, col 6467)

"We have simply said there is a belief in circulation that The Citizen and other publications are being secretly supported by the Government The Honourable Minister, after the question was put, talked for more than one and a half hours yesterday, but didn't answer it".

"The Minister of Information. It was not a question"

'Mr J du P Basson Of course it was a question! The Honourable Prime Minister must himself realise that that rumour is in circulation Everybody knows about it We are entitled to raise it here and try to get clarity over it I was dumbfounded that we had the Honourable Minister standing up for an hour and a half without him saying a thing about it That is the reason why the honourable member of the Opposition came back to it"

After these speeches I could no longer avoid answering the question and had to decide whether I was going to disclose the secret project and so destroy it At this point the previous Prime Minister, who was in the Assembly, sent a note with the following purport "I think you must meet the question as follows — the Department of Information owns no newspaper in South Africa and operates no newspaper in South Africa"

From this note I concluded that I was definitely not expected to disclose the project I remember that I specifically noticed his double reference to "in South Africa" In my final reply to the debate, I then answered the question with these specific words (Hansard, 10 May 1978, col 6485)

In column 6499 I closed my address, after which Messrs H H Schwarz and J J du P Basson claimed that I had not answered all the questions Mr J D du P Basson (Hansard 10 May 1978, col 6499)

"Mr Chairman, I also put a question to the Honourable Minister to which I have not received an answer We ask the Honourable Minister specifically if the rumour that the Government makes secret money available to The Citizen was true "

"The Minister I have already answered that"

"Mr J D du P Basson. The answer which the Honourable Minister gave — he can correct me — was that the Department of Information were not owners of newspapers. We know that But that was not the question, and I don't want it said again later that we made insinuations I am again putting this simple question to the Honourable Minister, and we would be glad to receive a direct answer"

"The Minister I shall answer that directly by saying that the Department of Information does not give funds to the Citizen"

I was forced in this final stage to give such an answer In the light of the previous debate, and the note from the Prime Minister, from which I had deduced I must not disclose the project, I had on the spur of the moment to make a choice. The clash of duties which arose here was between an oath of secrecy which I had taken as Cabinet Minister on the one side, and on the other the convention and tradition of Parliament that you don't mislead the Assembly It was, however, an almost impossible choice, especially when seen in the light of the fact that, besides the then Prime Minister and Minister Horwood, the rest of the Cabinet at that stage were not aware of our involvement in The Citizen.

The relevant question which arises here is the following If it is regarded by a Minister as being in the national interest to suppress a fact, is it not permissible for him to do it? Is it, for example, justifiable to deny that South African troops were at a particular time in a neighbouring state, if it was judged that it was in the national interest to keep it secret?

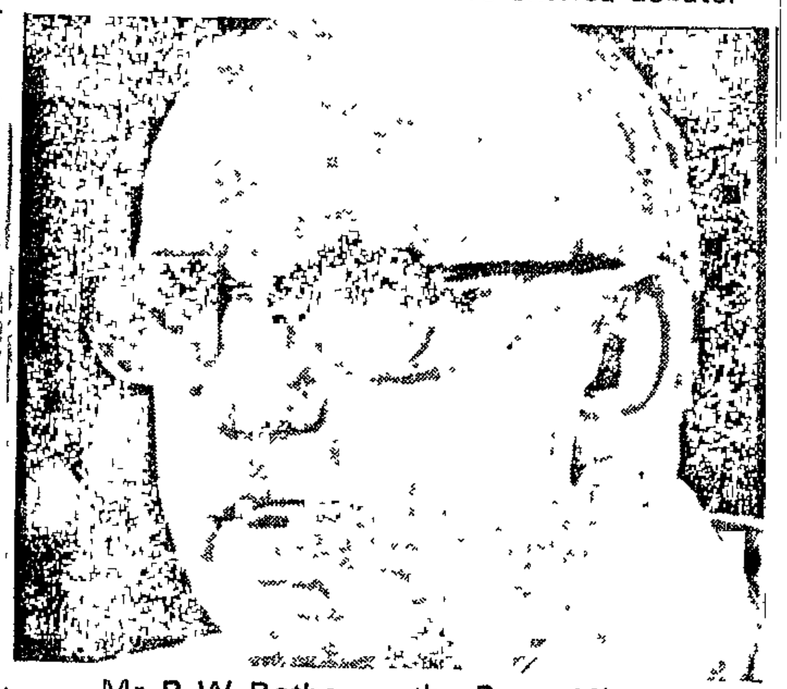
To avoid similar situations for Ministers in the future, the commission made the following recommendation which I wholeheartedly support (Para 14 485, P 103)

"The commission recommends that Parliament considers, where provision for it does not already exist, prohibiting by means of one or other regulation, the putting of questions which have regard to any secret funds of any department to Ministers and the answering of those questions by Ministers in Parliament"

From this recommendation of the commission it can necessarily be concluded that the commission, by implication, understood my distressed situation (noodsituasie) And yet, even today, I am being condemned in the eyes of some people for acting in the interests of South Africa

Mr B J Vorster . . passed note.

Mr J D du P Basson re-entered debate.



Mr P W Botha . the Prime Minister

RDM 30/4/79

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new furore over Info

RDM

no longer avoid replies to the questions and had to decide whether I would reveal the secret project and so destroy it," he said,

"At this time the then Prime Minister, who was in the House, sent me a note as folows:

"'I think you should answer the question like this: The Department of Information does not own any newspaper in South Africa and operates no newspaper in South Africa.'"

Dr Mulder said he had then responded to the questions using Mr Vorster's words

He refused to comment yesterday when asked whether he possessed the original note Mr Vorster allegedly sent him

The allegation is particularly serious because Mr Vorster has repeatedly said he only became aware of the Government funding of The Citizen in August last year.

Dr Mulder and Dr Eschel Rhoodie, the former Secretary for Information now in self-imposed exile, have claimed Mr Vorster was aware of the project from its inception.

Dr Mulder said the Government had always wanted to have an English-language newspaper and claimed Dr Piet Koornhof, Minister of Plural Relations, had once told Mr Vorster the Natal Mercury was for sale.

"The whole matter was fully discussed and it was decided that Dr Koornhof should go ahead with negotiations . . "

From Page 1

wrote to the chairman of the caucus and pointed out certain findings of the Commission to which I objected

"I asked if I could inform the caucus later about these and put my point of view.

"The last caucus meeting, which I could attend, as an MP was on January 31, 1979.

"I wanted to address this caucus meeting on this aspect but even this was not granted to me

"On April 5, 1979 I asked the Transvaal executive to postpone the deadline of 12h00 on April 6, 1977 in order to give me an opportunity to confer with the executive to find a solution to the problem."

This was also refused.

"I could not see my way clear to resign myself unreservedly to all the findings of both reports of the Erasmus Commission and therefore lost my membership of the National Party

"When I was asked for a second time to testify before the Erasmus Commission I wanted to take advantage of the opportunity but I wanted to ensure that I would get a fair hearing.

"To do this in a meaningful manner I directed certain reasonble requests to the Erasmus Commission.

"The decision not to testify arose from the fact the documents as requested were not made available to me for preparation and that my further requests for a fair opportunity to testify meaningfully were not met

"The reproof which the Commission administered to me that my testimony in November was vague and that I regarded everything as detail was precisely because I received such short notice that I could not prepare myself properly and also did not have the opportunity to refresh my memory from documents

"I had to testify on a great many complicated projects which were executed over a period of six years

"Despite that I offered my evidence honestly in these difficult circumstances and where I was vague it was due to the above circumstances.

"Therefore I wanted to prevent a repetition of this state of affairs

"Notwithstanding my negotiations and the letters of my advisers I could not ensure for myself a fair hearing and that is the reason why I did not testify

"After making all these attempts were made and failing in them I now wish to disclose to the public my side of the story with the information at present available to me

"Let the people draw their own conclusions"

Referring to Mr Pik Botha's statement on To the Point, the Leader of the Opposition and leader of the Progressive Federal Party, Mr Colin Eglin, said last night it was a shame the Government continued funding the magazine without having told taxpayers of its involvement in the project

Referring to subsequent efforts to buy or establish an English-language newspaper, Dr Mulder said:

"The original desire to establish an English language newspaper runs like a golden thread from the inception of To the Point, through the Natal Mercury project, the SAAN project and it crystalises in the establishment of the newspaper which was eventually called The Citizen"

The SAAN-project was an attempt by the Government to purchase the newspaper group controlling the Rand Daily Mail

Dr Koornhof last night declined to comment on Dr Mulder's statement in which he questioned whether the unsuccessful attempt to take over the Natal Mercury was a "private undertaking" as Dr Koornhof has testified before the Erasmus Commission

In a statement in the Afrikaans Sunday newspaper Rapport yesterday Dr Mulder said that with a few exceptions he kept quiet for many months over the Information affairs Now he wanted to reveal his side

"Let the people reach their own conclusions," Dr Mulder said

"I was asked by the Prime Minister, Mr P W Botha, not to attend the special caucus meeting on the Information affair in December, 1978

"Before the caucus accepted the first report of the Erasmus Commission, I

Pik admits backing To The Point

RDM 30/4/79
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MR PIK BOTHA
. . . secret funding.

CAPE TOWN — The international publication, To the Point was a secret fund project and in future would be continued with open Government support, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday.

Reacting to statements made by Dr Connie Mulder in the Afrikaans Sunday Press, he said the only condition for the continued Government sponsorship of "To the Point" was that the publication would, under no circumstances begin to support any political party in South Africa, reports Sapa

Mr Botha said that he had informed the chairman of To the Point, Dr John Poorter, of the Government's decision in Cape Town last week

Dr Poorter had been summoned to see Mr Botha in Cape Town and was told that he could inform his personnel about the true situation regarding "To the Point's" Government support

Dr Poorter last night said he believed that the support of the magazine had been in the distribution of its international edition, writes **Brian O'Flaherty**

He said that he had discussed the matter with several members of his staff yesterday and would address the rest of his staff today He would also deal with the matter in his "Editor's Memo" in To The Point on Tuesday

"I am glad that this statement has been made clarifying the situation of To The Point At the same time I want to emphasize that there has never been any question of To The Point being answerable to any outside body.

"I have never as an editor operated other than totally as a journalist. I operated totally independently and been the sole decision maker as to content and policy of the magazine. I never, in any way, referred to any one else"

He said that prior to recently becoming chairman of African International Publishing Company — the company which publishes To The Point — he was "never involved in the magazine's monetary affairs"

Dr Poorter and Mr Steve du Preez, the former general manager of AIPIC, took over control of the magazine from Dutch publisher Mr Hubert Jussen the former chairman of the company, about two weeks ago

Dr Poorter said he had been asked to take over by Mr Jussen — who is also the former chairman of SA Today, the company which published The Citizen.

Until December the managing director of AIPIC was Mr Jan Van Zyl Alberts, who fronted for the Government as SA Today's managing director.

"From what I now understand about Government support it seems to focus on overseas distribution."

He said he had no idea how much money was involved.

To The Point's local edition has a circulation of about 40 000 The overseas circulation is roughly the same

● Mr Gerald Barrie, the former Auditor-General and Secretary for Information at the time of the launching with State money of To The Point, yesterday denied having anything to do with the decision to found the magazine

Asked if he knew of the decision to start the magazine, he said "I would rather not comment on that."

NEW INFO FURORE

259.

RDM 30/4/79

BY MARTIN SCHNEIDER
Political Editor

THE Information scandal blew wide open again yesterday as Dr Connie Mulder released new allegations pointing to a massive Government cover-up and asked the public to decide who was telling the truth.

In a detailed and documented series of statements, Dr Mulder:

● Claimed the former Prime Minister, Mr Vorster, had sent him a note suggesting that he deny in Parliament any Government involvement in the establishment and

Vorster silent on new claims

RDM 259 30/4/79

Political Staff

CAPE TOWN. — The State President, Mr Vorster, yesterday declined comment on new allegations by the former Minister of Information, Dr Connie Mulder, about his involvement in the Information affair.

Dr Mulder's earlier allegations that Mr Vorster had known of The Citizen project, had been fully briefed on all Information secret projects and had been part of a three-man Cabinet committee to oversee the projects, have already publicly been denied by Mr Vorster.

Dr Mulder yesterday repeated his claim about a "committee of three" in the Cabinet and alleged that Mr Vorster had instructed him not to reveal to Parliament that The Citizen was Government-funded.

A statement issued by his office yesterday, said Mr Vorster declined comment on specific allegations, but pointed out that Dr Mulder had repeated claims already rejected by the Erasmus Commission.

"The State President followed the honourable and correct course by giving evidence under oath three times to the Erasmus Commission at his own request about all relevant facts concerning the Information question."

The Minister of Plural Relations, Dr Piet Koornhof, also declined comment on a remark in which Dr Mulder questioned whether the unsuccessful attempt to take over the Natal Mercury was a "private undertaking" as Dr Koornhof had testified.

"Having given evidence before the commission, I am honour-bound not to comment and to await the commission's report," Dr Koornhof said.

The third cabinet minister again implicated by Dr Mulder, the Minister of Finance, Senator Owen Horwood, who has consistently denied knowing secret fund details, was not available for comment last night.

funding of The Citizen newspaper.

- Repeated Dr Eschel Rhoodie's allegation that a Cabinet committee consisting of Mr Vorster, Dr Mulder, and the Minister of Finance, Senator Horwood, controlled all Government secret projects, including The Citizen.
- Disclosed that To the Point magazine was funded by the Government initially from Mr Vorster's Prime Minister's account and later through the Department of Information.

The Minister of Foreign Affairs, Mr Pik Botha, now in charge of the South African Information Service which replaced Dr Mulder's Department of Information when it was disbanded, last night confirmed that To the Point was a Government secret project.

But in an extraordinary statement, Mr Botha said the Government would continue funding the magazine provided the publication would under no circumstances supported any political party in South Africa.

The former Prime Minister, Mr Vorster, now State President, declined to comment on Dr Mulder's allegations which followed his refusal last week to testify before the Erasmus Commission investigating the Information scandal.

The Commission has cleared Mr Vorster and the entire Cabinet of his successor, Mr P W Botha, of all complicity in the R64-million scandal.

Mr Botha has said he would resign and call a General Election if it were proved any member of the existing Cabinet knew of The Citizen project before September last year when Mr Vorster officially told the Cabinet shortly before his resignation as Prime Minister.

Dr Mulder, who was expelled from the National Party last month after refusing to accept the findings of the Erasmus Commission, said in his statements yesterday he had been refused a fair hearing by his party.

"After all my unsuccessful efforts I want to put my case before the public with the evidence at my disposal," he said. "Let the people now draw their own conclusions."

His most damaging allegation involved his denial in Parliament last May that The Citizen newspaper was funded by the Government.

Recalling how the Opposition repeatedly asked him questions about The Citizen, Dr Mulder said he eventually received a note from Mr Vorster in the House of Assembly.

"After all these speeches

Tell it to commission, Erasmus tells Connie

RDM 30/4/79 259

By BRIAN O'FLAHERTY

JUDGE Rudolph Erasmus last night said he would like Dr Connie Mulder to give testimony to his commission on his startling weekend disclosures about the Information scandal.

Asked if he would recall Dr Mulder, Judge Erasmus said he might ask the secretary to his commission, Mr Johan Geyser, to contact Dr Mulder today and ask him "what his plans are".

Dr Mulder refused to give evidence before the Erasmus Commission last week because it would not release to him documents and evidence submitted by previous witnesses.

Speaking from his home in Bloemfontein yesterday, Judge Erasmus said he had not had time to consider all the implications of Dr Mulder's refusal to testify.

"This man has a great deal of information on certain aspects. My purpose is not to prosecute but if we can't fulfil our mandate we must consider taking action.

"He can reconsider if he would like to come and say to the commission what he has said to the Press. Then we can test the evidence."

Mulder starts new furore over Info

From Page 1

no longer avoid replies to the questions and had to decide whether I would reveal the secret project and so destroy it," he said.

"At this time the then Prime Minister, who was in the House, sent me a note as folows:

"'I think you should answer the question like this: The Department of Information does not own any newspaper in South Africa and operates no newspaper in South Africa.'"

Dr Mulder said he had then responded to the questions using Mr Vorster's words.

He refused to comment yesterday when asked whether he possessed the original note Mr Vorster allegedly sent him.

The allegation is particularly serious because Mr Vorster has repeatedly said he only became aware of the Government funding of The Citizen in August last year.

Dr Mulder and Dr Eschel Rhoodie, the former Secretary for Information now in self-imposed exile, have claimed Mr Vorster was aware of the project from its inception.

Dr Mulder said the Government had always wanted to have an English-language newspaper and claimed Dr Piet Koornhof, Minister of Plural Relations, had once told Mr Vorster the Natal Mercury was for sale.

"The whole matter was fully discussed and it was decided that Dr Koornhof should go ahead with negotiations . ."

Referring to subsequent efforts to buy or establish an English-language newspaper, Dr Mulder said:

"The original desire to establish an English language newspaper runs like a golden thread from the inception of To the Point, through the Natal Mercury project, the SAAN project and it crystalises in the establishment of the newspaper which was eventually called The Citizen."

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wrote to the chairman of the caucus and pointed out certain findings of the Commission to which I objected.

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"The last caucus meeting which I could attend as an MP was on January 31, 1979.

"I wanted to address this caucus meeting on this aspect but even this was not granted to me.

"On April 5, 1979 I asked the Transvaal executive to postpone the deadline of 12h00 on April 6, 1977 in order to give me an opportunity to confer with the executive to find a solution to the problem."

This was also refused.

"I could not see my way clear to resign myself unreservedly to all the findings of both reports of the Erasmus Commission and therefore lost my membership of the National Party.

"When I was asked for a second time to testify before the Erasmus Commission I wanted to take advantage of the opportunity but I wanted to ensure that I would get a fair hearing.

"To do this in a meaningful manner I directed certain reasonble requests to the Erasmus Commission.

"The decision not to testify arose from the fact the documents as requested were not made available to me for preparation and that my further requests for a fair opportunity to testify meaningfully were not met.

"The reproof which the Commission admimstered to me that my testimony in November was vague and that I regarded everything as detail was precisely because I received such short notice that I could not prepare myself properly and also did not have the opportunity to refresh my memory from documents.

"I had to testify on a great many complicated projects which were executed over a period of six years.

"Despite that I offered my evidence honestly in these difficult circumstances and where I was vague it was due to the

The SAAN-project was an attempt by the Government to purchase the newspaper group controlling the Rand Daily Mail.

Dr Koornhof last night declined to comment on Dr Mulder's statement in which he questioned whether the unsuccessful attempt to take over the Natal Mercury was a "private undertaking" as Dr Koornhof has testified before the Erasmus Commission.

In a statement in the Afrikaans Sunday newspaper Rapport yesterday Dr Mulder said that with a few exceptions he kept quiet for many months over the Information affairs. Now he wanted to reveal his side.

"Let the people reach their own conclusions," Dr Mulder said.

"I was asked by the Prime Minister, Mr P W Botha, not to attend the special caucus meeting on the Information affair in December, 1978

"Before the caucus accepted the first report of the Erasmus Commission, I

"Despite that I offered my evidence honestly in these difficult circumstances and where I was vague it was due to the

above circumstances.

"Therefore I wanted to prevent a repetition of this state of affairs.

"Notwithstanding my negotiations and the letters of my advisers I could not ensure for myself a fair hearing and that is the reason why I did not testify.

"After making all these attempts were made and failing in them I now wish to disclose to the public my side of the story with the information at present available to me.

"Let the people draw their own conclusions."

Referring to Mr Pik Botha's statement on To the Point, the Leader of the Opposition and leader of the Progressive Federal Party, Mr Colin Eglin, said last night it was a shame the Government continued funding the magazine without having told taxpayers of its involvement in the project.

NCE OF THE BIBLE

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To the Point State-funded — Pik Botha

By MICHAEL ACOTT
Political Correspondent

THE Minister of Foreign Affairs, Mr Pik Botha, announced last night that the news magazine To the Point was a former Information secret project and would in future be funded openly with public money.

Mr Botha said the magazine had put the South African viewpoint abroad and was not involved in domestic politics The State funding would continue on condition that it did not support any South African political party

There have been repeated rumours that the magazine, started in the early 1970s, was secretly financed by the State

The former secretary for Information, Dr Eschel Rhoodie, was its first assistant editor, while the magazine's present director, Dr John Poorter, was appointed editor while Director of Information at the South African Embassy in London

Mr Botha, who took over the scaled-down Information service last September, has refused to answer parliamentary questions on the issue

His statement yesterday, which followed a disclosure in the Afrikaans Sunday newspaper Rapport by the former minister of Information, Dr Connie Mulder, drew immediate criticism from opposition parties

Mr Pik Botha

Similar funding

They regarded To the Point as a pro-government journal and saw a parallel between the covert State funding of the Citizen newspaper, which the present government has condemned, and similar funding of To The Point, which it has continued since last September

The Leader of the Opposition, Mr Colin Eglin, said he was shocked, while the New Republic Party information spokesman, Mr John Malcomess, said the decision was "scandalous".

Mr Eglin said the disclosure made the present government as guilty as Dr Mulder had ever been

"Clearly, if it was irregular and reprehensible to have funded the Citizen secretly from public funds, then it was also irregular and reprehensible to have done this in the case of To the Point," he said

The New Republic Party leader, Mr Vause Raw, called for an all-party committee to oversee the magazine's editorial policy if it was to be subsidized with public funds He said the journal could not be left in the hands of an editor who was responsible to the National Party and could not be impartial.

Mr Pik Botha was supported by the South African Party leader, Mr John Wiley, who described To the Point as "a first-class publication" which had done much good for the country

Mr Botha said he informed Dr Poorter of the government's decision in Cape Town last week Dr Poorter was told the government would not prescribe editorial policy and the only condition of continued government funding was that "the journal must under no circumstances begin to support any political party in South Africa"

Dr Poorter was also told he could inform his personnel about the true situation regarding the magazine's government support, and said he intended to do so through the magazine's columns

Mr Botha said this was one of the projects which he would deal with further in his proposed explanation to opposition Information spokesmen.

"This was one of the secret projects which was recently assigned to the Information service of South Africa," said Mr Botha

"As is the case with the other projects, this one had also to be investigated thoroughly in order to determine what the financial implications of the project were.

"It was also necessary to obtain clarity about a reserve fund built up for the periodical and changes in the management which had to be effected

"Furthermore, there was the question of possible contractual obligations which required attention," Mr Botha said

Mr Eglin said he was shocked at the belated admission that the Botha government had continued to finance To the Point from secret funds

"Dr Connie Mulder's revelations have thrown the whole Information scandal wide open once again

"Whatever the government's future intention as far as To the Point may be, the fact is that the government continued to finance the pro-government To the Point — which has an extensive circulation in South Africa — with taxpayers' money for the past seven months without telling Parliament or the people who pay the taxes

"When will the full story of the Information scandal be brought into the open?"

Mr Raw said while it was no surprise to learn of the government funding of To the Point, it raised a fundamental principle of where the line was to be drawn between national information projection and party politics

"To leave the policy of this

To page 2

Mulder statement page 2

From page 1

paper to one man who is responsible to the National Party and thus cannot possibly be impartial is quite unacceptable This is a matter which has to be evaluated on an all-party basis

Having restarted "the whole cycle of accusation and denial" it was all the more vital that Dr Mulder be made to testify before the Erasmus Commission, which would present its final report on the Information affair next month

If he continues to refuse the law should take its course

Mr Malcomess described the intention to continue the public funding of To the Point as "scandalous He could see no point in continuing a situation similar to the public funding of the Citizen

"It is basically continuing on the same theme of using public funds to put over government policy

Mr Wiley said he was in favour of the continued government funding of the magazine Wherever he had read it, inside or outside South Africa, it had done a lot of good for the country

"I cannot understand why the government should be so much on the defensive about numerous Information projects which have been of great benefit to the country Instead of trying to deny the existence of a project or their participation in it, the government should state openly it had subsidized projects which had been in South Africa's best interests

'I was forced . . . to give such an answer'

C. 30/4/79 (259)

Own Correspondent

JOHANNESBURG — The text of the statement issued by the former minister of Infomation, Dr Connie Mulder, to Rapport yesterday

The "lie" in the Assembly on May 10 1978

BECAUSE the commission, on page 14 of its interim report, paragraph 48, referred to the so-called lie which I am supposed to have told in the Assembly, I feel obliged to also deal with this matter

What are the facts?

The success of secret projects which are tackled out of a specific secret fund obviously depends on the degree to which the projects are not revealed The disclosure of such projects makes their existence, and that of a secret fund, senseless

The same argument holds as regards activities financed out of the prime minister's special account for security services, as well as for projects and activities which are tackled out of the Department of Defence's special account As regards these matters, there also applies a courtesy rule that no unnecessary questions are asked about them in Parliament The same rule did not apply as regards the Department of Information, apparently because the existence of the funds was not known to Parliament

Questions

In 1978 various written questions about matters which concerned the secret projects of the former Department of Information were put to me by members of the opposition Because the written answers to such questions created an impossible situation for me I approached the former prime minister for advice After a discussion of the matter he suggested that I answer all written questions asked in this connection as follows

'Taking into consideration the fierce struggle which is being ewaged internationally on all fronts against South Africa it is not in South Africa's interest to acknowledge or deny that use is made of the services of certain people, firms, organizations or companies or not and whether money is, or is not paid over to the above "

Various written questions which were put to me were also answered by me with this specific wording (Question from Dr Z J de Beer, no 603, Hansard 1978 weekly no 15, questions and answers col 702 from Mr J D du P Basson, question 605, weekly no 15, question and answer col 703, Mr I F A de Villiers, question 606, weekly no 15, question and answer col 704)

Budget debate

In my budget debate in the Assembly I also put my own viewpoint on this matter to an opposition member as follows (Hansard, May 10, 1978, col 6486)

"If the honourable member, however, continues with these questions in regard to organizations, he must not think that I am so stupid that I will play along with him If he asks about a certain organization and I say "no" he asks the same again in connection with another one and I say "no" So he goes on, and this time when I refuse to answer he immediately says that that organization receives money from the department I am not going to answer these sort of questions, because every organization in the country could in this manner fall under suspicion "

My budget debate lasted two days in 1978 On the first day, Tuesday, May 9, 1978, Mr J D du P Basson addressed himself to the previous prime minister and said the following

(Hansard, May 9, 1978, col 6333)

"I think the honourable prime minister must know — I am certain that he does in fact know — that a large proportion of the public, rightly or wrongly, believes that certain newspapers, such as the Citizen and other publications are being secretly provided with funds by the government for party political purposes

At the end of the first day's debate I answered certain questions posed by members of the opposition for an hour and a half without reacting to this remark, because I did not see it as a question

Speculation

The following day Wednesday May 10, 1978 the debate continued and the Leader of the Opposition, Mr C W Eglin, said among other things (Hansard May 10, 1978, col 6427)

"I want to return to a point put by the honourable member for Bezuidenhout, namely that the generally-accepted supposition that the newspaper the Citizen, is supported by secret government funds, is included in the speculation

"This opinion is generally accepted and I believe, I am happy that the honourable prime minister is here, that it is in the interest of the public of South Africa (interjections) I believe it is in the interest of the public of South Africa, and it would be only fair towards the Citizen itself that the honourable prime minister says explicitly in this debate whether this speculation is true or not, the honourable minister of Information can do this on the authority of the prime minister I believe this would be fair to the public and to the Citizen itself '

Mr J W E Wiley also touched on the same matter (Hansard May 10, 1978, col 6452)

"I want to explicitly ask the minister of Information a direct question, seeing he was also the minister of the Interior are government funds being channelled to the Citizen at any level?'

Mr J D du P Basson again entered the debate after that and said about this matter (Hansard May 10 1978 col 6467)

"We have simply said there is a belief in circulation that the Citizen and other publications are being secretly supported by the government The honourable minister, after the question was put, talked for more than one and a half hours yesterday but didn't answer it "

"The minister of Information It was not a question

'Mr J du P Basson Of course it was a question! The honourable prime minister must himself realize that that rumour is in circulation. Everybody knows about it We are entitled to raise it here and try to get clarity over it I was dumbfounded that we had the honourable minister standing up for an hour and a half without him saying a thing about it That is the reason why the honourable member of the opposition came back to it "

Note

After these speeches I could no longer avoid answering the question and had to decide whether 'I was going to disclose the secret project and so destroy it At this point the previous prime minister, who was in the Assembly, sent a note with the following purport "I think you must meet the question as follows — 'The Department of Information owns no newspaper in South Africa and operates no newspaper in South Africa'."

From this note I concluded that I was definitely not expected to disclose the project. I remember that I specifically noticed his double reference to "in South Africa In my final reply to the debate I then answered the question with these specific words (Hansard May 10, 1978, col 6485)

In column 6499 I closed my address, after which Mr H H Schwarz and Mr J J du P Basson claimed that I had not answered all the questions Mr J D du P Basson (Hansard May 10, 1978, col 6499)

"Mr Chairman, I also put a question to the honourable minister to which I have not received an answer We ask the honourable minister specifically if the rumour that the government makes secret money available to the Citizen was true "

"The minister I have already answered that "

"Mr J D du P Basson. The answer which the honourable minister gave — he can correct me — was that the Department of Information were not owners of newspapers We know that But that was not the question, and I don't want it said again later that we made insinuations I am again putting this simple question to the honourable minister and we would be glad to receive a direct answer "

"The minister I shall answer that directly by saying that the Department of Information does not give funds to the Citizen "

I was forced in this final stage to give such an answer

In the light of the previous debate and the note from the prime minister, from which I had deduced I must not disclose the project, I had on the spur of the moment to make a choice The clash of duties which arose here was between an oath of secrecy which I had taken as Cabinet minister on the one side, and on the other the convention and tradition of Parliament that you don't mislead the Assembly

It was, however, an almost impossible choice, especially when seen in the light of the fact, that apart from the then prime minister and Minister Horwood the rest of the Cabinet at that stage were not aware of our involvement in the Citizen

The relevant question which arises here is the following if it is regarded by a minister as being in the national interest to suppress a fact, is it not permissible for him to do it? Is it for example, justifiable to deny that South African troops were at a particular time in a neighbouring state, if it was judged that it was in the national interest to keep it secret?

To avoid similar situations for ministers in the future, the commission made the following recommendation which I wholeheartedly support

Paragraph 14 485 page 103 The commission recommends that Parliament considers, where provision for it does not already exist, prohibiting by means of one or other regulation, the putting of questions which have regard to any secret funds of any department to ministers and the answering of those questions by ministers in Parliament

From this recommendation of the commission it can necessarily be concluded that the commission, by implication, understood my distressed situation And yet, even today, I am being condemned in the eyes of some people for acting in the interests of South Africa

Citizen: Mulder tells of 'Vorster note'

CT. 30/4/79

(259)

Dr Connie Mulder

JOHANNESBURG. — Dr Connie Mulder, the former minister of Information, who last week refused to testify before the Erasmus Commission, has issued a statement which for the first time makes public his side in the Information scandal

In his statement Dr Mulder said that at one stage, when he was under strong pressure from questions on the Citizen by the Opposition in Parliament, the former prime minister, Mr Vorster, sent him a note which said· "I think you must meet the question as follows· 'The Department of Information possesses no funds in South Africa and runs no newspaper in South Africa'."

Dr Mulder said he thereupon directly denied that the Department of Information had provided funds for the Citizen.

"The clash of duties that arose here was between an oath of secrecy that I had taken as a Cabinet minister and the convention and tradition of Parliament not to mislead Parliament," he says.

From the Erasmus Commission's recommendation that questions on the spending of secret funds should not be allowed in Parliament, he inferred that the commission by implication understood his dilemma.

In his statement, published in the Afrikaans Sunday newspaper Rapport, Dr Mulder said· "After all my unsuccessful attempts I want, with the information at my disposal, to make my case available to the public Let the people themselves now draw their own conclusions."

He said this was the story he had so far tried unsuccessfully to tell Parliament, the caucus of the National Party and the Transvaal executive committee of the party.

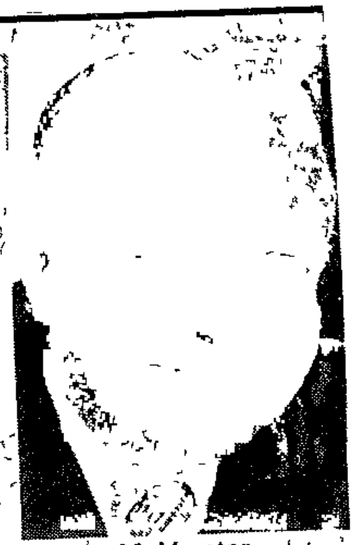
Rapport said that in the statement Dr Mulder differed with various findings of the Erasmus Commission, told why he felt obliged to deny in Parliament the government's involvement in the Citizen, and made allegations that would refuel the fires of the Information debacle.

Dr Mulder said the periodical To the Point was started by the State and originally financed out of the budget of the former prime minister, Mr Vorster

This decision, taken by himself, Mr Vorster, Dr Nico Diederichs, then minister of finance, General Hendrik van den Bergh and Mr Gerald Barrie, established the principle that a publication that took a political stand could be established with State funds.

Dr Mulder said he, Mr Vorster and Dr Diederichs met frequently to consider secret projects, receive reports on secret actions, view exhibitions of projects and take decisions on specific matters. The three ministers were known to the officials concerned as the Committee of Three

Rapport said many of Dr Mulder's allegations concurred with those made earlier by Dr Eschel Rhoodie and which have been denied by the members of the Cabinet concerned — Sapa



Mr Vorster

Rhoodie and Pieterse may be sued for R1-million

Star 30/4/79.

259

Political Staff

CAPE TOWN — The State Attorney has been asked to sue Dr Eschel Rhoodie and Mr Andre Pieterse for amounts which could run to about R1-million

The money is part of the massive secret funds which had been irregularly used or allocated by the former Secretary of Information

The request to the State Attorney to start proceedings to retrieve the money has come from the Pretorius Committee which has been evaluating secret Information projects and trying to secure State assets since October 17 last year.

The committee's findings have been considered by the State Security Council and a summary of these was tabled in Parliament today by the Prime Minister, Mr P W Botha

The money being claimed from both Dr Rhoodie and Mr Pieterse, a film magnate, is R825 000 plus statutory interest.

CLAIMS

Dr Rhoodie also faces a separate claim for R33 205 plus interest, which is for State funds he used in February 1976 to buy a flat at Plettenberg Bay from Oscardee (Pty) Ltd

The committee says in its report it would also, as soon as possible, ask the State Attorney to institute such further claims in favour of the State as can be reasonably proved

It points out that the State Attorney, in any case, has a general instruction in this regard

The R825 000 to be claimed from Dr Rhoodie and Mr Pieterse is the amount which was involved in a loan agreement on November 26 1976 between Thor Communicators, an Information front organisation, and Ma'Africa, one of Mr Pieterse's companies.

PRETENCE

The Pretorius committee says according to available information the loan agreement was only a pretence The money was destined for a secret State project, but because it could not be applied immediately, it was invested on fixed deposit with a commercial bank

At that time one of Mr Pieterse's companies owed certain amounts to creditors At Mr Pieterse's request, and with Dr Rhoodie's consent, the fixed deposit certificates for the amount were pledged in favour of the creditors

Mr Pieterse's company did not not pay its creditors and the fixed deposits were called up. This resulted in the loss to the State of the amount

"According to available information the application of these State funds was for private purposes, and Dr Rhoodie's action was irregular and without any authorisation," the commitee says.

● The Government recently traced Dr Rhoodie to a South Ametrican country and tried unsuccessfully to have him extradited.

At a press conference in Cape Town today, the Minister of Foreign Affairs, Mr Pik Botha, said the Government heard recently that Dr Rhoodie was in a certain South American country where South Africa did not have representation

State has recovered R5-m of Info money

Political Correspondent

THE ASSEMBLY — An amount of R5 075 436, the value of fixed properties overseas and sums involved in activities of the old Department of Information, has been recouped for the State, according to a report of the Pretorius committee

In addition, a number of properties — including a block of flats and two business premises — were registered in the name of the State

A summary of the report of the committee was tabled in the Assembly this afternoon by the Prime Minister, Mr P W Botha.

The committee was appointed last October to evaluate secret projects of the former department and to make recommendations with regard to projects which should be terminated or continued

SUMMARY

The committee also had to deal with the desirability of secretly financing projects or otherwise and it had to take steps to recoup any assets which had been obtained by any front organisations or persons

The report tabled today was the fifth completed by the commitee and is a summary of its progress to date

The first report was given to opposition leaders last year and was mentioned in the short session of Parliament in December

The National Security Council dealt with the other four.

All overseas fixed properties connected with the former department of information were sold for R737 753.

On the instructions of the committee the State Attorney registered the following fixed properties in the name of the State:

● Ten flats with parking space in Valhalla, Clifton, Cape.

● A house in Pretoria

● An erf in Plettenberg Bay which was registered in the name of Dr E M Rhoodie, on which Mrs Rhoodie had power of attorney. She signed for the transfer with the permission of Dr Rhoodie's attorney.

The estimated value of these properties is R500 000.

● Two business sites worth R1 250 000 which were registered in the name of a front organisation.

● A further house bought partly with State funds

The State required a fourth of a share in a farm known as Vrek-Ver Boerdery through a front organisation, "Lotonyanda" The purchase price was R160 000, plus maintenance costs

CLARITY

A businessman, Mr J van Zyl Alberts, alleged that the deal went through in 1975 on the instructions of Dr Rhoodie.

Mr Alberts further alleges that he bought a quarter-share in the farm and that he later on bought the State's quarter-share. There is still no clarity on this, the report says

Accountants are investigating Mr Alberts' involvement

The report says there may still be one or more properties bought partly with State money where moneys can be claimed back

In addition to the money and properties, the commission has attached a fixed deposit certificate amounting to R50 000 which will be called up on the expiry date, as well as a draft amounting to R313 463 which, the report says, would be called up on April 23 1979

Mulder explains 'clash of duties' in Info row

A note passed to Dr Connie Mulder, then Minister of Information, by the then Prime Minister, Mr Vorster, during a parliamentary debate on The Citizen, has created further controversy in the Information scandal

Dr Mulder told of the note in a statement to the Sunday newspaper Rapport.

He said the note was passed during a parliamentary debate in May 1978 when opposition MPs, notably Mr Japie Basson (PFP), were demanding to know whether The Citizen or other publications were secretly funded by the Government

Mr Vorster, Dr Mulder said, then sent him the note This said: "I think you must answer the question as follows The Department of Information owns no newspaper in South Africa and runs no newspaper in South Africa."

Dr Mulder said in his statement: "From this note I deduced that I was certainly not bound to reveal the project" He said he answered the question using the words in the note.

PRESSED

However, Mr Basson claimed the question had not been answered, and again asked whether secret Government funds were made available to The Citizen

Dr Mulder replied: "I have already answered." But Mr Basson continued to press for an answer to the question

Dr Mulder then replied: "I will directly answer by saying the Department of Information did not give funds to The Citizen"

In his statement, Dr Mulder said he had to make a decision on the spur of the moment

"The clash of duties that arose was between an oath of secrecy which I had made as a Cabinet Minister, on the one side, and the convention and tradition of Parliament not to mislead the House, on the other"

Dr Mulder said To the Point magazine was established with funds from the Prime Minister's budget.

The next attempt to obtain an English-language organ came when Dr Mulder was called to Mr Vorster's office, and found Dr Koornhof, then Minister of Sport, there

Dr Koornhof said the Natal Mercury was for sale

Dr Mulder said Dr Koornhof had testified to the Erasmus Commission that the proposed purchase of the Mercury had nothing to do with the State, but was a private undertaking.

Dr Mulder asked why Dr Koornhof discussed this with him and the Prime Minister, if this was a private undertaking

He then told of a braai on August 9 1975, when the new BOSS offices in Pretoria were opened

This was when Mr J van Zyl Alberts suggested buying shares in the SAAN group to gain control of it

Dr Mulder confirmed the claim by Dr Eschel Rhoodie, former Secretary for Information, that a "Committee of Three" considered secret projects This committee consisted of Mr Vorster, Dr Mulder and Dr Diederichs and later his successor as Minister of Finance, Senator Horwood

He said Senator Horwood knew of some secret projects.

Dr Mulder also said that the Committee of Three decided to make 10-million dollars available in an attempt to put the Washington Star in the hands of people less negatively disposed to South Africa.

Dr Connie Mulder . . . startling new revelations.

Schwarz demands To The Point closure

Political Correspondent

CAPE TOWN — The Opposition today called for the immediate closing down of To The Point magazine, following the disclosure that the Government had secretly spent R14 m on it.

Mr Harry Schwarz, one of the Progressive Federal Party's chief spokesman on information matters, was reacting to an announcement that the Government intends supporting the magazine openly, on condition that it does not support any political party.

Mr Schwarz said today that Mr Pik Botha's latest statement gave no justification for the continuation of To The Point.

"It is being continued under the Botha government while this government should have closed it down the moment the facts became known to it

"There can be no justification for a magazine operating in a private enterprise field where the Minister says there is no control on editorial policy and which has a history of supporting the Government in internal activity.

"To The Point must be closed down without any delay whatsoever," he said

"There is no difference, in principle, between this and the Citizen and the continuance of this publication from the time the responsibility of this Government and this Prime Minister."

Mr Justice Rudolph Erasmus

On February 6 Mr Schwarz said in Parliament that [illegible] Pik Botha on [illegible] line. He pointed out that To The Point was not mentioned in the Erasmus Commission report.

Opposition attempts to [illegible] liament were unsuccessful.

He indicated that he could not answer at that stage but it became clear that To The Point would eventually be unmasked as an information project

Mr Schwarz said today that it was remarkable that only after Dr Connie Mulder's disclosure was there a public response and admission which was previously refused in Parliament.

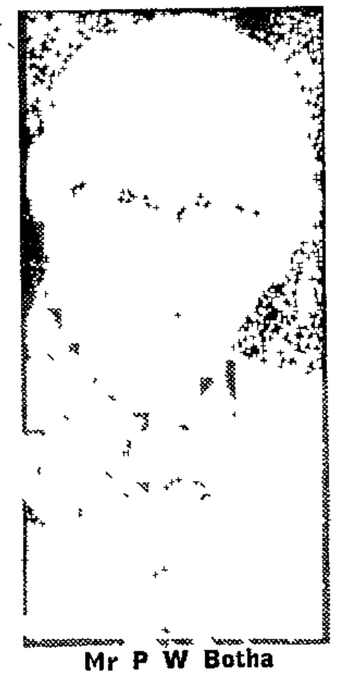
He also said it was time a mechanism was evolved through which the truth of the Information Department's dealings could finally be established.

This could only be done if those who were giving conflicting evidence to the Erasmus Commission were cross-examined in public or a parliamentary select committee was appointed to test where the truth lay

"I don't believe the Erasmus Commission, in its present form, can solve this problem The Government will have to look to a new mechanism

Mr Schwarz said that if the Erasmus Commission had acceded to the PFP's original request before it began hearings for the party to be represented on the commission, the problems in which it found itself would not have arisen.

"We would have been [illegible]



Mr P W Botha

Connie afraid of being questioned, says chairman

Mr Justice Erasmus said yesterday that Dr Connie Mulder had refused to testify to the Erasmus Commission because he was afraid of being placed under cross-examination

The judge was one of the men who rejected Dr Mulder's latest claims

Another was Mr Gerald Barrie, former Secretary for Information and former Auditor-General, who denied that he helped decide the State should found the magazine To The Point.

Mr Justice Erasmus said last week that Dr [illegible]

The financing decision was taken by himself, Mr Vorster, Dr Diederichs then Minister of Finance, General van den Bergh and Mr Barrie, then Secretary for Information.

Mr Barrie denied yesterday he was part of any such group.

"I had no power, as Secretary for Information to give any approval for any project that was not financed by the Department of Information," he said.

Mr Barrie also issued a statement rejecting an ac[illegible]

PM: The facts say otherwise

Political Correspondent

CAPE TOWN — The Prime Minister, Mr P W Botha, said today that Dr Connie Mulder's statement to Rapport yesterday did not accord with the facts

Dr Mulder was chewing over old matters, said Mr Botha. He regarded it as unnecessary to react to details of Dr Mulder's statement

Asked about that part of Dr Mulder's statement that dealt with the former Minister of Finance, Dr Diederichs, having finalised arrangements with Mr Botha for transfer of funds from the Special Defence Account to the Information Department, the Prime Minister said through his Press Secretary that it was on record that he had strenuously objected to the transfer.

As an example that Dr Mulder's statement did not accord with the facts, Mr Botha referred to Dr Mulder's allegation that he was not given the opportunity to put his case to the caucus

The Prime Minister said what had happened was that after Dr Mulder had left the Cabinet Dr Mulder had telephoned him to discuss a strategy for the short session of Parliament in December.

Mr Botha said he told him he could not discuss such a thing for the same reasons as he had asked Dr Mulder to leave the Cabinet.

After the short session Mr Botha had written a letter to Dr Mulder saying Dr Mulder's continued membership of Parliament was not in the interests of the National Party or of Dr Mulder himself.

"I asked him to resign but he did not reply and I made no further requests to him," Mr Botha said.

Nats show growing concern

Political Staff

CAPE TOWN — Nationalist spokesmen expressed serious concern today about the further serious effects Dr Connie Mulder's latest Information disclosures could have on party morale

They saw Dr Mulder's dramatic weekend statement as a clear attempt to now "pull in the pillars" as he already threatened to do late last year after being forced out as a Cabinet Minister and later as Transvaal Nationalist leader.

At parliamentary level they say the party stands united behind Mr P W Botha and his Government.

But their fear is that at grassroots level of the party there could be growing sympathy for Dr Mulder and growing suspicions that he has been singled out to carry the Information can alone.

Their greatest concern is that Dr Mulder's refusal to give evidence before the Erasmus Commission and his subsequent disclosures have come at the critical time when the Government was showing signs of success at throwing off the Information albatross.

Interviewed today, Dr Mulder confirmed the reports in Rapport.

PM releases letter to Mulder

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  Marketing profitability analyses – is the company

the situation is the re-

'Verligte' policy for State-funded magazine

The State-funded news magazine To The Point will commit itself in tomorrow's issue to an "independent, dynamic and verligte" editorial policy opposed to petty apartheid and favouring rapid development for all races.

The credibility of the magazine is threatened by the revelation that R14-million was poured into it by the State To The Point has a circulation of about 30 000 in South Africa and roughly the same for its overseas edition

The chairman-editor of the magazine, Dr John Poorter, said readers not acquainted with the magazine might now be inclined to dismiss it "In this sense our credibility is at stake," he told The Star

But he believed the magazine would survive and said he had enough confidence in it to trust that its readers inside and outside South Africa would judge it on its content.

Dr Poorter said he welcomed Mr Pik Botha's statement at the weekend that To The Point was a secret project and would continue with open Government support The editor said the statement had shed light on a situation which would have been put into the magazine earlier this session of Parliament

continued to harm the magazine in the absence of clarification

Dr Poorter stressed that his editorial policy would remain independent.

Asked what the Government stood to gain from funding the magazine, the editor said To The Point was opposed to "destructive" trends in southern Africa and the Government undoubtedly had an interest in supporting this line

But there was a difference "between producing a magazine to please the Government and producing one that pleases the Government," he added

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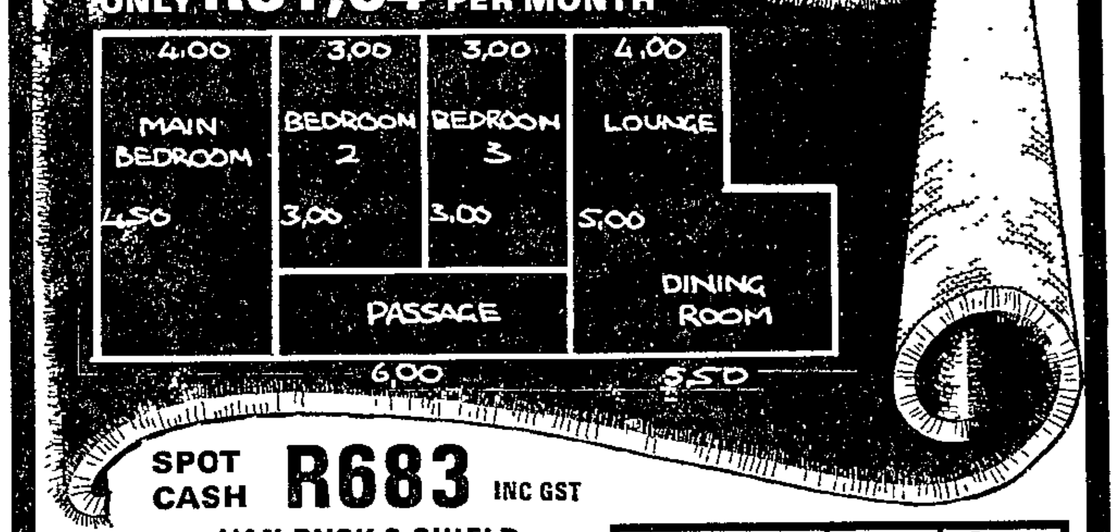

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Ask for Trevor Longden

Mulder: another lie nailed

Dr Connie Mulder, the former Minister of Information, not only lied to Parliament about Government financing of The Citizen, but he also lied six years ago about Government involvement in To The Point.

The former Prime Minister, Mr John Vorster, was in the House when Dr Mulder made the statement about To The Point

It is recorded in Hansard that on May 20, 1973, Mr Andre Fourie, the former MP for Turffontein, tabled a number of written questions about the magazine

Dr Mulder replied that the department had bought 1 000 copies of every issue at a total cost of R5 000 since October, 1972, and the copies had been circulated to his department's offices, South African missions abroad and in Pretoria.

Hansard records Mr George Oliver, then UP MP for Kensington, asked "Mr Speaker, arising from the Honourable Minister's reply, may I ask him whether his department has given or is giving any other financial assistance or support to this particular publication

Dr Mulder: "The reply, sir, is no"

Unless otherwise stated all political reports in The Star by H W Leggatt T R Duff A H G Wentzel G R Linscott, F S Esterhuyse J D Battersby and L H Marshall Cartoons by A Berry D Fedler J Jackson J Leyden and G Muller Headlines and posters by B Howard Political comment by H W Tyson All of 47 Sauer Street, Johannesburg.

dog"

have access to the documents he sought, provided he first took the oath.

Dr Muller denied he was told this

TESTIFIED

The judge yesterday said Dr Mulder knew exactly what the procedure was as he had testified twice before to the commission and the matter had been explained to him again last week, before he refused to testify

Mr Justice Erasmus said witnesses first had to take the oath before being shown previous evidence, to ensure they did not divulge it

"We then put all the facts given by previous witnesses, including documents that he may wish to see," the judge said Dr Mulder could have asked for an adjournment to examine the documents

In addition documents not previously used in testimony, were made available to Dr Mulder

INVITATION

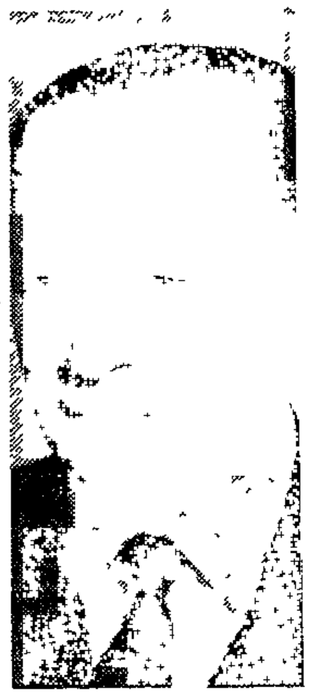
"He did not want to give evidence because he did not want to be cross-examined"

The judge asked why Dr Mulder went to the Press with further claims that a three-man Cabinet committee approved secret projects, instead of accepting the commission's invitation to anyone to give evidence on Cabinet participation.

He said a decision on whether Dr Mulder would be charged for failing to give evidence, would be made this week

Dr Mulder also stated at the weekend that the news magazine, To the Point, was initially financed from the budget of the former Prime Minister, Mr Vorster.

that he (Mr Barrie) had shown contempt for Parliament in handing a report to Mr Vorster and Dr Mulder rather than to Parliament



MR GERALD BARRIE . . . former Information Secretary.

CAPE TOWN — The Prime Minister, Mr P W Botha, has released the text of a letter he wrote to Dr Connie Mulder asking Dr Mulder to resign his seat in Parliament

The Prime Minister in a statement today referred to the letter as evidence that Dr Mulder's disclosures yesterday did not accord with the facts

The letter reads:

"Dear friend,

"The unpleasant debate in the Assemby is now past, but I am afraid the echoes will continue to be heard for a long time.

"As you are no doubt aware, your letter has been read to the caucus

"Furthermore you undoubtedly know that I told the Opposition that I was not prepared to humiliate you

"I think I have com-

peded with my duty in that regard But you will have to accept that your continued presence as a Member of Parliament is not in the best interests of yourself, of the party or of South Africa

"I therefore want to make a friendly request that you reconsider your position in Parliament and put the party in position to get rid of the unpleasant occurrences in connection with the former Department of Information.

"Although it is not easy to make such a request, I regard it as absolutely in the best interests of South Africa and our Nationalist cause.

"I make bold to send a copy of this letter to Dr A P Treurnicht MP

"With friendly greetings, Prime Minister"

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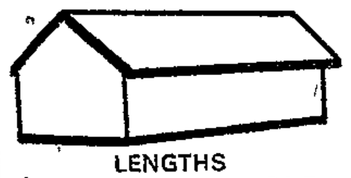

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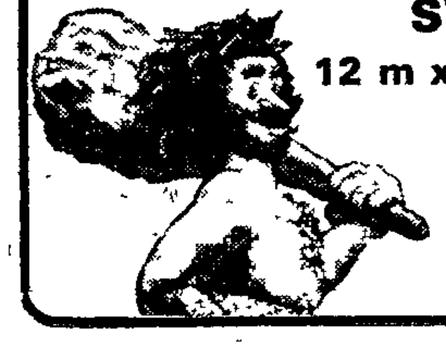

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Connie Mulder tells how Horwood was involved

THIS is the full text of a statement released last night by the former Minister of Information, Dr Connie Mulder It deals with the "role of Minister of Finance, in connection with secret funds and projects"

The then Minister of Finance, Dr Diederichs, was party to the secret activities of the Department of Information, and was often consulted by me. He was, together with the then Prime Minister, present when the original decision was taken in 1972 to start a propaganda war, and when the secret fund was begun He was also present at the annual report-back meetings, where Dr Rhoodie reported about the secret activities and projects to the then Prime Minister, the Minister of Finance and me

These three Ministers took the decisions about the Washington Star In the initial stages, senior officials of the Treasury knew only about the existence of secret funds They did not have detailed knowledge of the projects and they had absolutely no knowledge of the extremely sensitive projects such as the Citizen

On February 27, 1973, Dr Rhoodie wrote a letter to the Secretary of the Treasury, in which he made certain arrangements in connection with the financing of the secret projects, and in which he also named eight specific projects (see attached photo copy)

On February 5, 1975, there was a meeting in room 1 001 in the H F Verwoerd Building, at which Dr Diederichs made known and handed over the financial arrangements and undertakings of the Treasury and to his successor, Minister Horwood, in the presence of Dr Rhoodie

On October 1, 1975, at 9am, Minister Horwood attended his first annual report-back meeting concerning secret projects in the former Prime Minister's office This meeting lasted for approximately two hours and a number of projects were discussed

The complete proceedings concerning To the Point will be discussed later in this document

On November 3, 1977, Minister Horwood and I had talks about the open, as well as the secret funds, which my Department of Information requested for the next financial year of the Budget A requested R21-million was reduced by us to R14,8-million In this R14,8-million, provision was made for approximately R6,6-million for the Citizen In this discussion, The Citizen and allocation of funds for The Citizen were specifically mentioned, because it was the biggest single item in the R14,8-million

To intercept problems in connection with the financing of secret projects, the Accounts for Secret Services Act was piloted through Parliament by Minister Horwood in April, 1978

The secret funds had now to be requested from Minister Horwood, and not from the Department of Defence, as was done previously In April, 1978, I had discussions with Minister Horwood and Mr Pretorius to determine how I was to request the funds after they had been granted by Parliament It was decided that I must direct a letter to the Minister of Finance, in which I would tabulate all the projects and ask for the necessary amounts

I asked to speak to Mr Horwood alone, and after Mr Pretorius had excused himself, I put forward my problem in connection with The Citizen to Minister Horwood.

If I were to tabulate all the projects, then I would also have to name The Citizen project, and then officials would have knowledge of it If I did not tabulate the Citizen, the total would not balance with the amount I was requesting It was agreed that I would tabulate all the projects except The Citizen and not give a total, and then ask for the full amount The difference, namely plus or minus R6,6-million, would be the money for the Citizen (See letter April 26, 1978, second report, annexure A, exhibit 17D, p 22A to 28) That letter was drawn up precisely as had been agreed and therefore Minister Horwood could sign it quickly when I put it before him on April 26, 1978

During this discussion the reason is to be found why we decided not to add up the amounts, namely to conceal The Citizen amount, so that officials would have no knowledge of it If I had not explained it to him, a simple accounting calculation would have shown that the total amount as tabulated differed from the R14,8-million requested and that this difference amounted to R6-million.

'It would have looked like deliberate deception if I had not explained the position to Minister Horwood in advance I specifically pointed out that this (amount) was for the Citizen, as I had already testified to the commission in November 1978 Why 'does Rhoodie, who for years refused to give project details to the Treasury, now give the full projects? Because Horwood and I agreed to this When he was asked to sign the letter on April 26, he could do it quickly because the letter was drawn up as agreed and was put to him that way

The fact that an amount of money for The Citizen was incorporated in the total amount was specifically mentioned to him on this Wednesday, April 26, 1978 He had no objection to signing

I would like here to single out one matter, which is dealt with in paragraphs 11 397 and 11 398 (of the Erasmus Commission) The commission's report makes it seem as though Minister Horwood contacted me and informed me that he wished to cancel his initials and signature on the documents, and that he followed this up with a letter dated May 4, 1978 in which he raised the matter Then, the commission concludes further that I did not make the original document available to Minister Horwood for him to cancel, but that I intentionally sent Minister Horwood a photo copy of the original letter for him to cancel his initial This finding is not correct

The fact is that the original signature of Mr Horwood was on a letter dated April 26, 1978 Dr Rhoodie took this letter with him to Pretoria and put it in our files There was no talk of cancelling or questioning the necessity for initialling this letter when it was placed before Minister Horwood April 27, 28, and 29 went by as well as the weekend after that On May 2, I saw Mr Horwood at a Caucus meeting On this very day Dr Rhoodie gave me a photo copy of the original letter signed by Mr Horwood, and in his own handwriting he wrote above "Copy for the Honourable Minister O Horwood Handed to the Minister of Information, in Cape Town on May 2, 1978 ", with Dr Rhoodie's initials and the date alongside On May 3, I saw Mr Horwood at the Cabinet meeting and there I handed him this copy for his own files

He still made no objection or comment about the signature which I now had had for more than a week on the original letter On May 4, Ascension Day, he cancelled his initial on the photo copy which had been given to him, and attached to the photo copy a note for me dated May 4 in which he cancelled his initial and explained why he had done this

These letters, the note from Mr Horwood himself, as well as the photo copy on which he cancelled his initials, I received only on May 8, after the Ascension Day weekend had passed Paragraph 11 397 of the commission's report reads as follows "On this, Senator Horwood *immediately* contacted Dr Mulder and informed him that he *wanted* to cancel his initials and signature on the document." (Dr Mulder's emphasis)

Now I quote further from paragraph 11 400 of the Erasmus Commission "Dr Mulder sent a copy as shown here to Senator Horwood for cancellation, and kept the original on which there was no cancellation.

The only meaningful deduction from this must be that the uncancelled document was kept as evidence of Senator Horwood's knowledge of and agreement with the content of the secret projects."

The fact that the finding of the commission in paragraph 11 400 was completely wrong is shown by the following paragraph from Mr Horwood's attached note to the photo copy on which he cancelled his initials and which reached me after he telephoned me about the matter earlier that morning of May, 8 Mr Horwood referred to the statement which I made in Parliament on May 3, in which it was indicated that the services of two of the senior officials in my department, Dr D O Rhoodie and Mr Waldeck, had been terminated, and that the Department would be reorganised and restructured, and also that an investigation would be undertaken into my department by the Treasury and the Civil Service Commission

He continued "In the circumstances I must withdraw the initials and signature I appended to the letter you placed before me last week, in other words I herewith cancel my initials and signature on that letter I am returning the copy of the letter which I received yesterday with such initials and signature duly cancelled "

And then Mr Horwood continues at the end of the letter on which he had cancelled his initials, with the following postscript "Initials and signature to this letter herewith cancelled (See my letter to Dr C P Mulder of 4th May 1978) and signed O P F Horwood and again dated 4th May 1978 "

Mr Horwood, therefore, cancelled the letter on the same date on which he wrote the letter to me in which he explains the cancellation and attached the two letters together and sent them to me on May, 8, after he had telephoned me about it

Just after the Erasmus report appeared at the beginning of December 1978, Minister Horwood telephoned me and informed me that he was unhappy about and did not agree with the finding of the Erasmus Commission which indicated that I had tricked Minister Horwood ("met 'n slap riem gevang het") as regards to the signing of this letter (par 11 401, First Report)

He informed me that he would personally correct the matter in Caucus and also in Parliament It would be desirable if Mr Horwood would be personally questioned further by the Erasmus Commission about this undertaking of his

Whether he made the corrections in Caucus, I do not know, seeing as I was no longer a member of the Caucus, but what is certain is that he did not disclose it publicly. In this way there remains a question mark over my honesty while a simple correction would restore my integrity

The further course of events was as follows After the cancellation of the approval I again contacted Mr Horwood and asked how I must now request the money of the Secret Funds I then said to him "We are back to square one "

After consulting his officials he informed me a few days later that we must not indicate the projects in such detail, but we should only mention vague categories under which the these projects belonged I asked him, and he dictated telephonically, how the letter should read (Attached find my notes which I made of this telephone conversation) Minister Horwood also asked that we should only request half of it (the amount) now

I telephoned Dr Rhoodie immediately thereafter and asked for the categories and amounts needed I wrote it roughly as he gave it to me (See attached my notes which I made during my telephone conversation with Dr Rhoodie). Thereafter I drew up the letter and had my typist type it This amount was made up as follows

Secret project for ½ a year R3 350,00 (sic)
Citizen .. R4 500,00 (sic)
TOTAL .. R7 850,00 (sic)

It is this amount which I asked Minister Horwood for in the following letter When I personally handed the letter to him, I again specifically said that the money for The Citizen was provided for in the total amount and was covered under the first category, namely Publisher and Publications (See my letter to Minister Horwood, annexure D Second report p 65).

It is interesting to note that this category, namely "Publisher and Publications", stands third in the rough copy of my notes, while I put it first in the final letter I did this because The Citizen required the largest amount

Minister Horwood took the letter personally from me and later that same day, returned it to me stamped "Approved, Goedgekeur", in which appeared Minister Horwood's signature and date

With this letter at hand, the money was transferred to the Department of Information, and we could continue with our task

When Minister Vorster informed the Cabinet about Information on September, 26, 1978, Minister Horwood was not present because he was at an IMF meeting overseas

However, when I had to answer questions by Mr J Basson, MP, in the House of Assembly on May 10, 1978, in connection with the Citizen, both Mr Vorster and Mr Horwood were aware of the fact that we were financing the Citizen As I had already testified before the Commission in November 1978, there were no secrets between myself, Mr Vorster and Mr Horwood regarding this matter

Dr Mulder .. his version of Sen Horwood's role

TO THE POINT — AND HORWOOD:

This matter is also dealt with here because the Commission has already disclosed through the publication of evidence and referred to it in various places in their Second Report (See Second Report p 5, par 15, p 6, par 16 and also 1 878 of the evidence laid before the Commission)

Question: Have you any particular knowledge about State Funds being siphoned to To the Point — I have no specific knowledge on that, no knowledge which I can regard as authoratative, other than what I have read and what I have heard about this one

Question But no own peculiar knowledge? — No own peculiar knowledge

I am sorry but I must contradict this evidence I refer to the letters exchanged between Dr Rhoodie and Mr Dries Pretorius This correspondence is subsequently discussed

In Mr Pretorius' letter of 13/12/76 (par 3) in which is included R15-million in the 77/78 Budget for Project Seneskal, it is mentioned "that any increase of this amount is impossible at the moment" (Second Report p 30)

In Mr Pretorius' letter of 21/1/77 (par 1) he puts it as follows

"The Minister of Finance informs me that after consultation with the Prime Minister, it has been decided to allow an amount of R17-million for the above-mentioned project for the 77/78 Fiscal Year " (Second Report p 31).

This additional R2-million was specifically earmarked for To the Point Project To the Point was until that stage, financed out of the funds of the then Prime Minister's Budget. The total amount of this fund increased at such a rate that it bothered the then Prime Minister The then Prime Minister requested me to take over To the Point and to finance it out of the Information's Secret Funds The then Prime Minister also undertook to arrange with the Minister of Finance that R2-million (which was the amount for that Fiscal (Financial) Year) be added to Information's normal allocation of R15-million a year

When the Treasury thus pegged Information's amount of money on December 13, 1976 at the normal R15-million, I pointed out to Mr Horwood after the December holiday, the agreement with Mr Vorster in connection with the extra R2-million for To the Point After the Cabinet meeting on Wednesday January 19, 1977, Mr Horwood and I cleared up the matter in the presence of the then Prime Minister After this followed the letter dated January 21, 1977, in which the amount was in fact raised to R17-million for the 77/78 financial year after "consultation with the Prime Minister (Second Report, p 31) In the discussion between me, Minister Horwood and the then Prime Minister, it was specifically mentioned that the R2-million must be provided for To the Point, seeing that Information had taken over the project from the then Prime Minister's Budget Vote

This fact is further confirmed by Minister Horwood himself, according to the letter from Mr Pretorius dated February 2, 1977, which reads as follows "The Minister of Finance has, with reference to your above minute, informed me that the original allocation of R15-million for 1977/78 has been raised at the request of the Prime Minister to R17-million to provide for the R2-million which was transferred from the Prime Minister's Budget Vote for 1976/77" (Second Report, p 33)

To this Dr Rhoodie reacted as follows on February 4, 1977 "The project which I financed on behalf of the Prime Minister was started a few years ago, and will end only during the financial year 77/78 Consequently, it is incomprehensible that I will receive this year's money (1976/77) only next year Where must I get the R2-million for 1977/78?" (Second Report, p 34).

This project was To the Point, and Minister Horwood knew specifically about it from the discussions and correspondence In the letter of April 26, 1978, where the projects were tabulated and in which R14,8-million was requested, the letter which Minister Horwood initialled and in which he later again canceled his signature — (the letter which was handed by me to Minister Horwood on May 3, 1978 and which he returned to me five days later on May 8) —a particular amount was provided for To the Point

W 259 RDM 1/5/79

right at the bottom of a particular page.

To the Point was specifically mentioned and Minister Horwood's initial appears immediately alongside It is this initial which he says he cancelled (See attached photostat of the tabulated projects concerning which, for understandable reasons, only the To the Point project and Minister Horwood's initials are divulged)

In the published document of the commission, exhibit 17B, Minister Horwood's cancelled initial appears illegible The commission questioned Mr Horwood about this, but did not confront him with exhibit 17D in which his cancelled initials appears next to the reference to To the Point In point of fact, the report of the commission even states on 1 878 No further questions

What is, however, important, is that Minister Horwood could cancel his initial, but with that he did not, and could not, cancel his knowledge of To the Point

For that matter it must be noted that Minister Horwood had to look twice at this document on which the item To the Point appeared the first time when he initialled it, and the next time when he cancelled his initial, and after that he had kept this document in his possession from May 4 to May 8, 1978.

Minister Horwood thus definitely knew of To the Point, and did not just hear or read about it as he testified (p 1878, line 24, interim report)

MINISTER HORWOOD'S SO-CALLED UNSUCCESSFUL EFFORTS TO ACQUIRE INFORMATION ABOUT THE SECRET PROJECTS AND OUR SO-CALLED "REFUSAL" TO GIVE THE INFORMATION.

Minister Horwood testifies p V 1930 and V 1931

"And in fact time and again I sought to obtain information from the Department of Information, even if it were reasonably in general terms as to what was going on . Dr Rhoodie refused to give any information, he said this is absolutely secret"

And further on p 1871

Question: Do you regard it as not the duty of Minister of Finance to have knowledge of the particular nature of any secret project for which you are responsible to provide the funds from Parliament?

Mr Horwood: I would personally think that that would be a much more satisfactory position, and that is why I repeatedly asked the Department of Information for particulars, so that I could have at least have some knowledge of what these projects were and I could never obtain it .

Minister Horwood was present on October 1, 1975 from 9am to 11am in the Prime Minister's office when Dr Rhoodie gave his annual report about the secret projects to the Prime Minister, Minister Horwood and myself

According to Minister Horwood's own evidence, he admitted that he attended such a discussion On p 1 876 he said "the best conclusion I can make is that it must have been in the latter half of 1975"

On this occaion a whole number of projects were discussed, successes were mentioned and possible new projects discussed The Citizen was NOT discussed on this occasion, because this was before the creation of the Citizen The discussion lasted two hours

I thus want to state that Minister Horwood did indeed know about some projects, but that I and Dr Rhoodie refused to disclose projects to the Treasury officials In all the correspondence, the bureaucracy was referred to and not the Minister of Finance This explains also the correspondence between Mr Pretorius and Dr Rhoodie as attached to the interim report of the commission, in which Mr Pretorius asked on various occasions for information about the details of Project Senekal Ultimately, Dr Rhoodie answered on February 4, 1977

"My Minister informed me today that he was not prepared to divulge details of Project Senekal "

And Dr Rhoodie suggested in para 3S

"In order to iron out the two above-mentioned problems, my Minister suggests that he and the Minister of Finance clear this matter at ministerial level with the Prime Minister. If you are agreable I'll arrange the meeting " (p 34, second report)

It is surely logical to accept that where the negotiations between the two officials now reached a dead end, this suggestion would be accepted and the matter smoothed out at ministerial level

And yet Minister Horwood states that in March, 1979, when he testified before the commission he had still had NO information about the projects and had only approved a global amount annually

Because Mr Horwood and I had agreed on what had to be tabulated in the letter, this also explains why on April 26, 1978, all the projects except The Citizen were divulged to the Treasury, while Dr Rhoodie on many occasions previously, refused to name projects or give details of Project Senekal to Mr Pretorius

In the meantime, however, Mr Horwood had with him this letter in which the projects were tabulated for several days between May 3 and May 8 It therefore cannot be accepted that he did not look at the list of projects

At the meeting of October 26, 1977 in the conference room of the Prime Minister in the Union Buildings, projects were discussed and projects and publications displayed and he did not use the opportunity to get the facts, but according to his own evidence merely drank tea and left

In the light of the above happenings it is incomprehensible that he could testify as follows before the commission

"I repeatedly asked the Department of Information for particulars of what these projects were and I could *never obtain it* " (Dr Mulder's emphasis) (page 1 871, 920)

On May 9, 1978 and May 10, 1978, in the open debate in Parliament I invited Mr Sutton, MP for Mooi River (Hansard, col 6 494) and Mr H Schwarz, MP for Yeoville (Hansard col 6 372) to come to my office and I undertook to divulge certain secret projects confidentially to them Mr Sutton accepted the invitation and I divulged certain of the projects to him on June 6, 1978 Would I have have divulged such secrets to members of the Opposition and yet refuse them to my colleague from Finance?

Also the presentation of a series of books to Minister Horwood and my communication to him on the occasion of the presentation, namely that this was the result of one of our secret projects, certainly put him in a position to acquire at least detailed knowledge of this project, and this alone contradicts his evidence which is to the effect that he could not on any occasion get information about the secret projects from the Department of Information

"I repeatedly asked the Department of Information for particulars, so that I could at least have some knowledge of what these projects were and I could *NEVER* obtain it "(Second report, p 1871, Dr Mulder's emphasis)

The high cost of Info books

Own Correspondent

CAPE TOWN — South Africa's Information services bought 203 665 books worth R538 028 last year for distribution

And the former Department of Information's front organisation, the Foreign Affairs Association, spent R99 451 on the printing of books

The figures were disclosed in The Assembly by the Minister of Foreign Affairs, Mr Pik Botha, in reply to a question tabled by Mr Japie Basson (PFP, Bezuidenhout)

Mr Basson asked which books the Bureau for National and International Communication and its predecessor bought during 1978

In his written reply, Mr Botha revealed R218 524 was spent on books produced by Chris van Rensburg Publications and its associated company, Erudita Publications.

Most went on 30 000 copies of "This is the Republic of Transkei", which cost R80 000 and on 38 000 copies of "Health of the People" published in four languages at a cost of R104 500 Erudita also sold 4 000 copies of "SA Guide to Foreign Investors" at a cost of R20 000

A further R70 008,60 was spent on publications produced by the former Department of Information's front organisations, the Southern African Freedom Foundation and the Foreign Affairs Association

They included "The Communist Challenge to Africa", "US Foreign Policy in the RSA", "Human Rights and Homelands", "Convention on the Crime of Apartheid" and "From Segregation to Plural Democracy"

The bureau, renamed the South African Information Services at the beginning of this year, also bought books from a number of South African publishers, including Nasionale Boekhandel which sold R51 022,74 worth of books to it

In reply to another question, Mr Botha listed all publications produced by the Foreign Affairs Association before it was disbanded by Mr Botha last year Most of FAA's printing was done by Colourpres and Heer

Its publications included conference reports, an autobiography by the President of Transkei, Paramount Chief Kaiser Matanzima, various analyses of South Africa's strategic position, studies of Communist strategies in Africa and other issues affecting Southern Africa

The most expensive FAA publications were "US Foreign Policy and the RSA" (R10 050), "SWA Turnhalle and Independence" (R11 000), "SA — from Plural Democracy to Double Standards" (R8 000) and "Human Rights and Homelands" (R8 000)

We're still unravelling the tangles, says Pik

CAPE TOWN. — The State financing of the news magazine To the Point had cost the Government R14-million and would have cost a lot more had it been stopped, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday

He said at a Press conference that the former Department of Information's secret projects were still not fully unravelled

His dilemma was not one of covering up the projects, but to protect them from exposure until such time as the State's interests and the taxpayer's money was secure

"This cat's nest, and that's the only word I can find to describe it, is so involved and extensive that we are still not seeing the end of it," Mr Botha said

New companies, where State funds were involved, were continuously being uncovered.

Some of these companies were public and in each case the danger existed that revealing State involvement would reduce the share values to nil

Not only would the State lose money, but individuals and the public could hold the Government responsible for their subsequent losses

● Mr Botha also said that South Africa's Foreign Mission had a standing order to obtain immediately the aid of authorities in securing the return of Dr Eschel Rhoodie, should his whereabouts become known

He said Dr Rhoodie had recently been traced to a South American state where South Africa had no representation.

The Government had obtained the state's co-operation and an undertaking from its government to extradite Dr Rhoodie, but he could not be found by its own efforts

South Africa was asked to trace him, but a few days later he had left the country. — Sapa

Contents of Botha's 'quit' letter revealed

CAPE TOWN — The Prime Minister, Mr P W Botha, has released a letter which he wrote to the former Minister of Information, Dr Connie Mulder, shortly after the special session of Parliament last year, in which he asked him to reconsider his position as a Member of Parliament

Sapa reports that the translated letter, marked personal and dated December 11, says

Dear Friend,

"The unpleasant debate in the Assembly has now passed, but I am afraid the reverberations will still be heard for a long time

As you are no doubt aware, your letter has been read to the Caucus

Furthermore, you are undoubtedly aware that I have informed the Opposition that I am not prepared to have you humiliated

With this, I think, I have done my duty But you will now have to accept that your continued presence as a Member of Parliament is not in the best interests of yourself, the party or South Africa

I therefore wish to make a friendly request to you to reconsider your position as a Member of Parliament in order to enable the party to rid itself of the unpleasant happenings with regard to the former Department of Information

Although it is not easy to make such a request, I consider it absolutely in the best interests of South Africa and our National cause to do so

I am taking the liberty of sending a copy of this letter to Dr A P Treurnicht MP (now Transvaal leader of the National Party)

With kind regards

In his letter to Dr Treurnicht, dated the same day, Mr Botha says

Dear Colleague

I herewith attach a letter I have written to Dr C P Mulder, MP.

May I express the hope that there will now be such a turn of events that our party can give its unified attention to our future task

With best regards

Complex puzzle of Info projects

1/5/79

259

Political Staff

A COMPLEX financial and legal puzzle, involving State-owned property valued at R50 000, a government stake in a R40 000 house and two state-owned Pretoria business concerns, has emerged from the Pretorius Committee report yesterday.

The committee, which investigated secret projects of the former Department of Information, had to call on "outside help" to unravel the involvement of 18 companies, people and cases to see how the State's interests could be protected.

Some of the committees findings were:

- Dr Rhoodie, with one-time film magnate Mr Andre Pieterse, faces a R1m claim by the government — for the return of R825 000 plus interest from November 26, 1978.
- Secured on behalf of the state, were the 10 Atlantic coast flats in Clifton bought by Thor Communicators, a house in Pretoria and a plot in Plettenberg Bay registered in Dr Rhoodie's name. These properties were valued at about R500 000.
- Mr J van Zyl Alberts emerges as an even bigger cog in the Info affair than was thought, being involved in at least 18 front companies.
- More than R5m in cash had been recovered, including R737 000 in fixed properties abroad.
- It also revealed that two business properties registered in the name of a front company in Pretoria also belonged to the state but the operations were still being kept secret. The report said that registration in the name of the state could adversely affect the project.
- Another house valued at R40 000 was partly bought with state funds, but the front organization was still being kept secret.
- There was also "uncertainty" about the state's share in a farm called "VrekverBoerderv".
- The Committee said that there may well be other properties in which the state had a share.

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B ←←←← From page 1

Special legislation may be needed to unravel the "mind boggling" financial tangle of the Department of Information as revealed in the report Mr Harry Schwarz, chief opposition spokesman, said yesterday.

There are still many outstanding questions," said Mr Schwarz, who added that the government should move immediately to attach all assets belonging to former Info Secretary Dr Eschel Rhoodie through the courts, and if necessary, his estate should be sequestrated.

Mr John Malcomess, the NRP's chief spokesman, said the public would want to know more about the role played by Mr J van Zyl Alberts.

"When one adds the R31m of the Citizen, the R14m of To The Point and money spent on properties, it would appear that about R50m of the R64m which were secretly transferred were spent on NP propaganda and high living" said Mr Malcomess.

Mr Schwarz said last night that one of the main questions which still remained to be answered was the extent of the state's losses through Info.

"How much of the taxpayers' money will never be recovered, how much has been wasted, how many contracts continue to run and how long will it take to wind down these projects?

"How many are continuing and at what cost?"

Mr Schwarz said that the Pretorius Committee appeared to be doing its job efficiently within its limited mandate.

However, the prime minister was giving inadequate information on how to prevent a recurrence.

"The public needs reassurance and it may well ask will it ever hear the full story and the full extent of its losses and if it can ever happen again, said Mr Schwarz.

"The public needs reassurance and it may well ask will it ever hear the full story and the full extent of its losses and if it can ever happen again, said Mr Schwarz.

"As Dr Rhoodie is out of the country the government should attach all his assets through the courts and an applicaiton to sue him by edictal citation should be brought without delay.

"If he is unable to pay any just claim his estate should be sequestrated and a full investigation into his financial affairs should be conducted in terms of the Insolvency Act."

Mr Schwarz said that if necessary the state should use the machinery provided by the Companies Act to conduct its inquiries as soon as possible to avoid prejudice.

Dealing with the financial tangle referred to by the Pretorius Committee, he said "There may well have to be special legislation to unravel the whole mess."

Botha's letter asking Mulder to quit as MP

(259)

THE Prime Minister, Mr P W Botha, has released a letter which he wrote to the former Minister of Information, Dr Connie Mulder, shortly after the special session of Parliament last year in which he asked him to reconsider his position as a member of Parliament

The letter, marked personal and dated December 11, says

"Dear Friend, the unpleasant debate in the Assembly has now passed, but I am afraid the reverberations will still be heard for a long time

"As you are no doubt aware, your letter has been read to the caucus

"Furthermore you are undoubtedly aware that I have informed the Opposition that I am not prepared to have you humiliated (verneder)

"With this, I think, I have done my duty But you will now have to accept that your continued presence as a member of Parliament is not in the best interests of yourself, the party and South Africa

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"I am taking the liberty of sending a copy of this letter to Dr A P Treurnicht MP (now Transvaal leader of the National Party)

"With kind regards"

In his letter to Dr Treurnicht, dated the same day, Mr Botha says "Dear colleague I herewith attach a letter I have written to Dr C P Mulder, MP

"May I express the hope that there will now be such a turn of events that our party can give its unified attention to our future task

"With best regards" — Sapa

Cash for Citizen and To the Point

CT. 1/5/79

Mulder says Horwood knew

(259)

Own Correspondent

JOHANNESBURG. — Dr Connie Mulder yesterday launched the strongest attack Senator Owen Horwood, the Minister of Finance, has yet faced in the Information scandal.

Releasing a documented 19-page indictment, Dr Mulder said

- Senator Horwood had told the Erasmus Commission that he was never aware of the government funding of To the Point magazine when in fact he had signed a document approving expenditure for the secret project

Senator Horwood's initials appeared next to the words "To the Point" in a schedule of Information Department secret projects, Dr Mulder said

- Senator Horwood had agreed to disguise in a schedule of Information Department expenditure an amount of R6,6 million for the Citizen newspaper
- Senator Horwood had undertaken to correct in the National Party caucus and in Parliament a finding of the Erasmus Commission

But a spokesman at his office said yesterday Senator Horwood had no comment on any allegations involving the Information affair

Dr Mulder's allegations, released in a statement to Sapa, followed his weekend attack on the former Prime Minister, Mr Vorster, for his role in the Information scandal

He said Mr Vorster had known all along of the R46 million funding with taxpayers' money of The Citizen and To the Point

He added Mr Vorster had once sent him a note suggest-

Vorster and Senator Horwood of all complicity in the Citizen scandal

Dr Mulder, the former Minister of Information who was expelled from the National Party after refusing to accept the findings of the commission, yesterday quoted from the commission's report in his efforts to prove one of his points against Senator Horwood

Giving evidence on March 28 this year, Senator Horwood told the commission he had knowledge of governmen

To page 2

From page 1

funds being allocated to To the Point

But, Dr Mulder said Senator Horwood had signed on April 26 last year a schedule of Information projects and his signature appeared next to the item "To the Point"

Dr Mulder produced a photostat copy of the alleged document bearing Senator Horwood's initials

Senator Horwood later cancelled his initials and signature on the document, and told the commission and Parliament that he had signed the document in a great hurry

He also told Parliament that secret projects referred to in the document had been in a "sort of a code

In the document produced by Dr Mulder, the To the Point project is specifically referred to by the name "To the Point"

Dr Mulder said "In fact, it must be noted that Minister Horwood must have looked twice at this document on which the item "To the Point" appears The first time when he initialled it, and the second time when he cancelled his initials, and he retained this document in his possession from May 4 to May 8 1978

Dr Mulder then referred to an incident in April 1978 when he discussed with Senator Horwood the way in which he should refer to the Citizen project in compiling his schedule of proposed expenditure

He said "It was finally agreed that all the projects, except the Citizen, should be tabulated, that the amounts should not be totalled, but that the full amount required

The difference between the individual amounts on the document and the actual total amount requested would be R6,6 million — the amount needed for the Citizen in that budget year

Dr Mulder said there could never have been any doubt that Senator Horwood knew that the disguised R6,6 million was for the Citizen

He explained the reason for omitting the Citizen from the schedule was to prevent officials from learning that the newspaper was a secret project

Dr Mulder then said that after the first Erasmus Commission report appeared in December last year, Senator Horwood informed him by telephone that he did not agree with the commission finding that Dr Mulder had trapped him unawares regarding the signing of the document

Dr Mulder claimed Senator Horwood said he would rectify the matter in the National Party caucus and in Parliament

that he deny in Parliament that Information owned or operated any newspaper in the country

The Erasmus Commission probe into the former Department of Information found that the Citizen received R32 million in taxpayers' money from the government

A further R14 million was spent on To the Point which will continue to be government funded

The commission cleared Mr

Magazine mess was a 'spider web'

CT 1/5/79

(259)

Political Staff

THE former Department of Information supplied To the Point magazine with a reserve fund "in case things went wrong," the Minister of Foreign Affairs, Mr Pik Botha, revealed last night.

Making startling new disclosures on what he called "the To the Point rats nest", Mr Botha said he believed the reserve fund had been channelled through a bank in Switzerland into South Africa and invested in four private companies, one of which has since gone bankrupt

Mr Botha said the amount involved in the reserve fund was "in the region of R800 000" Intensive investigations were under way at present to find out how much of the money could be saved for the state — but the matter has become extremely complicated because of the absence of documentation, Mr Botha said

Mr Botha said the "To the Point mess" had turned out to be a spider web of many companies and interests

"The ramifications and connections were vast," he said last night

The reserve fund had apparantly involved four private companies to which the money had been channelled for investment, he said

At this stage he could not reveal the names of the companies, but one had apparently gone bankrupt, Mr Botha said.

The money invested in this company could probably be written off, he said

Explaining how he had come upon the existence of the reserve fund "which was obviously there in case things went wrong", Mr Botha said he had first heard about a loan account for To the Point.

During the course of investigations he was given reason to believe that the loan account was in reality a reserve fund provided by the state and channelled through a Swiss bank account to the magazine

The money was being invested in four private companies to earn interest, he said

Mr Botha said there was no definite documentary proof of all these transactions He obtained an admission about the reserve fund and the four companies involved when he challenged one of the people directly involved in the matter

The person then admitted that this was the case, he said.

Mr Botha would not disclose the names of the people involved He declined to comment when asked whether Mr Jan van Zyl Alberts was one of them

Mr Botha said he was not suggesting that there were any irregularities involving investment of money for personal gain. The money had been invested to bring in interest and to be held in reserve for the magazine

"There were no irregularities unless you consider an investment in a company verging on bankruptcy as an irregularity," he said

In his opinion it had been totally wrong to invest money in this company, he said. The To the Point project had caused "huge problems" because of the whole rats' nest of other connected companies that were exposed in the process of investigation

Although the state subsidized To the Point, it was legally speaking a private company and the government was not in a position to make revelations about it until agreements had been reached with the people controlling the company, he said

Call for rethink on Info inquiry

Political Correspondent

CAPE TOWN — It was time the Prime Minister reconsidered the Government's whole approach to the Information scandal investigation, Mr Harry Schwarz, MP, said today

Mr Schwarz said "Dr Mulder's statement throws the whole issue of knowledge by persons other than himself of material Information projects back into the melting pot.

"There is only one way to finally settle the problem and that is cross-examination in a public forum of all material witnesses

"The allegations and denials of the parties can really only be tested by the well-tried judicial process of cross-examination by adversary parties The procedure of the Erasmus Commission does not allow this so the commission cannot finally solve the problem to the satisfaction of the public

"If the judicial process I suggest is not followed the matter will drag on indefinitely without public satisfaction The scandal will continue to adversely affect the national interest

"The Prime Minister should therefore reconsider the whole approach to the investigation," Mr Schwarz said

Call for evidence

CAPE TOWN — ...

Horwood role in secret funding

Star 1/5/79

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New allegations are coming to light from closer study of the statement released by Dr Connie Mulder last night on the "role of Minister of Finance in connection with secret funds and projects."

The Star is studying the documentary evidence in depth and is finding there are implications not yet made public, which the report seems, in part, to point to.

The main allegations made in Dr Mulder's report are

● The Minister of Finance, Senator Horwood was aware of secret funds used for, among other things, financing The Citizen

● Senator Horwood withdrew his initials and signature from a letter concealing several million rands for the funding of The Citizen after Dr Eschel Rhoodie and Mr J F Waldeck had been sacked from the Department of Information, and after The Treasury and Civil Service Commission had announced it would investigate Dr Mulder's department

To The Point secrecy slammed by The Citizen

The Government should have declared its interest in To The Point from the outset, according to an editorial today in The Citizen, the newspaper which itself was Government-funded and withheld its true funding from the public for two years

Commenting on the revelation yesterday that the State had poured R14-million into To The Point, The Citizen said. "By any magazine standards this is a vast amount An abnormally heavy h ..."

Government still plans to get Rhoodie back home

The Star Tuesda

Political Staff

CAPE TOWN — The Government might try to have Dr Eschel Rhoodie extradited from Ecquador if that is where the fugitive former Secretary of Information finds himself at the moment.

This was indicated today by the Minister of Foreign Affairs, Mr Pik Botha, who said that every South African embassy overseas had a standing instruction to start proceedings to have him extradited as soon as they established his whereabouts

Mr Botha was asked to comment on reports today that Dr Rhoodie had returned to Quito in Ecquador where he was first traced some months ago.

At the same time, Mr Botha indicated that he might not have had Ecquador in mind, as claimed in some reports, when he told a Press conference in Cape Town yesterday that Dr Rhoodie was traced about a month ago to a South American state and that an unsuccessful attempt was made to have him extradited

He stressed that the claim was speculation and that he at no stage said that it was Ecquador.

"Actually, according to our latest information, it was another country, which does not mean, however, that Dr Rhoodie has not also been in Ecquador," he said.

At the Press conference yesterday, Mr Botha said the Government of the South American country was willing to help to have Dr Rhoodie extradited, although South Africa had no representation there.

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Star
1/5/79

Erasmus Commission today made a final appeal to anyone possessing information which might throw light on its investigation into the activities of the defunct Department of Information to come forward by May 5

Its secretary, Mr J Geyser, said the commission was now entering its last month before reporting to the State President on May 30.

Since it would take at least three weeks to translate and print the final report, no further evidence could be heard after May 5.

This was the commission's last appeal to the public — Sapa

Two Point men quit

Two journalists resigned from To The Point before this week's disclosures that the magazine was a secret project which had cost the State R14 million

Former managing editor, Mr Steve Orpen, and senior reporter, Mr Gordon Jackson, resigned following reports in January that To The Point was Government funded

There was no talk of further resignations from the magazine, several members of the editorial staff told The Star today

After the "lessons" of The Citizen" the Government should not have tried to hide its funding of To The Point, the newspaper said When would the Government ever learn, it asked

The Cape Nationalist mouthpiece Die Burger today demanded that the publication of To The Point should be stopped

The Johannesburg Afrikaans daily newspaper Beeld today criticised Mr Pik Botha's stand on To The Point

In an editorial, Beeld says the way it interprets Mr Botha's statements the magazine will continue competing in the South African advertisement market against existing private publications

"We say it goes equally against our sense of justice that the SABC has an agreement with a private company for the publication of a magazine which receives millions of rands worth of publicity on radio and television"

Another Afrikaans daily, Die Transvaler, says the single question which still surrounds To The Point illustrates the dilemma of secrecy: what happens to newspapers which have been reprimanded on something that now turns out to be the truth?

The Minister of Finance, Senator Horwood, remained silent on new allegations by Dr Connie Mulder of the Minister's knowledge of the financing of The Citizen and of To The Point

PROPAGANDA WAR

● Former Finance Minister the late Dr Nico Diederichs, former Prime Minister Mr John Vorster and Dr Mulder decided in 1972 to start a propaganda war and to begin a secret fund

● Senator Horwood piloted the Accounts for Secret Services Act through Parliament in 1978

● Secret funds had previously been requested from the Department of Defence, but after the Accounts for Secret Services Act, these funds had to be requested from Minister Horwood

● Senator Horwood continued to supply secret funds after cancellation of his letter by telling Dr Mulder only to mention "vague categories" under which these projects belonged, and not to be so specific

● Both Mr Vorster and Senator Horwood were aware of the fact that the Department of Information was financing The Citizen

BOOKS GIVEN

● Senator Horwood and Mr Vorster were both aware of the financing of the magazine To The Point through secret project funds.

● Secret project books were presented to Senator Horwood to give him detailed knowledge of the project, but he denied ever being able to get particulars of secret projects from the Department of Information

To The Point sales are under 50 000

The magazine To The Point, on which the Government spent R14-million, has a circulation of about 47 600 — of which about 15 000 are sold overseas

The figures were supplied to The Star today by the managing director of the magazine's publishing company, Mr S du Preez

They are considerably less than the combined foreign and domestic circulation of about 60 000 which a senior member of the magazine's staff yesterday indicated as the probable circulation

The figures are also in seeming contradiction of the figure given by the Audit Bureau of Circulation which was quoted in The Star yesterday

However, Mr du Preez said today that the overseas sales were not included in the figures supplied to the bureau. The "foreign" sales figure of 2 761 supplied by the bureau referred only to foreign sales within southern Africa — mainly in Rhodesia, Mr du Preez said

Yesterday on Page 3 The Star printed the 60 000 figure supplied by a senior staffer on the magazine and on Page 1 quoted the Audit Bureau of Circulation figure 26 334 When bulk sales of 4 400 and giveaways of 1 924 are added to this the local circulation is 32 658.

Prosecute Info culprits — report

1/5/79 (259)

HOUSE OF ASSEMBLY — The Pretorius Committee has recommended that civil action be taken, without exception, against persons who misused state funds in connecting with activities of the former Department of Information

The sixth report of the Pretorius Committee, which contains a summary of the committee's work to date, was tabled in Parliament yesterday

The report says the committee is of the opinion that a distinction should be made between the irregular use of state money and assets for the purpose of furthering the interests of the state on the one hand and the misuse of state funds for personal gain, on the other

The report says that in the first case it would be a near impossible task to take action Where, however, the state had gained assets as a result of the irregular use of funds those assets should be protected

In the latter case the committee is of the opinion that if possible, and economically justified the state should institute civil actions, without exception and where necessary also criminal action

The Pretorius Committee was appointed in October 1978 to evaluate secret projects of the former Information Department to determine which projects should be continued and which should be scrapped

The report says that since its appointment, the committee has been busy with this task continuously, but that it now considers the major part of its work complete

The report says that to date all the fixed property purchased overseas by the former Department of Information has been sold and monies received placed under state control

The amount realized was R737 753

As far as fixed property in the Republic was concerned, the committee had instructed the State Advocate to register the following properties in the state s name

- Ten flats and parking facilities in "Valhalla", Clifton
- A house in Pretoria and
- A plot in Plettenberg Bay registered in the name of Dr E M Rhoodie

These properties are collectively valued at R500 000

A further two business premises, valued at about R1-250 000, registered in the name of a Department of Information front company also belongs to the state The relevant title deeds the share certificate with a signed blank transfer deed is in the possession of the state

"The committee is of the opinion that registration of these properties in the name of the state at this stage could possibly adversely effect the state should they be made public

A further house, valued at R40 000 is registered in the name of a front company It was purchased only partially with state funds

"When the amount contributed by the state to the purchase has been calculated, a recommendation will be made"

The report says the activities of this front organization have not yet been made public

According to available evidence, says the report, the state obtained a quarter share of a farm known as 'Vrek Ver' through a front company known as "Lotonvanda" The purchase price was R160 000, including maintenance costs

Mr Jan van Zyl Alberts, says the report, alleged that the purchase was made in 1975 on the instruction of Dr Eschel Rhoodie

Mr Alberts further, alleged that he himself had a quarter share in the farm and that he, at a later stage, had taken over the state's quarter share and had paid for it

"Clarity has not yet been obtained on this"

When a report has been received from the accountants investigating Mr Alberts's involvement the true state of affairs will hopefully become clear, says the report

Pretorius Committee Report

According to the report, the committee was not in possession of sufficient evidence to insist on the registration of any other fixed property in the name of the state

The possibility exists that one or more properties were purchased partially with state funds, but the present indication is that at the most, action could result in the recovery of the state funds These cases are still being investigated, says the report

According to the report, the committee has since its appointment, taken steps to realize all assets and to convert them into cash and place under state control

So far the following results have been achieved

- An amount of R5 076 436,40 in cash has been collected
- Possession has also been taken of a fixed deposit certificate valued at R50 000 which will be claimed on due date, as well as a bank draft of R313 463 01 which became due on April 23, 1979

Some of the few unresolved issues mentioned are presenting problems says the report

One of these concerns Mr Van Zyl Alberts

As far as the committee can ascertain Mr Alberts was concerned with about 18 companies which served as front organizations for the former Department of Information In addition, there are indications that a further 18 companies, bodies and persons are involved

The committee soon realized that the link between the different companies and their activities, accompanied with the relevant bookkeeping was of such a complicated and time-consuming nature that the committee could not, without the help of accounts, hope to determine what precisely the state's interests were and how they could be safeguarded

For this reason two accountants and inspectors of the Office for Financial Institutions were appointed on November 24 last year to investigate, among other things, Mr Alberts' books and to provide the committee with a full report in which, inter alia, it was indicated what the nature and degree of state investment was, how it was used, and whether the state's interests had been harmed and, if so, how the state's interests could be protected

In the meantime, the Erasmus Commission also appointed an accountant from the private sector to investigate this, says the report

Another issue which was presenting problems was the involvement of the Morgan Grampian and Hortors companies The report says Dr Eschel Rhoodie had entered into two contracts with an overseas company This matter has been referred to the State Advocate for legal opinion

When clarity is obtained on the legal position, the matter will be given further attention

On the question of a loan to Mr Andre Pieterse, the report says that according to available evidence, the loan of state funds to Mr Pieterse for private purposes by Dr Rhoodie was irregular and without any authority whatsoever

The State Advocate was requested to retrieve the sum of R825 000 plus statutory interest from both Mr Pieterse and Dr Rhoodie

The report says the State Advocate has a general instruction to formulate such claims as may be necessary against Dr Rhoodie

The committee had specifically requested the State Advocate to claim the amount of R25 000 plus interest

The committee had further requested the State Advocate to claim an amount of R33 205 plus interest relating to the purchase of a flat in Plettenberg Bay by Dr Rhoodie from Oscardee (Pty) Ltd

The necessary demand was sent to Dr Rhoodie's advocate says the report — Sapa

DD 1/5/79 (259)

(259) 1/5/79 DD

Magazine cost taxpayer R14m

CAPE TOWN — To The Point magazine has cost the taxpayer about R14 million, Mr Pik Botha, Minister of Foreign Affairs, revealed yesterday

This is R10 million higher than the R4,5 million estimated by the opposition as having been spent on the magazine.

The R14 million sponsorship of To The Point was one of several revelations by Mr Botha at a press conference at which he faced a stream of questions on his handling of secret projects since he took over the affairs of the defunct Department of Information

Investigations of the To The Point project had become so complex that the services of an auditor had to be employed and the involvement of 30 additional companies had been uncovered, Mr Botha said

"Believe me it was one big cat's nest"

Asked when he and other government members had first become aware that To The Point was a secret government project, Mr Botha said. "I don't know and I am not concerned with that — I don't mind when it was, quite frankly and what is more, there was not a single Member of Parliament or the press who did not know this, so let us stop beating about the bush"

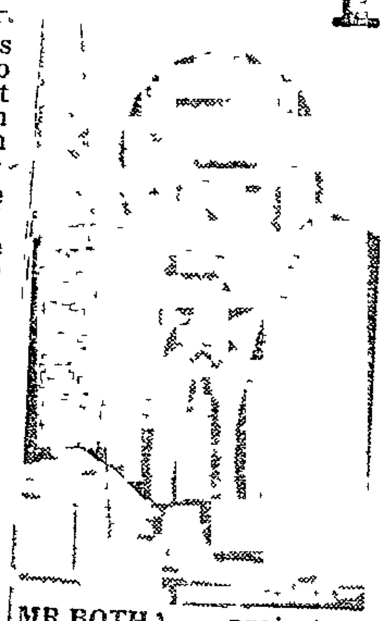
Mr Botha has previously acknowledged that he assumed responsibility for the remaining secret Info projects in December last year

He rejected opposition charges that To The Point had indulged in party politics and that there was no difference between the secret funding of the magazine and The Citizen

He argued that To The Point, unlike The Citizen, was a justifiable project as it was not intended to affect party politics but provide a South African perspective on Southern African affairs

At his press conference yesterday, Mr Botha

- Strongly denied he had revealed the government's sponsorship of To The Point because of a reference to this in Dr Connie Mulder's weekend statement
- Said it had been his intention all along to reveal To The Point as a government project when the time was right
- Argued that the state would have suffered considerable financial loss in several contractual agreements if the government sponsorship had been revealed earlier
- Said his aim had been to keep the magazine running because he considered it a worthwhile project He hoped the magazine would be able to become an independent financial venture by the end of the year



MR BOTHA . . project so complex.

Mr Botha said he could not immediately reveal that the magazine was government sponsored, because the state could have faced substantial losses arising out of contracts with people involved in government front companies

The government had to find a way of keeping the magazine going without such losses An investigation of the To The Point connection had revealed a whole "cat s nest" involving up to 30 companies that had previously gone undetected, Mr Botha said

The matter was still under investigation and a private accountant had to be brought in to sort it out This man was facing extreme difficulty with the complex situation he was uncovering, Mr Botha said

The state's interest in To The Point could only be revealed when the position of the magazine had been "stabilised", he added

This involved lengthy "persuasive work" with shareholders and owners of "front companies" to enable the state to make its ownership of the magazine public

Mr Botha also revealed he was working on a plan to enable the state to avoid losses when winding up undesirable secret projects The present system was clumsy and slow and involved a lot of "persuasive" work by his department.

In one case, the department faced a threat of legal action because of a lapse of a contractual arrangement, Mr Botha said

The government would continue to keep To The Point running until it was able to stand on its own feet financially. He hoped the project could attract private investment, and become viable in its own right

Mr Botha said his offer to reveal all secret projects still in existence on March 30 to the opposition was still open

However, the opposition had raised a valid objection that it did not wish to be compromised by receiving the information on a confidential basis

Mr Botha said a full list of the projects had been compiled and it would take three to four hours to go through satisfactorily

He also revealed that the Information affair had done immeasurable harm abroad

Every time a journalist or public representative spoke up for the government, he would immediately fall under a cloud of suspicion, Mr Botha said

This put pressure on all people not to say a good word about the country's policy, he said — PS

(254)

Press was rapped over magazine

JOHANNESBURG — The government has finally admitted its financial support of To The Point after years of hedging on its involvement — even while three newspapers were reprimanded by the Press Council for linking the magazine to former Secretary for Information, Dr Eschel Rhoodie

The newspapers had to print apologies or retractions and two were even fined after Dr Rhoodie's complaints were upheld by the Press Council

The allegation that To The Point was a government front was first made in December 1971, a month before the first edition of the magazine appeared, by the French-language weekly Jeune Afrique, in Paris.

had with the Department of Information

The closest link between the two was Dr Rhoodie, who had admitted to the Rand Daily Mail that he was the government link man on To The Point

Dr Rhoodie was an assistant editor on To The Point before becoming Secretary for Information in 1972 Its editor, Dr John Poorter, was also Director of Information at the SA Embassy in London.

In a series of press interviews earlier this year Dr Rhoodie admitted that To The Point was financed by the government.

Asked if it was not a miscarriage of justice that the three newspapers had to undergo reprimands by the Press Council for

suggesting the links the magazine had with his former department, he said "Yes. You can apologise to the Sunday Express for me"

He said he did not feel he owed Rapport or Beeld an apology

Beeld was the first newspaper which was reprimanded for writing about the connection. In January 1976 it was fined R500 and had to publish a leader page apology.

Rapport was next In the same month it was fined R1 500 for contravening the press code and ordered to publish a prominent front page apology

Then in May 1978 the Press Council upheld a complaint against the Sunday Express and directed

it to publish prominently paragraphs of the adjudication

When suggestions of To The Point's links with the government were first made, Dr Muller said in the House of Assembly the Department of Information did not give any form of financial assistance or support to the magazine.

Technically he was correct. At that time the Department was not financing the magazine, but he did not give the full facts on government involvement

At the weekend he disclosed that To The Point was first funded from the PM's budget and was later handed over to the Department.

This year the question of financing of To The

Point was again raised when the Sunday Express reported in January that the magazine was a secret government front publication

At that time Dr Poorter was not able to give an assurance that the report was incorrect Dutch publisher, Mr Hubert Jussen, who was chairman of the holding company, African International Publishing Company, has consistently refused to comment on the financing of the magazine

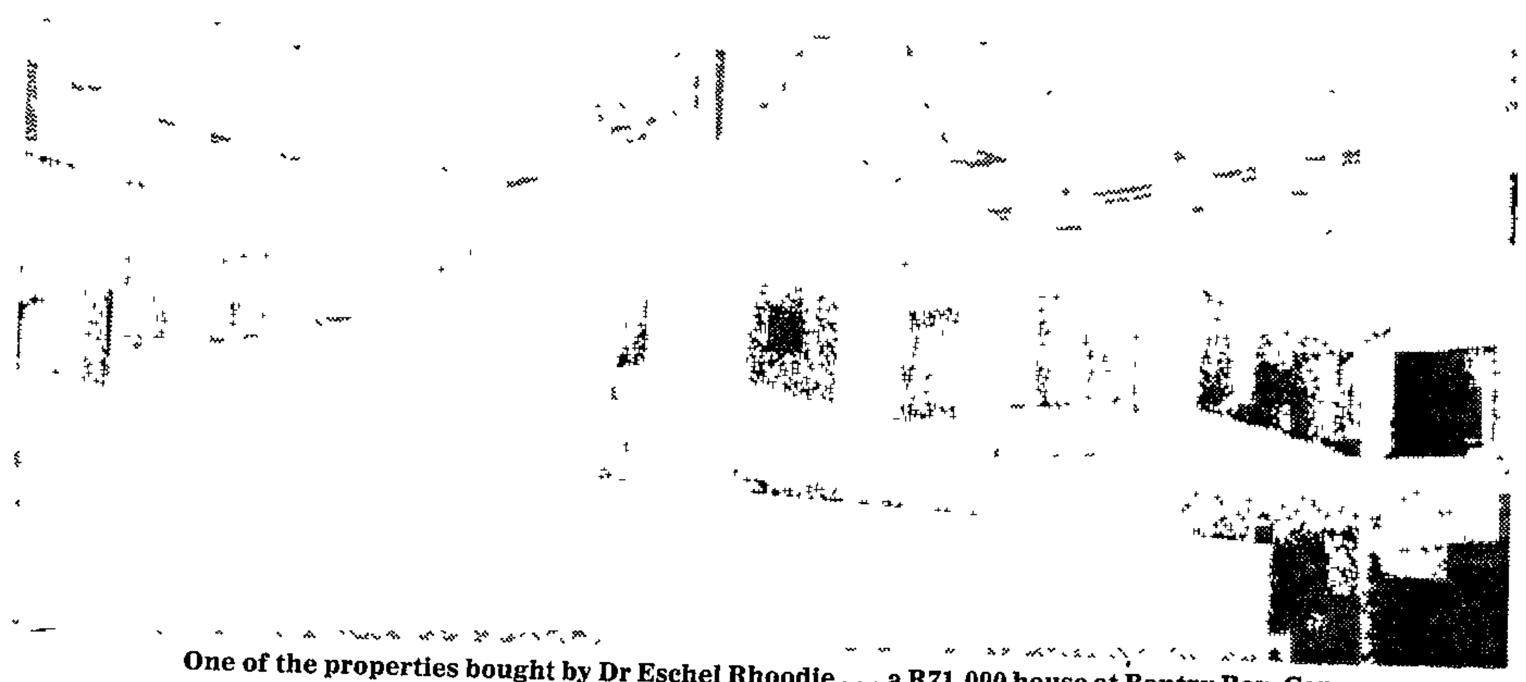
In February, Mr Harry Schwarz, chief opposition spokesman on the Information scandal, told parliament that R4,5 million of government money had been spent on the magazine This money did not come from the

Department of Information, he said.

At the time Mr Jussen and the former managing director of AIPIC, Mr J van Zyl Alberts — who fronted for the department at The Citizen — would not comment

In March, Mr Pik Botha would not say in Parliament whether To The Point or To The Point International were government funded because "there was a danger of secret projects being exposed by a process of elimination"

Replying to a question he said it would be in conflict with SA's interests if disclosure could harm relations between SA and a foreign country or well-disposed parties abroad — DDC



One of the properties bought by Dr Eschel Rhoodie . . . a R71 000 house at Bantry Bay, Cape Town.

in reality 'a Pretoria propaganda publication"

Suggestions that To The Point was supported by the government continued through the years

Three newspapers — two of them Afrikaans and government supporting, Rapport and Beeld, and the Sunday Express, which played a leading role in exposing the Information scandal — were taken to the Press Council and reprimanded when they drew attention to the close links To The Point

String of scandals — Raw

CAPE TOWN — The Information scandal had followed scandals involving the government in other years, the leader of the New Republic Party, Mr Vause Raw, MP, said last night

At the same time, Mr Raw accused the government of losing touch with the ordinary people and of placing itself above the nation

Addressing a meeting at Victoria West in the Beaufort West by-election, Mr Raw said the Information scandal followed on other scandals "from concessions to the Bell and Agliotti scandals, from Land Bank loans to the Faros scandal

"But it took the revelations of Judge Mostert about the Information Department to bring about the final disillusionment," he said

Such a super-de-luxe elite could not be allowed to carry on It had been claimed that the new Prime Minister had to be given a chance to carry on because of his vision but he had already had 30 years — PC

Misuse of state funds: action urged

THE ASSEMBLY — The Pretorius Committee has recommended that civil action be taken, without exception, against persons who misused state funds in connection with activities of the former Department of Information

The sixth report of the Pretorius Committee, which contains a summary of the committee's work to date, was tabled in Parliament yesterday

The report says the committee is of the opinion that a distinction should be made between the irregular use of state money and assets for the purpose of furthering the interests of the state on the one hand and the misuse of state funds for personal gain, on the other.

The report says that in the first case it would be a near impossible task to take action Where, however, the state had gained assets as a result of the irregular use of funds those assets should be protected

In the latter case the committee is of the opinion that if possible, and economically justified, the state should institute civil actions, without exception and where necessary also criminal action

The Pretorius Committee was appointed in October, 1978, to evaluate secret projects of the former Information Department to determine which projects should be continued and which should be scrapped

The report says that since its appointment, the committee has been busy with this task continuously, but that it now considers the major part of its work complete

The report says that to date all the fixed property purchased overseas by the former Department of Information has been sold and monies received placed under state control.

The amount realised was R737 753

As far as fixed property in the Republic was concerned, the committee had instructed the state's advocate to register the following properties in the state's name

- Ten flats and parking facilities in Valhalla, Clifton
- A house in Pretoria

Pretorius Commission report

- A plot in Plettenberg Bay registered in the name of Dr E M. Rhoodie

These properties are collectively valued at R500 000

A further two business premises, valued at about R1 250 000, registered in the name of a Department of Information front company also belongs to the state The relevant title deeds, the share certificate with a signed blank transfer deed is in the possession of the state

"The committee is of the opinion that registration of these properties in the name of the state at this stage could possibly adversely effect the state should they be made public."

A further house, valued at R40 000, is registered in the name of a front company It was purchased only partially with state funds

"When the amount contributed by the state to the purchase has been calculated, a recommendation will be made."

The report says the activities of this front organisation have not yet been made public

According to available evidence, says the report, the state obtained a quarter share of a farm known as Vrek Ver through a front company known as Lotonyanda The purchase price was R160 000, including maintenance costs

Mr Jan van Zyl Alberts, says the report, alleged that the purchase was made in 1975 on the instruction of Dr Eschel Rhoodie

Mr Alberts further alleged that he himself had a quarter share in the farm and that he, at a later stage, had taken over the state's quarter share and had paid for it

"Clarity has not yet been obtained on this."

When a report has been received from the accountants investigating Mr Alberts' involvement, the true state of affairs will hopefully become clear, says the report.

According to the report, the committee was not in possession of sufficient evidence to insist on the registration of any other fixed property in the name of the state

The possibility exists that one or more properties were purchased partially with state funds, but the present indication is that at the most, action would result in the recovery of the state funds These cases are still being investigated, says the report.

According to the report, the committee has since its appointment, taken steps to realise all assets and to convert them into cash and place it under state control

So far the following results have been achieved

- An amount of R5 075 436,40 in cash has been collected.
- Possession has also been taken of a fixed deposit certificate valued at R50 000 which will be claimed on due date, as well as a bank draft of R313 463,01 which became due on April 23, 1979

Some of the few unresolved issues mentioned are presenting problems, says the report

One of these concerns Mr Van Zyl Alberts.

As far as the committee can ascertain Mr Alberts was concerned with about 18 companies which served as front organisations for the former Department of Information In addition, there are indications that a further 18 companies, bodies and persons are involved

The committee soon realised that the link between the different companies and their activities, accompanied with the relevant bookkeeping was of such a complicated and time-consuming nature that the committee could not, without the help of accountants, hope to determine what precisely the state's interests were and how they could be safeguarded

For this reason two accountants and inspectors of the office for financial institutions were appointed on November 24 last year to investigate, among other things, Mr Alberts' books and to provide the committee with a full report in which, inter alia, it was indicated what the nature and degree of state investment was, how it was used, and whether the state's interests had been harmed and, if so, how the state's interests could be protected

In the meantime, the Erasmus Commission also appointed an accountant from the private sector to investigate this, says the report.

Another issue which was presenting problems with the involvement of the Morgan Grampian and Hortors Companies The report says Dr Eschel Rhoodie had entered into two contracts with an overseas company. This matter has been referred to the state advocate for legal opinion.

When clarity is obtained on the legal position, the matter will be given further attention

On the question of a loan to Mr Andre Pieterse, the report says that according to available evidence, the loan of state funds to Mr Pieterse for private purposes by Dr Rhoodie was irregular and without any authority whatsoever

The state advocate was requested to retrieve the sum of R825 000 plus statutory interest from both Mr Pieterse and Dr Rhoodie

The report says the state advocate has a general instruction to formulate such claims as may be necessary against Dr Rhoodie

The committee had specifically requested the state advocate to claim the amount of R25 000 plus interest.

The committee had further requested the state advocate to claim an amount of R33 205 plus interest relating to the purchase of a flat in Plettenberg Bay by Dr Rhoodie from Oscardee (Pty) Ltd,

The necessary demand was sent to Dr Rhoodie's advocate, says the report. — SAPA

How money was lost

THE ASSEMBLY — The Former Secretary for Information, Dr Eschel Rhoodie, acted irregularly and without any authority whatsoever, in making a loan to Mr Andre Pieterse, the Pretorius Committee has found

The committee was appointed to evaluate secret projects of the former Department of Information Its sixth report was tabled yesterday

The report says that in terms of a loan agreement entered into between Thor Communicators (a front organisation) and Ma'Africa, one of Mr Pieterse's companies, the latter owed Thor Communicators R825 000

According to available evidence, the loan agreement was merely a mock (skyn) agreement

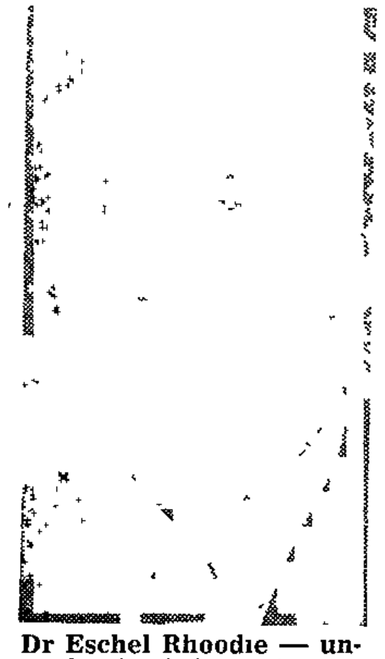
State funds were, in fact, used but did not come from Thor Communicators The State funds concerned were meant for a secret project Because they could not be used for this purpose immediately, they were placed on fixed deposit with a commercial bank

At that stage, one of Mr Pieterse's companies owed certain monies to creditors As security for these debts the fixed deposit certificate was pledged to the creditors, on the request of Mr Pieterse and the authority of Dr Rhoodie

When Mr Pieterse's company failed to pay its creditors, the guarantee was called and the State's money lost

"According to available evidence, the use of these State funds was for private purposes and Dr Rhoodie's actions were therefore irregular and without any authority whatsoever

"The State advocate was requested to retrieve the sum of R825 000, plus statutory interest from both Pieterse and Rhoodie," says the report — SAPA



Dr Eschel Rhoodie — unauthorised loan to Mr Andre Pieterse

Why report was delayed

CAPE TOWN — The sixth report of the Pretoriuus Committee was a summary of the progress made by the committee to date, the office of the Prime Minister said yesterday

It was a summary of the progress made in clearing up and eliminating malpractices in the former Department of Information

Work was continuing to safeguard as much State money as possible

The Prime Minister's office said the committee's first report was handed to the leaders of the three opposition parties in parliament last year for their perusal The Prime Minister had dealt with it in his introductory speech during the special session of parliament last year

Four subsequant reports were progress reports which were laid before the State Security Council

Asked why the report, dated April 6, was only now being tabled, the Prime Minister's office said the report had first been presented to the State Security Council for its study

The Prime Minister's office confirmed that Morgan Grampian and Hortors' involvement in the affairs of the former Department of Information were still being investigated — SAPA

Botha's letter to Mulder

CAPE TOWN — The Prime Minister, Mr P W Botha, has released a letter which he wrote to the former Minister of Information, Dr Connie Mulder, shortly after the special session of parliament last year in which he asked him to reconsider his position as a Member of Parliament

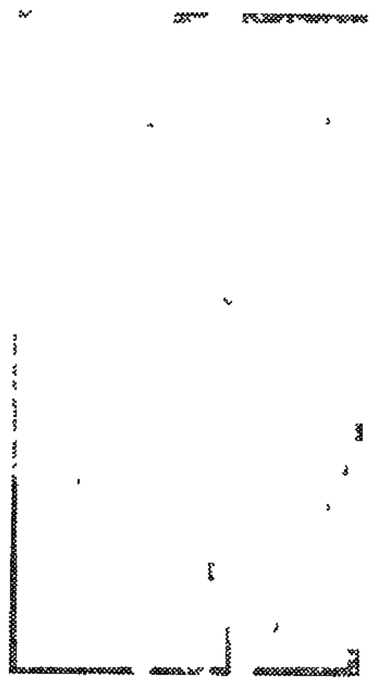
The letter, marked personal and dated December 11, says

"Dear friend, the unpleasant debate in the Assembly has now passed, but I am afraid the reverberations will still be heard for a long time

"As you are no doubt aware, your letter has been read to the caucus

"Furthermore you are undoubtedly aware that I have informed the opposition that I am not prepared to have you humiliated (verneder)

"With this, I think, I have done my duty. But you will now have to accept that your continued presence as a Member of Parliament is not in the best interests of yourself, the Party and South Africa



Mr P. W. Botha — asked Dr Mulder to resign in the interests of South Africa

"I therefore wish to make a friendly request to you to reconsider your position as a Member of Parliament in order to enable the Party to rid itself of the unpleasant happenings with regard to the former Department of Information

"Although it is not easy to make such a request, I consider it absolutely in the best interests of South Africa and our national cause to do so

"I am taking the liberty of sending a copy of this letter to Dr A P Treurnicht MP (now Transvaal leader of the National Party) With kind regards"

In his letter to Dr Treurnicht, dated the same day, Mr Botha says

"Dear colleague, I herewith attach a letter I have written to Dr C P. Mulder, MP May I express the hope that there will now be such a turn of events that our Party can give its unified attention to our future task With best re[illegible]" — SAPA.

Search for Rhoodie

CAPE TOWN — South Africa's foreign mission had a standing order to obtain immediately the local authority's aid in securing the return of Dr Eschel Rhoodie, should his whereabouts in their territory become known, the Foreign Minister, Mr Pik Botha, said here yesterday

He said Dr Rhoodie had recently been traced to a South American state where South Africa had no representation

The Government had obtained the State's co-operation and an undertaking from its government to extradite Dr Rhoodie, but he could not be found by their own efforts South Africa was asked to trace him themselves, but a few days later he had left the country — SAPA

To The Point splits SAP

DURBAN — The Natal leader of the South African Party and a former United Party MP who six years ago questioned Dr Connie Mulder on the funding of To the Point yesterday strongly condemned Government funding of the magazine

This is in direct conflict with the leader of the SAP, Mr John Wiley who has said he supports the decision to continue the public funding of "a first-class publication "

Mr George Oliver, former MP for Kensington, said yesterday "When I asked the then Minister of Information Dr Mulder where the government money had been or was being used to financially assist To The Point I did so because there were already several aspects of that publication that were not economically or journalistically plausible "

Mr Oliver said when in reply to his question Dr Mulder gave Parliament the assurance that no such funding was involved

"We had to accept his word."

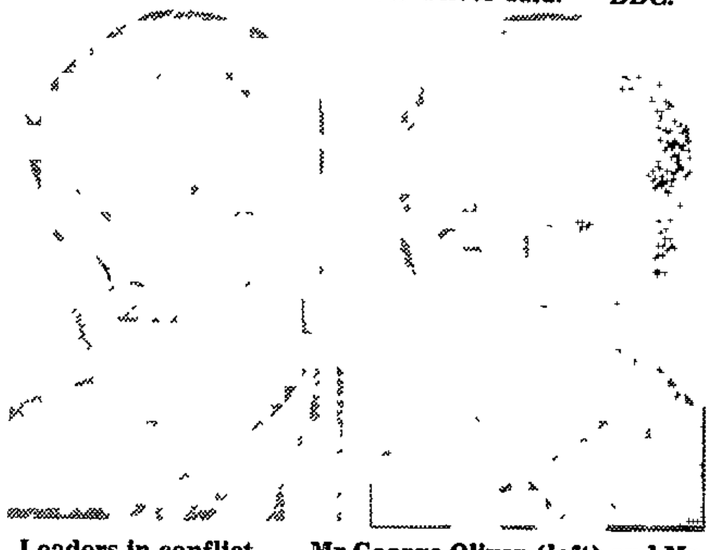
Five times president of the South African Society of Journalists, Mr Oliver said he believed it quite wrong in "newspaper principle and practice for the government to assume control of any commercial publication "

He added it was not the function of the government to enter the field of commercial publishing This was the preserve of the private sector

Mr Oliver said the proper course for the Government now was, first, to divest itself to To The Point leaving the running of such publications to private enterprise

The government should do this with the least prejudice to the taxpayer, Mr Oliver said

"If in the course of satisfying the second requisite it becomes apparent that To The Point is not a reliable economic proposition immediate closure would be the only acceptable alternative," Mr Oliver said. — DDC.



Leaders in conflict . . . Mr George Oliver (left) and Mr John Wiley.

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Mulder: Horwood knew

JOHANNESBURG — Dr Connie Mulder yesterday launched the strongest attack Senator Owen Horwood has faced in the Information scandal.

In a lengthy documented indictment, the former Information Minister said Finance Minister Horwood had

- Told the Erasmus Commission he had not been aware of government funding of To The Point magazine when in fact he had signed a document approving expenditure for the secret project
- Agreed to disguise in a schedule of Information Department expenditure an amount of R5,6 million for The Citizen newspaper
- Undertaken to correct in the National Party caucus and in Parliament a finding of the Erasmus Commission.

But a spokesman at Senator Horwood's office said yesterday the Minister had no comment on any allegations involving the Information affair

Dr Mulder's allegations followed his weekend attack on the former Prime Minister, Mr Vorster, for his alleged role in the Information affair

He said Mr Vorster had known all along of the R46 million funding of The Citizen and To The Point with taxpayers' money, and Mr Vorster had sent him a note once suggesting he deny in Parliament that Information owned or operated any newspaper in South Africa

The Erasmus probe into the former Department of Information found that The Citizen received R32 million in taxpayers' money from the government

A further R14 million was spent on To The Point which will continue to be government funded

The commission cleared Mr Vorster and Senator Horwood of all complicity in the Citizen scandal

Dr Mulder, who was expelled from the National Party after refusing to accept the findings of the commission, quoted from the commission's report yesterday in his efforts to prove one of his points against Senator Horwood

Giving evidence on March 23 this year, Senator Horwood told the commission he had no knowledge of government funds being allocated to To The Point

But on April 28 last year, Senator Horwood has signed a schedule of Information projects and his signature appeared next to the item "To The Point," Dr Mulder said

He produced a photostat copy of the alleged document bearing Senator Horwood's initials

Senator Horwood cancelled his initial and signature on the document and told the commission and Parliament he had signed the document in a great hurry

He also told Parliament secret projects referred to in the document had been in a "sort of a code"

In the document produced by Dr Mulder, the To The Point project is referred to specifically by the name "To The Point"

Dr Mulder said "In fact, it must be noted that Minister Horwood must have looked twice at this document, on which the item "To The Point" appears — the first time when he initialled it, and the second time when he cancelled his initials — and he retained this document in his possession from May 4 to May 8, 1978"

Dr Mulder referred to an incident in April 1978 when he discussed with Senator Horwood the way he should refer to The Citizen project in compiling his schedule of proposed expenditure

"It was finally agreed that all the projects, except The Citizen, should be tabulated, that the amounts should not be totalled, but that the full amount required should be requested"

The difference between the individual amounts on the document and the actual total amount requested would be R6,5 million — the amount needed for The Citizen in that budget year.

Dr Mulder said there could never have been any doubt that Senator Horwood knew the disguised R6,6 million was for The Citizen He said the reason for omitting The Citizen from the schedule was to prevent officials from learning that the newspaper was a secret project.

Dr Mulder said that after the first Erasmus Commission report appeared in December last year, Senator Horwood told him by telephone that he did not agree with the commission finding that Dr Mulder had trapped him unawares regarding the signing of the document

Dr Mulder said Senator Horwood said he would rectify the matter in the National Party caucus and in Parliament

He did not know whether Senator Horwood had rectified the matter in the caucus, but the Erasmus Commission should examine Senator Horwood further on the alleged undertaking — DDC-SAPA

Editorial opinion, page 12.

MULDER TALKS Page 5

Attach Rhoodie assets plea

CAPE TOWN — Special legislation may be needed to unravel the "mind-boggling" financial tangle of the Department of Information, as revealed in the Pretorius Committee report, Mr Harry Schwarz, chief opposition spokesman, said yesterday

The report, which revealed the committee had to ask for outside help to sort out the puzzle, could do increase "public amazement that such activities could have been conducted at all," he said

Mr John Malcomess, the New Republic Party's chief spokesman, said the public would want to know more about the role played by Mr J van Zyl Alberts

"When one adds the R31 million of The Citizen, the R14 million of To The Point and money spent on properties, it would appear that about R50 million of the R64 million which was secretly transferred was spent on National Party propaganda and high living," Mr Malcomess said

Mr Schwarz said one of the main questions still to be answered was the extent of the state's losses through Info

"How much of the taxpayers' money will never be recovered, how much has been wasted, how many contracts continue to run and how long will it take to wind down these projects?"

He said the Pretorius Committee appeared to be doing its job efficiently within its limited mandate

However, the Prime Minister was giving inadequate information on how to prevent a recurrence

"The public needs reassurance and it may well ask will it ever hear the full story and the full extent of its losses and if it can ever happen again," Mr Schwarz said

"As Dr Rhoodie is out of the country the government should attach all his assets through the courts and an application to sue him by edictal citation should be brought without delay

"If he is unable to pay any just claim his estate should be sequestrated and a full investigation into his financial affairs should be conducted in terms of the Insolvency Act," Mr Schwarz said

Major points in the report are

Dr Rhoodie, with one-time film magnate Mr Andre Pieterse, faces a R1 000 000 claim by the government — for the return of R825 000 plus interest from November 26, 1976

Mr Van Zyl Alberts emerges as an even bigger cog in the Info affair than was thought, being involved in at least 18 front companies

The committee said there were a further 18 companies, people and cases which were so financially involved that outside help had been called in to unravel the network to see how the state's interest could be protected.

More than R5 million in cash had been recovered, including R737 000 in fixed properties abroad.

Also secured on behalf of the state were the 10 flats in Clifton bought by Thor Communicators, a house in Pretoria and a plot in Plettenberg Bay registered in Dr Rhoodie's name

These properties were valued at about R500 000

It also revealed that two business properties registered in the name of a front company in Pretoria belonged to the state but the operations were still being kept secret

Another house valued at R40 000 was partly bought with state funds but the front organisation was still being kept secret

There was also "uncertainty" about the state's share in a R160 000 farm called "Vrek-ver Boerdery" — PS

FULL REPORT, Page 8

Erasmus seeks action

CAPE TOWN — The Erasmus Commission has asked the Transvaal Attorney-General to prosecute the former Minister of Information, Dr Connie Mulder, for refusing to testify before it

This was revealed last night by the chairman of the commission, Mr Justice Erasmus

He said the three-man commission had taken this decision in Cape Town yesterday

But Dr Mulder said yesterday he had never been scared to testify under oath before the Commission and he was eager to do so.

In a statement, Dr Mulder said he understood now that the Erasmus Commission demanded only that he should take the oath before he could be given access to the documents and evidence he had requested

This offer had not been made to him last Thursday and he welcomed the commission's change of attitude

He was waiting to hear officially from the commission. — DDC-SAPA.

Fears force firm to end liaison

2/5/79

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By PADDY ATTWELL

THE massive international publishing company, McGraw Hill, has cancelled a contract with the publishers of To the Point because it feared being linked to South Africa's Muldergate scandal

This was confirmed yesterday by Mr Earl Moore, director of international advertising for one of McGraw Hill's most influential business magazines, Business Week

To the Point's publishers, the African International Publishing Company (AIPC), had acted as McGraw Hill's advertising agent in South Africa for about six years One of its biggest projects was to collect advertising for a supplement on South Africa in Business Week once a year

The supplement had grossed up to R205 000 for McGraw Hill and generally comprised articles promoting investment in South Africa.

In an interview from New York, Mr Moore said a letter cancelling his company's contract with the AIPC had been written last week, although it might not have arrived in South Africa yet

Mr Moore said it had been decided that the contract be terminated because of "increasing evidence" of possible links between the Muldergate scandal and To the Point His company had not known of any government funding of the magazine although it had thought that this could be possible

He had not known of the latest disclosures in the affair — that To the Point had received about R14 million from the government

Dr John Poorter, editor-in-chief of To the Point and newly appointed chairman of the AIPC, said last night that he knew nothing of the cancellation of the contract

Mulder: Horwood

JOHANNESBURG — The full text of a statement released last night by the former Minister of Information, Dr Connie Mulder, which deals with the role of the Minister of Finance in connection with secret funds and projects, is as follows

The then Minister of Finance, Dr Diederichs, was party to the secret activities of the Department of Information and was often consulted by me.

He was, together with the then Prime Minister, present when the original decision was taken in 1972 to start a propaganda war, and when the secret fund was begun.

He was also present at the annual report-back meetings where Dr Rhoodie reported about the secret activities and projects to the then Prime Minister, the Minister of Finance and me.

These three ministers took the decisions about the Washington Star. In the initial stages, senior officials of the Treasury knew only about the existence of secret funds They did not have detailed knowledge of the projects and they had absolutely no knowledge of the extremely sensitive projects such as The Citizen.

On February 27, 1973, Dr Rhoodie wrote a letter to the Secretary of the Treasury, in which he made certain arrangements in connection with the financing of the secret projects, and in which he also named eight specific projects

On February 5, 1975, there was a meeting in room 1 001 in the H. F Verwoerd Building, at which Dr Diederichs made known and handed over the financial arrangements and undertakings of the Treasury to his successor, Minister Horwood, in the presence of Dr Rhoodie

amount, so that officials would have no knowledge of it

If I had not explained it to him, a simple accounting calculation would have shown that the total amount as tabulated differed from the R14,8 million requested and that this difference amounted to R6,6 million

It would have looked like deliberate deception if I had not explained the position to Minister Horwood in advance I specifically pointed out that this (amount) was for The Citizen, as I have already testified to the commission in November 1978

Why does Rhoodie, who for years refused to give project details to the Treasury, now give the full projects? Because Horwood and I agreed to this When he was asked to sign the letter on April 25, he could do it quickly because the letter was drawn up as agreed and was put to him that way

The fact that an amount of money for The Citizen was incorporated in the total amount was specifically mentioned to him on this Wednesday, April 26, 1978 He had no objection to signing

I would like here to single out one matter, which is dealt with in paragraphs 11 397 and 11.398 (of the Erasmus report).

The commission's report makes it seem as though Minister Horwood contacted me and informed me that he wished to cancel his initials and signature on the documents and that he followed this up with a letter dated May 4, 1978, in which he raised the matter

Then the commission concludes further that I did not make the original document available to

DR DIEDERICHS . . . "was consulted".

Day, he cancelled his initial on the photocopy which had been given to him, and attached to the photocopy a note for me dated May 4 in which he cancelled his initial and explained why he had done this

These letters, the note from Mr Horwood himself, as well as the photocopy on which he cancelled his initials, I received only on May 8 after the Ascension Day weekend had passed

Paragraph 11 397 of the commission's report reads as follows "On this, Senator Horwood immediately contacted Dr Mulder and informed him that he wanted to cancel his initials and signature on the document "

Now I quote further from paragraph 11 400 of the Erasmus Commission "Dr Mulder sent a copy as shown here to Senator Horwood for cancellation, and kept the original on which there was no cancellation. The only meaningful deduction from this must be that the uncancelled document was kept as evidence of Senator Horwood's knowledge of and agree-

"Initials and signature to this letter herewith cancelled (see my letter to Dr C P Mulder of 4th May, 1978) and signed O P F Horwood and again dated 4th May, 1978,"

Mr Horwood therefore cancelled the letter on the same date on which he wrote the letter to me in which he explains the cancellation and attached the two letters together and sent them to me on May 8, after he had telephoned me about it.

Just after the Erasmus report appeared at the beginning of December 1978, Minister Horwood telephoned me and informed that he was unhappy about it and did not agree with the finding of the Erasmus Commission which indicated that I had tricked Minister Horwood met 'n slap riem gevang het) as regards the signing of this letter (par 11 401, first report)

He informed me that he would personally correct the matter in caucus and also in Parliament

It would be desirable if Mr Horwood would be personally questioned further by the Erasmus Commission about this undertaking of his

Whether he made the corrections in caucus, I do not know, seeing as I was no longer a member of the caucus, but what is certain is that he did not disclose it publicly In this way there remains a question mark over my honesty while a simple correction would restore my integrity

The further course of events was as follows

After the cancellation of the approval I again contacted Mr Horwood and asked how I must request the money of the secret funds I then said to him "We are back to square one "

After consulting his officials, he informed me a few days later that we

largest amount.

Minister Horwood took the letter personally from me and later that same day returned it to me stamped "approved, goedgekeur", in which appeared Minister Horwood's signature and date

With this letter at hand, the money was transferred to the Department of Information, and we could continue with our task

When Minister Vorster informed the Cabinet about Information on September, 26, 1978, Minister Horwood was not present because he was at an IMF meeting overseas

However, when I had to answer questions by Mr J. Basson, MP, in the House of Assembly, on May 10, 1978, in connection with The Citizen, both Mr Vorster and Mr Horwood were aware of the fact that we were financing The Citizen.

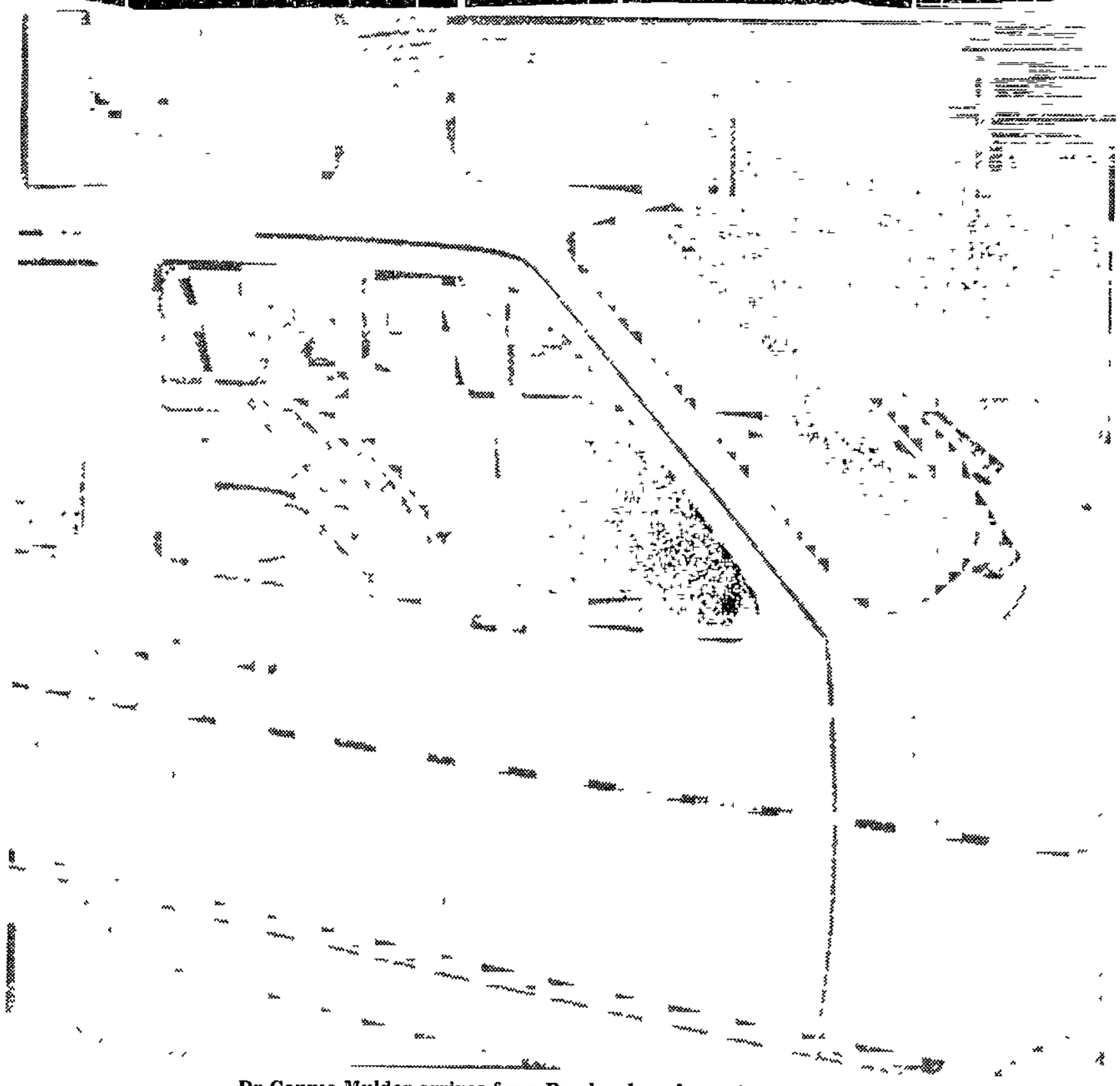
As I had already testified before the commission in November 1978, there were no secrets between myself, Mr Vorster and Mr Horwood regarding this matter

This matter is also dealt with here because the commission has already disclosed through the publication of evidence and referred to it in various places in its second report

"Question Have you any particular knowledge about state funds being siphoned to To The Point? — I have no specific knowledge on that, no knowledge which I can regard as authoratitive, other than what I have read and what I have heard about this one

"Question But no own peculiar knowledge? — No own perculiar knowledge "

I am sorry, but I must contradict this evidence I



Dr Connie Mulder arrives for a Perskor board meeting yesterday.

ain Minister Horwood attended his first annual report-back meeting concerning secret projects in the former Prime Minister's office This meeting lasted for approximately two hours and a number of projects were discussed

The complete proceedings concerning To The Point will be discussed later in this document

On November 3, 1977, Minister Horwood and I had talks about the open, as well as the secret funds, which my Department of Information requested for the next financial year of the budget

A requested R21 million was reduced by us to R14,8 million In this R14,8 million, provision was made for approximately R6,6 million for The Citizen.

In this discussion, The Citizen and allocation of funds for the Citizen were specifically mentioned because it was the biggest single item in the R14,8 million

To intercept problems in connection with the financing of secret projects, the Accounts for Secret Services Act was piloted through Parliament by Minister Horwood in April, 1978

The secret funds had now to be requested from Minister Horwood and not from the Department of Defence as was done previously

In April 1978, I had discussions with Minister Horwood and Mr Pretorius to determine how I was to request the funds after they had been granted by Parliament. It was decided that I must direct a letter to the Minister of Finance, in which I would tabulate all the projects and ask for the necessary amounts

I asked to speak to Mr Horwood alone, and after Mr Pretorius had excused himself, I put forward my problem in connection with The Citizen to Minister Horwood.

If I were to tabulate all the projects, then I would also have to name the Citizen project, and then officials would have knowledge of it. If I did not tabulate The Citizen, the total would not balance with the amount I was requesting

It was agreed that I would tabulate all the projects except The Citizen and not give a total, and then ask for the full amount The difference, namely plus or minus R6,6 million would be the money for The Citizen. (See letter April 26, 1978, second report, annexure A, exhibit 17D, pages 22A to 28) That letter was drawn up precisely as had been agreed and therefore Minister Horwood could sign it quickly when I put it before him on April 26, 1978.

During this discussion, the reason is to be found why we decided not to add the amounts, namely to conceal the Citizen Minister Horwood for him to cancel, but that I intentionally sent Minister Horwood a photocopy of the original letter for him to cancel his initial

This finding is not correct The fact is that the original signature of Mr Horwood is on a letter dated April 26, 1978

Dr Rhoodie took this letter with him to Pretoria and put it in our files There was no talk of cancelling or questioning the necessity of initialling this letter when it was placed before Minister Horwood

April 27, 28, and 29 went by as well as the weekend after that. On May 2, I saw Mr Horwood at a caucus meeting On this very day, Dr Rhoodie gave me a photocopy of the original letter signed by Mr Horwood, and in his own handwriting he wrote above "Copy for the Honourable Minister O Horwood Handed to the Minister of Information in Cape Town on May 2, 1978" with Dr Rhoodie's initials and the date alongside.

On May 3, I saw Mr Horwood at the Cabinet meeting and there I handed him this copy for his own files. He still made no objection or comment about the signature which I now had had for more than a week on the original letter.

On May 4, Ascension ment with the content of the secret projects "

The fact that the finding of the commission in paragraph 11 400 was completely wrong is shown by the following paragraph from Mr Horwood's attached note to the photocopy on which he cancelled his initials and which reached me after he telephoned me about the matter earlier that morning of May 8

Mr Horwood referred to the statement which I made in Parliament on May 3, in which it was indicated that the services of two of the senior officials in my department, Dr D O Rhoodie and Mr Waldeck, had been terminated and also that an investigation would be undertaken into my department by the Treasury and the Civil Service Commission

He continued. "In the circumstances I must withdraw the initials and signature I appended to the letter you placed before me last week, in other words I herewith cancel my initials and signature on that letter I am returning the copy of the letter which I received yesterday with such initials and signature duly cancelled "

And then Mr Horwood continues at the end of the letter on which he had cancelled his initials, with the following postscript must not indicate the projects in such detail, but we should only mention vague categories under which these projects belonged

I asked him and he dictated telephonically how the letter should read

Minister Horwood also asked that we should only request half of it (the amount) now

I telephoned Dr Rhoodie immediately thereafter and asked for the categories and amounts needed I wrote it roughly as he gave it to me Thereafter I drew up the letter and had my typist type it This amount was made up as follows

Secret Project for half a year R 3 350 000 (sic)

Citizen· R4 500 (sic)

Total. R 7 850(sic)

It is this amount which I asked Minister Horwpod for in the letter When I personally handed the letter to him I again specifically said the money for The Citizen was provided for in the total amount and was covered under the first category, namely "publisher and publications".

It is interesting to note that this category, namely "Publisher and Publications", stands third in the rough copy of my notes, while I put it first in the final letter. I did this because The Citizen required the refer to the letters exchanged between Dr Rhoodie and Mr Dries Pretorius This correspondence is subsequently discussed

In Mr Pretorius' letter of 13-12-76 (par 3,) in which is included R15 million in the 77-78 budget for Project Senekal, it is mentioned "that any increase of this amount is impossible at the moment " (second report, P 30)

In Mr Pretorius letter of 21-1-77 (par 1), he puts it as follows Consultation with the Prime Minister, it has been decided to allow an amount of R17-million for the abovementioned project for the 77-78 fiscal year " (second report, p 31)

This additional R2-million was specifically earmarked for To The Point. Project To The Point was until that stage financed out of the funds of the then Prime Minister's budget.

The total of this fund increased at such a rate that it bothered the then Prime Minister.

The then Prime Minister requested me to take over To The Point and to finance it out of Information's secret funds The then Prime Minister also undertook to arrange with the Minister of Finance that R2 million (which was the amount

new of projects

for that fiscal year), be added to Information's normal allocation of R15-million a year

When the Treasury thus pegged Information's amount of money on December 13, 1976, at the normal R15 million, I pointed out to Mr Horwood after the December holiday the agreement with Mr Vorster in connection with the extra R2-million for To The Point After the Cabinet meeting on Wednesday, January 19, 1977, Mr Horwood and I cleared up the matter in the presence of the then Prime Minister

After this followed the letter dated January 21, 1977, in which the amount was in fact raised to R17 million for the 1977-78 financial year after consultation with the Prime Minister (second report, P 31)

In the discussion between me, Minister Horwood and the then Prime Minister, it was specifically mentioned that the R2-million must be provided for To The

PRETORIUS . . . "excused himself".

Point, seeing that Information had taken over the project from the then Prime Minister's budget vote

This fact is further confirmed by Minister Horwood himself, according to the letter from Mr Pretorius dated February 2, 1977, which reads as follows

"The Minister of Finance has, with reference to your above minute, informed me that the original allocation of R15 million for 1977-78 has been raised at the request of the Prime Minister to provide for the R2-million which was transferred from the Prime Minister's budget vote for 1976-77" (second report, P 33)

To this Dr Rhoodie reacted as follows on February 4, 1977 "The project which I financed on behalf of the Prime Minister was started a few years ago and will end only during the financial year 77-78 Consequently it is incomprehensible that I will receive this year's money (1976-77) only next year Where must I get the R2-million for 1977-78," (second report P 34)

This project was To The Point, and Minister Horwood knew specifically about it from the discussions and correspondence

In the letter of April 26, 1978, where the projects were tabulated and in which R14,8 million was requested, the letter which Minister Horwood initialled and in which he for again cancelled his signature — the letter which was handed by me to Minister Horwood on May 3, 1978, and which he returned to me five days later on May 8 — a particular amount was provided for To The Point right at the bottom of a particular page

To The Point was specifically mentioned and Minister Horwood's initial appears immediately alongside It is this initial which he says he cancelled

In the published document of the commission, exhibit 17B, Minister Horwood's cancelled initial appears illegible

The commission questioned Mr Horwood about this but did not confront him with exhibit 17D, in which his cancelled initials appear next to the reference to To The Point In point of fact, the report of the commission even states on page 1878 "No further questions"

What is, however, important, is that Minister Horwood could cancel his initial, but with that he did not, and could not, cancel his knowledge of To The Point

For that matter, it must be noted that Minister Horwood had to look twice at this document on which the item To The Point appeared the first time when he initialled it, and the next time when he cancelled his initial and after that he had this document in his possession from May 4 to May 8, 1978

Minister Horwood thus definitely knew of To The Point, and did not just hear or read about it as he testified

Minister Horwood's so called unsuccessful efforts to acquire information about the secret projects and our so-called "refusal" to give the information

Minister Horwood testified page V 1930 and V 1931 "And in fact, time and again I sought to obtain information from the Department of Information, even if it were reasonably in general terms as to what was going on

"Dr Rhoodie refused to give any information He said this is absolutely secret"

And further on page 1871

"Question "Do you regard it as not the duty of Minister of Finance to have knowledge of the particular nature of any secret project for which you are responsible to provide the funds from Parliament?

"Mr Horwood "I would personally think that that would be a much more satisfactory position and that is why I repeatedly asked the Department of Information for particulars, so that I could have at least some knowledge of what these projects were, and I could never obtain it"

Minister Horwood was present on October 1, 1975, from 9 am to 11 am in the Prime Minister's office when Dr Rhoodie gave his annual report about the secret projects to the Prime Minister, Minister Horwood and myself

According to Minister Horwood's own evidence he admitted that he attended such a discussion

On page 1876, he said "The best conclusion I can make is that it must have been in the latter half of 1975"

On this occasion, a whole number of projects were discussed, successes were mentioned and possible new projects discussed The Citizen was not discussed on this occasion because this was before the creation of The Citizen The discussion lasted two hours

I thus want to state that Minister Horwood did indeed know about some projects, but that I and Dr Rhoodie refused to disclose projects to the Treasury officials

In all the correspondence, the bureaucracy was referred to and not the Minister of Finance This explains also the correspondence between Mr Pretorius and Dr Rhoodie as attached to the interim report of the commission, in which Mr Pretorius asked on various occasions for information about the

MR VORSTER . . . part of trio".

details of Project Senekal

Ultimately Dr Rhoodie answered on February 4, 1977

"My minister informed me today that he was not prepared to divulge details of Project Senekal"

And Dr Rhoodie suggested in Para 3S "In order to iron out the two abovementioned problems, my Minister suggests that he and the Minister of Finance clear this matter at ministerial level with the Prime Minister If you are agreeable, I'll arrange the meeting." (P 34, second report)

It is surely logical to accept that where the negotiations between the two officials now reached a dead end, this suggestion would be accepted and the matter smoothed out at ministerial level

And yet Minister Horwood states that in March 1979, when he testified before the commission, he still had no information about the projects and had only approved a globular amount annually

Because Mr Horwood and I had agreed on what had to be tabulated in the letter, this also explains why on April 26, 1978, all the projects except The Citizen were divulged to the Treasury, while Dr Rhoodie, on many occasions previously, refused to name projects or give details of Project Senekal to Mr Pretorius

In the meantime, however, Mr Horwood had with him this letter in which the projects were tabulated for several days between May 3 and May 8 It therefore cannot be accepted that he did not look at the list of projects

At the meeting of October 26, 1977, in the conference room of the Prime Minister in the Union Buildings, projects were discussed and projects and publications displayed, and he did not use the opportunity to get the facts, but, according to his own evidence, merely drank tea and left

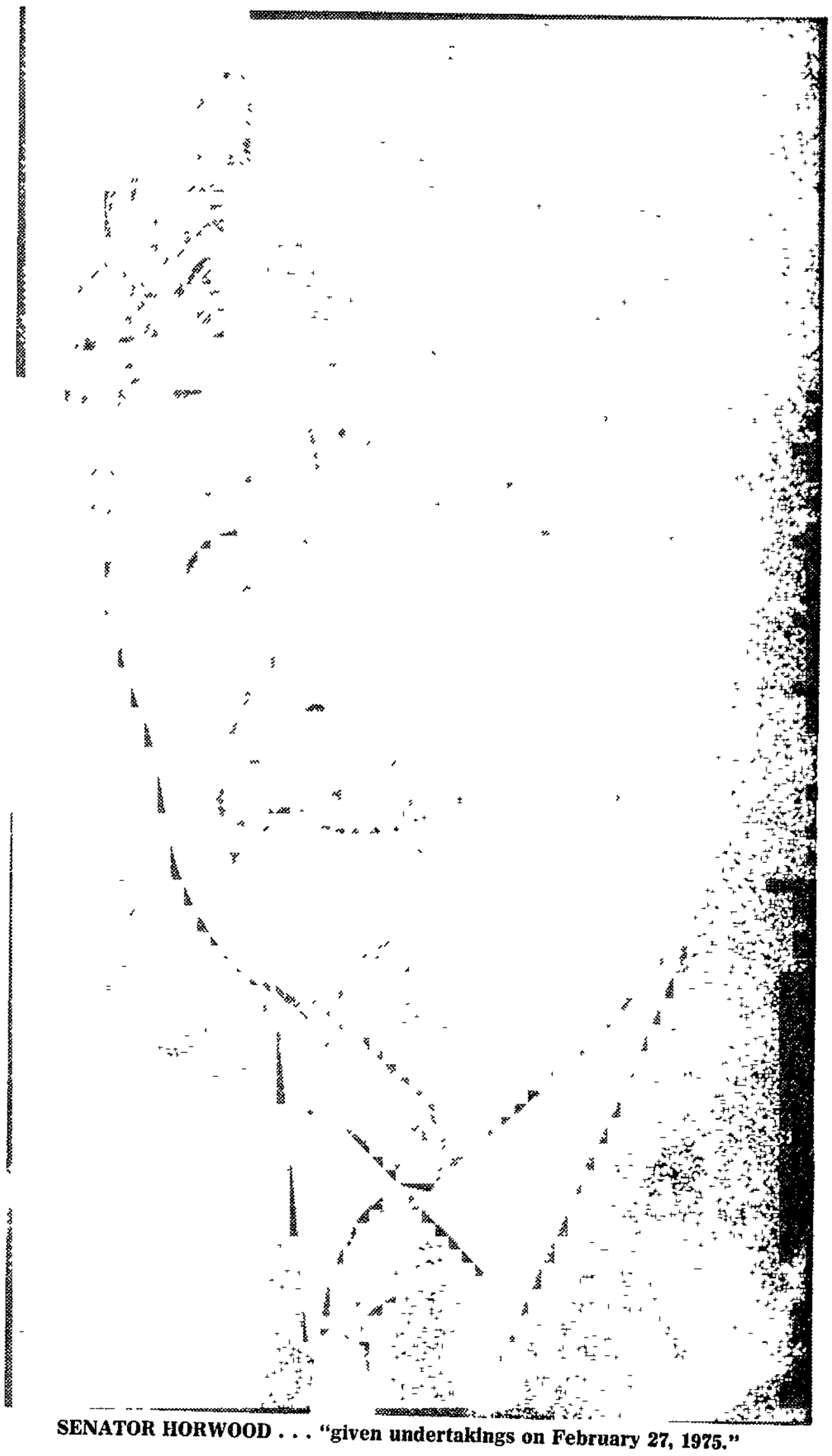
In the light of the above happenings, it is incomprehensible that he could testify as follows before the commission: "I repeatedly asked the Department of Information for particulars of what these projects were and I could never obtain it" (page 1871, 920) On May 9, 1978, and May 10, 1978, in the open debate in Parliament, I invited Mr Sutton, MP for Mooi River, and Mr H Schwarz, MP for Yeoville, to come to my office and I undertook to divulge certain secret projects confidentially to them

Mr Sutton accepted the invitation and I divulged certain of the projects to him on June 6, 1978

Would I have divulged such secrets to members of the opposition and yet refuse them to my colleague from Finance?

Also, the presentation of a series of books to Minister Horwood and my communication to him on the occasion of the presentation, namely that this was the result of one of our secret projects, certainly put him in a position to acquire at least detailed knowledge of this project, and this alone contradicts his evidence which is to the effect that he could not on any occasion get information about the secret projects from the Department of Information.

"I repeatedly asked the Department of Information for particulars, so that I could at least have some knowledge of what these projects were and I could never obtain it" (second report, Page 1871) — DDC



SENATOR HORWOOD . . . "given undertakings on February 27, 1975."

SA image 'harmed' by Info affair

Political Correspondent

SOUTH AFRICA'S image overseas has been seriously harmed by the Information debacle and in the field of agriculture it was becoming increasingly difficult to keep the country's friends.

This statement was made today by Mr Albert Basson, chairman of the South African Agricultural Union.

He recently returned from the congress of the International Federation of Agricultural Producers (IFAP) in Italy.

In a telephone interview from his farm at Eendekuil today, Mr Basson said that 'Muldergate' as he had heard it described overseas, had shattered the country's image.

There would have to be quick action to ensure that the country retained some of its friends

There would have to be an effort from all political parties to resolve the Information debacle as the squabbling that was going on about it, threatened to do more damage than the scandal itself

The world was watching a country washing its dirty linen in public.

Mr Basson, who emphasised that he was not trying to move into the political field, said steps such as the recommendations of the Wiehahn Commission on labour matters, were ones in the right direction.

The country had to move away from discrimination and give the whole population a share in the economy and in other areas

It was not necessary to 'crawl' but at the same time South Africa had to get its priorities right.

Mr Basson, who was re-elected as an executive of IFAP — 'although it was not so easy this time' — said the organisation had 58 members all over the world. South Africa was a foundation member.

He said he was a worried man South Africa had friends in few countries, although it was highly thought of in agricultural circles.

On previous foreign trips he had found that the Afrikaner was thought of as an honourable, consistent person This image has been shattered.

The country's future in IFAP looked uncertain. The congress in Italy had had to be shifted from Turkey because South Africa would not have been welcome there.

AND OPINION STUDY

nain American cars. What is the best
g about each?

Make	Rank	Worst Thing
h		
evrolet		
rcury		
dillac		
dge		
rd		
eSoto		
udson		
lymouth		
aiser-Frazer		
ackard		
ontiac		
Willys		
tudebaker		
Buick		
ldsmobile		
hrysler		
incoln		

te each car as to whether you think it is A, ople above middle class, with B for average nd C for people below middle class.

in Second Interview Guide)

TO THE POINT

Up for grabs

The magazine *To the Point* — funded government to the tune of R14m — be sold to private enterprise if cer approaches to the Minister of For Affairs, Pik Botha, are successful

Botha has said he would welc offers from the private sector, but the understands from sources in the ma zine that a *Citizen*-type deal with Pers is almost certainly out of the question

To the Point editor and chairman J Poorter claims, without offering figures, that the SA edition is "margin profitable" and has been so for so years It was on the loss-making overseas edition (formerly printed abroad as well) that much of the money went west

While he says he is not a keen seller (he theoretically has control), he concedes a sale could solve government's problem But for a purchase to be worthwhile, the buyer would have to move quickly, and if possible dissuade advertisers from withdrawing their support, as they will — and certainly should — do if *To the Point* continues to operate as a political *Panorama*

Poorter also concedes the likelihood that a new owner may want him and certain of his personnel out of the way

What the new regime will have, then, is a shell circulating around 30 000 (although there are doubts as to the validity of this figure), with more than R1m in annual advertising revenue (or so it is claimed), a certain potential if run on a tight rein — and a very unpleasant stigma to overcome

Whether it is worth anything in terms of real money, however, is hard to assess It seems possible that government may even let the magazine go for a nominal sum, provided the new owners guarantee to keep it going for a fixed period There are no assets to speak of (the magazine is printed by Keartland Press) All that remains is some highly questionable goodwill

SOLUTION 1 - 1

(a)

	Budget	Hours	Cost
	1 00	1 00	4 00

(b)

	Budget	Hours	Cost
	1 60		4 00

RAND DAILY MAIL, Friday, May 4, 1979.

'Assassination' of Rhoodie

By PAUL BELL

WHEN Dr Eschel Rhoodie lied under oath to the Press Council in 1975, he said he had been the victim of "journalistic assassination" by the Nationalist Sunday newspaper Rapport, which claimed he had strong links with the magazine To The Point

The former Secretary for Information made this claim in a sworn affidavit to the Press Council — a copy of which was made available to the Rand Daily Mail yesttrday The council later fined Rapport R1 500 and ordered a front-page apology.

Dr Rhoodie also accused Rapport and an Afrikaans morning newspaper Beeld, which was later fined R500, of "portraying a normal situation as sinister, or presenting it to the public as suspect"

In a letter of complaint against Rapport and Beeld, which the affidavit was made to confirm, Dr Rhoodie told the council

"I am sorry to have to approach the chairman (then Mr H van Heerden, who is now a Free State judge) and the Council with this matter, but State officials have as much right to protection against journalistic assassination, like that of which Rapport is guilty, as any person in the private sector."

Rapport, commenting on an attack by To The Point on overseas officials of the Department of Foreign Affairs had written on July 13, 1975, that Dr Rhoodie had "strong connections, official and personal" with the magazine

It also said the Secretary was in a position to have influenced the To The Point article since his department bought "1 000 copies a week"

The following day, Beeld, in its front-page lead story, referred to "special links" between Dr Rhoodie and To The Point, and to the incident in a leader article headlined "Rugstekery" (back-stabbing)

Dr Rhoodie claimed Rapport had "insinuated (this) as clear as daylight", and that it was done "purposely and knowingly" He also claimed it was the newspaper — and not Dr Rhoodie which was the impression given to the public — that had damaged the execution of the State's foreign policy by sowing discord among the staff of two key departments (Information and Foreign Affairs)

Statements at the weekend by the Minister of Foreign Affairs, Mr Pik Botha, and the disgraced former Minister of Information, Dr Connie Mulder, nearly four years later, have exposed the lie in the central statement of the affidavit

In Section V, entitled "The facts of the matters" (Die feite van die sake), Dr Rhoodie said "I have no strong connections, officially and personally, with To The Point, as it stands in the caption of my photograph in Rapport"

He also said it was a lie that he had inspired or suggested To The Point's attack on the Department of Foreign Affairs

Apologie aan dr. Rhoodie

IN RAPPORT

Rapport's apology to Dr Eschel Rhoodie.

Govt

't in shock

Senate (259)

ate walkout

259 RDM 4/5/74

By HELEN ZILLE
Political Correspondent

THE SENATE

THE MINISTER of Finance, Senator Owen Horwood, yesterday led a Government walkout in the Senate — and stifled the disclosure of new aspects of his role in the Information scandal.

The action — believed to be the first Government walkout in South Africa's parliamentary history — was branded by the Opposition as a "suppression of rights one would expect to find in fascist and communist regimes".

It came as the Senate started a debate expected to provide powerful new arguments on Sen Horwood's knowledge of the Information scandal.

The debate was adjourned because the Oposition Senators left in the red benches did not constitute a quorum. The minimum number for a quorum is 15 — but there are only 11 Opposition Senators.

Mr Vause Raw, leader of the New Republic Party, the Senate's official Opposition, said the walkout had "struck at the very roots of parliamentary democracy".

"It was a suppression of Opposition rights which one would expect to find in fascist and communist regimes," he said

The walkout was "a desperate attempt to protect Sen Horwood from a new aspect of the Information scandal".

"I accuse the National Government before the bar of public opinion of being afraid to face the facts," Mr Raw said.

The dramatic walkout came as Senator Monty Crook rose to propose a Private Members Motion "that the Minister of Finance was at all material times aware of irregularities relating to the former Department of Information".

As Sen Crook began the second sentence of his speech, all the Government Members rose from their seats and filed out of the House in what was clearly a calculated move to end the debate.

Unaware that the debate would soon be halted, Opposition senators called out "cowards" as the Nationalist Members left the chamber.

The Secretary of the House then rose to say that the remaining Senators did not constitute a quorum.

The customary shrill bell then rang through the corridors of the House, calling the Senators to return so that the debate could continue.

But the Nationalist benches remained empty, and Opposition Members thumbed through a red-bound rule book to find out

☐ To Page 2

4/5/79 DD 259

Bid to buy into To The Point

PRETORIA — Dr John Poorter, chairman and editor of To The Point said last night that Mr Sarel Reinecke, a publisher and a former National Party MP, had contacted him about acquiring a share in the magazine

"Mr Reinecke has been in touch with me by telephone but no negotiations are in progress or, as far as I am concerned, in prospect at the moment," he said.

"Other businessmen have expressed an interest in To The Point as a commercial proposition but not in the same way as Mr Reinecke

"But To The Point is not for sale at this time," Dr Poorter said.

At the weekend it was disclosed that To The Point had been financed by the government and was a secret project of the defunct Department of Information.

Mr Reinecke, former Nationalist MP for Pretoria District, said he and some of his business associates were interested in acquiring a share in the magazine

"As a publisher I am interested in it as a business proposition if it should come on the market, which is still uncertain at this stage," he said

"As far as I am concerned it is a very good magazine with a positive attitude towards events in Southern Africa and therefore a good investment."

Mr Reinecke said he and a few others were considering making an offer for shares in the publication but their interest was purely a business one and had nothing to do with politics

"Our plans are at a very early stage and there is not much I can reveal But I would like to emphasise that we are considering this as a business venture"

No formal contact had yet been made with the magazine, Mr Reinecke said yesterday

Meanwhile, the news editor of To The Point, Mr Graham Fysh, has resigned following weekend disclosures that the magazine was receiving government financial support,

Mr Fysh's resignation is the third senior staff resignation that To The Point has suffered since January

Mr Fysh, who has been with the magazine for five years, would not elaborate on his reasons for resigning saying only it had to do "with the weekend revelations about To The Point."

According to a statement published last weekend, the former head of the Department of Information, Dr Connie Mulder, said To The Point was financed initially in 1972 by funds from the Prime Minister's budget and later became a Department of Information secret project — DDC-SAPA

Walkout kills Info discussion

4/5/79 DD (259)

CAPE TOWN — Finance Minister Owen Horwood left parliamentarians aghast by leading a government walkout from the Senate yesterday, stifling discussion of a new aspect of his role in the Information scandal

The debate — which was expected to provide powerful new arguments on Senator Horwood's knowledge of the scandal — was adjourned because the opposition senators left in the red benches did not constitute a quorum

The minimum number for a quorum is 15 — and the combined number of opposition senators is 11.

Seasoned observers believe it is the first time in the history of Parliament that such a move has been made to gag a debate

Mr Vause Raw, leader of the New Republic Party the Senate's official opposition, said the walkout had "struck at the very roots of parliamentary democracy"

"It was a suppression of opposition rights which one would expect to find in fascist and communist regimes," he said

The walkout was "a desperate attempt to protect Senator Horwood from a new aspect of the Information scandal" which could only be interpreted as an admission of guilt.

"I accuse the National Government before the bar of public opinion of being afraid to face the facts," Mr Raw said.

The dramatic walkout came as Senator Monty Crook rose to propose a private members' motion "that the Minister of Finance was at all material times aware of irregularities relating to the former Department of Information"

As Senator Crook began the second sentence of his speech, all the government members rose from their seats and filed out of the House

Unaware that the debate would be halted, opposition Senators called out "Cowards" as the National Party members left the chamber

The Secretary of the House rose to say the remaining senators did not constitute a quorum

Mrs Helen Suzman, the longest-serving opposition MP, described the walkout as "incredible and unbelievable" and said she had never heard of a similar attempt to stifle a debate in any Western democracy

In the prescribed manner, a shrill bell rang through the corridors of the House, calling the senators to return so the debate could continue.

The National Party benches remained empty.

Opposition members thumbed through a rule book

The President of the Senate, Mr Marais Viljoen, announced that in terms of the rules, the debate could not continue without a quorum. The House adjourned

Mr Harry Schwarz, chief Opposition spokesman on the Information scandal, said the government was guilty of a severe breach of the parliamentary system It was the government's duty to keep Parliament going A walkout was a protest gesture used by oppositions — PS

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Sen Horwood: I was rather astonished . . .

Political Staff

HOUSE OF ASSEMBLY — Following is the full text of the statement by the Minister of Finance, Senator Owen Horwood, made yesterday, on his involvement in the Information affair

Mr Chairman, I feel it will be expected of me to make some reference, although I would have liked to have treated it with the disdain which I am afraid I have for the matter, to the heavy attack which has just been made upon me in public by my ex-colleague, Dr Mulder

I have never attacked Dr Mulder at any stage at all, and I was rather astonished to see that I should come under this heavy fire through the medium of newspapers against which, I would have thought, Dr Mulder had tried to establish the Citizen

However, he is now using them, and I am certainly not going to respond in any detail to this very belated series of allegations against me by Dr Mulder, in spite of the fact that his statements contain a large number of factual inaccuracies

As I have already stated, my case is squarely before the judicial commission of inquiry, the Erasmus Commission It is there in some detail, and, I am content to leave these matters in their hands — in fact, I have to do so I believe it is only right that the commission should be given an opportunity to complete its final report on which it is now engaged without the mass of unfounded interference with which it has had to contend for months on end

Greatest urgency

The House will recall — I shall be brief — that the Erasmus Commission in its first report referred to a short meeting I had had with Dr Mulder at his request in the late afternoon of April 26, 1978 It was on that occasion that Dr Mulder asked me, as a matter of the greatest urgency, to sign a document marked "Uiters geheim — geen afskrifte"

It subsequently transpired that there were a number of copies lying around, so as to enable the Department of Information — so he said — to draw cash for secret operation purposes against the amount approved for that purpose in the Budget

foot of each page precisely so that I should not see anything in the document

Mr B R Bamford: Were you wearing dark glasses?

The minister. Except for the couple of inscriptions on the front page, which appeared to be in a sort of code, I did not see a single item in that document That is very well known to Dr Mulder I did exactly the same when, a few days later, I cancelled my signature, as a member of my staff can attest

As Dr Mulder has now seen fit to quote selectively from a letter dated May 4, 1978, which I wrote to him in connection with my cancellation of my signature on the letter placed before me by him on April 26, 1978 — the document to which I have just referred — I deem it necessary to quote a paragraph from my letter of May 4, 1978, a paragraph which, I feel, is of great relevance to this letter I have the permisison of the chairman of the Commission to do so This is my letter to Dr Mulder, the letter accompanying the document on which my signature had been cancelled This is what I said in the covering letter

> I feel that I should not be put in the position where my signature to a document containing a list of projects in the Department of Information could be construed as authorization by me of any or all such projects I do not know what these projects are about and have never had any part in approving of them In the circumstances, I must withdraw the initials and signatures I appended to the letter you placed before me last week In other words, I herewith cancel my initials and signature on that letter

Credibility

At no stage did Dr Mulder respond to this Surely, if what he now says is true, he would not have allowed such a statement to have passed unchallenged, only to decide months thereafter that I did in fact, as he says, have prior knowledge of and had approved secret projects I also regard the fact that Dr Mulder makes no mention of this most material paragraph in my letter — whereas he quotes other parts of the letter — as a serious reflection on his credibility

Cabinet ministers knew of irregularities in the former Department of Information before any of these were generally known to the Cabinet, on or about September 26, 1978, and thereafter Subsequently, of course, the commission issued an interim report on this inquiry

In the course of the inquiry I was asked about my knowledge of State funding of To the Point As soon as my attention was drawn to the form of the question put to me and my reply thereto, as they appear on page 1878 of the evidence attached to the interim report, I realized that there was a mistake, and immediately asked leave to appear before the commission to put the matter right on oath

This was done the same day, and the matter is now in the hands of the commission, where it is drawing up its final report There is nothing more I can say on that matter The commission has, in fact, asked me to leave the matter with them However, I have cleared my side of the picture

To come back to Dr Mulder and to illustrate further my problem with Dr Mulder's credibility, I quote only three more of a number of examples of the recent allegations made by Dr Mulder concerning me, allegations which simply do not stand the test of scrutiny, as they are factually incorrect

Senator Owen Horwood

Let me deal with the first allegation Let us call this one allegation No 1 In this instance Dr Mulder said the following, according to a press report

> On February 5, 1975 there was a meeting in room 1001 in the H F Verwoerd Building, at which Dr Diederichs made known and handed over the financial arrangements and undertakings of

ment one late afternoon on April 26, 1978, involving the document which I have referred to Nothing cropped up then in any shape or form about the Citizen

Allegation No 3 is this from Dr Mulder

> On November 7, 1977, Mr Horwood and I had talks about the open as well as the secret funds which my Department of Information requested for the next financial year of the Budget I requested R21 million, which was reduced by us to R14,8 million In this R14,8 million provision was made for approximately R6,6 million for the Citizen In this discussion the Citizen and allocation of funds for the Citizen was specifically mentioned because it was the biggest single item in the R14,8 million

My secretary

My comment This truly astonishing reconstruction of events by Dr Mulder is quite untrue Although Dr Mulder had requested an interview with me on this date no such meeting in fact took place, as I was delayed at a meeting of the State Tender Board and asked my secretary to cancel the proposed meeting with Dr Mulder No other meeting was arranged to take the place of this cancelled meeting I want to reiterate categorically that never at any time or in any form whatsoever did Dr Mulder raise the matter of the Citizen with me, nor, for that matter, of To the Point

So I can continue to deal with Dr Mulder's lamentable lapses of memory The question which arises in my mind is why would a man with whom I was always on friendly terms and whom I always tried to assist wherever I reasonably and legitimately could, now, six months after his departure from the Cabinet and indeed six months after giving detailed evidence to the Erasmus Commission — as he did last year — suddenly turn on me and hurl a series of unfounded allegations at me?

This attack, coming so soon after a similarly vicious and baseless attack on me, through the same newspapers, by Dr Rhoodie, leads me to wonder whether it could be that Dr Mulder is under the whip from Dr Rhoodie What I now expect from Dr Mulder is to

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When I asked why I should sign that document and why the tearing hurry, he said two things firstly, that the auditor-general had informed Information that the only way the money could be released at that stage was by acquiring the signature of the Minister of Finance, and secondly, that if the necessary cash was not available to pay certain salaries and certain other commitments the very next morning, i e April 27, 1978, he said the department would be in an untenable position

Under protest and the most earnest pleas of my Cabinet colleague, I signed and initialled the document in complete good faith, stressing that I would not look at its contents as I was not at that stage going to be accused of approving any secret project where I had consistently been kept completely in the dark about them Dr Mulder assured me no one would accuse me of any such thing

Cancelled

The Erasmus Commission has explained how, as soon as I was informed by the law advisers that my signature was not required on that document to enable cash to be drawn, I immediately cancelled my signature and initials Now I see that Dr Mulder says that my initials appear on the document near an item "To the Point"

What Dr Mulder is careful not to say is that in initialling and signing that document I took great care to obliterate any items as I turned over the

I mentioned earlier that Dr Mulder had stressed to me that the auditor-general had laid down that my signature had to be obtained on the letter of April 26, 1978 I am authorized by the then auditor-general, Mr Barrie, to say that this is untrue, and that at no time was he consulted by Information on this matter and at no time gave any such ruling

I also mentioned how Dr Mulder had repeatedly stressed on April 26, 1978, how urgent it was that cash had to be available the very next day What Dr Mulder has now to explain is how it happened that, by May 8, 1978 — 12 days after my signature had been appended to that document — no amounts whatever had been drawn by the Department of Information In fact, the first amount drawn against the department's approved vote was drawn on May 15, 1978, some three weeks after he had said that money had to be available the next monring or he could land in court Those were his words to me

It is perfectly clear that the whole episode was a carefully-laid trip by Dr Mulder, who was a Cabinet colleague of mine at the time, and by Dr Rhoodie, to ensnare me into a false position where they could say that I had had a hand in approving their nefarious secret activities

I referred earlier to Dr Mulder's reference to To the Point In March this year I gave evidence before the Erasmus Commission in the course of their inquiry into whether

the Treasury to his successor, Minister Horwood, in the presence of Dr Rhoodie My comment to this was

> This is untrue, not only that, it is based on hearsay evidence, coming from Dr Rhoodie, a man described by the Erasmus Commission as a "fugitive from justice"

I have been able to establish conclusively from written records that after I became Minister of Finance early in February, 1975, I met with Dr Diederichs on only one occasion to discuss certain financial matters That was some weeks later and nothing whatever was handed over to me, as alleged

Allegation No 2 is this from Dr Mulder

> In April, 1978, I had discussions with Minister Horwood and Mr Pretorius to determine how I was to request the funds after they had been granted by Parliament It was decided that I was to direct a letter to the Minister of Finance in which I would tabulate all the projects and ask for the necessary amounts I asked to speak to Mr Horwood alone, and after Mr Pretorius had excused himself I put forward my problem in connection with the Citizen to Mr Horwood

My comment This is untrue What is more, there is no indication in my own or in my secretary's detailed office diaries of any discussions with Dr Mulder throughout 1978 The only one, of course was that on the spur of the moment

place all these allegations he has made verbatim before the Erasmus Commission, where he will be under oath

Just on that point, I cannot refrain from reminding the House what the evidence was which Dr Mulder himself gave to the commission in November last It is referred to in the interim report of the Erasmus Commission on page 11 Dr Mulder obviously gave evidence for hours on end Obviously, he had to think carefully about the whole position This was one of the questions which the commission put to him (page 11)

> Nou, in 1978, Februarie 1978, was minister Horwood toe alreeds ingelig oor die Citizen-projek deur uself?

This was his answer

> Ek kan nie onthou nie Ek weet nie by watter geleentheid hy ingelig is laat ek so se, by watter geleentheid by presies ingelig is in die Citizen-projek, kan ek nie, ek kan nie, here, u vra my onmoontlike vrae Ek weet nie wanneer hy ingelig is nie Ek weet nie by watter geleentheid hy ingelig is nie Ek kan dit werklik nie vir u sê nie Ek weet nie Ek kan nie onthou nie Laat ek so sê, die feit is dat tussen my en die eerste minister en mnr Horwood was daar geen geheime i v m die projekte nie

Mnr die Voorsitter, dit is die grootste leuen van almal, en agbare lede het reeds gehoor wat die destydse eerste minister daaroor te sê gehad het

Proposals leave Horwood 'stone cold'

CT 5/5/79

By MICHAEL ACOTT
Political Correspondent

HOUSE OF ASSEMBLY. — The Minister of Finance, Senator Owen Horwood, said yesterday his hands were absolutely clean in the Information affair and he accused the opposition of waging a campaign of hate against him.

He also hinted that he and other ministers might institute defamation claims against newspapers once the Erasmus Commission delivered its final report on Information later this month.

Senator Horwood was speaking during the debate on his departmental budget allocation in which opposition parties renewed their criticism of his actions. They questioned his ability to act effectively in present circumstances and attacked his refusal on Thursday to submit himself to debate in the Senate.

The Progressive Federal Party proposed the deletion of his entire R30 345 salary, while the New Republic Party moved that it be reduced by R10 000. Senator Horwood said the proposals left him "absolutely stone cold".

Senator Horwood read out a lengthy statement rebutting the recent attack on him by the former minister of Information, Dr Connie Mulder, and in particular allegations that he must have seen the words "To the Point" in a document he signed and initialled a year ago.

He provoked a new opposition attack on him by saying he had deliberately covered details of Information secret projects in the document, both when he initialled the bottom of each page and when he subsequently cancelled his signature, and that Dr Mulder knew this.

Mr Harry Schwarz (PFP Yeoville), said he hoped Senator Horwood would in future look at what he signed, taking responsibility for it and not cover up documents.

"We want a minister of finance who is prepared to exercise proper control over secret funds. If he is not prepared to do that, we prefer to have another minister of finance."

Dr Zac de Beer (PFP Parktown), said Senator Horwood's explanation that he had covered up all details in the document compared oddly with previous explanations that he had not known details because the document "was in a sort of a code form".

"How did he know they were in code if he didn't look at them?" he asked.

Senator Horwood interjected he had stated he had not seen a single item except some inscriptions on the first page of the document.

In two speeches yesterday, Senator Horwood:

- Accused Dr Mulder and the former secretary for Information, Dr Eschel Rhoodie, of trying to trap him into a position where they could say he had approved "their nefarious secret activities".
- Admitted there was "a mistake" in his earlier evidence to the Erasmus Commission about his knowledge of secret funding of the magazine To the Point, and said he had already given further evidence to put the matter right.
- Said Dr Mulder had never raised the issues of the Citizen or To the Point with him.
- Suggested Dr Mulder's "lapses of memory" might be because Dr Mulder was under Dr Rhoodie's whip.

He described as spontaneous the National Party walk-out on Thursday which prevented de-

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bate on an NRP motion questioning his denials that he had known details of Information secret projects. It was a protest against "an unprecedented campaign of hate" being waged against him by his chief Senate critic, Senator Monty Crook.

He said he had a copy of the speech Senator Crook had intended delivering and which had been distributed in advance to the press. He challenged Senator Crook to take his indictment of the Erasmus Commission to the commission itself in evidence under oath.

The Senate had already expressed full confidence in the commission's findings that no present Cabinet minister was involved in Information irregularities. Senator Crook had ignored appeals to raise the issue in normal debates instead of taking up time with special debates.

"My hands are absolutely clean. I challenge anybody to prove the opposite inside or outside this House.

"I am not in the dock. What am I accused of?" he asked.

Senator Horwood said "slanders and calumnies" had been published in South Africa about Cabinet ministers, he in particular. All people had rights in a civilised country and the day of reckoning might come after the final Erasmus Commission report.

"One of those rights is that nobody's character may be taken away unjustly — not by anybody and not by any newspaper."

The debate concludes on Monday when both Mr Schwarz and Senator Horwood are expected to speak again.

POLITICS

RDM 5/5/79 (254)

Horwood's 3 major trouble spots in the House

By MARTIN SCHNEIDER
Political Editor

THREE major issues faced the Minister of Finance, Senator Owen Horwood, in the Assembly yesterday

● He was asked by the Erasmus Commission in March this year

"Have you any particular knowledge about State funds being siphoned to To The Point"

He replied "I have no specific knowledge on that, no knowledge which I can regard as authoritative, other than what I have read and what I have heard about this one"

He was again asked "But no peculiar knowledge?"

He replied "No own peculiar knowledge"

In the Assembly yesterday, he admitted this was wrong

Explaining the fact that his initials appeared next to the item "To the Point" in a schedule of Information Department secret project expenditure, Sen Horwood replied he had made a "mistake" in his evidence to the commission

● Sen Horwood told the commission he had repeatedly tried to obtain information about Information Department secret projects

According to his evidence "And in fact, time and again, I sought to obtain information from the Department of Information even if it were reasonably in general terms as to what was going on Dr Rhoodie refused to give any information He said this is absolutely secret"

In Parliament yesterday, Sen Horwood said he had "obliterated" references to Information's secret projects which had been presented to him by the former Minister of Information, Dr Connie Mulder

He said he had "obliterated" details because he did not want to be accused of approving secret projects on which he had been "kept completely in the dark" and because he did not want to see anything in the document

His statement was also his third explanation of his claim that he signed a document approving secret expenditure of R14 800 000 without knowing what was in the document

He told the Erasmus Commission that Dr Mulder had thrust the document in front of him for his signature without giving him the opportunity to see its contents

He told the Assembly earlier this year that the part of the document he had seen was in a "sort of a code"

In the Assembly yesterday, he said he "obliterated" details of the secret projects contained in the document

● Sen Horwood agreed before the commission that it was his duty as Minister of Finance to know the details of secret projects for which he approved expenditure

The Secret Services Account Act states that the Minister of Finance should determine that such expenditure must be in the "national interest"

This law was introduced by Sen Horwood

In the Assembly yesterday, he repeated that he did not know the details of Information Department projects in a schedule of expenditure he approved

He later cancelled his initials and signature on the document because his law advisers told him that he was not required to initial and sign it

Have you any particular knowledge about State funds being syphoned to To the Point? — I have no specific knowledge on that, no knowledge which I can regard as authoritative, other than what I have read and what I have heard about this one.

But no own peculiar knowledge? — No own peculiar knowledge. (30

NO FURTHER QUESTIONS.

JUDGE ERASMUS

What Senator Horwood told the Erasmus Commission in March. Yesterday in Parliament he admitted he had made a mistake in the evidence

THE ASSEMBLY — The New Republic Party yesterday moved an amendment to reduce the salary of the Minister of Finance, Senator Owen Horwood, by R10 000 a year

Mr George Bartlett (NRP Amanzimtoti) moved an amendment that an item in the estimates of expenditure covering the Minister's salary be reduced by that amount during the debate on the Finance Vote.

Mr Bartlett said the Minister's action in walking out of the Senate on Thursday together with the rest of the National Party, when Senator Monty Crook (NRP) was introducing a motion concerning Sen Horwood's knowledge of the activities of the former Department of Information, was deplorable.

Mr Bartlett said the NP walkout struck at a root principle of parliamentary democracy.

He did not believe Sen Horwood's action lived up to the best traditions of Parliament or Ministerial behaviour

The whole issue had put in question the Minister's capability of effectively carrying out his duties as a Minister. — Sapa

'I signed without looking at the secret project list'

SENATOR Horwood's statement yesterday on his knowledge of the former Department of Information's secret projects said

"Under protest and the most earnest pleas of my Cabinet colleague (Dr Mulder) I signed and initialled the document in complete good faith, stressing I could not look at its contents as I was not at that stage going to be accused of approving any secret projects where I had consistently been kept completely in the dark about them

"Dr Mulder assured me no-one would accuse me of any such thing The Erasmus Commission has explained how as soon as I was informed by the law advisers that my signature was not required on that document I immediately cancelled my signature and initials

"Now Dr Mulder says my initials appear on the document near the item To The Point What he is caring not to say is that in initialling and signing that document I took great care to obliterate any items as I turned over the foot of each page precisely so that I should not see anything in the document

"Except for a couple of inscriptions on the front page that appear to be in a sort of code I did not see any item in that document, and that is well known to Dr Mulder

"I did exactly the same when a few days later I cancelled my signature as a member of my staff can attest

" On the matter of To The Point In March this year I gave evidence to the Erasmus Commission in the course of its inquiry I was asked about my knowledge of State funding of To The Point As soon as my attention was drawn to the form of the question put to me and my reply thereto as they appear on page 1878 of the evidence I realised there was a mistake and immediately asked leave to appear before the commission to put the matter right

"This was done the same day and the matter was now in the hands of the commission where it is drawing up its final report There is nothing more to say and the commission has asked me to leave the matter with them

"I have cleared my side of the picture"

I obliterated Info details — Horwood

By HELEN ZILLE
Political Correspondent

HOUSE OF ASSEMBLY. — Senator Owen Horwood, Minister of Finance, told Parliament yesterday there "was a mistake" in his evidence to the Erasmus Commission that he had no specific knowledge that To The Point was funded by taxpayers' money.

In another remarkable statement, he explained how he "obliterated" details of secret Info projects before signing a document allocating R14,8-million for these projects.

Making his third explanation on his signing of the document, Senator Horwood said he covered up details of the projects so that he could not afterwards be accused of knowing about them.

Senator Horwood was speaking during the debate on his Budget Vote — a day after he led a Government walkout in the Senate to stifle an opposition attack on his handling of the taxpayers' money in the Info scandal.

The combined Opposition moved a deduction of Senator Horwood's salary from the Finance Vote — the strongest form of Parliamentary censure — because of his role in the scandal.

Replying, Senator Horwood said: "It leaves me absolutely stone cold. My hands are clean. I challenge anyone to prove otherwise."

In the strongest attack againt him this session, Senator Horwood was asked to explain why he told the Erasmus Commission on March 23 this year he had "no specific knowledge" that To The Point was funded with taxpayers' money when Mr Pik Botha, the Minister of Foreign Affairs, said the Government was officially briefed on the project in November last year.

Senator Horwood told the House: "In the course of the (Erasmus Commission) inquiry, I was asked about my knowledge of State funding of To The Point.

"As soon as my attention was drawn to the form of the question put to me and my reply thereto, as they appear on Page 1 878 of the evidence attached to the second report, I realised

Mr Schwarz "unbelievable"

Horwood signed without looking

From Page 1

Opposition spokesmen pointed out that this explanation was a direct contradiction of his previous statements that he had done everything in his power to find out details of secret projects but had been kept in the dark by Dr Mulder and Dr Rhoodie.

They focused Senator Horwood of knowing about the To The Point project as his signature appeared right next to the words "To The Point" in a document he signed granting funds for secret projects.

Explaining the matter, Senator Horwood said: "In initialling and signing that document I took great care to obliterate any items as I turned over the foot of each page, precisely so that I should not see anything in the document."

"Except for a couple of inscriptions on the front page that appear to be in a sort of code, I did not see any item in that document and that is well known to Dr Mulder

"I did exactly the same when, a few days later, I cancelled my signature, as a member of my staff can attest."

Mr Harry Schwarz, chief Opposition spokesman on the Information scandal, described Senator Horwood's statement as "quite unbelievable".

"His explanation that he covered up details on a document so that he would not know what he was signing will create a fair bigger problem for him than he faced before."

Dr Zac De Beer said most people were brought up to understand that their signatures meant something when they appeared on documents.

"Here we have a case where the Minister actually covers up the facts . . making no attempt to find out how public funds are being spent. If there is one thing a Minister of Finance should not be doing this is it."

Mr Schwarz said Senator Horwood had a duty to explain whether he was now going to look at what he was signing and not cover it up.

"We want the Minister of Finance to exercise control over secret projects and unless he is prepared to do this we don't want him as Minister of Finance."

Senator Horwood said the Info case before the Erasmus Commission, "If the commission tells me I am guilty of some misdemeanour on to The Point then it is a very serious matter indeed. But if it should be the opposite, I expect others to accept that as well."

● See Page 4

Horwood

there was a mistake and immediately asked leave to appear before the commission to put the matter right.

"This was done the same day and the matter is now in the hands of the commission, which is drawing up its final report. There is nothing more to say and the commission has asked me to leave the matter with them," he said.

In a further statement — described as "unbelieavable" by the Opposition — Senator Horwood told how he covered up details of secret Info projects before signing a document allocating R14,8-million for these projects.

He did not want to be accused later of knowing about these projects, Senator Horwood explained.

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Senator Horwood "mistake"

Rede vir noem van sy naam

Rapport 6/5/79

(259)

WAAROM RAPPORT in 1975 dr. Eschel Rhoodie genoem het in sy berig oor en kommentaar op To The Point se aanval op die Departement van Buitelandse Sake, is voor die Persraad deur mnr. Willem Wepener, destydse redakteur van die koerant, onder meer só gemotiveer:

RAPPORT stel daardie aanval aan die kaak, en wys daarop dat die Departement van Inligting weerkliks eksemplare aankoop vir verspreiding, ook in die buiteland. Dit beland o.m. in die kantore van die mense wat aangeval word — 'n aanval wat deur dr. Hilgard Muller as rugstekery bestempel is.

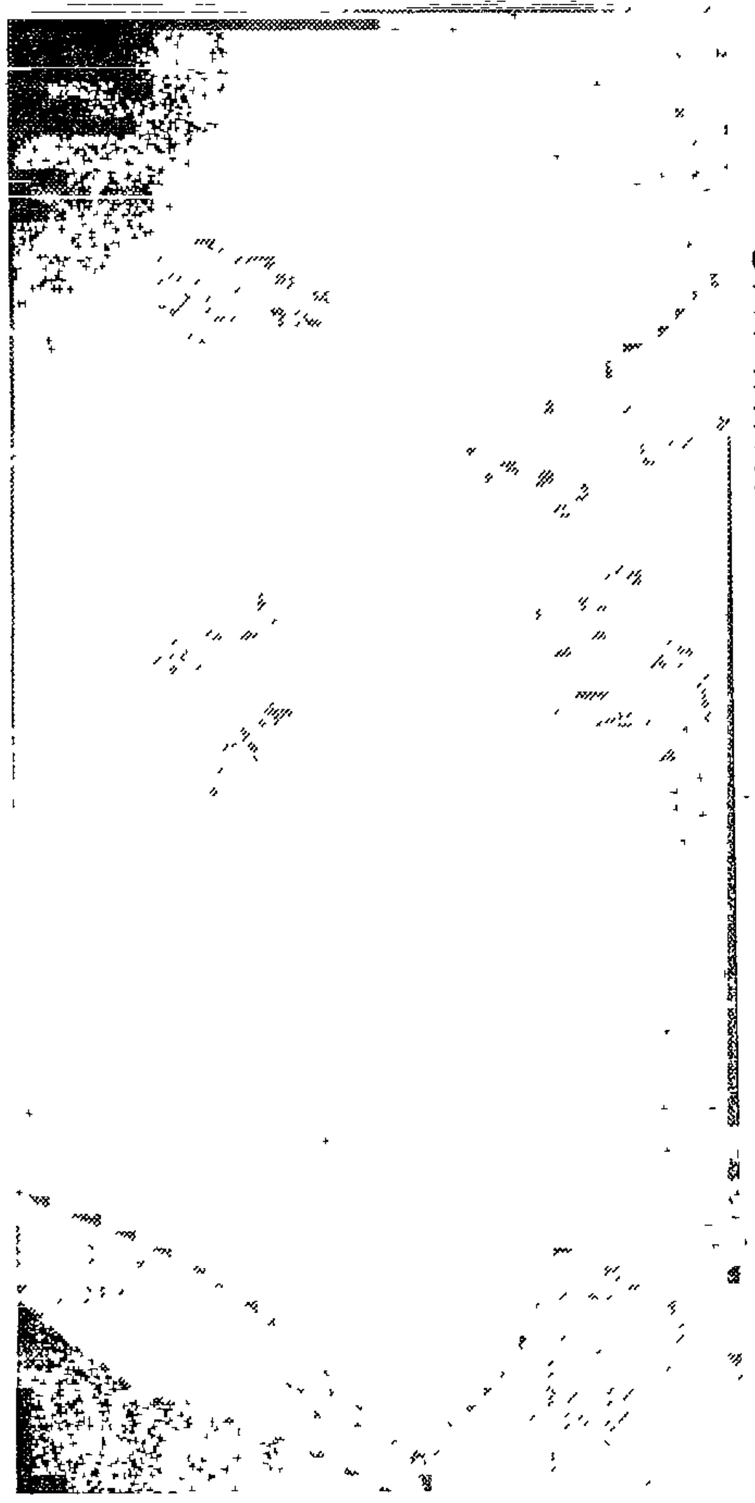
Dr. Rhoodie se „amptelike en persoonlike verbintenisse" word feitelik uiteengesit. „Ons skrywe geen duistere motiewe aan die klaer toe nie, maar sê net waartoe hierdie verbintenisse aanleiding kan gee: . . . nuwe gerugte van wrywing tussen Inligting en Buitelandse Sake. Oor sulke wrywing het koerante toe al 'n jaar of twee berig.

„Vir ons gevoel kom dit daarop neer dat Inligting . . . help om die aanval te versprei, en ons beskou dit as hoogs onwenslik. Anders as die klaer voel ons dat die voortgesette aankope van die blad deur Inligting wel deeglik ter sake was en steeds is . . ."

Kommentaar hieroor is billik. Dis in die openbare belang, ook omdat „ons te doen het met staatsinstansies en -geld. Die publiek is ten volle geregtig om ingelig te word oor al die omstandighede en elke aspek van die saak."

6/5/79 Sund Tribune (25)

SENATOR HORWOOD FACES NEW CHALLENGES



Senator Owen Horwood — under pressure to explain satisfactorily or quit public life

By BILL KRIGE, Political correspondent

CAPE TOWN: FINANCE Minister Owen Horwood faces renewed demands from the joint opposition that he satisfactorily explain the funding of the defunct Department of Information or quit public life.

This follows his performance in the House of Assembly on Friday which has left him, according to Mr Harry Schwarz of the Progressive Federal Party, "in deeper water than ever before".

Senator Horwood told Parliament that he signed and initialled a seven page document last April to authorise the release of funds for the Department of Information. But he did so while covering it up so that he wouldn't have to see what he was signing

It was perfectly clear, Senator Horwood said, that the whole episode was a "carefully laid trap by Dr Connie Mulder who was a Cabinet colleague at the time, and by Dr Eschel Rhoodie, to ensnare me into a false position where they could say that I had a hand in approving their nefarious secret activities."

His statement came at the end of a week which saw the focus of the lingering Information affair shoot sharply back to Senator Horwood and the explanations he has tendered of his own role in it.

Accused anew by Dr Mulder of having prior knowledge of the State's funding of the Citizen newspaper and To the Point magazine he was also the target of a New Republic Party motion in the Senate seeking to pin on him an early knowledge of Information irregularities.

The Senate motion lapsed following a walk-out of National Party members which Senator Horwood described as "spontaneous" although copies of a statement from the NP explaining the move were handed out beforehand.

The NRP motion will be re-introduced next week.

The case which the two major opposition parties are building against Senator Horwood is largely the tale of two letters and the various explanations given by him of the circumstances surrounding them.

There is also the point that, from the moment he took over the finance portfolio from Dr Nico Diederichs in 1975, he was aware that the Department of Information used secret funds. On his own evidence he eagerly sought knowledge of what the secret projects were but on at least two occasions when the information was offered him he chose not to accept it.

The first letter was the one presented to Senator Horwood by Dr Mulder on April 26 last year and which Dr Mulder said required his colleague's signature urgently so that Information projects could be kept on the move

The letter, reproduced in the interim report of the Erasmus Commission, lists some 90 projects by code with an amount opposite each In the body of Dr Mulder's letter it is stated that the amount needed for secret projects for the year was R14,8-million.

In fact, when the figures are totted up they total only R8 127 000 — a difference of about R6,6 million

This is the letter which Senator Horwood now says he signed and initialled while deliberately hiding the contents from himself. His initial on page three, according to a photostat handed out by Dr Mulder this week, appears next to Secret Project G25 which had the words "To The Point" sandwiched between the code in one margin and an amount of R1,3 million in the other.

Senator Horwood saw this letter twice — once when he was asked to sign it and once when he cancelled his signature on it. On neither occasion did he peep.

The circumstances surrounding the writing of the letter and its particular slot in what was, last April, a still unfolding scandal involving the Department of Information are "most material," according to Mr Harry Schwarz.

Less than two weeks before, the Press Council heard a complaint against the Sunday Express which linked the news magazine "To the Point" with the Department of Information

It has since been revealed that the magazine was in fact a secret project and that R14-million in public money was spent on it over a period of six years

On Sunday, April 30 — four days after Dr Mulder rushed Senator Horwood into signing and initialling the letter — the Sunday Express reported that it had met Connie Mulder and was withholding for a week the publication of a bombshell report.

On May 2 Senator Horwood cancelled his signature and initials on the letter without glancing at whatever secrets it held. At the time it was clear that the Department of Information was in serious difficulty and that the Government was drifting towards the worst crisis of confidence in its administration since 1948 when the National Party took office.

Secret funds

That same week Dr Eschel Rhoodie, in a transparent bid to pre-emt damaging Press disclosures, issued a statement stating that his department used secret funds and that he was accountable not to the

The official versions . . .

CAPE TOWN: On five different occasions Senator Owen Horwood has given Parliament his version of his signing of a letter from Dr Connie Mulder listing secret projects by code and asking for the release of funds to keep them going.

".. If you look at the document now you will find many of them are in code. It was quite impossible for me to understand what I was dealing with." — Senate Hansard December 8, 1978 special session of Parliament.

"I discussed this with the Hon. Minister and I had no reason whatsoever to have any suspicion that anything was irregular. I did not look at the detail because most of it was in a sort of a code form. But I said that if he insisted that it was the only way that any amount could be drawn I would sign it because he said he had to have money the next morning for a certain project." — Assembly Hansard February 8, 1979.

"The Hon. Member also referred to a document from which he said I had withdrawn my initials. Of course, I cancelled my signature. It was not a question of withdrawing it." Assembly Hansard, March 1, 1979.

"The circumstances under which I appended my signature on April 26 to an Information document purporting to contain references, in very cryptic form, to certain projects of the Department of Information, are clearly set out in the above excerpt from the Commission's report."

(He then asked Dr Mulder whether he could keep the document as he intended to check the signing procedure with Treasury officials and with the State Law Adviser. Dr Mulder refused) Senate Hansard, March 22, 1979.

"Under protest and the most earnest pleas of my Cabinet colleague, I signed and initialled the document in complete good faith, stressing that I would not look at its contents as I was not at that stage going to be accused of approving any secret project where I had consistently been kept in the dark about them." Statement read to Assembly by Senator Horwood on Friday, May 4, 1979.

Sunday Tribune
6/5/79

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Auditor General but a three-man Cabinet committee for their correct expenditure.

On May 8 the former Prime Minister, Mr John Vorster, announced that he took full responsibility for the allocation of secret funds to the Department of Information, and the following day Dr Mulder told Parliament that the Citizen newspaper did not receive money from the Government.

On May 12, Dr Mulder got Senator Horwood to sign a letter releasing R7,8-million from the Treasury for, among other things, publishers and publications. Dr Mulder has claimed that the headings were deliberately kept vague but that Senator Horwood knew they were destined for the Citizen.

In his statement released this week Dr Mulder pointed out that he had, in Parliament, invited Mr R. Sutton of the New Republic Party and Mr Harry Schwarz of the Progressive Federal Party to review certain secret projects confidentially. Mr Sutton had accepted the offer.

"Would I have divulged such secrets to members of the opposition and yet refused them to my colleague for finance?" he asked.

High society!

A GOLDEN thread of opulence links the Information Department's front men who, with the connivance of the now fugitive Dr Eschel Rhoodie, wheeled and dealed their way around the world for what they saw as the "national interest".

LIFE AT THE TOP FOR THE INFO FRONT MEN

By EUGENE HUGO

Puppetmaster Rhoodie hose his men well

Among them the millionaires: Hortors men David Abramson and Stuart Pegg, American publisher John McGoff, South African industrialist and restaurateur John Heinrich, fertiliser magnate Louis Luyt and Citizen and To the Point publisher Hubert Jussen

And the wealthy Citizen and To the Point executive Jan van Zyl Alberts, Iscor chairman Tom Muller, Volkskas chairman Jan Hurter This was how Dr Rhoodie built a golden profile for his secret activities.

David Abramson and Stuart Pegg each scored R1-million on a deal backed by Dr Rhoodie's Information Department as part of a scheme to establish a pro-South African international publishing empire

"Egg-head"

Mr Abramson had reputedly been worth R18-million as the National Fund Investments' whizz-kid

He went in for fancy European sports cars, lived in a R100 000 home and had a predilection for good wines

From his wine cellar at his Hyde Park home he would send his clients and contacts cases of mixed wines as gifts But he was never a socialite

After he lost his NFI fortune he disappeared but, according to friends, reappeared in low profile to gain the reputation as being extremely generous in lending money

Friends described him as a "bit of an egg head", a voracious reader with an interest in classical music and no interest in sport

Mr Pegg was a slower starter in the rise to prominence and wealth than his partner, Mr Abramson But once he got going with British financier Jim Slater six years ago there was no stopping him

A rally driver of some repute, a hedonist, a man who claimed to be apolitical, Mr Pegg saw himself as principally a businessman

Mr Pegg and Mr Abramson worked together on and off for years The important difference between their relationship in the late 1960s when they were both involved with the National Growth Fund and their partnership now is that Mr Pegg was a R160-a-month personal assistant to Mr Abramson

Cynic

At 33, last year, he was not sure whether he was a millionaire He made a million on the Morgan Grampian deal but said he would have to check whether he was, in fact, a millionaire

He and Mr Abramson made a formidable business partnership because, in Mr Pegg's words,

"David is a humanitarian and I am a cynic."

Mr Abramson played life on a lower key than his more flamboyant partner Mr Pegg says he is no Onassis, but adds, not that he would not choose to be like the Greek multimillionaire was

Mr Pegg enjoys the excitement of the high life and makes no apologies.

Jet aircraft, luxury yachts and fast cars are part of his lifestyle — a way of living which to him is palpably fun

A Springbok rally driver, Mr Pegg was as openly ambitious in business life as Dr Rhoodie was in the political arena

He acquired a luxury R125 000 home in the exclusive Khyber Rock enclave near the Johannesburg Country Club, a home which was an architectural prizewinner

The other two most important Information front men besides Mr Luyt, Mr Van Zyl Alberts and Mr Jussen, were no slouches when it came to Mercedes Benz transport, exclusive homes and jet-set travel

The To The Point empire included a suite of offices in the high-rise Sandton City building and the three directors had the use of four Mercedes Benz 450SL sports cars — two of them kept for their exclusive use in Europe — an office Jaguar for transporting guests, other Mercedes cars and a flat in Antwerp

Mr Van Zyl Alberts manipulated 18 front companies and was involved with another 18 front companies and front men to do his task for the Information Department

Difficulty

As the Erasmus commission pointed out, Mr Van Zyl Alberts had apparent difficulty separating his own funds from those supplied to him from the almost bottomless coffer of Dr Rhoodie's secret project G-fund

When he left To the Point recently he had two R30 000 Mercedes cars — one red, one white

To care for his transport he had a chauffeur-cum-errand runner and he always flew first class — including a trip to the Montreal Olympics

He, Mr Jussen, and the third director, Martin Duyzings, constantly flew to the United States, the East and other parts of the world on mysterious missions

In fact, Mr Duyzings flew on a weekly basis to various points on the globe to produce a single-page column in To the Point each week called "Dateline Tokyo"

Mr Van Zyl Alberts used his lavish To the Point office for much of his other business — in fact, so much so that business associates complained that he was difficult to pin down on To the Point business

But he nevertheless insisted on clearing all decisions (other than routine editorial ones) himself

His other business included arranging trips for foreign VIPs, like former Texas Governor John Connally, to South Africa

At home he settled into an expensive house on Pretoria's exclusive Waterkloof Ridge enjoying from time to time weekend braaivleis gatherings at the home of General Hendrik van den Bergh — particularly when there was such pressing business as the plans to take over South African Associated Newspapers and to launch the Citizen

As another part of the Information Department's secret activities, Mr Van Zyl Alberts acquired a number of properties, including several well-appointed flats in Sea Point, Cape Town

Lavish

To the Point directors also set up for themselves a lavish flat in Antwerp and through other contacts a luxury flat in Cannes where they on at least one occasion found themselves as VIP guests, with Dr Rhoodie and his G-fund director, Les de Villiers, at the famous film festival

Dutch publisher Mr Jussen was known as a wealthy jet-setter who married into one of Holland's biggest individual fortunes

He had at least two properties in South Africa and the same taste for Mercedes Benz cars

One property is the palatial R120 000 Sandton house "Four Seasons" — once the home of Peter Schlesinger and sold this week

Hideaway

The other South African property is a beautiful Dutch period home called "Die Eike" in Stellenbosch.

This he obtained by swopping his family's R152 000 luxury flat in Cannes, on the French Riviera

The flat had been designed by one of France's leading interior designers

One of Mr Jussen's friends, retired Dutch bank manager Henri Merckx-Vroom, still maintains a flat in the same building — used as a hideaway and contact point for the fugitive Dr Rhoodie

Together, info front men Mr McGoff and Mr Van Zyl Alberts, and Dr Rhoodie and Mr De Villiers, planned a Camp David-style mountain hideaway for important meetings with foreign visitors and as a weekend resort when they tired of their secret machinations

But today Mr Jussen is reported to have joined collaborators Dr Rhoodie, Mr Abramson and Mr Pegg overseas as Government agents continue to unravel the complexities of their luxuriously expensive exercise which brought South Africa its greatest political crisis

The minor front men, Dr Muller, Dr Hurter and Mr Heinrich have no reason to disappear to foreign places They simply allowed themselves to be used as they said "in the interests of the country"

But of Dr Rhoodie's known major golden puppets only two still remain in the country — Mr Louis Luyt and Mr Jan van Zyl Alberts

Mr Luyt has until 1986 to repay the R13-million loan he owes the Government after his role in the establishment of the Citizen

The Erasmus commission is still unravelling the complex role of Mr Van Zyl Alberts

A peek at To the Point publisher Hubert Jussen's Sandton mansion, sold this week.

The design of Information front man Stuart Pegg's home matched his high living

(25)

(259)

Rapport kry sy geld terug ná Eschel se meineed

RHOODIE SE ‚SUKSES' HET OP 'N LEUEN BERUS

Van Ons Politieke Redaksie

DIÉ week se onthullinge oor To the Point gooi die kollig nog eens op dr. Eschel Rhoodie se verstommende optrede — in amptelike en persoonlike hoedanigheid — toe hy in 1976 geslaag het met klagtes teen RAPPORT en Beeld by die Persraad. Dit was „sukses" wat op 'n leuen berus het.

By daardie verhoor het dr. Rhoodie inderdaad meineed gepleeg, sê mnr. Sam Norval, wat destyds as regsman vir RAPPORT opgetree het.

In die gedrang was To the Point se geniepsige vraeaanval op die Departement van Buitelandse Sake in Julie 1975; beriggewing en hoofartikels daaroor, en oor die noue bande tussen dr. Rhoodie en die blad — amptelik en persoonlik — soos RAPPORT o.m. in 'n onderskrif aangedui het.

Onder eed het dr. Rhoodie verklaar dat sy brief van 5 Augustus 1975 — 'n lang geskrif met besware, aantygings en „feite van die saak" — in alle opsigte waar en juis is.

Daarin stel dr. Rhoodie dit as feit: „Ek het geen noue bande, *amptelik en persoonlik*, met To the Point nie. Ek het drie jaar gelede vir nege maande by To the Point gewerk, en ook in vroeër jare vir Die Vaderland en Kommando. My persoonlike kontak met die blad is minder as wat dit met by die Pretoria News

Hier is die hoofberig...

Rapport — SONDAG, 13 JULIE 1975

‚Rhoodie se blad' in woeste aanval

S.A. GESANTE BELEDIG

Steek in rug, sê Muller

Opsystaan vir Louis!

Niks kan Bloubul só keer!

RAPPORT se hoofberig (bo) waaroor dr. Eschel Rhoodie in 1975 by die Persraad gaan klaa het. Hy het sy saak gewen op grond van 'n valse verklaring en ons moes die saak „regstel" (regs).

...En hier is die regstelling

Persraad en Rapport

Rapport 6/5/79

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of Die Vaderland is. Die noue *amptelike* bande bestaan uit die koop van gemiddeld 500 eksemplare van To the Point met fondse bewillig vir die doel deur die Parlement . . ." (Dit was 1 000, het dr. Connie Mulder volgens Hansard gesê.)

● Op grond hiervan bevind die Persraad toe in Januarie 1976: „Inderdaad het daar op die tersaaklike stadium geen verbintenis tussen die klaer en die blad bestaan nie behalwe vir die aankoop van eksemplare deur Inligting vir verspreiding, soos die geval was met ander publikasies

„RAPPORT voer ook nie aan, en daar is geen getuienis dat die klaer of sy departement enigsins verantwoordelik was vir die verskyning van die gewraakte aanval (op Buitelandse Sake) nie.

„Die berig sou dus by die normale leser 'n valse indruk geskep het en 'n geregverdigde afleiding is dat die publikasie daarvan was om die klaer te diskrediteer"

RAPPORT word skuldig bevind, gelas om 'n apologie te plaas en met R1 500 beboet (Beeld kry R500 boete. Die Persraad bevind onder meer: Hoewel die klaer nie in sy persoonlike hoedanigheid betrek word nie, word bevind dat Beeld 'n valse afleiding teen Inligting in 'n hoofartikel gemaak het, te meer omdat nie aangetoon is dat enige besondere bande tussen hierdie departement en To the Point bestaan nie Aldus is die gedragskode oortree.)

● Dié week onthul min. Pik Botha dat sowat R14 miljoen aan staatsgeld in To the Point gesteek is — reeds sedert Julie 1974 ('n jaar voor die geskil tussen dr. Rhoodie en RAPPORT ontstaan het.) To the Point was een van die projekte van die Departement van Inligting, onder private bestuur, maar gefinansier met staatsmiljoene

Min. Botha sê: Die Regering gaan die koerante wat in 1975 oor die band tussen Inligting en To the Point berig het, vergoed. Hy gaan die voorsitter van die Persraad vra om vas te stel wat gedoen kan word om daar die bevindinge te hersien, sodat die onskuld van die betrokke koerante op rekord geplaas kan word.

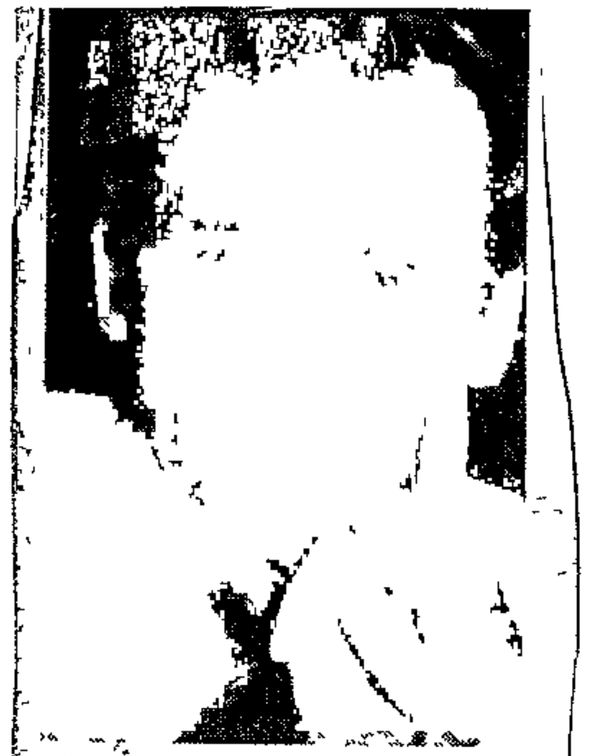
Die Persraad het die koerante te goeder trou veroordeel, o.m. op grond van dr. Rhoodie se getuienis. Dr. Rhoodie was klaer terwyl hy geweet het daar is nie net 'n verband nie, maar regstreekse geldelike steun.

„Onreg van die ergste aard is teen daardie koerante gepleeg," sê min. Botha.

Klag kos R2 267

DR. ESCHEL RHOODIE se berugte klag teen RAPPORT het die koerant altesame R2 267,85 gekos: 'n boete van R1 500, regskoste van R622,04, reiskoste (na Bloemfontein) van R103 en R42,81 aan hotelverblyf.

● Ander skade kan nie sommerso in rand en sent bereken word nie.



DR RHOODIE sukses met 'n leuen

TO THE POINT NEWS IN DEPTH

● Dr. Rhoodie, volgens die Rand Daily Mail: Hy vra die Sunday Express (wat ook 'n saak teen hom verloor het) om verskoning, maar voel nie dat hy RAPPORT of Beeld 'n verskoning skuld nie!

In sy betoog namens RAPPORT het mnr. Norval destyds gesê: „Eerder lyk dit of dr. Rhoodie aan RAPPORT 'n verskoning verskuldig is, as andersom . . ."

● Lees ook Pollux op bl. 17.

Horwood call on Mulder 'album'

CT, 8/5/79 (2)

Political Staff

HOUSE OF ASSEMBLY. — The Minister of Finance, Senator Owen Horwood, yesterday called on the Editor of the Rand Daily Mail, Mr Allister Sparks, to state whether the Mail had "compromising photographs" of Dr Connie Mulder, the former Minister of Information.

Senator Horwood made this call during an attack on the press — and the Rand Daily Mail in particular — over what he described as a long vendetta against him

He focussed particular attention on Dr Mulder's recent allegations in the Rand Daily Mail implicating Senator Horwood in secret Information projects, and the document with Senator Horwood's cancelled initials next to to the words 'To the Point'

Senator Horwood, speaking during his vote in committee of supply, said he had been asked what possible reason there could be for Dr Mulder to launch an attack on him six months after Dr Mulder had given evidence to the Erasmus Commission

"What motivation does Dr Mulder have to attack me now? It is an interesting question I can honestly say that in my opinion I can find no logical answer"

Senator Horwood said he wished to ask Mr Sparks, "who attacks me at every opportunity and does not publish my rebuttals", a number of questions

"I want to ask him, did he go to Dr Connie Mulder and ask him to make an attack on me or did Dr Mulder go to him and ask him to make an attack on me?"

Senator Horwood said there was talk about an album of photographs which Dr Rhoodie had The Rand Daily Mail had published certain of those photographs

"I want to ask the Editor of the Rand Daily Mail, does he have the album of Dr Rhoodie's pictures? Did he buy them from Dr Rhoodie and if so how much did he pay for them?

"If he has not got the album, does he have pictures involving Dr Mulder? If so, how much did he pay for it

"I want to go further and say if having got the album, have they got pictures from Dr Rhoodie involving Dr Mulder These things are going to come out There will be some interesting developments and the Opposition will also have to answer some questions

Opposition members interjected, asking "What pictures? What was he doing?"

Senator Horwood said that if the Rand Daily Mail had such pictures he wished to ask it to publish them

Mr Sparks should say how he got the pictures

"Does the Mail have any other information from Dr Rhoodie with which to attack us?"

The Rand Daily Mail should say how it came into possession of such information and what it had paid for it

There had been an interesting development in the

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No photos paid for by RDM

Own Correspondent

JOHANNESBURG — The Rand Daily Mail has no "compromising photographs" of Dr Mulder and did not pay Dr Rhoodie for any pictures or information

The "Mail" approached Senator Horwood for comment after the latest allegations made against him by Dr Mulder appeared in Rapport two Sundays ago His private secretary said he had no comment

The "Mail" published full reports on Senator Horwood's reply which he made five days later in Parliament.

The editor of the "Mail", Mr Allister Sparks, was last night in the Kruger National Park and could not be contacted to give his full reply

➡➡➡➡ From page 1

Information scandal, Senator Horwood said

He asked how it was possible for Dr Mulder to come now with an attack on him which included details in chapter and verse How was this suddenly possible when Dr Mulder, when he appeared before the Erasmus Commission had said repeatedly that he could not remember details and that he was being asked questions impossible to answer

"Suddenly Dr Mulder can remember'

Did the Rand Daily Mail have pictures of Dr Mulder'

"Do they compromise him or not

Senator Horwood said he had a copy of a speech which Senator Monty Crook (NRP) was to have made in the Senate last week, but which he had not because of the National Party Senate caucus walk-out

"How did you get it? asked NRP members

'He handed it out to the press and I have a copy replied Senator Horwood

The minister said the speech contained the most scathing attack on the Erasmus Commission Senator Crook should go before the commission with "this document' and put what he said in it on oath

Mr Harry Schwarz (PFP Yeoville) speaking immediately after Senator Horwood said the minister had inferred that in some way or another Dr Mulder was being compromised

If this were so it was an allegation of extortion and it should be investigated and referred to the authorities

'If the minister is in possession of any information with relates to this he is obliged to take such information to the nearest Attorney-General Mr Schwarz said

P W Botha defends Nat handling of Info scandal

CT 8/5/79 (259)

Political Correspondent

SWELLENDAM. — The Prime Minister, Mr P W Botha, said last night the Information scandal did not mean the whole government was badly administered.

He urged people to judge the government on its policies and not on what some of its members had neglected to do

He was addressing about 1 200 people at a meeting in support of the National Party candidate, Mr Hendrik van Zyl, in tomorrow's provincial by-election The Information scandal has been one of the issues in the campaign

Mr Botha said the two opposition parties were both irrelevant and blamed them for trying to depict the Information scandal as being typical of National Party administration

"Do you kill off the whole herd because one cow has a diseased udder? Do you burn the car because the back wheel is flat?" he asked

Mr Botha was loudly applauded when he said one of the steps he had taken to clean up the scandal was to dismiss the former Minister of Information, Dr Connie Mulder

The other steps were appointing a judicial commission to investigate irregularities and a departmental committee to protect State interests

If misappropriated Information money could not be recovered, the nation would be

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told so openly.

He said he was in favour of the use of secret funds, but not of stealing or wasting secret funds in activities not in the national interest Nor was he in favour of Cabinet ministers failing to inform their colleagues fully

He told a questioner he could not give the assurance that money would not again be misappropriated, but if this did happen again, as had happened in other countries as well, steps would be taken to deal with it

He said South Africa was becoming a symbol of freedom and of free men It was a symbol of freedom from super-power domination, of a free economy, of freedom of religion, and of freedom based on orderly government

He repeated his recent declaration that South Africa would in future act in its own interests, and not those of any super power

"We want freedom from the super powers," he said "Time has taught us that South Africa cannot leave its fate to super powers who are only out for their own interests "

He said to applause that the interests of Southern Africa were not served by super powers meddling in the region's domestic affairs

Senator Owen Horwood

Parliament

Mulder 'being compromised'

Horwood talks of photo album

THE Minister of Finance, Senator Owen Horwood, yesterday called on the editor of the Rand Daily Mail, Mr Allister Sparks, to say whether he was in possession of an album of photographs which compromised Dr Connie Mulder

Senator Horwood, speaking during his vote in committee of supply, said he had been asked what possible reason there could be for Dr Mulder, the former Minister of Information, to launch an attack on him six months after he had given evidence to the Erasmus Commission.

'What motivation does Dr Mulder have to attack me now?'

'Rebuttals'

'It is an interesting question. I can honestly say that, in my opinion, I can find no logical answer.'

Senator Horwood said he wished to ask Mr Sparks 'who attacks me at every opportunity and does not publish my rebuttals' a number of questions

'I want to ask him, did he go to Dr Connie Mulder and ask him to make an attack on me or did Dr Mulder go to him and ask him to make an attack on me?'

Senator Horwood said there was talk about an album of photographs which Dr Rhoodie had The Rand Daily Mail had published certain of those photographs

'I want to ask the editor of the Rand Daily Mail, does he have the album of Dr Rhoodie's pictures?

'Did he buy them from Dr Rhoodie and if so how much did he pay for them?

Senator Horwood said that if the Rand Daily Mail had such pictures he wished to ask the newspaper to publish them Mr Sparks should say how he got the pictures

'Did the Mail get any other information from Dr Rhoodie with which to attack us?'

There had been an interesting development in the Information scandal, Senator Horwood said.

He asked how it was possible for Dr Mulder to come now with an attack on him which included details in chapter and verse. How was this suddenly possible when Dr Mulder, when he had appeared before the Erasmus Commission, had said repeatedly he could not remember details and that he was being asked questions impossible to answer.

'Suddenly Dr Mulder can remember'

Did the Rand Daily Mail have pictures of Dr Mulder? Do they compromise him or not?

● In Johannesburg, the Rand Daily Mail said it had no compromising photographs of Dr Mulder and did not pay Dr Rhoodie for pictures or information

'The Mail approached Senator Horwood for comment after the latest allegations made against him by Dr Mulder appeared in Rapport two Sundays ago —his private secretary said he had no comment.

'The Mail published full reports on Senator Horwood's reply which he made five days later in Parliament.'

It said Senator Horwood's remarks in the Assembly yesterday were directed personally at Mr Sparks, who was in the Kruger National Park and could not be contacted. — Sapa.

Schwarz lists seven charges

Parliamentary Staff

THE Minister of Finance, Senator Owen Horwood, faced at least seven charges on the Information scandal, Mr Harry Schwarz (PFP, Yeoville) said in the Assembly yesterday.

Speaking in the budget debate on the Finance Vote, Mr Schwarz accused the Minister of having failed to reply to the case made against him during the debate

The seven charges, as outlined by Mr Schwarz, included:

● The Minister had asked Parliament to pass the Budget, including the Defence Vote, when he knew that the vote had included money to be used secretly for Information;

● He knew money was being transferred from one vote to another, which was contrary to the provisions of the Exchequer and Audit Act;

● He knew that when certificates were being given in terms of the Defence Special Account Act, they covered amounts transferred to Information and not expended in terms of that Act;

● The Minister failed to use his powers under the Defence Special Account Act to ensure an audit of all funds voted under the Act, which would have enabled an audit to be done of the secret funds;

● He admitted last Friday that he had given incorrect evidence under oath to the Erasmus Commission on the To the Point issue, and appeared to have given evidence to correct it only after further public discussion about To the Point;

● He had been a party to the continued financing of To the Point which advocated a party-political standpoint no different from that of the Citizen newspaper, and

● The Minister's statement about 'obliterating' information on a document which he initialled concerning secret funds appeared to be in conflict with his previous statements and inconsistent with previous attitudes in seeking to obtain information.

'Compromising' photos invitation

JOHANNESBURG. — Dr Connie Mulder, former Minister of Information, yesterday gave his "friendly and open" permission to any newspaper in possession of so-called "compromising" photographs of him, to publish them whenever they wished.

In a statement to Sapa he said he wished to reply to the debate on Monday in Parliament, and subsequent newspaper reports

Dr Mulder said he had given no exclusive press statement on certain aspects of of the Information affair to the Rand Daily Mail,

Dr Mulder said in his full statement "With reference to the debate in the House of Assembly yesterday, and the news reports in connection with it, I would like to make the following clear:

"I hereby give my friendly and open permission to any newspaper in possession of so-called compromising photographs, or a photograph of myself, to publish them whenever they wish for the information of the general public.

"I did not give an exclusive press statement to the Rand Daily Mail as has been alleged I made available to Rapport on Saturday, April 28, 1979, the facts of certain aspects of the Information affair, together with photostats of certain documents as evidence

"On that Sunday, Rapport used parts of this but not the photostats After this I made the same documents and photostats available to Die Transvaler and The Citzen They, too, used parts but did not publish the photostats as documentary proof

"Thereafter, on Monday, April 30, I made the same documents and photostats available to Sapa for general release This release made it possible for all newspapers to publish the contents of the documents and the photostats

"I was forced to make public the facts as I know them

"The statement was not meant as an attack on any person The statement contained the truth as I know it, with photostats as documentary proof, and no suggestions, insinuations or personal attacks on me can invalidate it

"I accept my full responsibility in regard to the establishment of To The Point and The Citzen In both cases I believe it was in the country's interest that this was done Neither of the two publications was ever meant to serve a specific political party Both were established to serve the Republic of South Africa s interests overseas and in this country

"I think it is reasonable that those who have knowledge of these projects and those who helped to take the decisions should declare with me 'We judged that it was in the interests of the country to do it and we stand by that' " — Sapa

● Editor's reply to 'album' challenge — page 2

11/5/79 (259) Hansard 13 (847)

For written reply

Institute for the study of Plural Societies: University of Pretoria

327. Mr. J. D. P BASSON asked the Minister of Foreign Affairs

(1) Whether the former Department of Information donated money in the names of members of the public to the Institute for the Study of Plural Societies of the University of Pretoria, if so,

(2)(a) who were the persons in whose name these moneys were donated, (b) what amounts were donated under each name and (c) what was the date of each donation

The MINISTER OF FOREIGN AFFAIRS:

(1) Yes

(2) (a)	(b)	(c)
C A Bischoff	R15 000	Dec. 1974
O. Hurwitz	R15 000	Dec 1974
J A Hurter	R15 000	Dec. 1974
T F. Muller	R15 000	Dec 1974
C. A Bischoff	R15 000	Feb 1976
O Hurwitz	R15 000	Feb 1976
J A Hurter	R15 000	Feb 1976
T F Muller	R15 000	Feb 1976
J Heinrich	R40 000	March 1976
O Hurwitz	R20 000	Jan 1977
J. Heinrich	R40 000	April 1977
Anonymous—bank cheque paid in by Prof Rhoodie	R40 000	May 1977
Paid in by Prof Rhoodie on behalf of		
Strydom, Boshoff and Partners	R20 000	Feb 1978
Strydom, Boshoff and Partners	R40 000	Feb 1978
Strydom, Boshoff and Partners	R40 000	March 1978
Anonymous—bank cheque paid in by Prof Rhoodie	R10 000	Sept. 1978
Total	R370 000	

Secret projects of former Department of Information

385 Mrs H SUZMAN asked the Minister of Foreign Affairs

(1) What are the eight secret projects of the former Department of Information which it was decided by 30 November 1978 should be continued and openly financed,

(2) what (a) was the cost of each of these projects in the financial year 1977-'78 and (b) is the estimated cost of each in the financial year 1979-'80

The MINISTER OF FOREIGN AFFAIRS

(1) (i) Institute for Human Rights, UNISA

(ii) Sydney Baron and Associates, New York.

(iii) Institute for Strategic Studies, University of Pretoria.

(iv) Centre for International Politics, University of Potchefstroom.

(v) Institute for the study of Plural Societies, University of Pretoria.

(vi) Southern Africa Freedom Foundation

(vii) Heinz Behrens, Germany

(viii) Correspondence Project Europe

(2) (a) (i) Nil.

(ii) R566 009

(iii) Nil

(iv) R25 000

(v) R180 000

(vi) R152 285

(vii) R505 711.

(viii) R599

(b) (i) Nil

(ii) R566 009.

(iii) R10 000

(iv) R45 000

(v) Nil

(vi) R225 000

(vii) R505 711

(viii) Nil

Govt discloses secret projects

CT. 12/5/79 (259)

Political Staff

HOUSE OF ASSEMBLY — The government yesterday disclosed for the first time the names of the eight former Department of Information secret projects which it is now openly financing

Among these is the Institute for the Study of Plural Societies at the University of Pretoria, which is headed by Professor Nic Rhoodie, brother of the former Secretary of Information, Dr Eschel Rhoodie

The institute received R180 000 during the 1977/78 financial year, but is not expected to cost the government anything during the current financial year

The former Department of Information also donated a total of R370 000 to the institute between December 1974 and September 1978 in the names of members of the public, including Mr C A Bischoff, Mr Oscar Hurwitz, Mr T F Muller, Mr J A Hurter, Mr John Heinrich and Strydom, Boshoff and Partners

These facts were disclosed by the Minister of Foreign Affairs, Mr Pik Botha, yesterday when he replied to questions tabled by Mrs Helen Suzman (PFP Houghton) and Mr Japie Basson (PFP Bezuidenhout)

Will continue

Asked how much the institute was estimated to cost during the 1979/80 financial year, Mr Botha replied "Nil"

The minister said the other seven secret projects which it had been decided would be continued and openly financed were:

- The Institute for Human Rights at the University of South Africa, which had not received any money in either the 1977/78 or the 1979/80 financial year
- Sydney Baron and Associates of New York, which received R566 009 for both years
- The Institue of Strategic Studies at the University of Pretoria, which received nothing in 1977/8 but would receive R10 000 during the current financial year.
- The Centre of International Politics at the University of Potchefstroom, which received R25 000 in 1977/78 and would receive R45 000 this year
- The Southern Africa Freedom Foundation, which received R152 285 in 1977/78 and would receive R225 000 this year
- Heinz Behrens in Germany which received R505 711 in both years
- The correspondence project in Europe, which received R599 in 1977/8 but is not estimated to cost anything during the current financial year

Mr Pik Botha

Altogether the eight projects cost R1 429 604 in the 1977/78 year and will cost R1 351 720 during the current financial year

Mr Botha also disclosed that R30 000 had been donated to the Institute for Study of Plural Societies by the former Department of Information in the name of Mr C A Bischoff, R50 000 in the name of Mr Hurwitz, R30 000 each in the names of Mr Muller and Mr Hurter, R80 000 in the name of Mr Heinrich, R50 000 anonymously, paid in by Professor Rhoodie, and R100 000 by Strydom, Boshoff and Partners

Replying to another question tabled in the Assembly by Mr Rupert Lorimer (PFP Orange Grove), the Minister of Finance, Senator Owen Horwood, said that no financial or other assistance from government funds was at any time given to the Financial Gazette

Asked if the Financial Gazette had been assisted, Senator Horwood said "I have been informed by the chairman of the Pretorius Committee that the reply is No"

In reply to another question, Mr Botha told Mr Brian Bamford (PFP Groote Schuur) that the Department of Information had not paid or hired for a bodyguard for a key figure in the Horters deal, Mr Stuart Pegg, nor was any other person furnished with a bodyguard

In reply to both queries, the minister said "No, not as far as could be determined from the information and records available to the Information Service of South Africa"

Cape Times Newscolour Richard Bell.

CT, 12/5/79

Press freedom battle brewing

(259)

By MICHAEL ACOTT
Political Correspondent

A MAJOR parliamentary battle on the issue of press freedom is certain if the government goes ahead with reported plans to control reporting of maladministration and government corruption.

The two main opposition parties reacted angrily yesterday to indications of what would be the fifth measure this session affecting press reporting

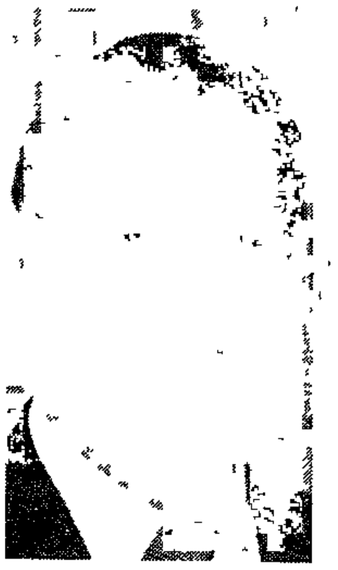
They recalled that it was press reporting that was largely responsible for exposing the activities of the Information Department and said that had the proposed legislation been in effect last year, Dr Connie Mulder would probably be Prime Minister

The Nationalist newspaper the Burger reported "on good authority" yesterday that the legislation would be introduced next week

The move follows a statement in December by the Prime Minister, Mr P W Botha, that he would legislate to control rumours about government corruption after the Erasmus Commision had completed its investigation into the former Information Department

Mr Botha then announced in March that he would provide for the appointment on June 1 of a parliamentary advocate-general who would investigate sworn statements of allegation or complaint

The Burger said the new legislation would require publication of allegations of corruption or maladministration to be approved by a parliamentary committee after investigation by the advocate-general



Dr Connie Mulder

Mr P W Botha

The Leader of the Opposition, Mr Colin Eglin, said yesterday that to have publication determined by a political majority was a gross violation of the rights of the minority

"As such, this measure strikes at the very roots of our parliamentary system of government"

The legislation would be an attempt to muzzle the South African press and to deprive the public of the right to be informed

"PFP opposition to the reported 'anti-rumour mongering' legislation will be total," he stated

He predicted that the procedures and penalties the measure would propose would strike a serious blow at investigative journalism of the type that exposed corruption and mismanagement in the former Department of Information

"Had 'anti-rumour mongering' legislation been in operation last year, it is more than likely that today the government would be headed by a triumvirate consisting of Dr Connie Mulder, Dr Eschel Rhoodie and General van den Bergh

"It appears that in terms of the new measure the press is to be muzzled and the public kept ignorant until a majority of members of Parliament serving on a select committee decide what may or may not

➡➡➡➡ To page 2

C

C ⬅⬅⬅⬅ From page 1

be published"

Mr John Malcomess, New Republic Party Justice spokesman, said that if the Burger report was correct, the measure would be "the final nail in the coffin of democracy in South Africa"

He said press freedom was an integral part of democracy and essential in commenting on government actions or scandals The Information affair demonstrated the vital role the press could play in exposing government corruption

"One can only speculate as to what further skeletons are in the government's cupboards for then to take this unprecedented action"

The government was apparently determined to follow the lead of black African States

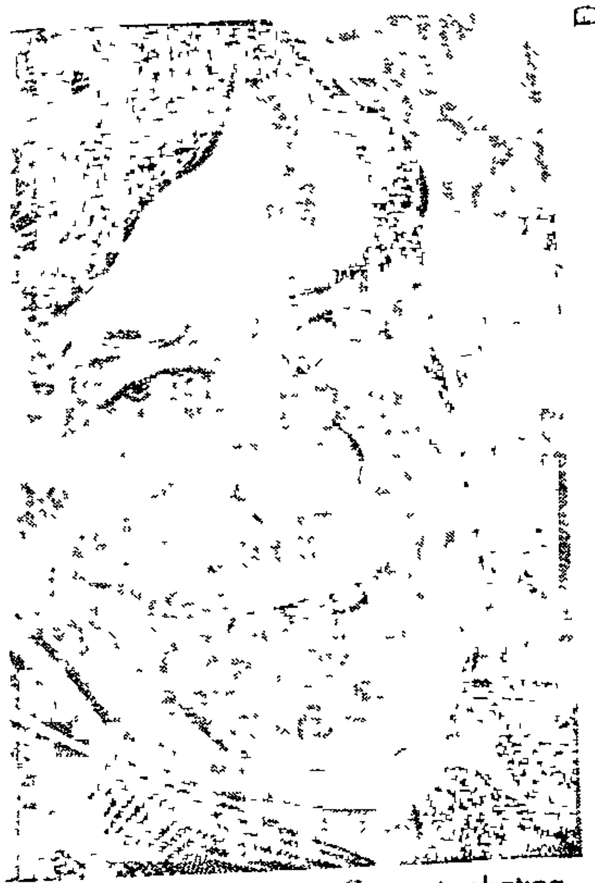
"It has become increasingly aparent that if South Africa is to remain a true democracy, then the Nationalists must be voted out of power," he said.

The leader of the South African Party, Mr John Wiley, said he would reserve his position until he had seen the legislation He repeated his view that press behaviour left much to be desired and "had developed into licence"

Rapport 13/5/79

(259)

Horwood: Dit is waaroor hulle my so haat



OOD 'My sonde het niks met inligting te doen nie'

Deur THINUS PRINSLOO

SY eintlike sonde wat die opposisie hom nooit sal vergeef nie, sê 'n rustige min. Owen Horwood, het niks met Inligting te doen nie, al val hulle hom nou so knaend daaroor aan.

Die onvergeeflike is dat sedert hy in 1972 tot leier van die Nasionale Party in Natal verkies is, die NP ook in daardie provinsie die meerderheidsparty, wat setels in die Volksraad betref, geword het

En die oe van die enigste dienende Nasionale Minister wat uit huis uit Engelssprekend is, glinster van lekkerkry oor die prestasie.

By hom bestaan daar geen twyfel nie dat 'n vendetta teen hom gevoer word En, sê hy, dis omdat hy as Engelssprekende in die Nasionale Kabinet dien 'n Haat-veldtog het al vroeer teen hom begin, in die jare sestig toe hy Rektor van die Universiteit van Natal was

„In daardie dae het 'n klein groepie linkse studente, 'n klein minderheid, bygestaan deur 'n paar akademici, vir ons aansienlike probleme geskep"

Hy het sterk standpunt ingeneem en opgetree om die dissipline en waardigheid van die universiteit te handhaaf „Een gevolg daarvan was 'n felle aanslag wat ek moes verduur van liberaliste, linkse element en 'n aantal Engelstalige koerante"

Toe hy as Nasionalis tot die aktiewe politiek toetree, het die kampanje teen hom net erger geword, sê hy

Maar oor die jongste oorlog, die beskuldiginge wat teen hom gemaak word oor sy beweerde aandeel aan die Inligting-skandaal, wil min Horwood nie praat nie

Die hele saak is in die Begrotingsdebat in die Senaat geopper en hy is daar besig met sy repliek Hy sit dit Dinsdag voort Daarom kan hy nie nou na buite praat nie Hy moet nou bly by die parlementêre forum, sê hy

Het hy dit al oorweeg om, met al die aanvalle, te bedank? Beslis nie, sê hy „Ek sal voortgaan om my deel as Minister te doen so lank as ons Eerste Minister voel dat ek 'n bydrae kan lewer."

Is die sleurende Inligting-skandaal 'n hindernis vir hom in sy werk as Minister van Finansies?

Senator Horwood antwoord „Dit is natuurlik vir iemand wat geheel en al onskuldig staan in hierdie aangeleentheid, baie onaangenaam om sulke laakbare aantygings te moet verduur, en dit is veral ook onaangenaam vir my gesin.

„Dit is ook tydrowend, maar wat my betref, waar ek normaalweg 14 of 15 uur per dag moet werk, aanvaar ek dat ek nou 'n nog langer dag moet werk totdat hierdie kunsmatige en veragtelike kampanje tot 'n einde gekom het.

„Dat 'n regterlike kommissie my al twee keer van alle blaam in die Inligtingsaak onthef het, het vir sekere mense geen betekenis nie Maar die feit bly dat daar vele aanduidings is dat verreweg die oorgrote meerderheid van die publiek hulle nie laat mislei deur hierdie smeerveldtog nie

„Ek kan net byvoeg dat die steun en aanmoediging wat ek van alle kante ontvang, vir my werklik 'n riem onder die hart is."

Hy het veral die grootste waardering vir die woorde van dr. Anton Rupert en veral vir die feit dat hy bereid was om in die openbaar standpunt in te neem. „Dat dit van 'n man kom wat ek, as een van die heel grootste figure in die sakewêreld beskou, maak dit van nog groter betekenis.

„Ek kan byvoeg dat ek in die laaste paar weke ook talle briewe, telegramme en oproepe in soortgelyke trant van oor die hele land ontvang het."

„Ek kan byvoeg dat ek in die laaste paar weke ook talle briewe, telegramme en oproepe in soortgelyke trant van oor die hele land ontvang het."

Die aanvalle ontmoedig hom glad nie, sê hy

Dit maak hom net nog meer vasbeslote om die taak wat aan hom opgedra is, na die beste van sy vermoe uit te voer „Wat my betref, is 'n uiters belangrike aspek die verdere uitbouing van goeie verhoudinge tussen Afrikaans- en Engelssprekendes in hierdie land"

(259) 13/5/79

Nat Press scolds Horwood

Sen Horwood ... "compromising photographs"

By RODNEY HAXTON

TWO major Nationalist Afrikaans-language newspapers have taken Minister of Finance Owen Horwood to task for his attack in Parliament this week on fallen-from-grace Nat leader Connie Mulder.

Senator Horwood, obviously stung by Dr Mulder's claim that he knew of the Citizen and To the Point projects before South Africa's Watergate released a flood of scandal, hinted in Parliament at the existence of "compromising" photographs of the discredited Dr Mulder.

His attack came down to this: The Rand Daily Mail, he hinted, had "compromising" photographs of Dr Mulder (acquired from Dr Eschel Rhoodie) and that this was possibly the reason why the former Transvaal party leader had attacked him through the columns of the Mail.

Political observers point out that Dr Mulder's claims — made outside of the Parliament from which he was pushed by the party machine—are not privileged and that Senator Horwood is free to seek satisfaction through the courts.

Senator Horwood, on the other hand, used Parliament — and its privilege — as a launching pad for insinuations that could seriously damage the personal reputation of the man who missed the premiership by a handful of votes a few short months ago.

The questions being asked in political circles this week: If Senator Horwood knows of the existence of the so-called compromising photographs and he believes they were used to pressure Dr Mulder into attacking him, then why has he not approached an attorney-general to investigate possible blackmail?

And if he hasn't enough proof to do this, why then did he raise the matter in Parliament in the first place?

As Die Transvaler (official mouthpiece of the National Party in the Transvaal) put it: "To make suggestions about compromising photographs without possible proof is a new thing in South Africa's political life that a stop should be put to."

It added: "It is not fair to use parliamentary privilege to make insinuations against someone outside Parliament who cannot defend himself."

Die Vaderland deplored the "lowpoint of bitterness and personal attacks" reached in the Information row this week.

"We accept that he (Sen Horwood) was provoked and under pressure when he referred in Parliament on Monday to the alleged compromising photographs of Dr Mulder.

"But we fear that Senator Horwood has damaged his image in public life by making such intimately personal insinuations against a former, albeit discredited, colleague."

Little need for black languages

Political Staff

THE ASSEMBLY — The Minister of the Interior, Mr Alwyn Schlebusch, has revealed there are only two Government posts where whites are required to have a knowledge of a black language

Replying to a question by Mr David Dalling (PFP Sandton), the Minister said court interpreters and ethnologists had to have a knowledge of a black language

He added that only 55 members of the public service had any qualification in a black language Of these, 22 were employed in the Department of Education and Training, 12 in Co-operation and Development, three in Sport, five in Defence, 11 in the Information Service, one in Commerce and one in Foreign Affairs

'No funds went to student paper'

Political Staff

THE ASSEMBLY — No secret funds from the former Department of Information had been given to the student newspaper "Campus Independent", the Minister of Finance, Senator Owen Horwood, said yesterday

Replying to a question by Mrs Helen Suzman (PFP Houghton), he said the chairman of the Pretorius Committee had told him no secret funds from the department were used for the Wits paper

"The Treasury does not necessarily have particulars of all the expenditure of all Government departments or other Government bodies, and consequently I cannot take the answer further," he said.

He said he could not say whether any State Department or institution, other than Information, made payments in connection with The Citizen between May 1 and August 30, 1978.

New law to sort out Info 'mess'

By HELEN ZILLE
Political Correspondent

MR PIK BOTHA
... does not mean disclosure

THE ASSEMBLY. — A Bill making it easier for the Government to sort out the tangle of secret projects inherited from the defunct Department of Information will be read for the first time in Parliament today

The short title of the Bill is the State Trust Fund Bill

The Minister of Foreign Affairs, Mr Pik Botha — who took control of the majority of the 138 projects — has often complained about the Info "mess' he inherited.

He has described the projects as "a rats' nest" and "a spiderweb".

Yesterday he gave notice that the Bill would be read for the first time today

Mr Botha has said before that the Bill's purpose will be to set up a board of trustees or trustee council to sort out the secret project legacy

However it will make no provision for details of "undesirable" projects to be released to the public

The Pretorius Committee's investigation of secret projects had uncovered a whole interlocking set of companies with previously undetected Government connections

The Bill would enable the Government to wind up undesirable projects and sort out those it wished to continue without "the long, clumsy and unsatisfactory" arrangement existing at present, Mr Botha said

Up to now, the Government's attempts to sort out the projects had been extremely difficult because Information had made legally binding contracts with directors of private companies, and he could not simply withdraw support or cancel agreements

"Long persuasive work" had to be done so that the Government could sort out of the mess without being sued for vast amounts of money, Mr Botha said However, this did not mean that projects would be revealed, he said Only ongoing projects would be made known

Some would be disclosed openly in Parliament, while those considered "too sensitive" would be made available to the Opposition information spokesmen, he said

POLITICS

Beeld predicts a Govt backdown

Political Staff

THE Nationalist newspaper, Beeld, yesterday appeared to anticipate a Government backdown on certain issues in the contentious Advocate-General Bill

In its original form, the Bill would have barred newspapers from reporting allegations of State corruption until given the go-ahead by a Government-dominated Parliamentary Select Committee

The Bill was sent back to the Government printer for reprinting on the eve of its scheduled first reading on Tuesday — a move which suggested that the Government may have withdrawn or tempered some contentious clauses

The Bill will be published later today

Beeld, which generally reflects the views of the Prime Minister, Mr P W Botha, said earlier this week it would reserve judgment on the Bill until it was finally published

But in an editorial yesterday, the newspaper said it had decided to deviate from its stand because "hysterical outbursts" against the Government could later transpire to have been based on a wrong premise.

Beeld said that if the Government were to go ahead with the Bill in the form newspapers had suggested it would take, the move would invade the spirit of the Prime Minister's repeated pledge to maintain a clean administration

The newspaper then referred to speculation that the Government intended to force newspapers to lay before an Advocate-General all allegations of corruption and maladministration in Government.

According to the speculation, the Advocate-General would then investigate the allegations and report to a Parliamentary select committee which would decide what may be published

Beeld said a more acceptable law would empower the Advocate-General to take sworn affidavits from the public and the Press.

Newspapers would then be allowed to publish corruption stories within the normal laws applying to them

The Advocate-General could also be empowered to invoke the sub judice rule if he believed further publication hindered his investigations

Beeld avoided mention of the role of a Parliamentary Select Committee, which, according to speculation, would decide what aspects of an Advocate-General's investigation could be published

processes that new Kamma is made: views are formed, assessments made and impulses generated which pattern our behaviour, frame our outlook and condition our thoughts and deeds in the future. The mental energies activated at this stage generate the elements that will make up the scanning Thought Moments in the next process of perception, thus creating a chain-reaction of dynamic cause-effect consciousness.

The degree of effectiveness of Kamma generated during Javana depends upon the Kammic potential of the individual Javana Thought Moments. The first and last Moment contain only limited volitional potential; their Kammic effects are generally too weak to become operative, but if they do, the Kamma from the first Moment can become effective only during the present life [illegible] the last Moment has the capacity to produce Kamma only dur[illegible] middle period of Javana is Kammically the most [illegible] ing thought patterns and mental at[illegible] ly operative or may lie in abeyance [illegible] g future existences. Depending [illegible] can therefore be classified into fou[illegible]

1) Immediately [illegible])
2) Subsequently [illegible]t)
3) Indefinitely [illegible]vana Moments)
4) Ineffective [illegible]s)

Kamma, therefore, sh[illegible] both a conditioned and a conditioning [illegible]ption. Our past apperceptive Volitio[illegible]n which subsequent inputs are being cha[illegible]onal perceptions; these, in turn, deto[illegible] assess future inputs. The element of Volit[illegible]tive factors that compose a Unit of M[illegible]amatic part in the Javana process by restructuring [illegible] pressions that reach us through any of the Avenues of the Senses, the Mind or via ideational inputs.

After Javana process is completed, there follow two final Thought Moments (of Registration) during which the entire pattern of perception is consolidated and assimilated. The thought process then lapses and the Life Continuum (Bhavanga) reappears as the potential field into which the next process can be projected.

It should be reiterated again that these thought processes follow one another with incalculable speed. During the second it takes to observe a fly settle on a table, millions of thought processes have occurred, each with their Moments of Determination, Javana, Registration, etc. It is only the supranormal vision developed in the highest stage of Sainthood (5th Jhana, see Page 41), that is sufficiently free from the limitations of space and time to experience and observe these infinitesimal, ultra-fast processes.

The process just described applies to sense inputs which are "intense". Inputs of less intensity may take longer (up to 15 Moments) to arrest the Life Continuum; the Javana processes and the Registration Moments are then consequently curtailed (as the entire process still takes a total of 17 Moments), thereby weakening the Kammic message of the input.

THOUGHT PROCESSES IN THE MIND AVENUE.

As described, a thought process in the Sense Avenue occurs whenever an "object" enters the stream of consciousness through vision, smell, sound,

Sunday ... 20/6/79 34 (257)

Afrikaner elite closing ranks behind PW

Desperate bid to exorcise Info ghost

TOP Afrikaans businessmen have closed ranks behind the Prime Minister, Mr P W Botha, in what appears to be a concerted and determined effort to lay the Info ghost to rest.

By EUGENE HUGO

In their efforts to do this, they have also come out in defence of the Minister of Finance, Senator Owen Horwood

The campaign has, among other things, involved direct criticism of Mr Harry Oppenheimer's Anglo American Corporation, the Opposition, and of the English-language Press

The first broadside came from Dr Anton Rupert, head of the international Rembrandt organisation

He spoke of his appreciation for Sen Horwood and labelled his attackers as "the logical successors to Cecil John Rhodes"

It was Dr Rupert, who directly criticised Anglo's financing opposition political parties and newspapers

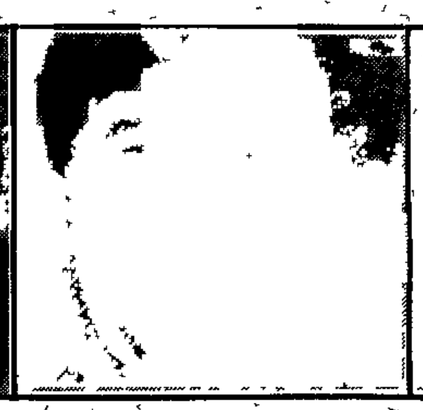
But this week two more top businessmen — Wesco's Dr Albert Wessels and Sanlam's Dr A D Wassenaar — came out rooting for Sen Horwood

But neither was prepared to reflect on the merits of Dr Rupert's criticism of Mr Oppenheimer

Dr Wassenaar said Sen Horwood had taken over the Finance portfolio after the key decisions involving the Information Department's secret projects had been made

"He could not have had any part in the decisions which were taken about the Citizen newspaper," he said in Cape Town

DR WASSENAAR
Backs Horwood



SEN HORWOOD
"Undermined"

ANTON RUPERT
Slammed Anglo

ALBERT WESSELS
Press appeal

He thought it "childish" to debate what Sen Horwood had or had not known

"Nobody could have expected him to make any declarations (about his knowledge)

"His signing of a document subsequently is irrelevant to the real issue"

Dr Wassenaar said he was completely against taxpayers' money being used to establish a National Party-supporting newspaper like the Citizen

"But that was not done by Sen Horwood"

Dr Rupert's references to Cecil John Rhodes and Mr Oppenheimer were also irrelevant to the issue and he did not want to comment on them

"Like Dr Rupert, I have the highest respect for Mr Oppenheimer"

Dr Wessels said on the Info scandal, he was more critical of South African Associated Newspapers' publications than of the Government

"Perhaps 90 per cent of the schemes to make propaganda for South Africa were very good

"It is only the Citizen that I was critical of"

He said Info's secret projects were a "good attempt which went wrong because of bad administration"

In principle, he backed the Prime Minister strongly in his attempts to purge the Government of the after effects of the Info affair

"Let us now get together and work on the good things that have emerged — like the Wiehahn and Rieckert commissions' recommendations

"The Prime Minister should be given every opportunity of applying his mind to these important changes if he wants to shake off the Information scandal and go ahead," said Dr Wessels

He asked newspapers to heed any appeal from the Prime Minister to drop the Info scandal

"What needed to be exposed has been exposed

"The Prime Minister is taking the necessary steps to prevent the recurrence of such a scandal and has established machinery to eliminate bad administration"

P W BOTHA
"Think tank"

Dr Wessels said he was not asking for the Press to be gagged

"The Press has done a good job

"I am not speaking out for that

"But I am making an appeal for all concerned to try to bury the Information scandal"

He said he had "a very favourable view" of Sen Horwood as Minister of Finance

Pity

On assuming his portfolio four years ago, Sen Horwood had been the man to cut back on Government spending and restore the balance of payments

As for Sen Horwood's alleged involvement in the Info affair, that was a matter for the Erasmus commission to decide

It would be a great pity if Sen Horwood had to be replaced as Minister of Finance because he had been "undermined"

Dr Wessels, who has just returned from an overseas trip, said the Info scandal had created a "difficult atmosphere" abroad.

"Big business overseas accepts that scandals are common in the world but this has, nevertheless, created certain resistance

dal reflects on the Government and Government supporters

"We must try to rebuild South Africa's image, even though businessmen overseas don't think we are all crooks and profferers of bribes"

Denial

But Dr Wessels denied that clubs and societies were being formed to bolster the Botha government

Other top Afrikaner businessmen said they feared continuous attacks on Sen Horwood would also spark off a jockeying for position within the Cabinet

Academics within Mr Botha's Stellenbosch "think tank" also strove this week to allay suspicions that a combined academic-business drive was being prepared to bolster the Prime Minister's attempts to quash the Info debacle at all costs

But in Pretoria's academic circles, Dr Rupert's entry into this political arena was described as "most peculiar"

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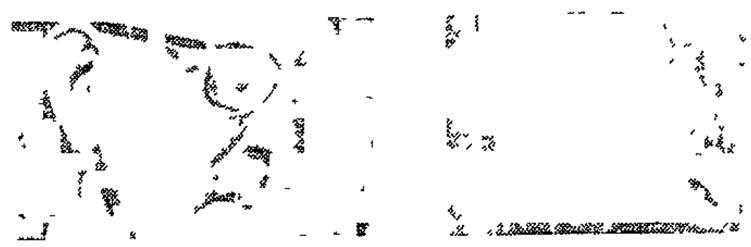
HE CANDAL THAT EVER WAS



● General Vd Bergh
. new security job

● Dr Mulder
.. Prime Minister

● Dr Rhoodie
.. Cabinet Minister

259

Funds Expe-

20/5/79

By THE EDITOR

IF THE Advocate-General Bill had been law 16 months ago the Information affair would have been The Scandal That Never Was.

The cover-up would almost certainly have been good enough to fool even the most astute Advocate-General. Because the key element of publicity was missing, in all probability he would not have been able to establish that some of the most trusted men in the country were manipulating him — and the truth.

This is the startling conclusion that the Sunday Express has reached based on a careful analysis of the proposed legislation and a reasoned reconstruction of the likely course of events

Obviously the Sunday Express conclusion cannot be said to be 100 per cent irresistible

But the balance of probabilities is so strong — and convincing — that this newspaper believes it is necessary to present the reconstruction to readers today to help them decide whether the country can afford the Advocate-General Bill We challenge any protagonist of the Bill to show that the scenario that follows could NOT have happened.

A lawyer said yesterday: "In my view there is a 90 percent likelihood that even if the sequence of events you outline did not occur exactly in that way, the end result would have been the same"

Dr Mulder would now be Prime Minister, Dr Eschel Rhoodie Minister of Foreign Affairs and General Van den Bergh the grey eminence of the country's security network

For ease of reading, the reconstruction is presented as if the events actually took place . .

Startling Express reconstruction reveals that Info cover-up would have defeated A-G

EARLY in 1978 the country was filled with rumours of malpractice and corruption in the Information Department.

MPs, particularly, were aware of the gossip

The Sunday Express reported that many newspapers believed something was rotten in the department but "the story may never be told" because of the difficulty of investigating and proving it

The Government introduced its Advocate-General legislation to "put an end to the gossip once and for all."

An investigative journalist statements to the Advocate-General Fearing victimisation, they declined

They were sources who had made it clear from the start that they would only tell their stories if they were given the absolute assurance that no one else would ever hear their names

Mr Katzin took his information — at that stage largely unsubstantiated — to the Advocate-General When he declined to name his sources, a course he was honour-bound to take, he was jailed for three months. (Maximum sentence: Six months)

The Advocate-General began his investigation The law required him to do so in secret He sent a confidential telex message to all editors advising them that he had opened an investigation and instructing them to refrain from publishing any further reports without permission

He also ordered that the fact that he was conducting an investigation should not

To Page 2

dwelling of the Holy Spirit, Redemption and the light thrown by it upon the whole business of life through death; Community, and the relationship of individual to corporate well-being To explore this restatement and its relevance to the life and thought of contemporary men had been the task laid upon every thoughtful Christian. Now theology was bidden to restrict itself to a rigidly specialised task, 'the study of Christian existence in history today', and told that concern with anything outside the Bible was 'vanity and

ance. which

do all Albert

RE-ENTER THEOLOGY

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would have defeated A-G

EARLY in 1978 the country was filled with rumours of malpractice and corruption in the Information Department.

MPs, particularly, were aware of the gossip

The Sunday Express reported that many newspapers believed something was rotten in the department but "the story may never be told" because of the difficulty of investigating and proving it

The Government introduced its Advocate-General legislation to "put an end to the gossip once and for all."

An investigative journalist, Mr Kitt Katzin — prevented from publishing anything from his growing dossier — concluded that his duty was to take the material to the Advocate-General

He approached his four main informants and asked them whether, in the interests of justice, they would be prepared to make sworn statements to the Advocate-General. Fearing victimisation, they declined

They were sources who had made it clear from the start that they would only tell their stories if they were given the absolute assurance that no one else would ever hear their names

Mr Katzin took his information — at that stage largely unsubstantiated — to the Advocate-General. When he declined to name his sources, a course he was honour-bound to take, he was jailed for three months. (Maximum sentence: Six months).

The Advocate-General began his investigation. The law required him to do so in secret. He sent a confidential telex message to all editors advising them that he had opened an investigation and instructing them to refrain from publishing any further reports without permission

He also ordered that the fact that he was conducting an investigation should not

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EXPRESS EDITOR WINS PRINGLE AWARD FOR JOURNALISM : P2

The great cover-up

(259) 20/5/79 Sund Express

From Page 1

be reported either, since that would fan rumours which he would not be able to dispel until he had reached a finding

Since the public did not know he was conducting an investigation no one came forward to volunteer information

But one man heard about the inquiry on the grapevine He went to the Advocate-General with startling allegations

He said that public money was being misused, that secret projects included bribery of foreign politicians, and that millions of rands of taxpayers' money was being used to fund a new newspaper created as a propaganda organ for the National Party

The Advocate-General, a thorough and careful lawyer, set out to establish whether these claims could possibly be true

He inspected the books of the department. They revealed no such expenditure

He called the Minister of Information, Dr Connie Mulder

Dr Mulder believed he had been instructed by his Prime Minister, Mr Vorster, to keep the cover-up intact

How could a mere State official be made privy to secrets if even the Cabinet was not to be informed?

He told the Advocate-General that there was no Government money in The Citizen — just as he told Parliament a few months later, again on the advice of the Prime Minister

The Advocate-General called the Secretary for Information, Dr Eschel Rhoodie

Dr Rhoodie had already lied under oath to the Press Council when he denied that there were links between Information and To the Point He had no scruples about doing it again He was very plausible

He conceded that, perhaps, the bookkeeping in his department left something to be desired

The Advocate-General called the Minister of Finance, Senator Owen Horwood This Minister took the same view that he later took in Parliament

Yes, there were certain secret projects

No, he had no knowledge of what they were

In fact he specifically prevented himself finding out He simply authorised expenditure in blanket form because that, in his view, was what a responsible Minister of Finance should do

The Advocate-General had no choice then but to call the Prime Minister, Mr Vorster

Mr Vorster said that he took full responsibility for the expenditure of all secret funds He had satisfied himself that they were being properly controlled and that the projects were in the national interest

The alleged proprietors of The Citizen — first Mr Louis Luyt, then Mr Van Zyl Alberts — were called They were already on the public record as lying about the source of the newspaper's money

They knew the cover-up was still in progress

They told the Advocate-General what they had already told their readers There was no Government money in The Citizen

Next witness was Mr Lood Reynders, right-hand man to General Van den Bergh in BOSS, who had been instructed by the Prime Minister to make an investigation into claims by the Auditor-General of irregularities in the Information Department

Mr Reynders produced a certificate he had prepared for the Prime Minister's eyes only

It said "According to the registers and documentary evidence submitted and the explanations given to me, it is my opinion that proper account was kept of all receipts and expenditures during the period mentioned and comprehensive tests which I carried out brought no mis-expenditures to light"

In September 1978 the Advocate-General submitted a report to the State President It said, in part

"I have examined rumours pertaining to corruption in the Department of Information and especially an allegation that Government money was being used to finance a newspaper, The Citizen, and that that newspaper supported the National Party

"Only one witness came forward to put these claims and he was unable to supply documentary evidence I have no hesitation in rejecting his allegations for the following reasons

- Too many people in high and honourable positions have categorically denied them The theory of collusion on such a scale is too preposterous to consider
- Mr Reynders, a skilled investigator acting on the express instructions of the Prime Minister, has also found no evidence to substantiate any suggestion of corruption or malpractice
- No record of payments to The Citizen exists, as it surely would have done if public money was being used in this way
- I have seen documentation proving that Thor Communicators is a legitimate business organisation (He had no way of knowing this document was rigged)
- The Prime Minister himself has accepted full responsibility for the spending of secret funds

"I believe, however, that the Department of Information needs to keep its records more meticulously, and I recommend improvements in this area

"I have accepted the representations of Cabinet Ministers who appeared before me that to disclose the existence of a series of secret projects financed from Government funds would not be in the interests of the security of the State

"Accordingly I recommend that no disclosure of this investigation be made

"Publicity could only serve to put a spotlight on secret projects which would act to South Africa's disadvantage"

Three weeks later the Minister prematurely retired a senior official in the Department His name was Mr J A Waldeck

The Advocate-General was informed that it was in the interests of departmental efficiency Actually Mr Waldeck was a scrupulously honest and impeccable employee who had begun to ask too many difficult questions

When colleagues came to the Sunday Express to ask for help in clearing Mr Waldeck's name, this newspaper pointed out that they would have to make their representations to the Advocate-General They declined to do so

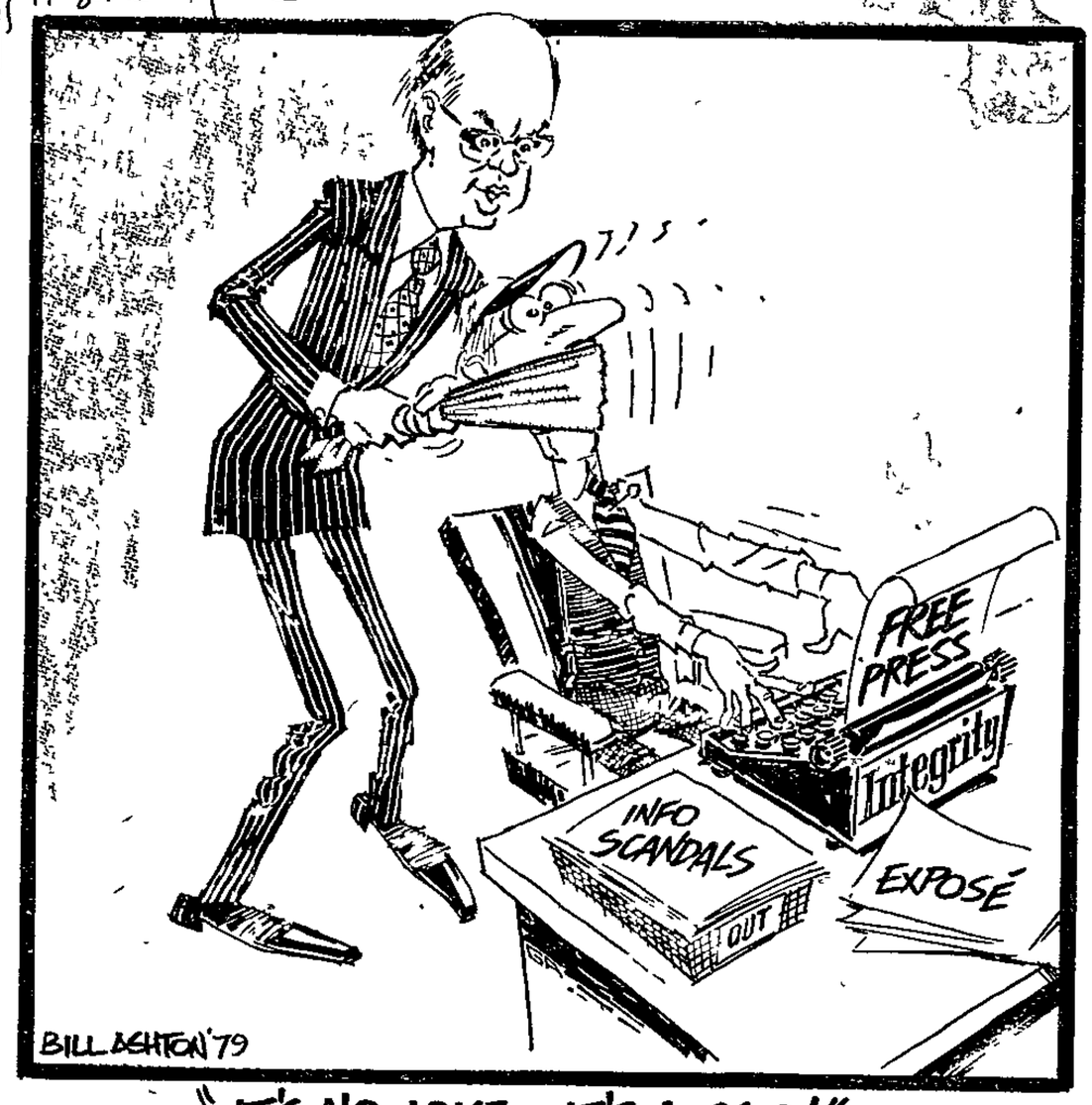
Mr Waldeck remained discredited (In the actual event, the Sunday Express was able to clear his name)

In October 1978 Dr Mulder was elected leader of the National Party — and thus automatically Prime Minister of South Africa — by an overwhelming majority

In the Cabinet reshuffle that followed Dr Eschel Rhoodie was appointed Minister of Foreign Affairs and Mr Pik Botha was offered an Ambassadorship in London

It was announced that a new Cabinet post had been created to co-ordinate all security matters in the country and to control all secret services

The first incumbent was General Hendrik Van den Bergh



"IT'S NO JOKE – IT'S A GAG!"

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PARLIAMENT

Rhoodie criticised over payment to publisher

CAPE TOWN — Former Information Secretary Eschel Rhoodie paid R30 000 in cash out of secret funds — R10 000 of which went to his brother, Professor Nic Rhoodie — although he wrote in a letter that the government could not pay the amount.

The amount was paid to publisher Chris van Rensburg to meet losses on a R279 258 book on Transkei's independence.

This was disclosed in the report of the select committee on public accounts which was tabled in Parliament yesterday

The committee unanimously said it was "extremely perturbed" at the circumstances in which the R30 000 was paid to Mr Van Rensburg and said it wanted to express its "strongest disapproval."

It objected to the payment out of secret funds and the fact that Dr Rhoodie "tried to conceal his action by subsequently indicating that such a payment would be wrong and that, moreover, the department did not have the necessary funds at its disposal."

It disapproved of the fact that "a round sum was paid to the firm whereas only R29 120 had been requested."

The committee said the R30 000 was paid to Mr Van Rensburg for "an alleged loss sustained by the publisher on the publication 'Transkei'."

In an affadavit to the committee, Mr Van Rensburg said his auditors had found at the end of 1976 that he had overspent R17 550 on the book Since January 1977, there had been further expenditure totalling R11 570.

On April 25, 1977, he had approached Dr Rhoodie for payment of R29 120 which was a "conservative" estimate of his losses.

On May 30, 1977, Dr Rhoodie asked him to discuss the matter with him and he met both Dr Rhoodie and Mr Braam Fourie, then head of accounts in the Department of Information

Dr Rhoodie told him the department did not have funds for his losses but "he nevertheless would make a payment in cash to me "

"Dr Rhoodie said he had discussed the situation with his Minister, Dr Mulder, that his Minister was very satisfied with the publication and that his Minister was satisfied with his request for additional payment and had approved it."

Although Mr Van Rensburg had found that the payment was "strange," Dr Rhoodie had said this was the procedure in paying for the department's books

"He emphasised that they were secret funds and that it was not an unusual situation on the department's part.

"He had further emphasised that all such payments were tax free and that under no circumstances could they be published or declared

"Thereafter Mr Fourie handed me R30 000 with the request that I should sign a receipt for it.

"I then indicated that I had only requested R29 120 To this, Dr Rhoodie indicated that he was satisfied that the account was very conservative, which in any event was the case, and therefore it had been decided to pay R30 000," Mr Van Rensburg said

Dr Rhoodie had also said he would write him a routine letter saying the department could not pay the amount and he had asked him to acknowledge it to the effect that he was disappointed.

He had paid the balance of the amount due to Professor Nic Rhoodie and told him the amount had to be kept secret

He had not paid the balance of R15 000 into Chris van Rensburg publications but had kept records of how it had been spent.

An appendix to his affidavit revealed payments for property (R7 000 for a deposit on a house in Melville, R4 000 for a deposit on a house in Blackheath,) to the receiver of revenue (R1 000) and for pharmacy, butchery and grocery accounts, school fees for his daughter and a holiday for his wife.

As he had been told later that this mount was not tax free, he had declared it.

In his letter to Mr Van Rensburg on June 21 1977, Dr Rhoodie said the department "did not have any additional funds for the present financial year or the 1978/9 financial year "

Mr Van Rensburg wrote back "It was great sorrow that we understand that your department cannot be of assistance to this large problem We understand that you have financial difficulties to deal with, but it is nevertheless very bad news for us " — PC

(News by B Streek, Press Gallery, Parliament, Cape Town)

Prof Rhoodie declared cash

THE ASSEMBLY — Professor Nic Rhoodie, brother of the former Secretary of Information, decided in January this year to declare to the Receiver of Revenue that he had received R15 000 cash from Department of Information secret funds

Professor Rhoodie was commissioned as an editorial adviser by Mr Chris van Rensburg for the prestige publication, The Republic of Transkei, at a fee of R1 000 per chapter

He was later paid R15 000 in cash by Mr Van Rensburg, the book's publisher, after Dr Eschel Rhoodie had paid Mr Van Rensburg R30 000 in cash

This was revealed in the report of the House of Assembly's select committee on public accounts tabled yesterday.

On January 15 1979, Professor Rhoodie wrote to Mr Van Rensburg — months after the Information scandal burst — saying the R15 000 had been payment for professional services and operational costs

The letter continued. "As I had earlier indicated to you, it is now clear that individuals in the private sector who gave specific professional and other services in the form of special projects for state purposes and who were paid out of secret funds, do indeed have tax obligations in connection with formal undertakings to the state departments involved.

"Consequently I have decided to declare full information on my own income from secret projects to the Receiver of Revenue," he wrote

He had told the Receiver he had not previously declared the funds because of a definite understanding with the government authorities concerned that payments out of secret funds were not taxable, and therefore did not have to be reported as with "open" funds

"In other words, I accept full responsibility for the decision not to report the payment to the Receiver because we knew it came from secret funds," he wrote.

Professor Rhoodie also said the payment was not only for personal income but also for his operational and production costs.

"My function was that of professional advice, planning, quality control and academic editing The project was undertaken in 1975/6," he wrote. — PC

Call to discount Info expenses

THE ASSEMBLY — The select committee on public accounts has recommended that R41 509 of unauthorised expenditure by the Department of Information should not be authorised by Parliament.

This involves R30 000 paid in cash out of secret funds to Mr Chris van Rensburg, a Johannesburg publisher, and R11 509 paid out of the 1975-6 Department of Information vote to Chris Van Rensburg Publications.

The committee also recommends that R4 906 540,65 of unauthorised expenditure to the Department of Defence be approved by Parliament although "in some respects the activities constitute undesirable practices".

These actions, which involved R4 374 227,65 under the Defence vote and R532 313 under the special defence account, were "bona fide", the committee said

As the Erasmus Commission was still investigating the former Department of Information, it did not wish to make any other recommendations. — PC.

(News by Barry Streek, Press Gallery, Parliament, Cape Town.)

Publishing deals continued

CAPE TOWN — The government's new information services continued to negotiate with Johannesburg publisher Chris van Rensburg in spite of his denial that he had received R30 000 in secret funds for alleged losses on a R279 258 book.

This was revealed when the Director of the Information Services, Mr A J. Engelbrecht, was cross-examined by the Assembly's select committee on public accounts

The committee's report, which was tabled yesterday, shows the information services negotiated with Mr Van Rensburg over a book on the independence of Venda.

In a statement yesterday, a member of the committee, Mr Harry Schwarz (PFP, Yeoville) said he was concerned that in spite of the previous reports as well as the latest one, "the state continued to do business with him or his associates"

Mr Schwarz added "We would have imagined that in all these circumstances the authorities would have stepped in to prevent the continuation of business with these individuals or firms."

In March this year, it was reported that a Pretoria publishing firm had been told Mr Van Rensburg had been awarded a contract, without tender, for a book on Venda, but in evidence on April 3 before the committee, Mr Engelbrecht said the contract had not been signed

It is understood the information services negotiations with Mr Van Rensburg were cancelled after the proposed book was raised in the select committee.

On March 6 this year, Mr Engelbrecht told Mr C. Simkin (NP, Smithfield). "At present we still do business with the firm, but naturally with the approval of the State Buyer. We usually work with the Government Printer who is actually our agent.

"Although there was uncertainty about the position of Chris van Rensburg publications, the State Buyer indicated that there was no lawful reason to exclude the firm There are still negotiations taking place with this firm," Mr Engelbrecht said

A month later, he was cross-examined by members of the committee

The chairman of the committee, Mr Hennie van der Walt (NP, Schweizer-Reneke) said he wanted to associate himself with Mr Schwarz.

"It is actually beyond my comprehension I do not see how we can still do business with Mr Van Rensburg We as a select committee can possibly take a stand on this matter, but I do not know whether we can put an end to it."

Mr Engelbrecht said: "We have black-listed Mr Van Rensburg from a departmental point of view. However, he was duly cleared and he has actually submitted another tender for a publication on Venda.

"Apparently he is the only one in South Africa who is capable of producing such a publication in time. — PC

(News by Barry Streek, Press Gallery, Parliament, Cape Town)

24/5/79

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Opposition challenge to PW on R17-m certificate

Political Staff

CAPE TOWN — The Prime Minister, Mr P W Botha, last year in his capacity as Minister of Defence signed a certificate giving permission for money to be transferred from the Special Defence Account to the Prime Minister's Vote and then to the defunct Department of Information.

According to Mr Harry Schwarz, the Progressive Federal Party spokesman on finance, it appeared that the certificate covered an amount of R17-million

The certificate was revealed in the first and second reports of the Select Committee on Public Accounts investigating unauthorised expenditure.

An attempt by the PFP, New Republic Party and South African Party members of the committee to have the expenditure of the money declared as unauthorised was, however, defeated by the National Party members by a majority of nine votes to four

TRANSFER

In a statement issued after the select committee's report was tabled in Parliament yesterday, Mr Schwarz, who was one of the members of the committee, said that in the view of the minority no authority existed for the transfer of the money.

He said his party viewed the issue as being "very serious"

"Evidence was given that during the year concerned (1977/78), R17-million was so paid out for the purposes of the former Department of Information and evidence was given that a certificate was furnished by the Minister of Defence

"On the evidence available, it appears that the certificate covered the amount of R17-million."

RECORDED

According to reports

RECORDED

According to evidence given to the select committee by the Auditor-General, Mr W G Schickerling, and recorded in the reports, the certificate was signed by the Minister of Defence on October 9 1978

Mr Schickerling, in reply to a question put by Mr Schwarz, said the Special Defence Account was audited only to the extent agreed upon by the Minister of Defence and the Minister of Finance

Mr Schickerling also said that there was a partial auditing of the account and the remaining portion was covered by a certificate

Nic Rhoodie declared R15 000 in funds

Political Staff

HOUSE OF ASSEMBLY — Professor Nic Rhoodie, the brother of the former secretary of Information, decided in January this year to declare to the Receiver of Revenue that he had received R15 000 cash from Department of Information secret funds

Professor Rhoodie was commissioned as an editorial adviser by Mr Chris van Rensburg for the prestige publication, "The Republic of Transkei", at a fee of R1 000 a chapter

He was later paid R15 000 in cash by Mr Van Rensburg, the book's publisher, after Dr Eschel Rhoodie had in turn paid Mr Van Rensburg R30 000 in cash

This was disclosed in the report of the House of Assembly's Select Committee on Public Accounts which was tabled yesterday

On January 15, 1979, Professor Rhoodie wrote to Mr Van Rensburg — months after the Information scandal was disclosed — saying that the R15 000 had been payment for professional services and operational costs

The letter continued "As I had earlier indicated to you, it is now clear that individuals in the private sector who gave specific professional and other services in the form of special projects for State purposes and who were paid out of secret funds, do indeed have tax obligations in connection with formal undertakings to the State departments involved

"Consequently I have decided to declare full information on my own income from secret projects to the Receiver of Revenue," he wrote

He had told the receiver that he had not previously declared the funds because of a definite understanding with the government authorities concerned that payments out of secret funds were not taxable and therefore did not have to be reported as with "open" funds

"In other words, I accept full responsibility for the decision not to report the payment to the receiver because we knew it come from secret funds," he wrote.

Profesor Rhoodie also said that the payment was not only for personal income, but was also for his own operational and production costs

"My function was that of professional advice, planning, quality control and academic editing The project was undertaken in 1975/6," he wrote

Mr Van Rensburg said in his affadavit that he had approached Professor Rhoodie in 1974 to take editorial responsibility for the publication

They had agreed on a payment of R1 000 a chapter Initially, they had intended to have 20 chapters, but this had later been reduced to 15

There appears to be a conflict about when Professor Rhoodie was actually paid his R15 000

Rhoodie: R30 000 payout

C. Times 24/5/79. (259)

Political Staff

HOUSE OF ASSEMBLY — The former Secretary of Information, Dr Eschel Rhoodie, paid R30 000 in cash out of secret funds — R10 000 of which went to his brother, Professor Nic Rhoodie — in spite of writing in a letter that the government could not pay the amount

The amount was paid to the publisher, Mr Chris van Rensburg, to meet losses on a R279 258,80 book on Transkei's independence

This was disclosed in the report of the select committee on public accounts which was tabled in Parliament yesterday

The committee unanimously said it was "extremely perturbed" at the circumstances in which the amount of R30 000 was paid out of secret funds to Mr Van Rensburg and said it wanted to "express its strongest disapproval" of the payment

It objected to the payment out of secret funds and to the fact that Dr Rhoodie "tried to conceal his action by subsequently indicating that such a payment would be wrong and that, moreover, the department did not have the necessary funds at its disposal"

The committee also disapproved of the payment of R30 000 to Mr Van Rensburg and the fact that he "subsequently deliberately tried to conceal this fact in his letter to the department"

It added that it disapproved of the fact that "a round sum was paid to the firm whereas only R29 120 had been requested"

The committee said the R30 000 was paid to Mr Van Rensburg for "an alleged loss sustained by the publisher on the publication 'Transkei'"

In an affadavit submitted to the committee, Mr Van Rensburg said his auditors had found at the end of 1976 that he had overspent by R17 550 on the book Since January 1977 there had been further expenditure on the book totalling R11 570

On April 25, 1977, he said he had approached Dr Rhoodie for payment of R29 120 which he felt was a "conservative" estimate of his losses

A month later, on May 30, 1977 Dr Rhoodie asked him to discuss the matter with him and he had met both Dr Rhoodie and Mr Braam Fourie, the then head of accounts in the Department of Information

Dr Rhoodie had told him that the department did not have funds for his losses but that "he nevertheless would make a payment in cash to me"

The affadavit continued "Dr Rhoodie said he had discussed the situation with his minister, Dr Mulder, that his minister was very satisfied with the publication and that his minister was satisfied with his request for additional payment and had approved it"

Although he had found that the payment was "strange", Dr Rhoodie had explained that this was the procedure that was followed to pay for the department's books

"He emphasized that they were secret funds and that it was not an unusual situation on the department's part

"He had further emphasized that all such payments were tax free and that under no circumstances could they be published or declared"

"Thereafter Mr Fourie handed me R30 000 with the request that I should sign a receipt for it

"I then indicated that I had only requested R29 120 To this, Dr Rhoodie indicated that he was satisfied that the account was very conservative, which in any event was the case, and therefore it had been decided to pay R30 000," Mr Van Rensburg said

Dr Rhoodie had also said to him that he would write him a routine letter saying that the department could not pay the amount and he requested him to acknowledge it to the effect that he was disappointed by the decision

He had then paid the balance of the amount due to Professor Nic Rhoodie and advised him that the amount had to be kept secret

The balance of R15 000 he had not paid into Chris Van Rensburg Publications but had kept records of how this amount was spent

In an appendix to his affadavit, this revealed payments for property (R7 000 for a deposit on a house in Melville, R4 000 for a deposit on a house in Blackheath), to the Receiver of Revenue (R1 000), for pharmacy, butchery and grocery accounts, for school fees for his daughter and for a holiday for his wife

As he had now been advised that this amount was not tax free, he had now declared it, but his affadavit was the first time since he had undertaken to Dr Rhoodie to keep it secret that he had revealed its existence

Nat papers urge Gag Bill protest

By MARTIN SCHNEIDER
Political Editor

THE NATIONALIST newspaper, Die Vaderland, yesterday urged its readers to protest against the Advocate-General Bill by sending telegrams to the Prime Minister and the leader of the House of Assembly

Die Vaderland's unprecedented action came after it was reported that journalists on Beeld urged their newspaper to withdraw its support for the National Party in the Randfontein by-election because of the Bill

The moves were part of growing protest from diverse quarters including the parliamentary Opposition, the Press, leading academics, the General Bar Council, the Southern African Society of Journalists, the SABC Staff Association and the Railways Artisan Staff Association

Die Vaderland yesterday reported strong public reaction against the Bill "Members of the public can send telegrams directly to the Prime Minister or Minister Muller," it said

"In each case, the address is The House of Assembly, Cape Town Telegrams should be sent before Tuesday if it is felt that the Bill should be sent to a Parliamentary select committee (for review)"

Die Vaderland's sister newspaper in Pretoria, Hoofstad, repeated the information in its edition yesterday

Nationalist newspapers are also upset by the statement by the leader of the House, Mr Louwrens Muller, who told Parliament that the "sacrosanct" duty of the Press to inform the public left him "absolutely cold"

Beeld, a committed supporter of the Prime Minister, has been particularly shaken by the Government's attitude towards the Press and by its determination to go ahead with the Bill

The newspaper's political columnist, Piet Botma, said in his column yesterday that young journalists on Beeld had become so rebellious after Mr Muller's remarks that they wanted Beeld to "withdraw" from the Randfontein by-election.

"The more experienced among us said no, this turns

To Page 2

Nat papers urge Gag Bill protest

From Page 1

on far more than personalities, it involves the future of South Africa and the future of Afrikanerdom"

He feared divisions were being created between Nationalist politicians and journalists which could take years to bridge.

Mr Muller, who is also Minister of Transport and who introduced the Bill in Parliament, was not available for comment yesterday on a protest resolution sent to him by the Railways Artisan Staff Association, representing 22 000 workers in his department

The Association asked him to do everything in his power to stop "this sinister legislation."

In Durban yesterday, the congress of the Southern African Society of Journalists sent an urgent telegram to the Prime Minister asking him to meet an SASJ delegation to discuss the implications of the Bill.

The congress passed a unanimous resolution expressing total opposition to the Bill, and SASJ president Mr John Patten said: "There is a spirit of freedom abroad in all sections of the South African Press, that this or any other government will not kill"

Mr Patten said the proposed Advocate-General would be a Press censor forcing a cover of silence on matters of Government corruption or maladministration

He also referred to the Police Amendment Bill and the Inquest Bill

"It is necessary to warn the Government that its laws may restrict the Press for a time — and this year's laws are not the Press' only shackles — but these laws cannot restrict the Press' spirit and ideals," he said.

Meanwhile the Director-General of the SABC, Mr N J Swanepoel, yesterday released a letter to the Minister of National Education, Mr W A Cruywagen, saying the corporation's management dissociated itself from the Staff Association's telegram asking the Prime Minister to reconsider the Bill

He said the association represented only 18 % of the SABC's white staff

Mr Pat Rogers, chairman of the association, said last night a meeting would be called to gauge members' reaction to its move, decided by the executive committee

"I will arrange the meeting as soon as possible to see whether we are supported by the majority in this move. I cannot say what our action will be if it is discovered that our members do not approve of the telegram sent to the Prime Minister," he said.

He said the association had more than 800 members countrywide — over 20 % of SABC white staff

Mr David Dalling, Progressive Federal Party MP for Sandton, said in Cape Town yesterday that the staff association deserved congratulations for its "courageous" move

Report by Martin Schneider 171 Johannesburg

Die groot raaisel —Erasmus

Rapport 27/5/79

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Van FRIK BADENHORST

IN die finale verslag van die Erasmus-kommissie is daar nog 'n groot raaisel: Wat het van verskeie groot somme geld in die Inligting-debakel geword? Net drr. Connie Mulder en Eschel Rhoodie kan hierop lig werp, sê regter Rudolph Erasmus, voorsitter van die kommissie.

Sy verslag, wat Woensdag aan die Staatspresident, mnr B. J. Vorster, oorhandig word, is so ingrypend dat dit ernstige gevolge vir Suid-Afrika kan inhou Die verslag sal ook ernstige implikasies vir 'n paar mense inhou, het hy gesê, maar sonder om name te noem

Daar was mense wat die kommissie in die verloop van sy werk van die spoor probeer bring het, maar hulle is genoeg tou gegee

Waar die verslag mank gaan en bevindings en aanbevelings op skraler getuienis berus, is dit omdat drr. Rhoodie en Mulder nie vir 'n tweede keer voor die kommissie getuig het nie.

Sonder hul getuienis het die kommissie soms voor 'n muur te staan gekom

Sekere bedrae geld kon net tot in 'n stadium nagespoor word. Daarna was drr Mulder en Rhoodie se getuienis nodig om die eindbestemming van die fondse op te spoor, sê regter Erasmus.

Hy het ook laat blyk dat sekere getuienis die kommissie te laat bereik het. Dit word na die uitvoerende gesag vir optrede verwys

Die kommissie het 'n spertyd gehad om sy werksaamhede te voltooi en moes op sy beurt 'n datum vasstel waarop die aanhoor van getuienis gestaak word

Die getuienis wat ná 5 Mei onder die aandag gekom het, was egter nie van so 'n aard dat die algemene bevindings van die kommissie wesenlik

* VERVOLG OP BL. 4 *

259

Erasmus

* VERVOLG VAN BL. EEN *

sou beinvloed nie, sê die regter

Hy beklemtoon dat niks deur die kommissie verberg of toegesmeer is nie. Die verslag sal mettertyd in die hande van die publiek kom en dit is die reg van die publiek om te oordeel en te kritiseer. Hy vertrou dat die kritiek billik en regverdig sal wees, want die kommissie het gedoen wat van hom verwag is

Terwyl die kommissie gesit het, was daar verskeie persone en instansies wat op die terrein van die kommissie beweeg het. Van binne en buite die Parlement is die kommissie gekritiseer. Sommige van die kritici was 200 tree agter die kommissie in hul navorsing en 500 tree voor in hul oordeel

JOHANNESBURG MAY 27 1979

VORSTER TO QUIT

(259)

Top sources say he'll be out within weeks

By KITT KATZIN

THE State President, Mr B J Vorster, is confidently expected to step down in a matter of weeks — a bare nine months after taking office.

He will be succeeded by Mr Louwrens Muller, the Minister of Transport, who will be installed as South Africa's 5th State President — in only 18 years — by July

The 64-year-old former Prime Minister was admitted to Cape Town's Tygerberg Hospital on Friday for another medical check — his second in six months The official reason for standing down will be ill-health

But informed Nationalist observers say an important factor is Mr Vorster's links with the Information scandal and what the Erasmus Commission is expected to find about his role

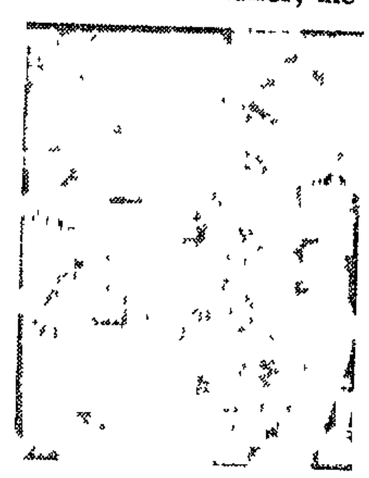
The third report of the Commission — ironically, it was appointed by the State President and due to report to him within the next few days — takes another look at Mr Vorster's part and is believed to have come across fresh evidence

The belief in well-informed circles is that this report will be much more critical of his conduct

Informed sources also point to the remarks made by Judge Erasmus on TV this week The judge said nothing would be covered up in the final report, which would contain certain aspects which "may have serious consequences in South Africa"

The first report exonerated the former Prime Minister, and declared him innocent of any improper involvement

The second report revealed aspects of his involvement and prompted the Leader of the Opposition, Mr Colin Eglin, to claim that he had been "exposed"



● Mr Vorster ... retirement imminent

Mr Vorster, as State President, took an unprecedented step recently when he issued a public statement refuting claims made by his former Information Minister, Dr Connie Mulder

After volunteering to give evidence, Mr Vorster was twice recalled by the Erasmus Commission On one occasion he was asked to come back after Dr Mulder had refused to give evidence and stormed out of the commission

Dr Mulder claims Mr Vorster knew of Info irregularities, including The Citizen scandal, at dates earlier than he admits

Much of Mr Vorster's evidence in the commission's first report — which exonerated him of any blame, though it criticised him for not taking steps to get rid of The Citizen — has apparently been reviewed.

It is this reassessment

● To Page 9

State President is ready to stand down

From Page 1

— against the background of evidence from new witnesses, including Mr Les de Villiers, formerly deputy Secretary for Information, and fresh evidence from previous witnesses such as General Hendrik van den Bergh, former Boss chief, who is understood to have submitted certain documents — that implicates Mr Vorster more conclusively

Statements made to newspapers by Dr Mulder have compounded the problems faced by Mr Vorster.

Dr Mulder told the country that the then Prime Minister had sent him a note indicating how he should deal with Opposition questions about State funding of publications like The Citizen and To the Point

This note, says Dr Mulder, caused him to lie to Parliament.

Dr Mulder is also said to have full minutes relating to meetings of a three-man Cabinet committee which he claims monitored secret spending. Mr Vorster has denied the existence of such a committee.

The Sunday Express understands that other witnesses have testified that it did.

The Sunday Express also understands that Dr Mulder has other documents not yet made public which allegedly refer to other aspects of Mr Vorster's involvement and that of Senator Owen Horwood, who succeeded Dr Diederichs as Minister of Finance

Dr Mulder, according to close aides, is awaiting the report of the Erasmus Commission before deciding what to do about disclosing this information

He is understood to have taken legal advice, and is preparing action which some quarters describe as "potentially explosive"

General Van den Bergh too, I understand, is preparing to throw out a second challenge to the commission if it again casts him in an unfavourable light

Meanwhile, Transvaal Attorney General Mr Koos Nothling is said also to be waiting for the Erasmus Commission's final report before deciding whether or not to prosecute Dr Mulder on the grounds of contempt

This follows a complaint lodged by the chairman of the commission, Mr Justice Rudolph Erasmus, in the wake of Dr Mulder's refusal to testify.

Earlier this year the Opposition called on Mr Vorster to step down as State President — and lodged an impeachment petition, the first of its kind against a South African State President

The main thrust of the petition that Mr Vorster remained silent when Dr Mulder lied in Parliament about State funding of The Citizen, and that he had failed to take appropriate action when first told about the massive secret funds behind the newspaper

The petition also said he had brought his office into disrepute by becoming personally enmeshed in the raging Information controversy by issuing public statements denouncing claims made by Dr Mulder

Mr Vorster relinquished the premiership last September after a record run of 12 years. He had been admitted to hospital suffering from exhaustion and gave ill-health as the reason for his retirement.

It was generally thought the lesser strains of the Presidency would present no further problems.

Yesterday a spokesman for his office emphasised that his readmittamce was a periodic routine check.

The Prime Minister may be delaying announcing his Cabinet reshuffle until Mr Vorster goes so that he can make several changes.

Minister of Economic Affairs Chris Heunis may succeed Mr Muller.

Dr Andries Treurnicht will have to be given a full Cabinet post, perhaps Education.

● In January — only two months after Mr Vorster was elected State President — the Sunday Express reported that Nationalists firmly expected him to step down in the first half of the year. Mr Vorster declined to comment.

7. QUALITY CONTROL

Number of units inspected (For each Inspector)

Number / proportion of Rejects .

N.B. REASONS FOR REJECTING .

ERASMUS

RDM 2/6/79 (259)

Political Staff

IN AN astonishing development to the Info scandal, it was discovered last night that the top secret final Erasmus Commission report has been "leaked" or sent in error to several newspapers, news agencies and foreign correspondents.

The report — due to be tabled in Parliament during or after Wednesday's crucial Randfontein by-election — will have "serious consequences in South Africa", according to the chairman of the commission, Mr Justice Rudolph Erasmus

And last night the Government was making urgent attempts, at least among foreign correspondents, to retrieve copies of the report and stop publication.

In another development last night the Leader of the Opposition, Mr Colin Eglin, called on the Government to table the report before the Randfontein by-election

Randfontein is the former constituency of ex-Minister of Information Dr Connie Mulder, who was kicked out of National Party because of the scandal, and the Government has said this election should be regarded as the first real test of public reaction to the furore.

Mr Eglin said the election was taking place because of the Info scandal and it was essential the commission's final report be made available before Wednesday.

"The voters of Randfontein are entitled to know what the Erasmsus Commission has found before they go to the polls," he said

Experienced political journalists who have read the report said last night that it could have a "vital" influence on the election — and that it would be "adverse" for the Nationalists

Since last week newspapers have been speculating that the State President, Mr Vorster, would retire soon from public life because of his role, as former Prime Minister, in the Info controversies

The PFP spokesman on Information, Mr Harry Schwarz, said his party would call for an inquiry if international news

Erasmus report 'leak' Continued

From Page 1

gle" is all the more astonishing in the light of the tight security surrounding the release of the previous Erasmus Commission reports

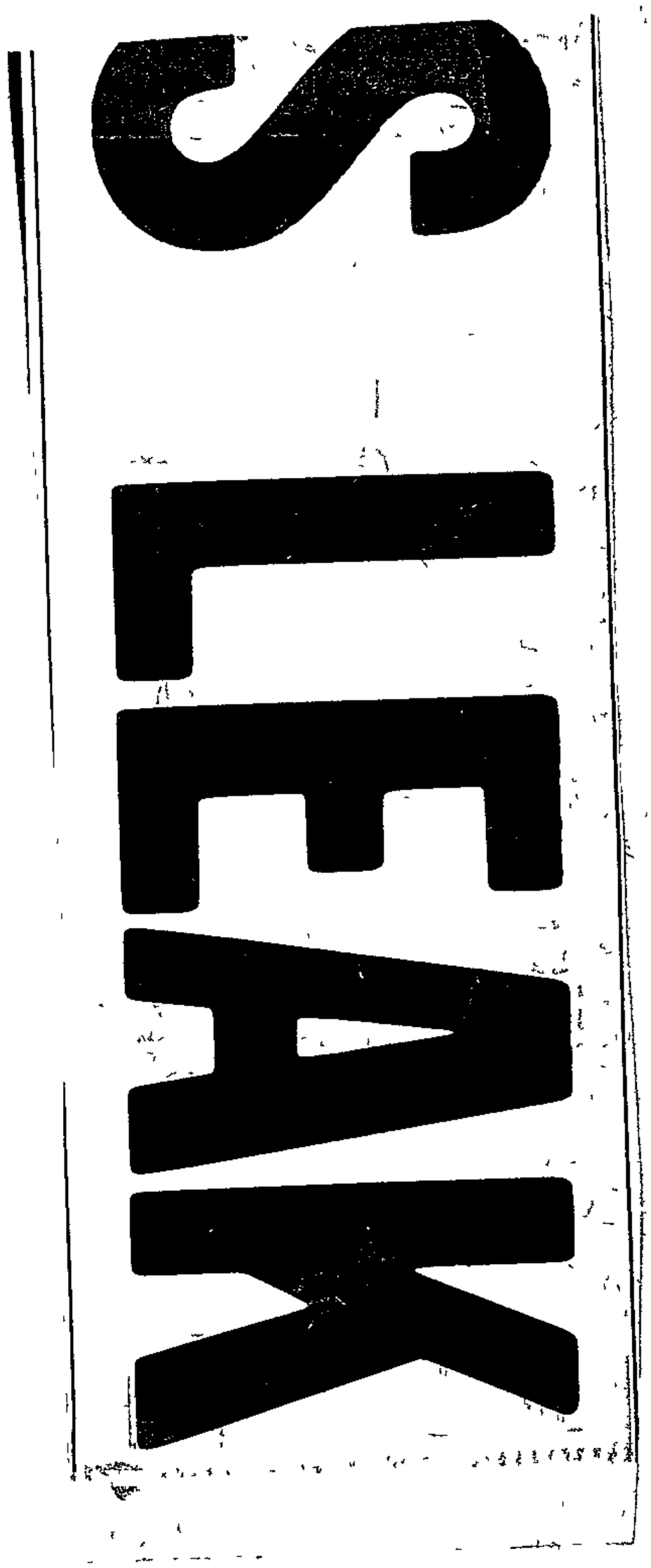
In both cases the Prime Minister's office rejected representations from the South African Press, including personal appeals from Nationalist editors, to authorise simultaneous release of the reports in Cape Town and Pretoria to facilitate publication for Transvaal newspapers

Observers pointed out that the State President had received the report only on Tuesday or Wednesday this week and by then copies must have already been in the post on their way to the Press

None of the newspapers, news agencies and foreign correspondents who have the report was prepared to be named when approached by the Rand Daily Mail last night

Some said they had received the report in the "normal way" through the post

Others said secretaries had opened the post and they were not sure how the report had been received



RDM

2/6/79

259

agencies had copies of the report.

"The report is the property of the State President and we would expect that parliamentarians and the public of South Africa would be the first to receive it."

Mr Schwarz said if any portion of the report were transmitted abroad readers overseas would know the contents before Parliament, the public and particularly before Randfontein voters — "and perhaps even before it is placed before a Cabinet meeting".

At least three South African newspapers — two Nationalist and one English — the South African Press Association and one overseas agency, are known to have received the report through the post.

A Government source said there was little the authorities could do to stop the report being sent overseas but warned the consequences could be serious.

He was referring to a provision in the Commisions Act which lays down a maximum fine of R200, or six months' imprisonment, or both, for anyone who publishes any part of a commission report before it is tabled in Parliament.

There was confusion last night over whether the report had been leaked to the media or whether it had been sent in error.

A senior Government spokesman said it appeared there had been "an administrative bungle" in the Government Printer's office.

But there was speculation in political circles that there might have been a leak by pro-Mulder factions wanting to ensure some publication of the report before the Randfontein by-election.

This week's leak or "bun-

☐ To Page 2

S. Times 3/6/79 (259)

Vorster at crossroads

By KEN OWEN

THE State President, Mr John Vorster, holds in his hands this weekend a document that will decide his fate, and determine his place in South African history.

That document is the third and final report of the Erasmus commission of inquiry into the Info scandals which is due to be tabled in Parliament this week.

The role Mr Vorster played as former Prime Minister has become increasingly puzzling in the months since the Erasmus commission concluded in its first report that his integrity was unblemished.

The new report will settle the matter one way or the other.

Mr Vorster knows the verdict. So do members of the Cabinet and others who have seen the report. But the public must wait to learn the outcome.

If the final report has confirmed that finding, Mr Vorster's place of honour as a Prime Minister who served for 13 years, who embarked on innovative and statesmanlike diplomatic ventures, and who led his party to a final crushing victory in November 1977 will be secured.

If, however, the commission has found it necessary to amend or alter its original finding, Mr Vorster is expected rapidly to leave office.

The puzzles about Mr Vorster's role in the Info affair arose, ironically, largely from his own statements — especially his disclosure on March 22 this year, that he had known of the Government funding of the Citizen as early as August 1977.

This disclosure cast entirely new light on a question on which the Erasmus commission had received contradictory evidence: What did the President know, and when did he know it?

Clearly, Mr Vorster knew when on September 20 he called a snap election that the Citizen — which campaigned vociferously for his party — was a Government propaganda organ.

Also, he kept the facts from the Cabinet for more than a year until the next September when Mr Retief van Rooyen, SC, realising that Dr Connie Mulder was set to become Prime Minister within the week, tipped off some Ministers.

PW calls emergency Cabinet meeting: Page 3

Even then, Mr Vorster allowed a report by his special investigator, Mr Louw Reynders, which appeared to clear Dr Mulder of complicity in the irregularities of his department, to be put to the Cabinet and to the general public.

This report, it turned out, was false and Mr Reynders said he issued it under duress from General Hendrik van den Bergh, retired head of the former Bureau for State Security.

In its first report, the commission concluded that the only criticism to be levelled at Mr Vorster was that he failed to get rid of the Citizen

Accusations that Mr Vorster was party to the secret operations that led to the scandals were rejected, and Mr Vorster's denials were accepted.

If the commission reverses or amends that finding, Mr Vorster's position as State President will clearly become untenable, and his formerly immense reputation is bound to collapse.

Friends who have seen him recently, reports Fleur de Villiers, say he believes his "role is over" and that he is anxious to quit.

Earlier this year an amazing public exchange between him and the disgraced Dr Mulder led to a dramatic Opposition move for his impeachment on the basis that his involvement in the Information affair was damaging to the office of State President.

The impeachment petition has so far failed to obtain the 30 signatures needed to force a debate in Parliament. No Nationalist has signed it.

Mr Vorster entered Tygerberg Hospital in Cape Town last week for his annual medical check, nine months after his checkup last September.

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● Senator Horwood
... attended meetings

● Les de Villiers
.. friend of McGoff

● John Vorster
... aware of deal

● Judge Mostert
... confirmed loan

● Gerald Brown
... flew to Zurich

● Nico Diederichs
... Instructed PW

How Info got its wires crossed — and lost $5 m

THE FORMER Department of Information and a Right-wing American publisher "got their wires crossed" as they prepared an astonishing bid to take over two American newspapers and UPI-TV News. As a result, $5-million of South African taxpayers' money was written off.

After an intensive four-month investigation, the Sunday Express can reveal:

● How Dr Connie Mulder, then Minister of Information, and Dr Eschel Rhoodie, then Secretary for Information, negotiated verbally with American publisher Mr John McGoff to buy a controlling interest in the Washington Star and United Press International Television News.

● How instead, and without the knowledge of Dr Mulder or Dr Rhoodie, Mr McGoff used $7-million of a "loan" from the South African Department of Information to buy a second-rank newspaper in California.

By KITT KATZIN

● How the then Prime Minister, Mr B J Vorster, was fully aware of the deal to buy the Washington Star, which involved at least R13-million — forwarded by Dr Rhoodie to Mr McGoff as a non-repayable "loan"

Although Mr Vorster expressed personal reservations, he was aware of the objectives and implications of "Operation Star", and sat in on progress meetings attended by Dr Rhoodie, Dr Mulder, the then Minister of Finance Dr Nico Diederichs and, later, by Senator Owen Horwood — who succeeded Dr Diederichs as Finance Minister

The decision to "advance" $10-million to Mr McGoff was taken in March, 1974 by a committe of three — Mr Vorster, Dr Mulder and Dr Diederichs.

It was Dr Diederichs, acting with the full knowledge of Mr Vorster, who instructed Mr P W Botha, then Minister of Defence, to transfer $10-million from the Department of Defence's secret fund for "Operation Star"

The money was seen as an investment that would buy vital "editorial goodwill" for South Africa

Mr McGoff — after acquiring a controlling interest in the Washington Star —would not have to re-pay the money.

He was to directly represent South African interests and decide and influence a pro-South African editorial policy in the Washington Star

Mr McGoff was to invest $15-million in the deal, and the South African Government $10-million

That was the verbal arrangement when Mr Gerald Browne, then Secretary for Finance, flew to Zurich, where Dr Diederichs had made certain arrangements with the Union Bank of Switzerland

The $10-million was "laundered" through an affiliate company of the bank, Thesaurus Continental Securities It found its way to Mr McGoff's company in the United States That was a cover to enable Mr McGoff to declare a Swiss bank as the source of the loan

But the bid for the Washington Star collapsed in the wake of counter offers from other bidders — and for at least 16 months the money remained in Mr McGoff's private companies

He then decided to buy the Sacramento Union

He drew $7-million dollars of the "loan" — without the knowledge of Dr Mulder or Dr Rhoodie — and bought the newspaper

On February 24 this year, in the light of denials by Mr McGoff and Dr Rhoodie, the Sunday Express withheld publishing the story of MrMcGoff's purchase of the Sacramento Union and the bid for the Washington Star

When Dr Mulder, Dr Rhoodie and the then deputy Secretary for Information Mr Les de Villiers — a friend of Mr McGoff — were told of the purchase of the Sacremento newspaper, they flew to Montreal — in the plane belonging to the former "proprietor" of The Citizen, Mr Louis Luyt, to see Mr McGoff

A STORY YOU WILL NOT BE ABLE TO READ WHEN THE A-G BILL IS LAW

ly to Mr Vorster The Prime Minister was furious, but condoned Mr McGoff's action — and let the matter ride

And later an additional loan — $2-million — was sent to Mr McGoff to buy a controlling interest, on be- [illegible] South African

They also watched the Olympic Games and entertained lavishly in a hall in the Olympic village specially hired for the occasion

The venture was said to have cost R40 000

Mr McGoff's spectacular takeover of the Sacramento Union — he paid the $7-million in cash — had already led to a surge of rumours that South African Government money was involved

However, it is not known what decisions Dr Mulder, Dr Rhoodie, Mr De Villiers and Mr McGoff took on the Sacramento Union crisis although, according to informed sources, Mr McGoff was severely reprimanded and ordered to pay back some of the original loan

One source said he was told to sell the Sacramento Union

The newspaper, with a daily circulation of 92 000, was breaking even after being a big money loser under its previous owner

But its circulation was still a long way short of its main competitor, the Sacramento Bee, which was selling 176 000 daily

When Dr Mulder and Dr Rhoodie returned to South Africa they reported direct Government, in UPITN

The deal was clinched a few months later

It was then that Dr Mulder and Dr Rhoodie grew concerned about the apparent inability of Mr McGoff to pay back the money he had used to purchase the Sacramento Union.

After buying the newspaper, he had instituted a number of cost-cutting measures and filed a $5-million law suit against the previous owners, charging they had misrepresented certain figures relevant to the deal

Mr McGoff got a $1,8-million settlement.

And a short while later Mr Richard Scaife, a scion of the multi-millionaire Mellon family of Pittsburgh, Pennsylvania, bought a half interest in the Union and in Mr McGoff's Sierra Publishing Company.

But Mr McGoff was still unable to pay back any of the original loan — and Dr Rhoodie was growing more concerned by the day as the coffers of "Project Annamarie" — The Citizen — grew leaner and leaner

Later, Mr McGoff repaid some of the money but about $5-million was never repaid.

PM summons State Printer after Erasmus report 'leaks'

3/6/79 (259)

TRIBUNE REPORTERS

THE Cabinet is to have an emergency meeting tomorrow to discuss the final report of the Erasmus Commission

And the Government Printer has been summoned to Cape Town to explain how the report was "leaked" to some newspapers and overseas Press agencies.

The report, which was to be tabled in Parliament only on Wednesday or Thursday next week, arrived at some newspaper offices on Friday.

Amid speculation about whether the "leak" was a mistake by the Government Printer or politically motivated to influence the outcome of Wednesday's Randfontein by-election, the Cabinet is to meet one day earlier than normal to discuss the final report.

According to Sapa, the Prime Minister, Mr P. W. Botha, said the date of the Cabinet meeting had been altered by the distribution of advance copies of the final report to "certain news outlets".

It is now likely that the report will be tabled, and therefore be publishable, tomorrow rather than Wednesday.

In another dramatic move last night, the Prime Minister summoned the Government Printer, Mr J. de Beer, to Cape Town to explain why copies of the report were issued to newsmen before being tabled in Parliament. And he wanted to know why it had been sent only to some news outlets.

This move followed Mr de Beer's disclosure to the **Sunday Tribune** that he knew why and how the report was released prematurely

Mr de Beer said "I know the circumstances of what has happened I know why it was released I do not know why it was released to some people only."

He knows who the report was sent to, but would not disclose the names It was an error, but not on his part, said Mr de Beer.

A Johannesburg newspaper yesterday quoted Mr de Beer as saying "the report was very naive to suggest the alleged leak was an administrative blunder"

Yesterday, on hearing that journalists had access to the final report of the Erasmus Commission from at least Friday, Mr Brian Bamford, Opposition Chief Whip, said: "This confirms the belief of the Opposition that the report has been available to the Government for some time"

He felt there were two reasons for the Government delaying the tabling of the report.

"First, people in high places are adversely affected by the report and want to assess their positions and, second, the Government dare not allow the report to affect the Randfontein by-election on Wednesday.

"Whatever the reason, it is deplorable that the Government did not lay the report before Parliament last week so that there could have been as much time as possible to study it before the last three weeks of the session, particularly in the light of the heavy debates which are ahead on the Advocate General Bill, the Industrial Conciliation Amendment Bill and the Education and Training Bill for Africans"

Parliament was going to be hard put to it to debate the Final Erasmus Report at an appropriate time.

Sunday Times

THE PAPER FOR THE PEOPLE

259

Randfontein has a right to know

THE Member of Parliament for Randfontein resigned in disgrace when the truth became known about his role in the Information scandal.

This week there will be a by-election in Dr Connie Mulder's old seat, a poll which the Government itself has acknowledged to be a gauge of public feeling on the scandal which rocked the Randfontein community and the country

Yet — astonishingly — the final Erasmus report, the document that has been advertised as the last word on the scandal over which the former Randfontein MP presided and described by the judge himself as one that holds serious implications for South Africa, may not be available in time for the constituency's voters to form a sensible opinion on it.

According to the Transvaler, the NP's official mouthpiece in the Transvaal, the report may only be tabled in Parliament on Wednesday, or even Thursday In terms of the law its contents may not be disclosed before that time

Which means that, at best, Randfontein's voters will not know the full extent and significance of the final Erasmus disclosures until late on polling day — or only on the day after.

Why?

Cabinet Ministers have already received copies of the report and so has the State President Its contents have already leaked to newspapers throughout the country and to overseas news agencies. All over the place there are people who know what the Randfontein voters don't know

The Cabinet, it is reported, wishes first to consider the contents That is perfectly understandable, but it would surely not be discommoding our Ministers too much to hasten their deliberations on a matter of such vital importance and to ensure that the report is disseminated to Randfonteiners in good time for the election As it is, this will hardly leave the average voter with sufficient time to digest so weighty a document

There is still time for the Government to amend the timetable If it fails to do so, it will deprive voters in this most symbolic of constituencies of the knowledge they require to pass proper democratic judgment on a vital matter

That would be an act of amazing cynicism by a Cabinet which, through its authorship of the Advocate-General Bill, has already provided ample proof of its high-handed attitude towards the public's right to know

The Star
Monday June 4 1979

(259)

No more Erasmus?

THE final report of the Erasmus Commission will set the scene for the culmination of the great Information Department drama. Its contents, however, should not be allowed to obscure the ugly stepchild of that affair —namely the Advocate-General Bill That sinister law, after a short interlude before a Parliamentary Select Committee this week, is still due to be steamrollered into the statute book very shortly

The Government, in referring it to the committee, made some show of deference to the unprecedented outcry it has caused, yet it stressed that the Bill's most objectionable feature —its curbs on Press reporting of abuses in Government — would not be negotiable The Opposition parties are nevertheless taking part in the select committee in the hope that they might still be able to obtain substantial last-minute changes

Such changes will indeed need to be meaningful if the Bill is to be made acceptable. Cosmetic changes of wording and procedure will not affect the huge inroads which it makes on what is left of South Africa's democratic system

As the "bombshell" of the Erasmus Report makes its impact it is worth remembering this Without Press investigation and reporting only the tip of the Information iceberg would have become visible. If the Advocate-General Bill had been law last year there would, in all probability, have been no Erasmus Commission today

You still have time to make your views known directly to your MP or the Prime Minister

Quotes

Asking why Mr Vorster did not reveal the facts, the Commission says that Mr Retief van Rooyen once asked Mr Vorster if there was not a "blackmail element" involved because Dr Eschel Rhoodie had threatened to bring the Government down if action was taken against him

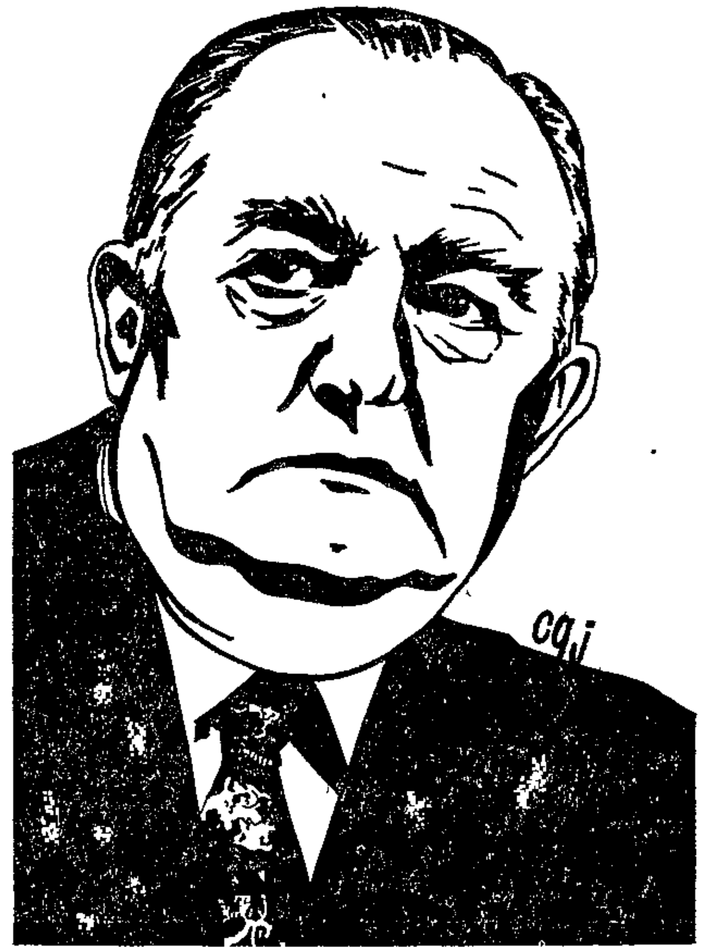
Mr Vorster replied "A thousand percent He holds the political life of my Ministers in the palm of his hand"

The report comments "Even this piece of evidence given by Advocate van Rooyen later proved to be true"

Contradictions over who was responsible for moving funds

Mr Vorster and his Cabinet Ministers contradicted each other before the Erasmus Commission on evidence about who was responsible for moving funds from Defence to Information via BOSS

Vorster 'must have known'



The former Prime Minister and now State President, Mr John Vorster, is squarely blamed by the Commission, which finds that he is jointly responsible for continued irregularities, including The Citizen newspaper. He knew all about Information's basic funding and was consulted about secret projects

Discussing Defence Funds, the Commissioners record that Mr Vorster told them he had become aware only about May 8 1978, that money was being channelled from Defence to Information via the Bureau for State Security

Senator Owen Horwood's evidence paints a completely different picture He said that on February 21 1975, shortly after he had become Minister of Finance, Dr Diederichs had told him that this arrangement had been agreed upon by Mr Vorster, himself and Dr Mulder . Senator Horwood's evidence continues as follows

" and I would like to add to that, Mr Chairman, that I did some time later, talk to the Prime Minister (Mr Vorster) about this He said it is correct that there was this decision which was felt to be in the national interest, very strongly, and it was felt that this was the best way to do it In other words he did confirm what Dr Diederichs had told me"

And this was continued in spite of the objection of Mr P W Botha ?— "Correct"

DENIED

"General van den Bergh supports Senator Horwood's evidence It appears from this that Mr Vorster was aware of all the basic financial arrangements right from the start, and that Mr P W Botha objected to them from the start, a fact that was denied by Mr Vorster"

Among other things General van den Bergh said that Mr Vorster had instructed Dr Rhoodie to check the Department's books and that Mr Vorster had also said that Mr P W Botha had objected to the arrangement, but that despite this objection this had to be done

It is reasonable to infer that Mr Vorster must in fact have known everything about the basic financial arrangements in connection with the Department's funds and its main projects, and this finding, on the probabilities and the direct evidence quoted

Quotes

"At all material times Mr Vorster was the Prime Minister of the Republic of South Africa, and in that capacity he was in a position where one would normally expect him to know how the Department obtained its finances and also to know about its most important projects"

volvement in The Citizen by Reynders during September 1977

For purposes of the Commission's interim report, several Ministers who had served in Mr Vorster's Cabinet gave evidence during March 1979 that it was not until his last Cabinet meeting on September 26 1978 that Mr Vorster informed the Cabinet about The Citizen for the first time, and then only after he had been confronted by some members of the Cabinet the previous evening with the facts that Van Rooyen had given them.

that contradicted the denials The commission did not want to make findings against him on uncertain evidence

REYNDERS

The commission believes that to Mr Vorster's knowledge on the date of Reynders's report Reynders had deliberately painted an incorrect picture of the true state of affairs, and that there were in fact cases of gross misappropriation in the department

Mr Vorster explained this untenable situation to the commission by saying that at the time when he received the report he had been concerned only about whether "iemand sy sak gevul het" and whether there had been self-enrichment and embezzlement He gave this as the reason why he had accepted Reynders's report without a murmur

The commission cannot accept this explanation of Mr Vorster's He knew at that stage that serious misappropriations, in terms of his own instruction to Reynders, had taken place in the department he therefore

that such wrong spending was not necessarily morally wrong In the commission's judgment, however, Mr Vorster has only two alternatives either the spending on The Citizen was wrong and therefore, as a misappropriation morally unacceptable to him, or it was morally acceptable to him and therefore no misappropriation If the latter alternative is his view, that may explain, among other things, why for more than a year he took no steps to stop the State spending on The Citizen

Apart from the fact that Mr Vorster himself was also, inter alia, responsible for the arrangement to channel the secret funds to the Department and did not stop certain projects as soon as possible after they had come to his know-

Quotes

"The Commission will not, however, make any specific

Press on 22 March, 1979, Mr Vorster reproached Dr Mulder for remaining silent when his colleagues in the Cabinet were accused by the Parliamentary opposition and certain newspapers of being implicated in these irregularities

In essence, however, a similar reproach can be addressed to Mr Vorster in the commission's judgment. For more than a year Mr Vorster, together with Dr Mulder, kept his knowledge of irregularities in the administration of the country from his Cabinet colleagues, at a time when the Press and the opposition were already making serious insinuations and accusations of maladministration against the Government During this period every innocent member of the Cabinet, therefore had, because of the collective responsibility of the Cabinet, to bear the stigma of public accusations without

and the Department well represented at the foundation meeting

SIGNIFICANT

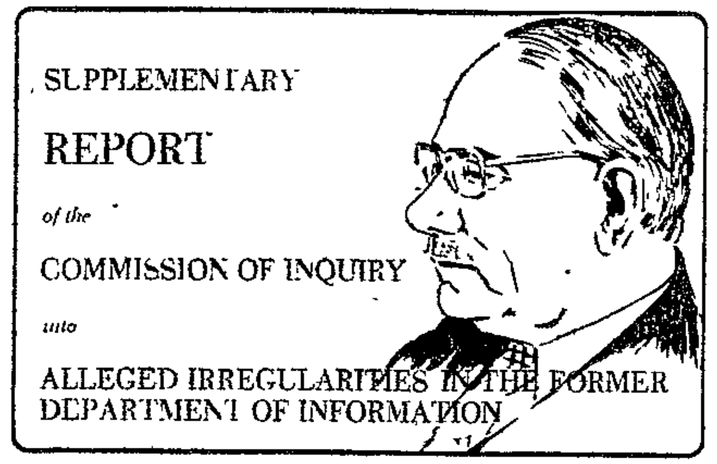
The Commission finds it significant that he instructed General van den Bergh not to involve himself with the newspaper Whatever other conclusions may be drawn from this, one thing is clear Mr Vorster unequivocally showed his disapproval of State involvement in the newspaper

For this reason it must have come as a shock to Mr Vorster when, in August or September 1977, he found out that the Department was involved One would reasonably have expected that Mr Vorster would then immediately have called in Dr Mulder or Dr Rhoodie or both and would have compelled them to stop the State financing of The Citizen without delay

In fact Mr Vorster did nothing of the kind, and, according to his own evidence, merely discussed the propriety of financing The Citizen with Dr Mulder He was also shocked He did not, however, take any firm action to rectify matters On the contrary, he called an election in the full knowledge of all the irregularities, without sharing the facts either with his Cabinet or with his caucus and without calling Dr Mulder to account It seems to the Commission that he began looking for a solution only after the election Even then he did nothing effective to sever the State's connections with the newspaper, except to "debatteer" the morality of the matter repeatedly with Dr Mulder

The Commission finds this behaviour on the part of Mr Vorster from August 1977 onwards unacceptable, despite his state of health, for somebody in his position with the views that, according to what he says himself, he held about State financing of a newspaper

Quotes



Quotes

"If Dr Mulder had, perhaps precisely by reason of such concealment, become the new Prime Minister, the concealment could, in our opinion, logically have been continued to protect Dr Mulder, who had after all fathered The Citizen"

Printing contract led to a squabble

Dr Connie Mulder tried to interfere with the State Tender Board His aim was to promote the interest of the Perskor newspaper and printing group of which he is a director

This finding by the commission concerns the granting of the multi-million rand printing contract for Information's Panorama magazine which had for many years been held by Perskor

Also implicated in the alleged irregularities is another senior official of the former Department of Information, Mr D P van der Spuy, who became head of publications in 1976

The commission found he played a suspicious role in the awarding of the printing contract to SA Litho in 1977 — a move which according to evidence before the commission strongly upset Dr Mulder, then Minister of Information.

Granting of the contract to Litho also led to an altercation between Dr Mulder and Nasionale Pers, the Cape-based Afrikaans newspaper group submitted the lowest tender for the contract Perskor's tender was the highest and Litho's was next highest

The commission also says Dr Eschel Rhoodie played a role in trying to keep the printing contract with Perskor

In 1977 when the contract came up for renegotiation, Mr van der Spuy had discussions with representatives of the Trio Rand group of companies of which SA Litho was a subsidiary

According to evidence,

Dr Connie Mulder, who was simultaneously Minister of Information and a Perskor director, tried to intervene when an Information printing contract went to another company, raised trivialities in objection, and, the Commission states, improperly tried to interfere with the State Tender Board's function to help Perskor.

Was PM party to lie by Mulder?

When Dr Connie Mulder lied to Parliament about The Citizen, did he, or did he not have a note from his Prime Minister agreeing to this procedure?

The Commission makes the following comments

In his evidence before the commission in November 1978 Mr Vorster denied that he had given a note to Dr Mulder during the Parliamentary Session in 1978 telling him to say in reply to a question put by Mr J D du P Basson (see Hansard (1978), Columns 6499 to 6500) that the Government "nie 'n koerant besit nie en dit ook nie bedryf nie"

Dr Mulder contended that Mr Vorster had in fact given him such a note

Mr

reply to the question In December the commission was not prepared to give a decision on this evidence since Dr Mulder's statement was unsupported against Mr Vorster's denial, and the commission was in any case not much impressed by Dr Mulder's efforts in general to excuse himself

In April 1979, however, Mr I W van den Heever, who had been Dr Mulder's private secretary at the time, appeared before the commission and gave evidence that he had seen a note to this effect in Mr Vorster's handwriting among Dr Mulder's documents after the debate

Mr Vorster has denied that he wrote the note in dispute at Dr Mulder's request, and intimated that, on another occasion and on some subject other than The Citizen, he had given a written reply to Dr Mulder Mr Vorster has denied that he was present in the House of Assembly when Dr Mulder replied to the question concerned In the circumstances the commission is in doubt as to what the truth is, and is again not prepared to make a specific finding on this matter.

Quotes

"Because he did not reveal irregularities that came to his attention, concealed them from the Cabinet and delayed, for this considerable period, taking purposeful steps to put an end to this wrong state of affairs, he (Mr Vorster) is jointly responsible for the fact that the irregularities continued, including The Citizen"

Quotes

Of the Citizen "The Commission finds the founding and establishment of The Citizen with State funds in competition with other newspapers . to be a gross irregularity"

correspondence.

CONSULTED

Of Mr Vorster's knowledge of the secret projects, the Commission says It is furthermore clear that Mr Vorster was consulted in advance concerning the funds needed for secret projects It therefore seems highly unlikely that the secret projects would not have been mentioned to him to support the requests in terms of Mr Vorster's letter of December 1973

More particularly as regards The Citizen, in the light of the above finding and information there are indications that General van den Bergh would have informed Mr Vorster about the progress of the newspaper, as he testified and did on Mr Vorster's instructions to keep his ear to the ground The commission will not, however, make any specific finding about the knowledge that Mr Vorster had of The Citizen before August 1977

The uncertainty as to when Mr Vorster first became aware of the State financing of The Citizen was cleared up for the Commission by Mr Vorster himself

CONFRONTED

He released a Press statement on March 22 1979, which was submitted to the Commission In this statement Mr Vorster makes it clear that he became aware of the matter as early as August 1977

On being questioned by the Commission on April 27 1979, Mr Vorster also testified that he had been informed of the State's in-

find no fault with the fact that, when the facts about The Citizen came to his knowledge, Van Rooyen confidentially informed Mr Vorster of them It was after all no more than his duty as a citizen to inform the country's highest figure of authority confidentially and out of loyalty about what he regarded as a serious irregularity in the spending of the taxpayer's money

However, the Commission finds Mr Vorster's reaction to this step taken by Van Rooyen strange

REACTION

From this reaction it now seems to the commission, in the new light of the March 1979 evidence, as if he feels resentment towards Van Rooyen, blames him and regards him as a gossipmonger for ever having told him (Mr Vorster) the facts and for having revealed them to members of his Cabinet in September 1978

The commission can find no fault with Van Rooyen s action in revealing the facts about The Citizen to members of the Cabinet on the eve of the election of a new Prime Minister in 1978, especially if it is remembered that he knew that Dr Mulder, one of the candidates, had had a hand in this gross irregularity

Evidence given by Mr Vorster before December 1978 about the irregularities consisted mainly of denials, and the commission accepted his denials rather than the evidence of witnesses such as General van den Bergh, Dr Mulder and Dr Rhoodie

port was concealing those irregularities By accepting it and publishing it to the Cabinet, still without revealing his knowledge of all the true facts to the Cabinet he was not only doing the members of his Cabinet an injustice, but was in fact participating in action which in itself was a serious irregularity, viz the covering up of gross irregularities To this extent Mr Vorster must share the responsibility with Dr Mulder for the latter's irregular actions

On April 27 1979, however, Mr Vorster gave evidence that when he first confronted Dr Mulder about The Citizen, he put it to him unequivocally that it was "verkeerde besteding" of State funds The commission can see no difference between "verkeerde besteding" and "wanbesteding" of State funds

OUTSPOKEN

Despite the view he expressed outspokenly to Dr Mulder he accepted Reynders's statement in his report that there was "geen wanbesteding" of State funds by the Department

Mr Vorster wanted to explain this obvious contradiction by intimating

knowledge that Mr Vorster had of The Citizen before August 1977"

ledge the commission also holds Mr Vorster to blame for concealing his knowledge of the irregularities

CONCEALED

Under the subheading, "Mr Vorster conceals the irregularities from the Cabinet, regardless of the consequences," the report continues

If it is now accepted as beyond all doubt that Mr Vorster was informed of the facts about The Citizen as early as August or September 1977, this means that he kept the facts from the Cabinet for more than a year The fact that, in the commission's judgment, he was virtually compelled by Advocate van Rooyen's actions to inform the Cabinet at the eleventh hour, before he retired as Prime Minister, casts a shadow over Mr Vorster's committedness at the time to open administration of the country and the sharing of responsibility The Cabinet is, after all, the highest executive authority, and has a right, because of the tremendous buden of its collective responsibility, to know all the facts that might have a bearing on that responsibility

RESIGNED

Since the commission issued its report, Dr Mulder has been obliged to resign from his office as a Member of Parliament because of the irregularities in which he was involved In his statement to the

Commission on Co[illegible] however, in all fairness to Mr Vorster, want to point out again that he did have the affairs of the Department investigated, for example by the Public Service Commission and others during this period

MR VORSTER

In the Commission's judgment nobody can be reproached for mere knowledge, per se, of irregularities, unless such a person is in a position where it could reasonably be expected of him to take positive steps to rectify matters If it is accepted that Mr Vorster became aware of The Citizen (and other irregularities) as early as August-September 1977, and that he as Prime Minister was in a position where he could have intervened drastically to put a stop to the mischief, his earlier knowledge from August to November 1977 places a different complexion on his actions

In passing, the commission would point out that, as early as December 1975, General van den Bergh informed Mr Vorster about the presence of executive officers of the Department at the foundation meeting of a newspaper at the home of De Villiers on December 4 1975 Although Mr Vorster contends that he was not given the impression by General van den Bergh that the Department was involved in the establishment of the newspaper, it seems strange to the Commission that he did not have a closer investigation undertaken after he had heard that his head of security had been present

(the Reynders report) and publishing it to the Cabinet, still without revealing his knowledge of all the true facts to the Cabinet, he (Mr Vorster) was not only doing the members of his Cabinet an injustice, but was in fact participating in action which in itself was a serious irregularity, viz the covering up of gross irregularities. To this extent Mr Vorster must share the responsibility with Dr Mulder for the latter's irregular actions"

CONCLUSION

On the basis of its findings in this chapter the commission has come to the following conclusions and finding.

(i) Mr Vorster knew everything about the basic financial arrangements for the Department's funds

(ii) He was consulted about the secret funds as well as the projects themselves

(iii) Because he did not reveal irregularities that came to his attention, concealed them from the Cabinet and delayed, for this considerable period, taking purposeful steps to put an end to this wrong state of affairs, he is jointly responsible for the fact that the irregularities continued including The Citizen

contract would be drawn up to suit SA Litho ppa

PREFERENCE

Mr van der Spuy told the commission he gave preference to the lithographic printing process which SA Litho offered and admitted his preference carried a great deal of weight in the decision to grant the contract

But representatives of the Trio Rand subsidiaries told the commission Mr van der Spuy used their cars on visits to the Cape, hinted about future directorships, was taken out to meals by Trio Rand and had even hinted about getting a farm for what he was doing for Trio Rand

The directors of Nasional Pers were not satisfied with the decision to grant the contract to Litho and on March 9 last year wrote to Dr Mulder asking for an explanation.

TRIVIALITIES

The commission says Dr Mulder relied on trivialities and absurdities such as a difference of 2 mm — hardly more than two hairs breadths — in the width of the periodical All witnesses agreed that these reasons were not valid for withholding the contract from Nasionale Pers whose tender was R260 000 lower than SA Litho

Mr van der Spuy said that after the contract had been awarded to SA Litho he was told by Dr Rhoodie that Dr Mulder was very unhappy

Dr Mulder also instructed him through Dr Rhoodie to convene a meeting with the Government Printer, the State Buyer and the State Tender Board to make sure Litho could handle the work and was not on the brink of bankruptcy

Mr van der Spuy said he believed the implication of Dr Mulder s instruction had been to investigate the possibility of changing the decision taken by the State Tender Board

AWARE

The Government Printer, Mr J de Beer, told the Commission, that "without pressure ever being put on us at the Government Printer with regard to Perskor, we have always been aware that the board of directors or management of Perskor

Witnesses told the Commission that Mr David van der Spuy, head of publications in Information, said he "would not mind a directorship" or two and referred to getting a farm, when he dealt with printing companies in line for Information contracts.

Quotes

Of Dr Connie Mulder

" the commission considers that Dr Mulder improperly attempted to interfere with the proper performance by the State Tender Board, of its function, with the intention of helping Perskor, of which company he was a director"

consisted mainly of our bosses—and the Minister of the Interior and of Information (Dr Mulder) was also my Minister"

It had never been said to him in so many words, "but one always got the feeling that you should remember who is boss of the Government Printer and also of Perskor"

Mr de Beer also told of a letter he received from Mr van der Spuy saying he had been "requested" to find a way of extending the printing contract which Perskor had held for more than a decade

EXTENDED

The letter followed discussions he had had with Mr van der Spuy during which it had been suggested that no tenders be called for and that the Perskor contract simply be extended

Mr de Beer told the commission Dr Mulder had been upset by the decision and had said something about why he had not been consulted about granting the contract.

Dr Mulder said that in future such matters had first to be discussed with him

Mr de Beer, questioned by the chairman of the commission on whether he got the feeling that Dr Mulder wanted to promote the interests of Perskor, said that this was his personal belief

UNHAPPY

The commission found that Dr Mulder was unhappy about the contract being awarded to Litho and he had called the meeting with the Government Printer, the State Buyer and the State Tender Board in the hope that it might be possible to award the contract to Perskor

The report described as "unheard of" ministerial interference in awarding contracts for publications

The commission also found that Mr van der Spuy did the Trio Rand companies a "favour with ulterior motives" by increasing the Department of Information's payment for a book printed in 1978

The managing director of Maskew Miller, Mr G J Kruger, said the original price was calculated at 55c a copy, but after delivery of the books he had a telephone call from Mr van der Spuy who, to his surprise, told him the price on the invoice was too low and that he should increase it

INSISTED

The books cost the department R350 more as a result of this "small favour" Mr van der Spuy did Maskew Miller

In another instance Mr van der Spuy had insisted Maskew Miller be paid the original quote for printing a book on the basis of it being 120 pages — in spite of the book being 80 pages and so much cheaper

The commission found Mr van der Spuy had compromised himself as a public servant in his relations with Trio Rand

Miami Beach house is still a mystery

Mr L E S de Villiers . . "never really came to the point"

Why did the free-spending Dr Eschel Rhoodie and his Department of Information buy a house in the luxury American resort of Miami Beach?

After months of hearings by the Erasmus Commission and millions of words of evidence, the answer to this is still not clear

The mysterious Miami Beach house crops up again in the commission's final report where it deals with Mr L E S de Villiers, head of the department's Planning Division and a man the commission describes as "a great talker about everything, but (he) never really came to the point"

Mr de Villiers, who now lives in New York and works for the public relations firm Sydney Baron (which had big Information contracts), told the commission of a house bought at Miami Beach on the advice of Mr Dan McGoff, brother of publisher John McGoff

The house was registered as the property of the Pinetree Drive Company "to create the impression that the company was doing business as an estate agency"

Asked if the house was used and what happened to any rent from it, Mr de Villiers said it had stood empty, never used by the department

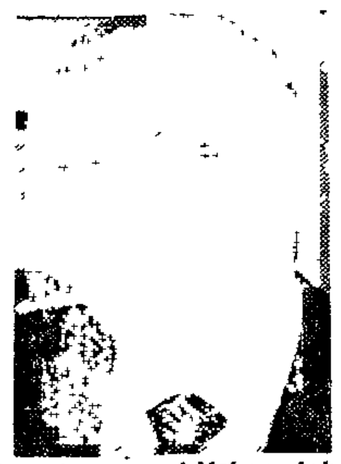
But, the commission reports, Dr Eschel Rhoodie had said the house was used as a "safe refuge" when department officials had to interview people from abroad

Mr de Villiers then confirmed that the house had been furnished, and added that Dan McGoff had once hired it to a group of people, unnamed, but kicked them out two months later

He also said, questioned further, that Dan McGoff himself had used it at times to receive friends or have a braaivleis

"This gives one a good idea of De Villier's tendency in his evidence to talk smoothly and cover things up," states the report

But it throws no further light on the house — who else might have used it, what it costs, who owns it now



American publisher John McGoff . . has to account for over R6-million.

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R6,3-m for Washington Star got lost

Quotes

Of Dr Denys Rhoodie:

"Of all the witnesses who gave evidence before the Commission he was one of the poorest, if not the poorest, and the reason for this was obviously that he was not able to give a proper account of events at issue in the Department"

Quotes

"The biggest problem the Commission had in its investigation was the tendency of the witnesses to cover up and spin a web over unpalatable facts in a variety of ways"

The State lost 6 350 000 dollars because of the project to buy the Washington Star, and no one knows what happened to that loss

In a further finding, the commission says that there is no clarity as to whether South Africa has any right to assets acquired in the United States in subsequent deals related to the project.

The Star project is linked to Mr John McGoff, an American publisher of about 40 medium-sized newspapers He visited South Africa in 1968 at the suggestion of Mr Les de Villiers, former Deputy Secretary for Information

It was said that during the visit he discovered an affinity with South Africa and her people He was regularly in touch with the country after that and did things for South Africa without being paid.

REASONS

In 1974 Mr McGoff indicated that the Washington Star was in financial difficulties Mr de Villiers says that, for understandable reasons, such a newspaper in the heart of Washington could do a great deal for South Africa

After the approach by Mr McGoff, the Star project began Mr de Villiers informed Dr Eschel Rhoodie He is said to have discussed the matter with Dr Connie Mulder According to evidence Dr Mulder then discussed it with Mr Vorster (then Prime Minister) and the Minister of Finance, Dr Nico Diederichs.

Quotes

Of Mr John McGoff, US publisher

"De Villiers described him as an Irish American who feels intensely and strongly about the things he believes in. And one of the things in which he believed was that the RSA had a role to play together with the USA"

A sum of 10-million dollars of South African taxpayers' money was eventually used by Mr McGoff to buy the Sacramento Union newspaper in the capital of California

A further 1 350 000 dollars of South African State funds were also used by him to buy a controlling share in United Press International and Television Network (UPITV)

The 10-million dollars used to buy and run the Sacramento Union came from the 10-million originally transferred to Mr McGoff through Switzerland to buy the Washington Star

According to the commission the deals had resulted in an outright loss to the State of about 7-million dollars

LOSSES

Apart from the losses suffered as a result of written-off debts, the commission says it finds it incredible that Mr McGoff, as a shareholder, is sitting with the Sacramento Union and the UPITV while there is no clarity as to whether South Africa has any right to these assets

It also finds it incredible that the Department of Information could leave so much money in the hands of Mr McGoff without keeping proper control over the spending of the money, that Dr Rhoodie could agree verbally and without the approval of a higher authority to the purchase of the Sacramento Union, and that the deals were made in such a lax way that there is no proper documentation in legally correct terms.

The main evidence came from Mr de Villiers

Mr Vorster testified that Dr Mulder and Dr Diederichs discussed the matter with him, but he told them he was completely against it They asked him not to stand in the way of their buying the newspaper and he promised not to do so but also told them they were not to involve him.

Quotes

Of John McGoff, US publisher

"when De Villiers requested him to get a message across to the Americans in an article about the Republic, he would simply send the article through to all his (about 40) editors and say 'Look, this article has to be published' and it would be done"

Because the idea was to transfer the 10-million dollars to Mr McGoff through Switzerland in such a way that it would appear to be a foreign loan, the commission found that Mr McGoff received what may be described as an "interest-free loan."

There was no irrefutable evidence before the commission as to whether this was a repayable loan or not The gaps in the evidence were partly due to Dr Mulder and Dr Rhoodie's refusal to give evidence

The Washington Star deal fell through when a Texas banker outbid Mr McGoff The latter instituted an action against the banker in terms of American monopoly law which he lost and which he paid for from the 10-million dollar loan

Dr Rhoodie then agreed to a proposal by Mr McGoff that the interest and part of the capital of the 10-million dollars be used by the Sacramento Union which sold for 6-million dollars Dr Rhoodie later denied that he agreed to part of the capital amount being used

CONTROLLING

He was upset and said he would have to obtain the sanction of Dr Mulder At a subsequent meeting, where Dr Mulder and Dr Rhoodie were present, they learnt from Mr McGoff that he had not only used 6-million dollars of the capital to buy the newspaper but had invested the rest in the running of the newspaper

The further 1 350 000 dollars had already been made available to Mr McGoff to buy a controlling share in UPITV According to the commission, he bought it "on behalf of the RSA, but acquired it for himself"

Quotes

Of the Department and John McGoff

"The Commission finds it incredible that McGoff as a shareholder is sitting with the Sacramento Union and the UPITV, while there is no clarity as to whether the RSA has any right to these assets"

When questioned about this by Mr de Villiers, his answer was "Man, I do realise that I represent you in that company."

According to Mr de Villiers Mr McGoff's actions were not approved by Dr Mulder and Dr Rhoodie and it was said he should sell the Sacramento Union Mr McGoff argued that it could not be done immediately and asked for time to repay the money.

PROFIT

It was agreed that the entire profit of the newspaper should be paid to Thesaurus, the Swiss company which transferred the original loan, on a monthly basis, which amounted to about 240 000 dollars a year

According to evidence there were no profits, but 380 000 dollars was paid 10 970 000 dollars still to be paid

Several months after the arrangement was made in September 1976 it was felt that the money was being repaid too slowly

FOREIGN

Dr Rhoodie needed money for other projects like Annemarie (The Citizen), and Mr McGoff, in turn, was involved in a law suit which required him to give a full statement of his assets and liabilities

Quotes

Of the Information Department

"De Villiers himself described his department as 'a cocoon . He declared that he was walled in and could not escape"

The existence of a foreign loan such as the one with Thesaurus would destroy him politically if it became known, and he therefore wanted to sever his financial ties with South Africa

Dr Rhoodie and Mr McGoff agreed that 4 590 000 dollars of the loan should be repaid in cash Without Treasury approval, Dr Rhoodie also agreed that the balance of the loan be reduced to a million dollars, which, according to Mr de Villiers's evidence, meant that 5 380 000 dollars of the debt was written off

In March 1978 the remaining debt of a million dollars was sold to Mr McGoff's partner, one Leipprandt, for 30 000 dollars under a further agreement

Quotes

Of Dr Eschel Rhoodie's and Mrs Rhoodie's bank accounts, the Commission said that although Dr Rhoodie's net salary was not above R1 146 a month, "the deposits made to the accounts of these two persons total R416 265,70, which amount does not include deposits of less than R1 000 Furthermore, R123 700 of this total amount flowed into these accounts in the form of cash"

Quotes

Of the bids to take over US newspapers

"The outcome of The Star project was that the Department showed a loss of 6 350 000 dollars on an investment of 11 350 000 dollars."

Quotes

Of Prof Nic Rhoodie

"the Commission finds it reprehensible in principle that brothers in charge of a Government department should be instrumental in channelling such a large income to a brother of theirs"

Law urged to stop the prosecution-dodgers

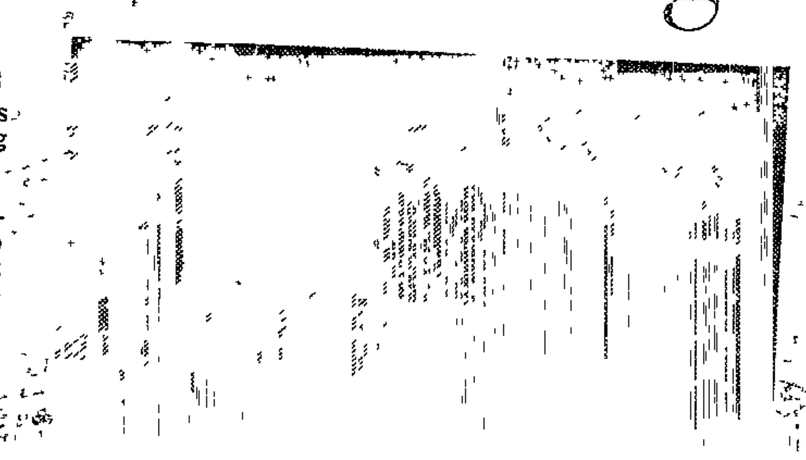
RECOMMENDATIONS AND SUBMISSION

A. RECOMMENDATIONS

The commission wishes to make the following recommendations

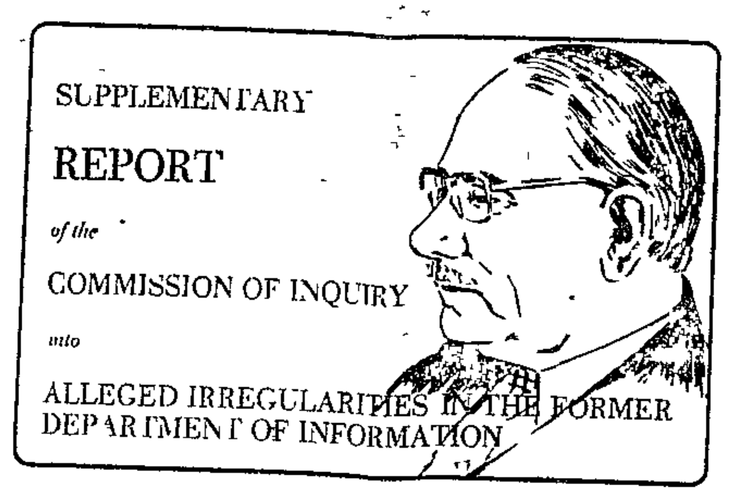
(1)

The existing legal procedure should be so amended as to make it possible for the State to charge and to prosecute any person entrusted with Government administration in any capacity for his acts of maladministration and



gard to the following factors

(a) Disclosure of the evidence may easily create the impression of a breach of faith towards the witnesses Throughout, the evidence was taken in camera in terms of regulation 8 (a) of the relevant regulations, and apart from what they were told, the witnesses were given the impression that the proceedings were secret Wit-



Inquiry 'depended on goodwill'

The commission makes it clear that it investigated only those irregularities that were brought to its attention by individuals, by bodies such as the Van der Walt Commission and Pretorius Committee, and by the Press

It did not investigate all 160 secret Information projects

The commission says its inquiry "depended on people having the goodwill to come forward and to give evidence" Where people did not come forward and the commission did not learn of any further irregularities . it felt it would have been futile and unnecessarily costly to undertake further investigations

"By the end of April 1979 the flow of information to the commission on alleged irregularities in the department had dried up and the commission is satisfied that in the circumstances it has been able to cover the field to which its mandate applies fairly well"

Advocates Klem and Van Zyl — who led all evidence to the commission — spent three weeks overseas looking for evidence "Their investigation abroad was highly successful," says the report

But Dr Eschel Rhoodie declined an invitation to give evidence even though the offer was for him to do so anywhere in Europe he chose Mr John McGoff, another leading figure in the latest report, would not give evidence in America

The Swiss Bank provided no information

Dr Connie Mulder also refused to be a witness on the third occasion

The Info inheritors

without there being any danger that such person—

(a) will be able to apply duress to the State by threatening disclosure of "official secrets",

(b) will be entitled, either in person or by calling other witnesses, to disclose "official secrets" in the course of the trial, or

(c) will be entitled to apply to a court for the disclosure of any evidence which was given in some other lawsuit or inquiry and which may involve "official secrets",

but that in precluding (a), (b) and (c), the least possible prejudice be done to an accused, both as regards the merits and the sentence

(2)

That it be provided in regard to all judicial commissions of inquiry that the presiding officer shall himself have the right to sentence any person there and then for any contempt of the commision, whether by ignoring the commission's subpoena to appear or refusing to testify or by wilfully hindering or insulting the commission in the performance of its functions, provided, however, that he may at his discretion refer such a case to the Attorney-General for prosecution

(3)

That the State consider granting relief to innocent persons who have lost their employment through the dissolution of the Department or any of its front organisations. In this connection, the commission wishes to refer to the cases of Francois de Villiers, Metrowich, Hepers and Waldeck

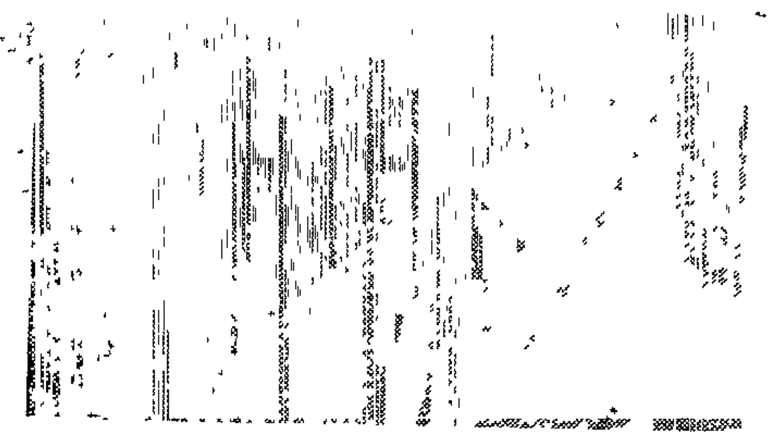
(4)

That the recommendations contained in V 14.464 be repeated on the strength of the findings in this report and that the names of Professor Rhoodie and Alberts be added to those names, and that the name of Professor Rhoodie be included in recommendation V 14:465 as well

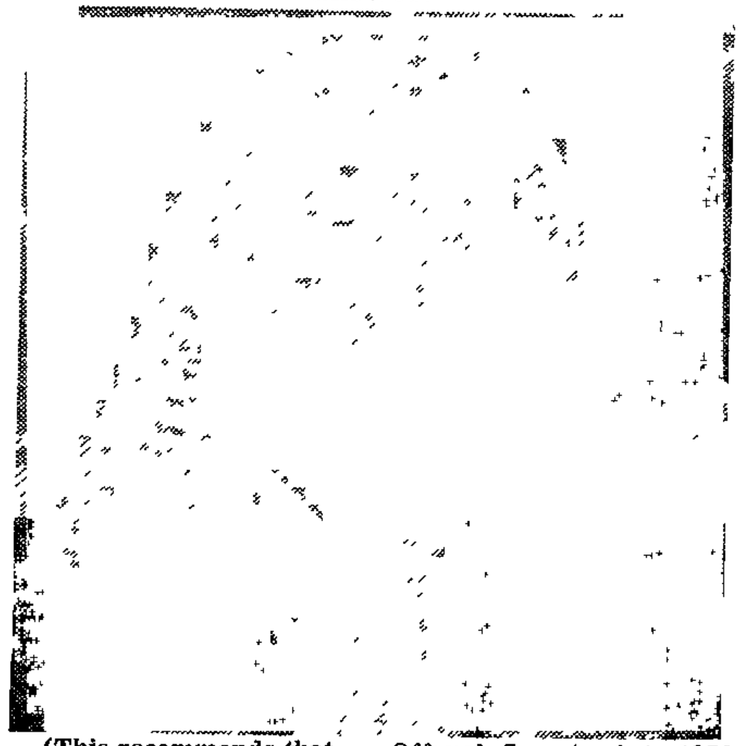
Quotes

Of Mr L E S de Villiers

"The Commission found that De Villiers had not been entirely frank so far as his own negligence and remisses were concerned" were concerned"



The Commission quotes Lord Denning (below) in the famous case John Profumo (above) in Britain in support of its contention that the many witnesses the Commission heard should not be named nor their evidence made public. This could lead to publicity being given to accusations against people which they had not had a chance to answer.



(This recommends that Professor Rhoodie's involvement be referred to the Attorney-General for possible criminal proceedings.)

(5)

That legal advice be sought in regard to the possible liability of Drs Mulder and Rhoodie for the losses sustained by the State as a result of The Citizen, Washington Star, Sacramento Union and UPITV projects and, if such advice is to the effect that they are indeed liable, that such losses be recovered from them

(6)

That it be provided with retrospective effect from June 1, 1978, that any person who commits any act outside the Republic which would constitute a contravention of the Official Secrets Act, 1956 (Act 16 of 1956), if committed within the Republic, shall be deemed to have committed such act in the Republic

(7)

(1) From a legal point of view, the commission has no objections to the disclosure of the evidence, except such parts of it, including exhibits, as may be prejudicial to the security of the State If the commission were to recommend that the evidence be not disclosed, the commission might be accused of secrecy, even though there might be good reasons for such a recommendation

(2) It is suggested, however, that, in deciding whether or not the evidence should be released in terms of subparagraph (1), the Executive have regard to the possible prejudice to innocent persons against whom accusations were made, which eventually proved to be irrelevant to the inquiry, and who did not have the opportunity of defending themselves against such accusations Because the witnesses spoke freely, a very large part of the minutes consists of material that is not relevant to the matters investigated, and the disclosures of such material cannot serve any purpose and can only satisfy curiosity and may cause the persons concerned embarrassment and possible prejudice

Allegations were sometimes made against persons and, because they were not called upon to state their side of the case, such allegations were inevitably one-sided Consequently these accusations were inconclusive Disclosure of these accusations would not be fair towards these persons and could only lead to publicity being given to the defamation of persons against which Lord Denning guarded in the Profumo case

(c) The evidence comprises 57 volumes, plus exhibits running to several thousand pages There is a possibility, therefore, that snatches of evidence would be quoted in the news media without regard to the context, which might result in a distorted picture being given of the true state of affairs

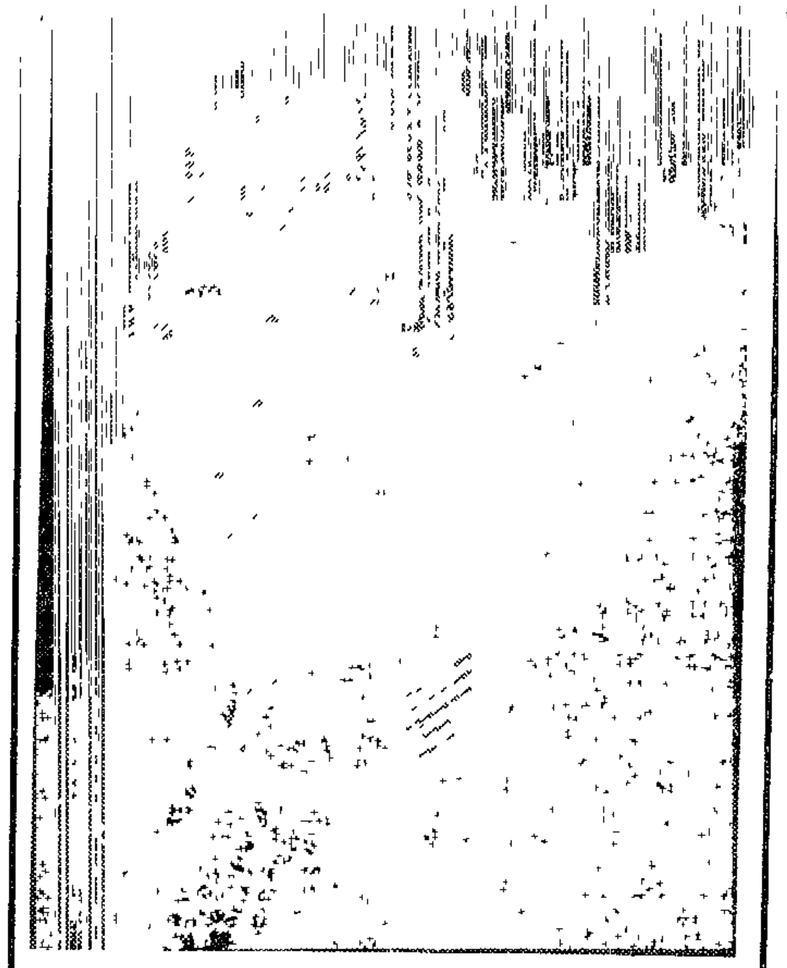
(d) Furthermore, it is clear from the reports that criminal proceedings may result against more than one of the, alleged parties, to irregularities, and if the evidence were released, such persons would be largely prejudiced at their trials since they would already have been condemned in advance by public opinion on the evidence.

(8)

That any separate cases of irregularities that may be brought to the Commission's notice after May 5 1979 stand over for such investigations as the Executive may determine. (The Commission announced in a Press statement that it would not be able to hear further evidence after May 5 1979 since it needed an opportunity to prepare its report.)

(9)

That this supplementary report be released



The Commission found that there was never any question of State money being used to buy the Natal Mercury Dr Koornhof got a clean bill of health.

Erasmus lifts shadow off Dr Koornhof

Dr Piet Koornhof, Minister of Co-operation and Development, emerges as another Mr Clean from the latest Erasmus Commission report

He fell under some shadow after the commission's first report, concerning an attempt to take over the Durban newspaper The Natal Mercury

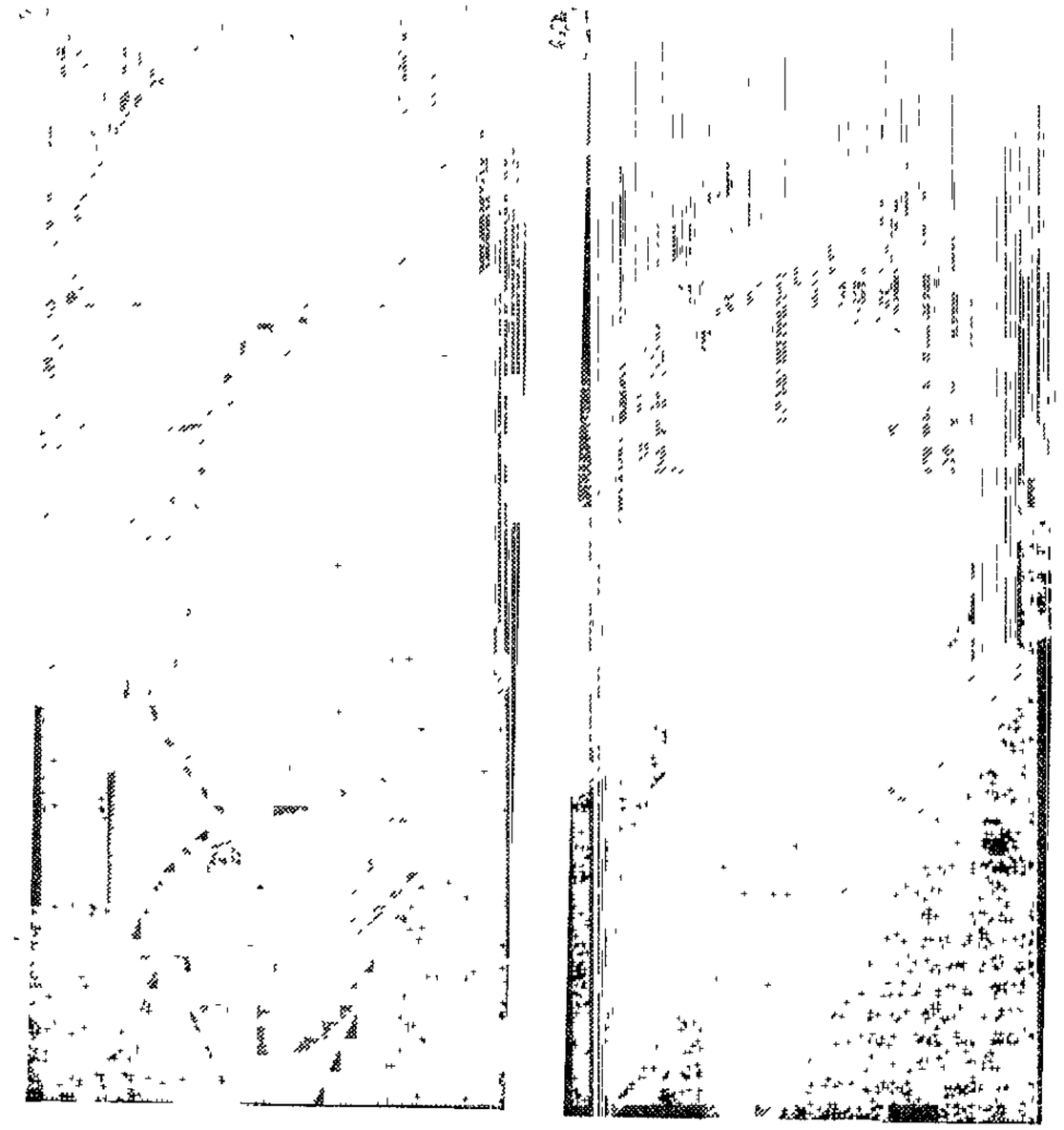
"It might be inferred that Mr Morgan and Dr Koornhof collaborated in an attempt to purchase the Natal Mercury secretly with State funds to serve as an instrument for the Department," the commission reports now

"Further evidence received after December 1978, however, made it quite clear that Mr Morgan merely dropped a hint privately to Dr Koornhof that the newspaper might be for sale

"Neither Mr Morgan nor Dr Koornhof ever had in mind that it should be taken over with State or party-political funds Their idea was merely to get acceptable private persons with the necessary capital to buy control of the newspaper The transaction would in no way have had an official connection with the Government or the State

The Commission states that had Mr Retief van Rooyen and a group of Cabinet Ministers not confronted Mr John Vorster with details of the Information irregularities, and these had stayed concealed until after Mr P W Botha became Prime Minister, the new Premier "could have found himself plunged without warning into a storm, the consequences of which could hardly have been foreseen."

Senator Owen Horwood, the Commission says, was told in 1975 soon after becoming Finance Minister by his predecessor, Dr Diederichs, that Mr Vorster, Dr Diederichs and Dr Mulder had agreed on money being channelled to Information through Defence. But, says the Commission, both Mr P W Botha and Dr Horwood had to willy-nilly accept things as they inherited them.



APPENDIX D4 *(Original document, not translated)*

MEV. A. M. E ALBERTS

KONSULTASIES—FILMS & COMICS

Reeds betaal ex Alfesko:

		R	R
28/2/75	U'deliwe & Orphan	3 000	
1975–76	Chaka	500	
			R3 500

Foore uitstaande en per joernaal deur op 1 Maart 1978:

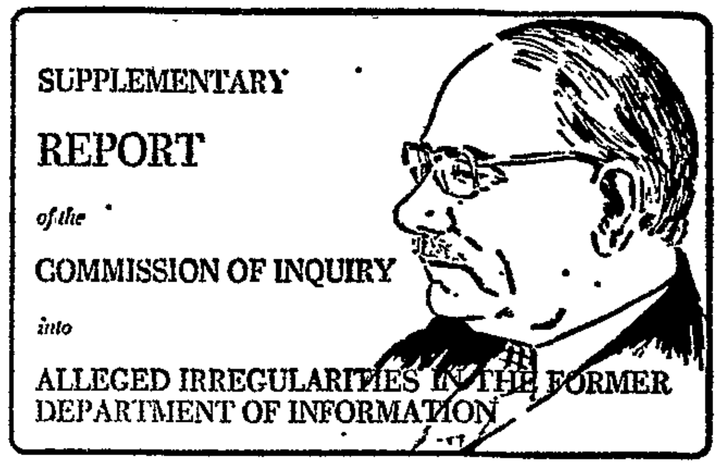
		Comics R	*Films* R	*Totale salaris* R
1974–75	Mightyman & Tiger Ingwe	4 000		4 000,00
1975–76	Mightyman & Tiger Ingwe	6 000		
8/12/75	Black Cat		1 500	7 500,00
1976–77	Black Cat (Aug. 1977)	2 000		
14/6/76	The Boxer		1 500	
5/4/76	Nwanaka—My Child		1 500	
	U'kozi—Eagles Nest		1 500	
	Big Bull		1 500	8 000,00
1977–78				
1/7/77	Inyakanyaka		1 500	
28/11/77	Ngaka—The Doctor		1 500	
Feb. 1978	Isivumelwano		1 500	4 500,00
				24 000,00
1978–79	Setupana		2 000	
	The Advocate		2 000	
	Mightyman I & II		500	4 500,00
				R28 500,00
Bedrae hierbo				3 500,00
				28 500,00
				32 000,00

Bedrae nie hierbo getoon nie:

3/10/74	U'deliwe	250,00
12/8/75	Onbekend	500,00
20/7/77	Versekering	566,80
		R33 316,80

Mrs A M E Alberts, wife of Mr Jan van Zyl Alberts who handled over R16-million for Information, herself earned fees totalling R33 316,80, as a consultant for Information "films and comics"—including such unknowns as "Big Bull" and "The Advocate." The copy above of the original document obtained by the Commission gives a breakdown of how she earned this money, over a period of about five years.

Alberts is linked to theft and fraud



Report reads like a thriller

The third and final report of the Erasmus Commission reads like an action-packed novel.

It lends a dramatic final chapter to the disclosures about the covert and questionable practices that had been going on for years around the Department of Information.

It tells also of flashy cars, expensive holidays, jet-setting, and of deals in which millions of rand changed hands secretly.

POWERFUL

It gives a close look into the relationships which existed between the most powerful men in the country — such as between former Prime Minister Mr Vorster and his Security Chief General Hendrik van den Bergh.

The index to the report gives a taste of the contents with dramatic chapter headings.

Under the heading "The Wrong Target," the general public attitude towards the commission and the contemptuous allegations by General van den Bergh are discussed.

SECRET

Under the heading "Mr Vorster's Involvement" there appear sub-headings like. "Mr Vorster's evidence therefore does not tell the correct story," and "Mr Vorster kept the irregularities secret"

Under the heading "The Cocoons" there are sub-headings which say: "Unsolicited praise for acquaintances," "Unlawful activities are not mentioned except under questioning," and "Flow of evidence dried up."

Another heading says: "J van Zyl Alberts, a trusted associate."

Evidence of "extensive misappropriation" of State funds by Mr J van Zyl Alberts pointed to theft and fraud, according to the report.

Mr Alberts, a front for the Department of Information in a large number of secret projects and transactions, received a total of R16 026 220 from the Secret Fund between March 1974 and November 1978 to utilise on behalf of the State

The commission said Mr Alberts merged State funds with his own, not only to conceal his role as a front for the department but also to create a chaotic tangle so that nobody would notice without a thorough audit when he used State funds for his own gains

Mr Alberts received R338 465 between 1974 and 1978 and he paid no income tax on R222 300 of the total because he did not declare it as income to the Receiver of Revenue.

Quotes

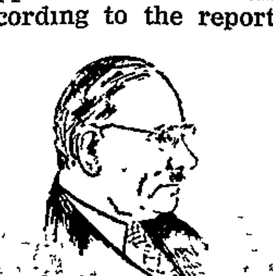
Of Mr Jan van Zyl Alberts:

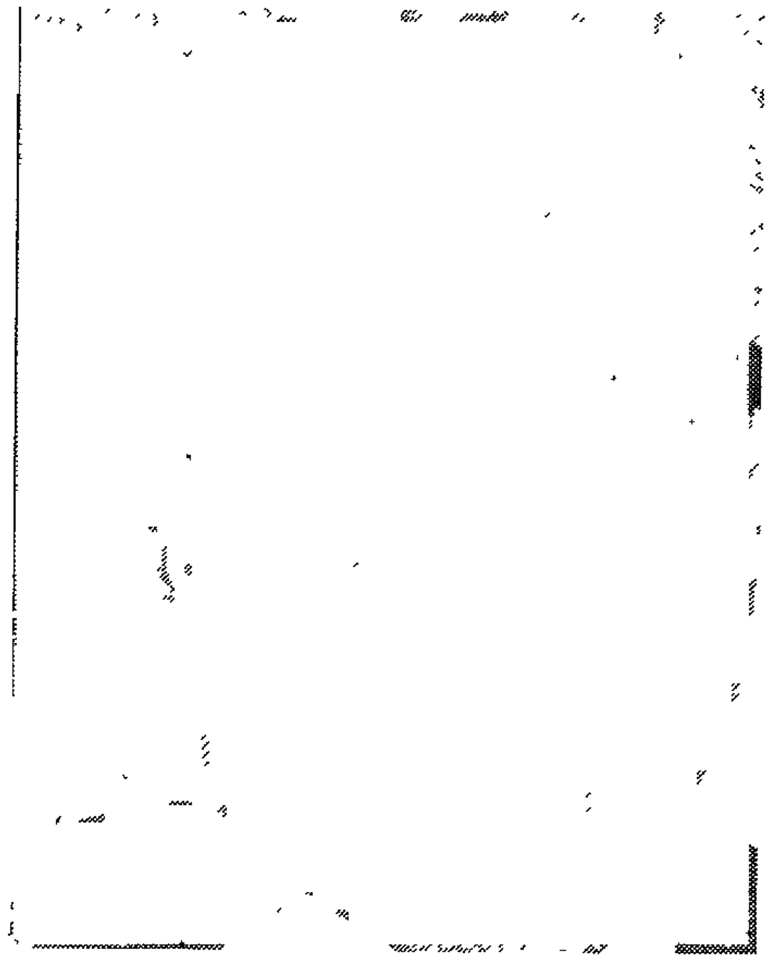
"Trusted associate who lined his pockets," says a chapter heading in the report

This total did not include R55 445 in interest on investments, R38 137 in interest on personal funds possibly overcredited, R24 000 contributed by the State to compensate for a farming loss, or a R10 000 car that may have been donated to Mr Alberts.

REJECTED

The commission rejected Mr Alberts' claims that misappropriations of State funds were in payment of transactions, agent's fees, option fees and other items negotiated with Dr Eschel Rhoodie, the Secretary of Information at the time. Entries recording the transactions did not even support Mr Alberts' claims, according to the report.





Mr Jan van Zyl Alberts . . . the Commission found he merged State funds with his own to conceal his own role and create "a chaotic tangle." He received R338 465 between 1974 and 1978 and paid no income tax on R222 300 because he did not declare it.

Televisie Beperk, SAAN shares bought and sold, Vesting Beleggings (Edms) Beperk, Perexcel (Pty) Limited and interest earned from State funds used for personal purposes.

The commission found that Mr Alberts had received R16 026 220 from the Secret Fund between March 1974 and November 1978 to utilise on behalf of the State.

The commission found Mr Alberts had obtained the option on behalf of the State but had then sold the option to the State for R24 000 Mr Alberts did not disclose this profit in his financial statements for the years 1975, 1976, or 1977, nor in his draft statement for 1978

The commission also found that Mr Alberts's wife, Mrs A M E Alberts, was paid R33 316 between February 1975 and July 1977 for consultation on films and comics. The consultations included the filming of the 1978 Mainstay Cup Final soccer match and other black-orientated films

Mr Alberts told the commission the payments to his wife had been made with his approval in consultation with Dr Rhoodie.

The report said remuneration paid to Mrs Alberts had not previously been shown by Mr Alberts in his accounts and that it was not possible to judge the fairness of her remuneration

In September 1974 the State made R10 749 available to Mr Alberts to buy a car to be used in connection with the projects for which he was responsible, according to the report. He paid R26 000 to Mr Thys Heyns to buy 20 000 shares in Heyns Films en Televisie Beperk.

Mr Alberts told the commission he took the difference, an amount of R6 000, with the approval of Dr Rhoodie because he ceded his option to the State

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Mr Alberts to buy the car as his personal property.

Mr Alberts told the commission the car would belong to him after five years but in his accounts the car was treated as a personal asset of Mr Alberts and he claimed for depreciation of the car.

Quotes

". . Mr Vorster has only two alternatives either the spending on The Citizen was wrong and therefore, was a misappropriation morally unacceptable to him, or it was morally acceptable to him and therefore no misappropriation. If the latter alternative is his view, that may explain, among other things, why for more than a year he took no steps to stop the State spending on The Citizen"

The commission said the car should have been shown as an asset of Alfesko Trust until ownership was transferred to Mr Alberts

PERSONAL

The report said R100 000 was received from the State and paid by Mr Alberts into a savings account in Sandton on the [illegible] commission."

The funds used to buy SAAN shares came directly from this account and entries in the account were not accounted for in the books of Alfesko Trust or Beurswins (Edms) Beperk until July 1976.

Mr Alberts said he had used only R50 412 of the funds but no interest on the balance was reflected in the books of Alfesko Trust.

EXTENSIVE

The report said Mr Alberts had been allocated an excess amount of more than R8 000 of the profit on the investment but it was not possible to confirm whether he had Dr Rhoodie's approval for taking the larger share of the profit and dividend income.

The commission found that there was evidence of extensive misappropriation by Mr Alberts of State funds under his control. In many cases where Mr Alberts used State money for his own gain, his explanations to excuse himself seemed "unacceptable to the commission."

General hit the wrong target

If General van den Bergh's real aim was, figuratively speaking, to shoot down the commission as such, his utterances, whether true or partially true, "hit the wrong target," says the Erasmus report.

But the commission felt it was also the target of attacks from many quarters.

The report says:

As the secret activities of the department were of a most unusual nature, it was to be expected that their disclosure would have a traumatic effect, that the public would be eager for more information, and that the activities of the commission would naturally attract wide interest

In these circumstances, and also because of the involvement of politicians in the matter, there was bound to be improper, disparaging and hindering action in regard to the commission

Some examples:

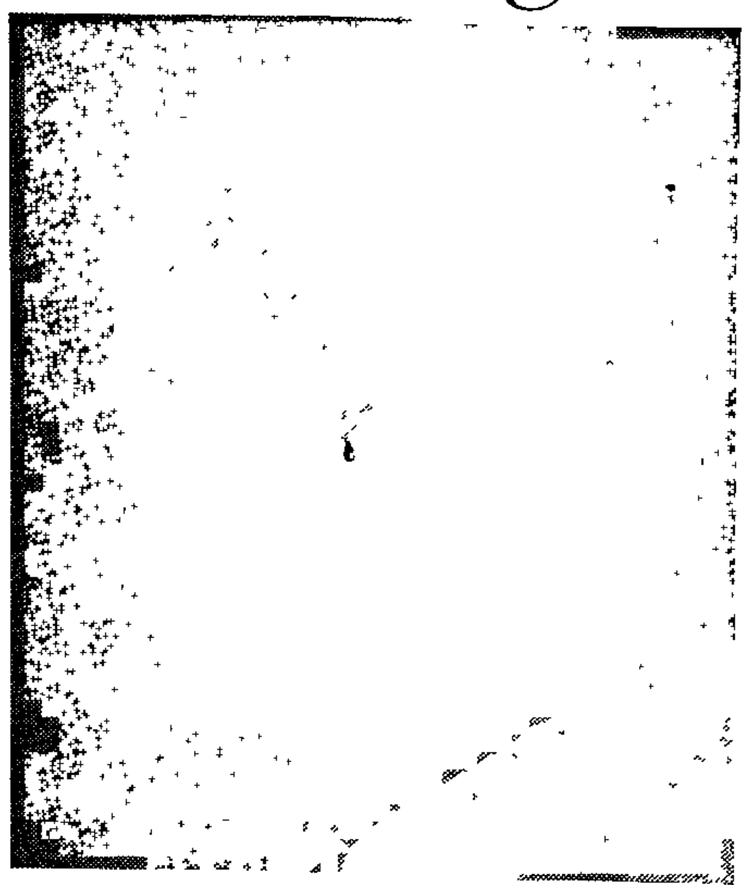
- Attempts by leaders of a political party to obtain "representation on or at the commission" on the grounds that, because they represented the official opposition, they were entitled to this, and further attempts on their part to try to prescribe to the commission as to how it should perform its functions.

Quotes

"As the Commission sees it, General van den Bergh's attack may not have been aimed at the Commissioners personally, but at destroying the Commission so as to end the inquiry and keep matters dark. . . ."

- The dramatic reports in newspapers that General van den Bergh had called

I have men to commit murder said V d Bergh



Former BOSS chief General Hendrik van den Bergh apparently tried to "shoot down" the Commission to end its inquiry and keep matters dark, with his public criticism, says the report. But he "hit the wrong target."

"I can tell you here today, not for your records, but I can tell you, I have enough men to commit murder if I tell them kill . . I do not care who the prey is Those are the kind of men I have "

This is part of an extract of General Hendrik van den Bergh's evidence published in the final Erasmus Commission report to prove why he was earlier referred to as "the power behind the throne," and a man who would stop at nothing

To prove why it was said that if he wanted to do something nobody would stop him and he would stop at nothing, the commission quotes the following evidence by him.

"Mr Commissioner, I really want to tell you that my department and I are able to do the impossible. That is not big talk . I have good men, I do not have weak men, I also have a few weak ones, but I really have good people . . I can tell you here today, not for your records, but I can tell you, I have enough men to commit murder if I tell them to kill . . I do not care who the prey is Those are the kind of men I have "

The report is also larded with anecdotes which were a feature of the previous reports

One says. "Advocate van Rooyen lit the lamp as a result of which this inquiry was instituted"

UNFAIRLY

Explaining Mr Koos Waldeck's restraining role and why it was thought he had been retired unfairly, the commission says. "He could not be influenced in this way. He did not die a pupa in its cocoon and so, to change the metaphor, became a fly in the ointment to his chiefs. He became persona non grata and had to be got rid of and ousted from the department simply because he applied the brakes."

Witnesses

APPENDIX B
Witnesses with regard to this supplementary report

1 Mr D O Abramson
2 Mr J H O Adendorff
3 Mr J van Z Alberts
4 Mr F G Barrie
5 Mr H Z Behrens
6 Mrs M Bertels
7 Admiral H H Biermann
8 The Right Honourable P W Botha
9 The Honourable R F Botha
10 Mr G W G Browne
11 Mr J M Buitendag
12 Mr S C Buys
13 Mr J de Beer
14 Mr C F de Villiers
15 Mr F J de Villiers
16 Mr L E S de Villiers
17 Mr A G Driessen
18 Dr J A du Plessis
19 Mr J E du Plessis
20 Mr A J J Fourie
21 Mr J G Geyser
22 Mr M Gross
23 Mr R J Heinrich
24 Mr R W Hepers
25 The Honourable J C Heunis
26 Mr D P Hewartson
27 Mr M H Heyns
28 Mr N L R Hooper
29 The Honourable O P F Horwood
30 Mr E Hugo
31 Mr M V Jooste
32 Mr H G Jussen
33 Mr B R Kahn
34 Mr L G Katzin
35 Mr J J Kemp
36 Adv H G Klem
37 Mr W T Kohl
38 The Honourable P G J Koornhof
39 Captain J C Kriek
40 Mr G J Kruger
41 Miss H Lamprecht
42 Mrs J E L le Mey
43 Miss S Maree
44 Mr D K J Marshall
45 Mr R F Metrowich
46 Mr A Milchan
47 Mr D L Morgan
48 Mr T Myburgh
49 Mr J H Naude
50 Mr G P Nel
51 Mr J H Nel
52 Adv J E Nöthling
53 Mr M J F Nöthnagel
54 Professor N J Olivier
55 Mr K F Owen
56 Mr S P M Pegg
57 General F Prinsloo
58 Mr J L Pretorius
59 Mr K R Pretorius
60 Mr W Price
61 Dr D S Prinsloo
62 Mr M P Prinsloo
63 Mr Pogrund
64 Dr D O Rhoodie
65 Professor N J Rhoodie
66 Mr G W Schickerling
67 The Honourable A L Schlebusch
68 Mr J C Senekal
69 Mr J H P Serfontein
70 The Honourable H H Smit
71 Mr A H Sparks
72 Dr C L Stals
73 Mr B O Truter
74 Mr H W Tyson
75 Mr J van der Berg
76 Mr D C van der Spuy
77 Mr W J H van der Walt
78 General H J van den Bergh
79 Mr I W van den Heever
80 Mr C C van Rensburg
81 Mr J A van Staden
82 Mr G B S van Zyl
83 Mr S F van Zyl
84 Dr W A Veenhoven
85 Mr E R Versluys
86 The State President Mr B J Vorster
87 Miss N J Vorster
88 Mr I F Waldeck
89 Mr P W Weideman
90 Mr J Weilbach
91 Mr D J A Zandberg

purposes or from which personal gain was derived included the purchase of shares in Heyns Films en

Alberts in March 1974 under the project heading "Bantu Films" The following month Mr Alberts obtained an option from Mr Heyns to acquire control of the company and that he took the profit

his capacity as managing director of To The Point

It was not clear whether the amount was given to

van Zyl Alberts

This account was regarded as Mr Alberts' personal account

opinion that the misappropriations point to fraud and theft."

Purchase of Morgan Grampian and Hortors not 'irregular'

The purchase of Morgan Grampian and Hortors as such was not viewed as an irregularity, says the commission.

However Messrs Abramson and Pegg still owed the Government more than 300 000 dollars. It also seemed that they contravened the exchange control regulations by making use of securities rands to buy Hortors shares

The commission says: In accordance with the stand taken by it in this report the commission does not consider the fact per se that secret funds are spent on publications as an irregularity. When State funds are, however, used to promote sectional interests, such as those of a political party, it is a horse of a different colour.

The commission then details the events surrounding the purchase of Morgan Grampian Ltd.

But Pegg and Abramson owe $300 000

Abramson, a well-known Johannesburg businessman, was introduced to Dr Rhoodie by General van den Bergh early in 1976. On that occasion the possibility of acquiring a block of shares in a British publishing company, Morgan Grampian, was discussed

Dr Rhoodie was keen to acquire an interest in the company for the department so as to enable it to use the company's publications as opinion-formers to advance South Africa's interests.

AGREED

Dr Rhoodie and Abramson then agreed that the department would guarantee a loan of $4,6-million by a foreign financial institution to Abramson, and that this loan would be used to acquire a 20 percent interest in Morgan Grampian

TRANSACTIONS

In the meantime, Abramson had acquired a company, Alpane Limited in whose name these transactions could be done.

Later a further R1,5-million was made available interest free for the purchase of further shares in Morgan Grampian

With this money at his disposal, Abramson and his co-director in Alpane, one Stuart Pegg, began buying additional shares in Morgan Grampian, and by November 5 1976, they had succeeded in acquiring 27,4 percent of the shares for 5 781 206,71 dollars

In the meantime, Abramson was considering acquiring the shares in a South African company, Hortors Ltd.

The idea was then to have Hortors taken over by Morgan Grampian, in this way acquiring further Morgan Grampian shares in exchange for Hortors shares.

OFFER

Before Abramson could put through his Hortors-Morgan Grampian plan, however, an offer was made in October 1977 by Trafalgar House Limited, a British Company, to Alpane for their entire shareholding in Morgan Grampian.

The offer was of such a nature that Abramson immediately discussed it with Dr Rhoodie and Dr Mulder It was decided to accept the offer

On November 10 1977, Alpane sold its entire shareholding to Trafalgar House for $10 137 474. This transaction left Alpane with a net profit of $4 356 267

The amount was divided between Alpane and the department on a 50-50 basis, which meant that the State would be entitled to $2 178 134.

But differences emerged as to the interpretation of the interest clauses in the contract, and it would seem that Alpane still owes the State $305 104,32.

The money that reached the department was brought back to the country to finance The Citizen

The question whether this was not a transaction purely for personal gain was thoroughly considered and it was found that this was not the case

The commission finds that the department made a bona fide effort to gain a foothold in foreign media with the object of promoting South Africa's interests and that Abramson's expertise and abilities were essential to this effort

SPENDING

The tremendous rise in the Morgan Grampian shares and the resulting profits could not have been foreseen and were not foreseen by Dr Rhoodie or Abramson.

Johannesburg businessman Mr David Abramson, with his partner Mr Stuart Pegg, bought into the British publishing company of Morgan Grampian on behalf of Information, and sold at a total profit of over R4-million. The only finding against them is that they contravened exchange control regulations.

On the evidence before the commission it is further found that the spending of State funds in this way and for this purpose cannot be considered irregular, except insofar as Dr Rhoodie used the profits from the Morgan Grampian transaction for The Citizen

LIMITED

An aspect that does, however, call for further discussion, is the purchase of Hortors shares using securities rand The use of securities rand for investments in South Africa is limited to non-South African residents

At the time when this investment was made both Abramson and Pegg were South African residents Although the securities rand transaction was concluded in the name of Thesaurus, this company merely acted as nominee for the company to be established, Marvoud BV and Marvoud is controlled by Abramson and Pegg's company, Alpane

It seems to the commission that Abramson and Pegg contravened the exchange control regulations by making use of securities rand in this way

Reasons for a holdback

The still-secret evidence taken by the commission runs to 57 volumes and there are other exhibits covering several thousand pages

Evidence for the latest and final report alone — the "Supplementary Report" — runs to 8 611 pages

The commission says it has "no objection" from a legal point of view to the disclosure of the evidence, except such parts of it that may be prejudicial to the State.

"If the commission were to recommend that the evidence be not disclosed, the commission might be accused of secrecy — even though there might be good reasons for such a recommendation."

But the commission then goes on to list several reasons why the evidence should NOT be released.

- Disclosure of evidence may create the impression of a breach of faith to witnesses who may have given evidence in camera and which they probably would otherwise never have furnished.
- There was the possibility of prejudice to innocent people against whom accusations were made and which had eventually proved irrelevant to the inquiry. These people had not had the opportunity to defend themselves
- There was a possibility that snatches of evidence would be quoted out of context in the news media
- Criminal proceedings may result against more than one of the alleged parties to irregularities, and if the evidence was released these people would be largely prejudiced at their trials

Finally the commission suggests that any further irregularities that may be brought to their attention after May 5 this year should stand over for some other inquiry.

- Public statements made on matters being investigated by the commission.
- The questioning, in a public restaurant, of one of the commissioners by a member of Parliament of the commission's decision not to disclose evidence given before the commission at that stage
- Attempts, evident from newspapers, to cast doubt on the commission's findings by urging the publication of evidence, ostensibly so that such findings might be checked, on the assumption, of course, that any Dick, Tom and Harry is better able to judge than the commission
- Suspicion-mongering, again according to newspaper reports, by the propagation of naive ideas about the "legal character" of the commission, allegations of lack of "credibility" of the commission's report because sitting in judgment in one's own case was involved, whatever that may mean, and a veiled unfounded charge of a cover-up by the commission as regards certain members of the Cabinet
- Hindering of the commission's activities by the publication of party-political propaganda stories in a section of the English-language press instead of placing information of importance at the disposal of the commission.

Under the heading "Contemptuous allegations by General van den Bergh," the commission says that early in December, 1978, at the time of the special session of Parliament while the commission was still engaged in its task General van den Bergh unexpectedly made his contemptuous statements according to the news media

The Attorney-General's refusal to prosecute General van den Bergh for his flagrant contempt of the commission therefore created problems and hindered the commission in the performance of its functions.

van Huyssteen, general manager of Volkskas, was supposed to have said to Dr Rhoodie one day that General van den Bergh was financing The Citizen

His evidence continued. "You know, I must now deviate slightly and tell you that my task, as Head of Security, was just a side function I did many other things"

To prove why it said his role was to know everything going on in South Africa and that he was the man with his ear to the ground, the commission report quotes him as saying "I am the biggest tale-bearer in South Africa, but only to John Vorster"

The commission says he also tried to influence the course of events in South Africa himself.

On this it quotes him as saying "Then I can mention the incident where in one department I had to advance close to a million rands which the Prime Minister knew nothing about"

"I can tell you, with few exceptions even members of this Cabinet, if they wanted something from the Prime Minister, they come and talked to me Then they say to me, you have locus standi with the Prime Minister, you have his ear And if you tell him then he takes notice It doesn't help if I talk to him"

The commission also substantiates its statements that General van den Bergh sometimes withheld facts from Mr Vorster, that he sometimes gave him only selected facts, that he sometimes ignored Mr Vorster's instructions and sometimes traded on Mr Vorster's name to gain his ends.

General van den Bergh also recounted to the commission details of personal conversations he claimed he had with Mr Vorster which impressed the commission as "the truth"

It impressed the commission as the truth "because it was given spontaneously and as coming from an old friend of Mr Vorster's who was moved by the recollection of a painful moment."

General van den Bergh told of his visit to Cape Town to say goodbye to Mr Vorster While on the aircraft he turned over in his mind what he had to say

"And then my thoughts came to this terrible problem the poor man had to struggle with, The Citizen, because I know it had become a soul-searching issue for him How could I help him? I had tried very hard to help him.

When he arrived, General van den Bergh said, he reported on his matters to Mr Vorster and then said: "John, I want to talk to you seriously today as man to man, as friend to friend Just you and I We have come very far together

"You know, John, what honour I have for you, what respect I have for you . . but now you have reached a stage where things are not going well Things are not going. It hurts me I don't want people to criticise you For me they can say what they like. They must leave you out of it

"Here, in this lobby of yours, I hear among your people that they are criticising you about this Information matter. They say you are not telling the truth They do not say you are lying, but they say you have knowledge that you are withholding And that is where they say you are not telling the truth.

"I say, John, and the best of all is, you know it is so And you know that I know it is so. And you know that Connie Mulder knows it is so

"He shrugged his shoulders, then said: 'Yes, it is so' Then I said: 'But John, this cannot go on like this This thing will destroy you. It is eating into you like a cancer. We cannot go on like this And your health is not good"

The commission reported that when this evidence was read to Mr Vorster, he replied: "It is more presumptuous than anything I have ever heard."

While the commission concedes that General van den Bergh was presumptuous, it went on to say it was "of the opinion that the version of the incident he (General van den Bergh) gave was free of fabrication or pretence."

(259)

R37 000 interest free loans to brothers

Professor Nic Rhoodie told the commission that funds totalling more than R37 000 were paid by him to his brothers as personal, interest-free loans

Only R3 000 was ever paid back, according to bank statement yet at the time of the transfers in question, not one of the recipients was in financial straits. In fact, it sometimes happened that the transferred amounts ended up in savings accounts, where they lay unused for long periods

As far as the commission is concerned, the foregoing remarks do not apply to the amount transferred from Dr Rhoodie to Dr D O Rhoodie on January 20 1978, since this amount was required by the latter to repay the department.

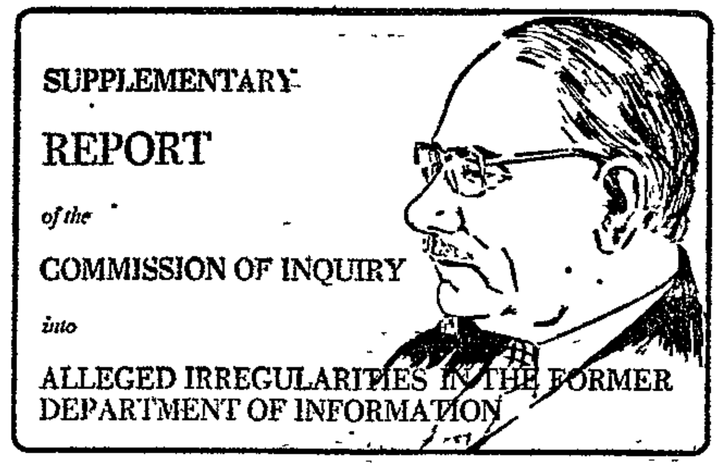
The commission is struck by the fact that, during the years in question, Professor Rhoodie owed a very large part of his income to work given to him either by direction of the department in which his brothers were in charge or by publishers who were largely dependent upon the department for the purchase of the publications concerned. As far as could be ascertained, in all, Professor Rhoodie received the enormous amount of at least R115 879,29 during the period in question for work he was commissioned to do by these parties

TRANSFERS OF MONEY

(a) **By Prof Rhoodie to:**

(i) **Dr Rhoodie:**

	R
17/4/74	3 035
21/4/75	9 730
13/5/76	4 988



Large funds moved between spouses

Large amounts of money were transferred backwards and forwards between the accounts of Dr Rhoodie and his wife.

Why this constant movement of funds between spouses took place is "difficult to understand," says the commission

The following are examples of such transfers

(i) On 17 10 75, an amount of R10 000 was transferred from Dr Rhoodie's Nedbank savings account to his Nedbank cheque account

(ii) On 3 11 75, there was a transfer of R2 000 from Mrs Rhoodie's Nedbank savings account to Dr Rhoodie's cheque account

(iii) On 1 12 75, an amount of R8 000 was transferred from Mrs Rhoodie's Nedbank savings account to Dr Rhoodie's cheque account

(iv) A transfer of R10 000 was made on 7 10 76 from Dr Rhoodie's cheque account to Mrs Rhoodie's Standard Bank savings account

(v) On 16 2 78, the sum of R14 000 was transferred from Mrs Rhoodie's Standard Bank savings account to Dr Rhoodie's Standard Bank cheque account

(vi) On 12 5 78, a transfer of R10 000 was made from Mrs Rhoodie's Trust Bank cheque account to Dr Rhoodie's Nedbank cheque account

From the overall picture formed from these transfers, it was clear to the Commission that all these accounts were used as a unit and that no separation of funds took place Naturally, the use of so many accounts, to and from which money was deposited and withdrawn to and fro, makes it extremely difficult to follow transactions properly The commission also finds it difficult to understand why such large amounts should so frequently be transferred backwards and forwards between spouses

The hand of one Rhoodie washed the hand of the other Rhoodie — suspicion

R400 000 paid into Rhoodie accounts

More than R400 000 was deposited into the cheque and savings accounts of Dr Eschel Rhoodie and his wife Katie over four years—although his salary was never much more than R1 000 a month

Revealing this, the Erasmus Commission says that R123 700 of this was in cash even though, in investigating the Rhoodie accounts, the commission ignored deposits of less than R1 000.

Giving startling details of the accounts of Dr Eschel Rhoodie's brothers, Dr Denys Rhoodie and Professor Nic Rhoodie, the commission recommends that Professor Rhoodie's involvement be referred to the Attorney-General for possible criminal proceedings.

DEPOSITED

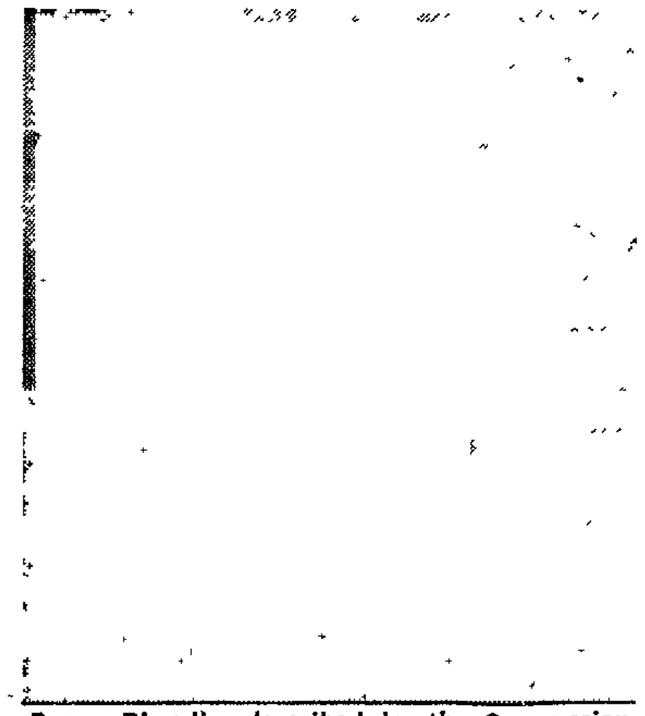
The activities of Dr Eschel Rhoodie and Dr Denys Rhoodie in the former Department of Information have already been referred to the Attorney-General.

The commission said the investigation disclosed that

- Large sums of money were deposited in their various accounts, often in cash or by bank cheque.
- Large amounts were transferred backwards and forwards between the accounts of Dr Eschel Rhoodie and his wife.
- Large sums were paid over between the Rhoodie brothers.

The report says of the Rhoodies: " . the unanswered questions arouse the stro suspicion in the

Dr Eschel Rhoodie. A monument should be erected to him, it was said . . . "Not six months later the bitter discovery was made that it was this self-same gentleman who was at the centre of the corruption in the department."



Dr Denys Rhoodie, described by the Commission as "mendacious." If this man had not held such a key position in the department and had not represented his brother Dr Rhoodie, the Republic could have been saved a great deal of money

Professor Nic Rhoodie. His generous loans to his brothers "gives rise to the suspicion in the Commission's mind that a most profitable partnership had in fact been set up here."

Bank in Pretoria.

MRS ESCHEL RHOODIE:

(i) A cheque account with the Trust Bank, Pretoria.

(ii) A savings account with the Nedbank, Pretoria

Two savin

DR D O RHOODIE:

(i) A cheque account with Barclays Bank, Pretoria

(ii) A savings account with Barclays Bank, Pretoria.

(iii) A savings account with the United Building Societ

with the Nedbank, Pretoria.

(ii) A savings account with the Nedbank, Pretoria.

MONEYS PAID IN

All the deposits to the above-mentioned accounts

made by Dr Rhood

marised Deposits originating from other accounts of the same person and, in the case of Dr and Mrs Rhoodie, from each other's accounts, were not taken into account for the purposes of the summary.

The summary of the de

large sums" Dr Rhoodie, as his family's only bread-winner, was earning a net salary of not more than R1 146 a month at any time material to these events Notwithstanding this fact, the deposits made to the accounts of these two

than R1 000 Furthermore, R123 700 of this total amount flowed into these accounts in the form of cash

The possibility that this high deposit figure is attributable to Dr Rhoodie's practice of using these accounts as conduits for money destined for departmental purposes is ruled out by the following

(i) According to Dr Rhoodie's testimony, he might have used his accounts once, but not more than twice, for departmetntal purposes

(ii) In most cases, no corresponding disbursements to unknown payees, which can be reconciled with the deposits, can be traced.

Among the fairly large amounts included in the summary is one of R54 550,93 received by Mrs Rhoodie as a legacy and an amount of R44 928,18 realised on the sale of a flat at Plettenberg Bay

It should also be pointed out that payments made to Dr Rhoodie by the Department of Social Welfare and Pensions have not been included in the summary.

Special attention was given to cash deposits made to the accounts of Dr and Mrs Rhoodie.

In the absence of an explanation by the Rhoodie couple, the source of this cash remains a mystery Although Braam Fourie testified that considerable amounts of cash were paid to Dr Rhoodie from the Secret Fund for the payment of so-called anonymous collaborators and although such payments were made at the same time as some of the cash deposits in the accounts concerned, there is not sufficient evidence for a finding that the cash deposits originated from such payments Th e is

State grant asked for innocent Waldeck

"May he recover from the injustice done to him," says the Erasmus report of Mr Koos Waldeck, a former senior official of the Information Department The commission recommends that the State grant relief to this innocent man who lost his job

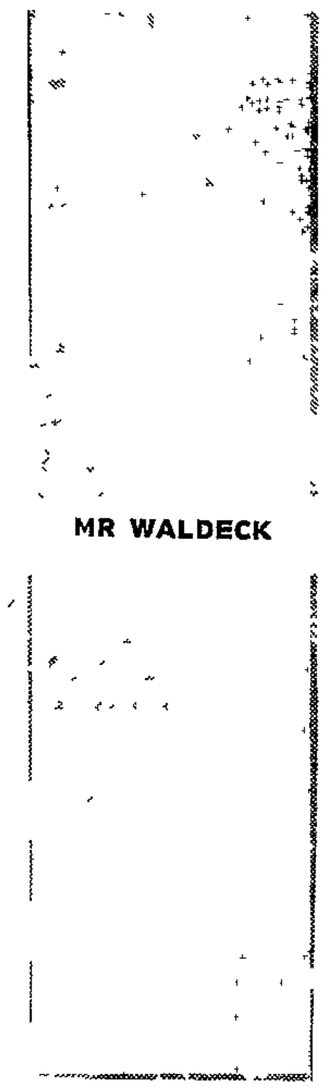
The commission says the Rhoodies engineered Mr Waldeck's early retirement "because he, and he alone, fought against irregularities"

"In a department doomed to failure by the shortcomings of its heads, Waldeck strikes the commission as a conscientious officer who had the courage of his convictions and a clear conscience"

The report points out that in retiring Mr Waldeck early and against his wishes, the Public Service Commission acted in accordance with Dr Eschel Rhoodie's request.

CORRUPTION

But at that time the Public Service Commission "probably still thought Dr Rhoodie to be the wonderful man to whom a monument should be erected, according to General van den Bergh Not six months later the bitter discovery was made that it was this selfsame gentleman who was at the centre of the corruption in the department



MR WALDECK

Mr Roland Heyers, the Commission says, was instrumental in boosting the circulation of the Infor

(ii) **Dr D O Rhoodie:**

	R
21/4/75	9 730
13/2/76	4 000
16/2/76	2 000
14/5/76	2 442
19/11/76	1 274
Total	19 446

(b) **By Dr Roodie to:**
Dr D O Rhoodie:

16/1/75	6 000
11/2/77	16 519
Total	32 519

> **Quotes**
>
> "Not a single one of the witnesses from the Department (of Information) who gave evidence was prepared to say that he had been at fault in any way"

> **Quotes**
>
> Of Mr L E S de Villiers:
>
> "He is a great talker about everything, but never really came to the point."

Rhoodie had washed the hand of the other Rhoodie"

STRUCK

Of Professor Nic Rhoodie it says "The commission is struck by the fact that, during the years in question, Professor Rhoodie owed a very large part of his income to work given to him either by direction of the department in which his brothers were in charge, or by publishers who were largely dependent on the department for the purchase of the publications concerned.

"As far as could be ascertained, in all Professor Rhoodie received the enormous amount of at least R115 879,29 during the period in question for work he was commissioned to do by these parties"

The report says.

The commission inquired into the financial position of various persons. Naturally, their respective banking accounts were the main source of information in this regard. The following accounts were some of the ones looked into:

DR RHOODIE:

(i) A cheque account with the Nedbank in Pretoria.

(ii) A cheque account with the Standard Bank in Pretoria.

(iii) A savings account with Nedbank in Pretoria

(iv) Two savings accounts with the Standard Bank, Pretoria.

(1) A cheque account

6.8 (a) *Dr Rhoodie:*

	Period	Total R
(i) Nedbank Cheque Account	13/1/75–29/5/78	185 898,38
(ii) Standard Bank Cheque Account	17/12/75–1/7/77	23 000,00
(iii) Nedbank Savings Account	5/4/74–19/5/78	73 014,82
(iv) Standard Bank Savings Accounts	17/12/75–1/7/77	10 000,00
All accounts	5/4/74–29/5/78	R291 913,20

Total amount paid in in cash R81 200
Total amount paid in by means of bank cheques: R35 000.

6.17 *Dr Rhoodie:*

(i) *Nedbank Cheque Account*	R	*Total*
11/3/75	2 000	
11/7/75	1 000	
26/7/75	2 000	
15/8/75	2 000	
3/9/75	6 000	
30/4/76	1 400	
6/7/76	2 000	
10/5/76	1 000	
1/2/77	3 000	
20/6/77	10 000	
		R30 400

(ii) *Standard Bank Cheque Account*	R	*Total*
17/12/75	1 000	
6/7/76	1 000	
1/7/77	1 000	
		R3 000

(iii) *Nedbank Savings Account*	R	*Total*
5/4/74	3 900	
10/5/74	5 900	
24/7/75	4 000	
15/8/75	4 000	
30/9/75	3 000	
19/5/78	R17 000	
		R37 800

(iv) *Standard Bank Savings Accounts*	R	*Total*
17/12/75	4 000	
6/7/76	2 000	
1/7/77	4 000	
		R10 000

Grand total R81 200

these deposits being sum- exam[illegible] ceipts of "exceptionally [illegible] which [illegible] include deposits of less [illegible] to [illegible], was [illegible] traced (see next story).

6.10 (c) *Dr D. O. Rhoodie:*

	Period	Total R
(i) Barclays Bank Cheque Account	9/12/74–15/5/78	90 284,70
(ii) Barclays Bank Savings Account	24/1/76	2 000,00
(iii) UBS Savings Account	3/9/75–16/2/76	7 500,00
All accounts	9/12/74–15/5/78	R99 784,70

Total amount paid in in cash: R22 000.
Total amount paid in by means of bank cheques: R10 000.

6.11 (d) *Prof. Rhoodie:*

	Period	Total R
(i) Nedbank Cheque Account	13/11/74–10/3/78	*197 779,07
(ii) Nedbank Savings Account	14/11/75–28/9/77	7 500,00
All accounts	13/11/74–10/3/78	R214 279,07

Total amount paid in in cash: R18 400.

7.137 This is an account relating to Prof. N. J. Rhoodie, Dr D. O. Rhoodie and Dr E. M. Rhoodie. The account was analysed as follows by Truter:

			Prof. N J Rhoodie	Dr D O Rhoodie	Dr E. M. Rhoodie
			R	R	R
21/11/74	Amount paid into bank account, Alfesko Trust		8 000,00	—	17 000,00
28/2/75	Interest up to 28/2/75		350,08	—	743,92
21/4/75	Cheque paid in ex Nedbank, Church Street, Pretoria by Mr Alberts		15 000,00	—	—
6/5/75	Cheque paid to *To The Point* i.r.o. purchase of Jaguar motor-car		—	—	3 014,10
19/6/75	Amount paid out of Beurswins to J. van Z. Alberts for purchase of Jaguar motor-car	R 7 900			
	Amounts paid out to Reenberg	1 000			(8 900,00)
15/7/75	Cash ex Nedbank, Pretoria		—	—	1 400,00
18/11/75	Interest up to 31/12/75		2 718,30	—	903,80
13/2/76	Cash paid in		—	10 000,00	—
31/12/76	Interest 1 year up to 31/12/76		2 331,62	965,66	1 832,72
28/2/77	Interest E. M. Rhoodie		—	1 000,00	—
	Interest D. O. Rhoodie		—	1 000,00	—
	Vesting consultation		—	2 514,00	—
31/8/77	Interest up to 31/8/77—6 months		1 180,00	763,34	490,66
28/2/78	Interest up to 28/2/78—6 months		2 366,00	1 300,00	836,00
5/6/78	Paid to Reenberg		—	—	(500,00)
30/11/78	Interest up to 30/11/78—9 months		1 917,00	1 052,00	678,00
		R	33 863,00	18 595,00	11 471,00

a show-off not one to cover things up, nor a spendthrift and dishonest accomplice — like some of his chiefs — and he did not covet their popularity"

Indeed, Mr Waldeck was against these things and was placed in a difficult position Yet he acted as a restraining element He could not be influenced.

Examples of how Mr Waldeck kept a watchful eye on the finances of the department were legion, said the report, and went on to list some

Apart from writing a good many of his complaints about the irregularities in memoranda to

> **Quotes**
>
> In praise of Johannes Frederick Waldeck:
>
> "He did not die a pupa in its cocoon and so, to change the metaphor, became a fly in the ointment to his chiefs. He became persona non grata and had to be got rid of and ousted from the department simply because he applied the brakes"

forced to resign.

the Rhoodies, his "constant admonitions made him unpopular with his lax chiefs."

Mr Waldeck was not happy about everything that was going on around him and was not prepared to keep quiet — even though this meant going against his Minister, Dr Connie Mulder

"On one occasion Dr Rhoodie even threatened Waldeck with imprisonment because he had expressed dissatisfaction with staff matters"

THREATENED

After writing this — and a great deal more — about Mr Waldeck, the commission concluded the chapter with the benediction "May he recover from the injustice done to him"

The commission believes that steps allegedly taken by Information chiefs to force another official, Mr R W Hepers, to resign might have been irregular. Mr Hepers was threatened and a letter of resignation thrust into his hand He signed it, but when he subsequently tried to withdraw his resignation he was not able to

The commission says Mr Hepers is still trying to gain readmission to the Information service and recommends that the State grant him relief.

Cheque for collaborator ended up in Mrs Rhoodie's account

The Erasmus Commission did a special investigation into the cheques deposited in the various Rhoode personal bank accounts. The Commission made some startling discoveries.

For instance

(a) Cheque No 003448 for R5 000 drawn on Volkskas, Paul Kruger Street, Pretoria, in favour of Trust Bank, Pretorius Street, and dated 21 1 76

(i) On 15 1.76, Dr Rhoodie instructed Braam Fourie to draw the abovementioned cheque on the Secret Fund for the payment of anonymous collaborators

(ii) This cheque was handed to Dr Rhoodie, and on January 23 1976 it was deposited to Mrs Rhoodie's Trust Bank cheque account.

(iii) As far as the Commission could establish, no similar amount was withdrawn from any of the banking accounts concerned. The credit which this built up in Mrs Rhoodie's cheque account was gradually reduced by payments made in the normal use of her personal cheque account. Prima facie it therefore appears that in this instance R5 000 was paid from State funds for Mrs Rhoodie's personal use.

(b) Cheque No 003447 for R5 000 drawn on Volkskas Limited, Paul Kruger Street, Pretoria, in favour of Nedbank, Church Street, Pretoria, and dated January 21 1976:

(i) According to Braam Fourie, he was instructed by Dr Rhoodie on January 15 1976 to draw the abovementioned cheque for the payment of so-called anonymous collaborators.

(ii) This cheque was handed to Dr Rhoodie and deposited to his savings account with Nedbank on January 23 1976.

(iii) No similar amount was withdrawn from any of Dr Rhoodie's banking accounts during the ensuing period.

(c) Cheque No 003449 for R10 000 drawn on Volkskas, Paul Kruger Street, Pretoria, in favour of the Standard Bank, Church Square, Pretoria, and dated January 21 1976:

(i) As in the aforementioned two cases, Braam Fourie also drew this cheque was deposited to his tined for the payment of anonymous collaborators, on the instructions of Dr Rhoodie

(ii) After being handed to Dr Rhoodie, this cheque was deposited to his cheque account with the Standard Bank on January 23 1976.

(iii) On February 6 1976, an amount of R10 000 was withdrawn from his Standard Bank cheque account and paid into one of his savings accounts with the Standard Bank

(iv) No corresponding withdrawal from any of the accounts in question can be traced for the ensuing period.

(d) Cheque No 005295 for R10 000 drawn on Volskskas Limited in favour of the Standard Bank and dated January 18 1977:

(i) On January 13 1977, Dr Rhoodie instructed Braam Fourie to draw the abovementioned bank cheque for the payment of anonymous collaborators

(ii) On January 19 1977, this cheque was handed to Dr Rhoodie, and on February 7 1977 it was paid into his cheque account with the Standard Bank.

(iii) On February 10 1977, an amount of R10 000 was withdrawn from this account

(e) Cheque No 005294 for R10 000 drawn on Volskskas in favour of Barclays Bank, Church Square, and dated January 18 1977.

(i) Having instructed Braam Fourie on January 13 1977 to draw this cheque for the payment of anonymous collaborators, Dr Rhoodie took receipt of it on January 19 1977

(ii) However, this cheque was returned to Braam Fourie by Dr Rhoodie with the request that the former draw a bank cheque for the same amount made out to cash.

(iii) In compliance with Dr Rhoodie's request, Braam Fourie drew a bank cheque (Volkskas No 005387) for R10 000 in cash on February 4 1977 and handed it to Dr Rhoodie.

(iv) Dr Rhoodie paid this cheque into his cheque account with Nedbank on 11 2 77. On the same day, Dr D O Rhoodie paid a cheque, drawn against this account for R10 000 into his cheque account with Barclays Bank.

(v) Dr D O Rhoodie testified that this amount of R10 000 represented a personal loan from his brother to him

(vi) No other withdrawal during the ensuing period could be reconciled with this deposit of R10 000 to Dr Rhoodie's cheque account.

The above transactions point to misappropriation of State funds by Dr Rhoodie.

MISAPPROPRIATION

In the case of Dr D O Rhoodie, it was ascertained that a bank cheque (No 003450) for R10 000, which was drawn on Volskskas under date January 1 1976, was paid into his cheque account with Barclays Bank on January 24 1976 This cheque represents an amount which had been requested by Dr Rhoodie for the payment of anonymous collaborators. A corresponding amount was withdrawn from Dr D O Rhoodie's cheque account on February 13 1976 and paid into the banking account of Alfesko Trust Alberts placed this amount to Dr Rhoodie's personal credit in the investment account NJDOEM.

Dr D O Rhoodie testified that he had received this money for transfer to Alberts for the payment of anonymous collaborators on the film project After it had been pointed out to him that hundreds of thousands of rands that were on investment at that stage were available for the film project, Dr D O Rhoodie explained that this was for possible future anonymous collaborators. The amount in question was the only amount channelled to Alberts through his banking account

Alberts testified that he had entered this money in his books as an investment for Dr D O Rhoodie At no time was money ever transferred to him for the purpose mentioned by Dr D O Rhoodie, and it was confirmed that there was more than sufficient money available to pay R10 000 to anonymous collaborators on the film project, if necessary.

Dr D O Rhoodie's explanation of the incident is not acceptable to the Commission. The transaction in question points to a possible misappropriation of State funds

The following amounts were also paid into Dr D O Rhoodie's accounts in cash.

		R
16/1/75		10 000
29/8/75		3 000
24/1/76	(cheque)	2 000
24/1/76	(savings)	2 000
11/7/77		3 000
15/7/77		2 000
Total		22 000

According to Dr D O Rhoodie's testimony, his net monthly income after deductions, which included his housing loan, came to R636 in 1977. However, he stated in evidence that, with the exception of R6 000, which he had borrowed from his brother, Dr Rhoodie, and which formed part of the R10 000 deposited on January 16 1975, the other cash deposits had been made from cash that he had on hand at home and that had been built up by him from time to time for contingencies

Viewed in the light of all the circumstances, the commission does not accept this explanation by Dr D O Rhoodie either, and a big question mark continues to hang over these deposits.

(257)

Debating points

by Graham Linscott

Randfontein: the Info birds come home to roost

CAPE TOWN — A skillful playwright could scarcely have brought the Information drama to a more riveting climax than that which seems to be in store this week.

The final Erasmus Report on the scandal becomes public knowledge today — and by all accounts it will be a shocker.

A by-election which is inextricably linked with the scandal takes place on Wedneday, in which the Government will be judged by the electorate at large and the National Party itself (in an internal sense) by traditional Afrikaner - Nationalist voters.

DISGRACED

The week will also be momentously important for two key figures.

One is Dr Connie Mulder, the disgraced Minister of Information who, since his fall, has not even been allowed to address the party's parliamentary caucus before being drummed out

The election is in Randfontein, his old seat

Whatever the final Erasmus Report might or might not say further about his part in the Information wrongdoings or about the additional share of anybody else, the Randfontein result is likely to indicate his future in politics.

REVOLT

A bad showing by the "official" National Party could spark a pro-Mulder revolt in the Transvaal, which would shake the party to its foundations

The other key figure is the State President, Mr John Vorster, who was Prime Minister at the time the Information scandal developed — but was exonerated by the first two Erasmus Commission Reports

Speculation in Nationalist circles that he is about to retire has become so insistent that, if it is not true, it can be regarded only as vexatious

If he should retire (for whatever reason) and this were seen by the rank and file, particularly in the Transvaal, as being somehow connected with the Information scandal, there could be tremendous reverberations.

CABINET

The Cabinet met today to discuss the fact that copies of the report were sent by the Government Printer to certain newspapers. Another nice dramatic touch that — were HNP or Mulder sympathisers involved? This could force the issue

DRAMA

The indications from Opposition canvassers are that the HNP is anyway going to register a huge vote while many Nationalists will stay away

Randfontein, O Randfontein What a drama! Will it get the Hertzog (Albert) Prize?

★ ★ ★

One notes that the Randfontein by-election will be on the anniversary (June 6) of the D-Day landings in Normandy.

It was poignant to see on television last night (the Life and Times of Lord Mountbatten) a brief glimpse of Smuts on the Normandy beaches with Churchill and Eisenhower Times certainly have changed

Dare one hope that in today's climate Randfontein could provide the catalyst for an eventual D-Day breakthrough by moderate political forces?

(Commentary by G R Linscott, Press Gallery, House of Assembly, Cape Town)

Star 4/6/79 (259)

ERASMUS
INFO MAN CHASED WOMEN

ERASMUS
INFO WOMAN CHASED BOSS

ERASMUS
ESCHEL USED 'JAP SPIDER' ON STAFF

ERASMUS

NOT WANTED

ERASMUS
CITIZEN MAN ACCUSED OF THEFT

ERASMUS
BIG PROFITS FOR RHOODIES

ERASMUS
'DO JUSTICE BY WALDECK'

Vorster blamed

Report says he knew everything about funding

The Erasmus Commission puts the blame for the Information scandal squarely on Mr John Vorster, former Prime Minister, now State President.

THE ERASMUS REPORT

'Mr P W Botha and Senator Horwood find themselves in the pardonable position of a cyclist whom a bigger vehicle has bumped over the white line at an intersection where he is not allowed to be. And who, except perhaps a politician who wanted to make capital out of it, would blame him if he were to pick up his cycle and continue on his way?'

'The commission finds the founding and establishment of The Citizen with State funds . . . to be a gross irregularity The commission also gave careful consideration to the sale of The Citizen to Perskor, but since this took place long after the dissolution of the department, the commission considers it to be a matter falling outside its terms of reference and will comment no further on it.'

'There is a strong suspicion that the hand of the one Rhoodie washed the hand of the other Rhoodie. . . . The rot can set in when brothers or 'boeties' (literally and figuratively) are appointed to high posts in government administration.'

—references to Dr Eschel Rhoodie, former head of Information; Dr Denys Rhoodie, his deputy; and to Professor Nic Rhoodie, a "consultant" to the department

'J van Zyl Alberts — the trusted associate who lined his pockets. . . . of a total of R338 465 he received over the period 1974-78, Alberts paid no income tax on R222 300 because he did not declare it as income to the Receiver . . . The commission is of the opinion that the misappropriations point to theft and fraud'

'Witnesses sang their own and their acquaintances praised unasked — golden threads shone everywhere and the commission continually had to be on its guard against the tendency of witnesses to spin cocoons.'

'The commission finds it incredible that officials of the department could leave so much money in the hands of John McGoff (American publisher) without themselves keeping proper and effective control over spending . It is incredible that no one knows what happened to the $6 350 000 that was lost'

In a dramatic 72-page report tabled in Parliament this afternoon the commission states categorically that Mr Vorster "knew everything" about the basic secret funding and was consulted on the secret projects

In a reversal of earlier findings, the commission says "Because he did not reveal irregularities that came to his attention, concealed them from the Cabinet, and delayed for a considerable period taking purposeful steps to put an end to this wrong state of affairs, he is jointly responsible for the fact that the irregularities continued, including The Citizen"

The commission clears Mr P W Botha, present Prime Minister, and Senator Owen Horwood, Finance Minister, of involvement

The report suggests that these two Ministers might have been knocked over the border-line by Mr Vorster, but immediately got back on side

Dealing with Hansard excerpts of parliamentary ministerial speeches (submitted to the Erasmus Commission by the Progressive Federal Party) the commission says

Suspicion

"Certainly some passages point to circumstances that may arouse the suspicion that Senator Horwood and other members of the present Cabinet were aware of irregularities, but they fall far short of defacto proof"

The Erasmus Report goes on to deal with allegations of theft, fraud and corruption, and reveals that:

- Businessman Mr Jan van Zyl Alberts was involved with the former Department of Information to the tune of more than R16-million
- That hundreds of thousands of rands went through the private bank accounts of Dr Eschel Rhoodie and his wife and two brothers
- That ex-Minister Dr Connie Mulder tried to interfere with the State Tender Board as a director of Perskor, in connection with printing contracts
- That nearly R6,5-million is still missing after

To Page 3, Col 3

The State President Mr Vorster . . . bowing out?

'Japanese Spider' Eschel's informer

Americans call them "bugs," the Japanese refer to them as "spiders" A wireless microphone known as a "Japanese spider" was used by Dr Eschel Rhoodie to relay conversations from the office of the former administrative chief of the Department of Information, Mr J F Waldeck. This model, which retails at R108, can relay sound to a distance of 50 m. It can be carried in a pocket, planted in a briefcase or under a telephone. It allows a second party to listen in to a conversation which can also be recorded on a radio tape

The "Japanese Spider" was at the heart of the web of intrigue within the former Department of Information.

Whenever Dr Eschel Rhoodie doubted anyone's loyalty to him, he would plant a "Japanese Spider" — an electronic bug — in that man's office The instrument would then transmit conversations from that office and these would be tape-recorded by a special radio tuned in to the device

Mr Koos Waldeck told the commission about this when he explained that he too was making tape recordings because his bosses "attached considerable value to informants, of which there were many."

ARGUMENTS

However, his tapes were often of arguments involving the Rhoodies and Mr L E S de Villiers — and he could not produce these tapes as they had been removed from his office without his permission

Other revelations from Mr Waldeck were.

- Dr Connie Mulder commissioned pictures to be taken of himself by the visiting Queen's photographer, P Argent The fee was R1 000, but Mr Waldeck refused to authorise payment. Dr Mulder had to return the photographs, but the matter was eventually settled and he paid a much smaller amount for a larger number of pictures.

PAINTING

- Dr Connie Mulder, as Minister, personally bought a painting for R400 or R500 which Mr Waldeck refused to authorise He pointed out that neither the Minister nor the department bought paintings, but hired them When a certificate was produced saying the painting was required for exhibition purposes, he finally authorised payment . "although it was the only painting he knew of that the Minister had bought personally"
- A certain Van Rensburg had been awarded the contract for the publica[illegible] of the book "Stepping i[illegible] the Future"—without [illegible] quotations having been [illegible]vited, Dr Rhoodie and V[illegible] Rensburg told the Parl[illegible]mentary Select Commi[illegible] on Public Accounts [illegible] other quotations had [illegible] fact been made . . . [illegible] omitted to state that [illegible] quotations had been [illegible] more than a year af[illegible] publication of the b[illegible]

AIRCRAFT

- Professor N R[illegible] was paid R556 twice [illegible] the same thing, and [illegible] double payment was [illegible] on the instructions of [illegible] brother, Dr D O Rhoo[illegible]
- Mr Waldeck told co[illegible]mission that Miss P[illegible]son (chief cultural [illegible]sion of the Depart[illegible] had unlawfully re[illegible] R300 in payment for [illegible] contribution she had m[illegible] to the book "Visual [illegible]tory"
- An aircraft was [illegible]tered at State expense [illegible] transport personal f[illegible]ture belonging to [illegible] Eschel and Dr Denys R[illegible]die to their farm at H[illegible]spruit

SEE SPECIAL REPORT INSIDE

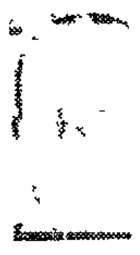
Erasmus Report... Erasmus Report... Erasmus Report... Erasmus Report... Erasmus Report...

Mulder role called suspicious, improper

Political Staff

DR Connie Mulder improperly attempted to interfere with the State Tender Board with the intention of promoting the interests of the Perskor newspaper and printing group of which he is a director

The Erasmus Commission considers this to be the case in its report tabled in Parliament today on the granting of the multi-million rands printing contract for Information's Panorama magazine



which had for many years been held by Perskor

Also implicated in the alleged irregularities is a senior official of the former Department of Information, Mr D P van der Spuy, who became head of publications in 1976

The commission found that he played a suspicious role in the awarding of the printing contract to SA Litho in 1977 — a move which, according to evidence before the commission, strongly upset Dr Mulder, then Minister of Information

The granting of the contract to SA Litho also led to an altercation between Dr Mulder and Nasionale Pers, the Cape-based Afrikaans newspaper group, which submitted the lowest tender for the contract, with Perskor submitting the highest and SA Litho being in the middle

With regard to its view that Dr Mulder improperly attempted to interfere with the proper performance of the State Tender Board, the commission points out that it had to come to the conclusion on the basis of other witnesses' evidence because Dr Mulder refused to testify

For renewal

In 1977 when the printing contract became due for renewal Mr van der Spuy had discussion with representatives of the Trio Rand group of companies of which SA Litho was a subsidiary

According to evidence he promised that specifications for the contract would be drawn up in such a way as to suit the purpose of SA Litho

Mr van der Spuy told the commission that he gave preference to the lithographic printing process which SA Litho offered and admitted that his preference carried a great deal of weight in the granting of the contract

Representatives of the Trio Rand subsidiaries testified before the commission that Mr van der Spuy used their cars on visits to the Cape, that he hinted about future directorships, that he was taken out to meals by people from Trio Rand and that he had even hinted about getting a farm for what he was doing for the Trio Rand group.

The directors of Nasionale Pers were not satisfied with the granting of the contract and on March 9 last year wrote to Dr Mulder asking for an explanation

DR Connie Mulder, whose role in the Information affair has been labelled 'suspicious and improper.'

In his reply, the commission says, Dr Mulder relied on trivialities and absurdities such as a difference of 2 millimetres (hardly more than two hairbreadths) in the width of the periodical.

Not happy

All the witnesses agreed that his reasons were not valid for not granting the contract to Nasionale Koerante which tendered R260 000 lower than SA Litho

Mr van der Spuy said after the contract was awarded to SA Litho that he was told by Dr Rhoodie that Dr Mulder was very unhappy

Dr Mulder also instructed him through Dr Rhoodie to convene a meeting with the Government Printer, the State Buyer and the Tender Board to make sure that SA Litho could handle the work and was not on the brink of bankruptcy

He believed the purport of Dr Mulder's instruction to be to investigate the possibility of changing the decision taken by the Tender Board

In evidence before the commission, the Government Printer, Mr J de Beer, said. 'Without pressure ever being put on us at the Government Printer with regard to Perskor, we have always been aware that the board of directors or management of Perskor consisted mainly of our bosses, and the Minister of the Interior and of Information (Dr Mulder) was also my Minister'

It was never said to him in so many words, 'but one always got the feeling that you should remember who is boss of the Printer and of Perskor'

An extension

Mr de Beer also told of a letter he received from Mr van der Spuy in which the letter claimed that he had been 'requested' to find a way of extending the Perskor printing contract which it held for more than a decade

The letter followed discussions he had with Mr van der Spuy at which it was suggested that no tenders be called and the Perskor contract simply be extended

Mr de Beer testified that Dr Mulder was upset and had said something to the effect of why he was not consulted about the granting of the contract He said in future such matters had to be discussed with him first

Meeting called

Questioned by the chairman of the commission on whether he got the feeling that Dr Mulder wanted to promote the interests of Perskor, Mr de Beer said it was his personal belief

The commission found that Dr Mulder was unhappy about the contract being awarded to SA Litho and that he called the meeting with the Government Printer, the State Buyer and the Tender Board in the hope that it might consider awarding the contract to Perskor.

Mr van der Spuy testified 'it just does not happen' that a Minister would try to interfere with the awarding of contracts for publications

In the case of Mr van der Spuy, it seemed to the commission that he did the Trio Rand companies a 'favour with ulterior motives' by increasing the Department of Informations's payment for a book printed for it in 1978

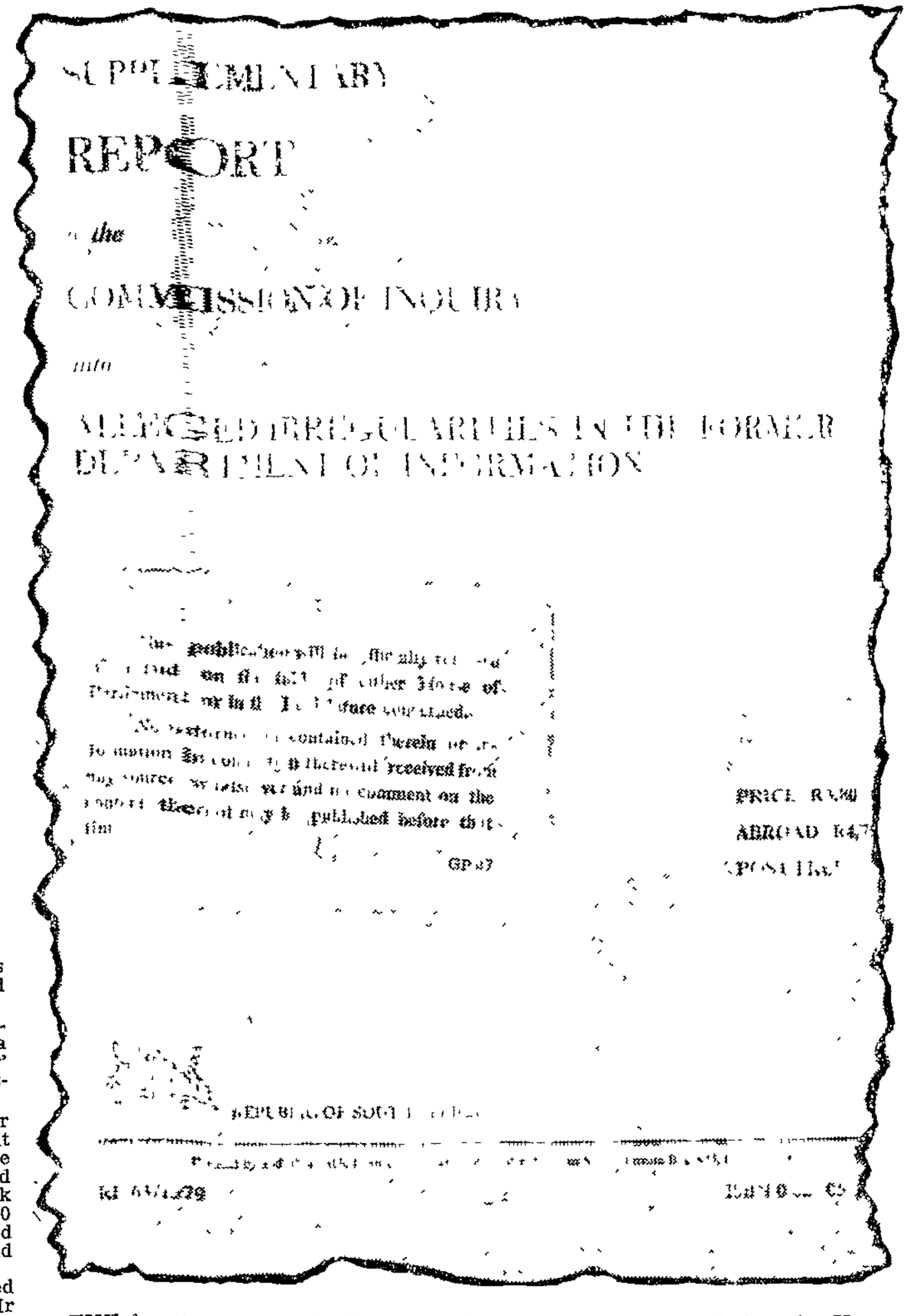
Mr G J Kruger, managing director of Maskew Miller, said the original price was calculated at 55 cents a copy, but after delivery of the books he received a telephone call from Mr van der Spuy who, to his surprise, informed him that the unit

price on the invoice was too low and that he should increase it.

The books cost the department R350 more as a result of this 'small favour' Mr van der Spuy did Maskew Miller

In another instance Mr van der Spuy insisted that Maskew Miller receive the payment originally quoted for the printing of a book on the basis of being 120 pages but which turned out to be 80 pages and therefore much cheaper

The commission gained the impression that Mr van der Spuy improperly compromised himself as a public servant in his relations with Trio Rand.



SUPPLEMENTARY

REPORT

of the

COMMISSION OF INQUIRY

into

ALLEGED IRREGULARITIES IN THE FORMER DEPARTMENT OF INFORMATION

THE front cover of the Erasmus Commission Report tabled in the House of Assembly today

Evidence of theft and fraud found

Political Staff

PRIMA facie evidence of 'extensive misappropriation' of State funds by Mr J van Zyl Alberts has been found by the Erasmus Commission, whose final report was tabled in the Assembly today

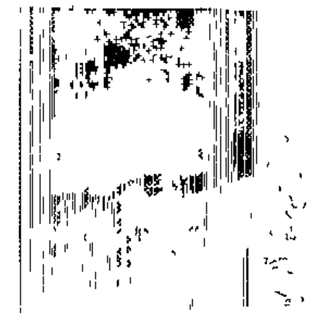
These misappropriations, if found, pointed to theft and fraud

Mr Alberts, who was a front for the Department of Information in a large number of secret projects and transactions, was found to have received a total of R16 026 220,23 from the Secret Fund to use on behalf of the State between March 1974 and the end of November last year

In its findings, the commission said Mr Alberts merged State funds with his own The merging of funds was done not only to conceal his role as a front for the department, but also deliberately to create such a chaotic tangle that nobody would notice without a thorough audit when he used State funds for his own gain

REJECTED

The commission rejected Mr Alberts's claims that State funds were in payment of transactions, agent's fees, option fees and other items negotiated with Dr Eschel Rhoodie, the Secretary of Information at the time Entries



THE RHOODIES' BANK ACCOUNTS

Political Staff

totalling R291 913 ‰ in money, destined for the case of his wife or sin- durin the

FLASHBACK to February — General Hendrik van den Bergh signs a petition calling for him to be prosecuted

V d Bergh, Vorster talk on Info

Political Staff

GENERAL Hendrik van den Bergh told the Erasmus commission details of a personal conversation he claimed he had with the Prime Minister, Mr Vorster, on the Information scandal, which impressed the commission as 'the truth.'

It impressed the commission as the truth, 'because it was given spontaneously and as coming from an old friend of Mr Vorster's who was moved by the recollection of a painful moment.'

General van den Bergh told the commission of his visit to Cape Town to say goodbye to Mr Vorster. While on the aircraft, he turned over in his mind what he had to say.

'And when my thoughts came to this terrible problem with which the poor man had to struggle, the Citizen, because I knew it had become a soul-wrenching issue for him How could I help him? I had tried very hard to help him '

FAR TOGETHER

When he arrived, General van den Bergh told the commission, he reported on his matters to Mr Vorster and then said 'John, I want to talk to you seriously today as man to man, as friend to friend Just you and I. We have come very far together

'You know, John, what honour I have for you, what respect I have for you but now you have reached a stage where things are not going well Things are not going. It hurts me. I don't want people to criticise you For me they can say what they like. They must leave you out of it

'Here, in this lobby of yours, I hear among your people that they are criticising you about this information matter They say you are not telling the truth They do not say you are lying, but they say you have knowledge that you are withholding. And that is where they say you are not telling the truth.

DESTROY HIM

'I say, John, and the best of all is, you know it is so. And you know that I know it is so And you know that Connie Mulder knows it is so.

'He shrugged his shoulders, then said "Yes, it is so" Then I said "But John this cannot go on like this This thing will destroy you It is eating into you like a cancer We cannot go on like this. And your health is not good'

The commission reported that when this evidence was read to Mr Vorster, he replied. 'It is too absurd for words. Such a conversation never took place. It is more presumptuous than anything I have ever heard'

While the commission concedes that General van den Bergh was presumptuous, it went on to say it was of 'the opinion that the version of the incident he gave was free of fabrication or pretence'

It said it found Mr Vorster's reaction to General van den Bergh's evidence on this point strange and unacceptable.

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has made startling disclosures on the extent of the Rhoodie brothers' bank accounts, and has recommended that Professor Nic Rhoodie's involvement be referred to the Attorney-General for possible criminal proceedings against him

The activities of Dr Eschel Rhoodie and Dr Denys Rhoodie in the Department of Information have already been referred to the Attorney-General with a view to criminal proceedings being instituted

The commission has also asked that Professor Rhoodie's name be added to those involved in the Information affair who are subject to an investigation by the State Attorney on the question of the extent to which the State's assets have been unlawfully alienated, and to what extent the State's interests or assets may be secured or recovered

DEPOSITS

Inquiring into the financial position of the Rhoodie brothers, and also of Mrs Katie Rhoodie (wife of Dr Eschel Rhoodie), the commission found deposits of R1 000 had been paid into Dr Eschel Rhoodie's account, R124 352,50 into Mrs Rhoodie's accounts, R99 784,70 into Dr Denys Rhoodie's account and R214 279,07 into Professor Nic Rhoodie's accounts

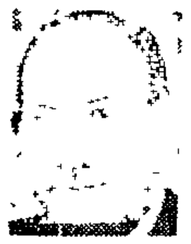
These deposits were made over a period from late 1974 to May 1978

Referring to Dr Eschel Rhoodie's accounts, the commission said it should be borne in mind that he, as his family's only breadwinner, was earning a net salary of not more than R1 146 a month at any time material to these events

'Notwithstanding this fact, the deposits made to the accounts of these two persons total R416 265,70, which amount does not include deposits of less than R1 000 Furthermore, R123 700 of this total amount flowed into these accounts in the form of cash,' the commission stated

It ruled out the possibility of the high deposits figure being attributable to Dr Rhoodie's using the accounts as conduits for

The commission ruled this out, because Dr Rhoodie himself testified he might have used his accounts once, but not more than twice, for departmental purposes, and because in



most cases no corresponding disbursements to unknown payees (which could be reconciled with the deposits) could be traced

Among amounts included in these accounts, the commission points out, are R54 550,93 received by Mrs Rhoodie as a legacy and R44 928,18 realised on the sale of a flat at Plettenberg Bay

ANONYMOUS

Although saying there was not sufficient evidence for a finding that the cash deposits of R81 200 in the case of Dr Rhoodie and R42 500 in

the Secret Fund to pay anonymous collaborators, this was a possibility The payments of some of the Secret Fund amounts were made at the same time as some of the cash deposits into the Rhoodie accounts

Giving further details of cheque deposits, the commission concluded the transactions pointed to misappropriation of State funds by Dr Rhoodie.

Outlining details of deposits made from an allocation for anonymous collaborators in and out of Dr Denys Rhoodie's accounts, the commission found it did not accept his explanation and said a big question mark continued to hang over these deposits

Detailing transfers made by Professor Nic Rhoodie of R17 753 to Dr Eschel Rhoodie and of R19 446 to Dr Denys Rhoodie, the commission said Professor Rhoodie said these were personal interest-free loans to his brothers

But at the time neither of the brothers was in financial straits.

The commission said it was struck by the fact that,

owed a very large part of his income to work given him by direction of the Department of Information, which was under the charge of his brothers.

Professor Rhoodie re-

ceived at least R115 879 during that period for work he was commissioned to do by the department

While not doubting Professor Rhoodie's professional ability to do the work, the commission found it 'reprehensible' in principle that brothers in charge of a Government department should be instrumental in channelling such a large income to a brother of theirs 'especially where there is so great a temptation to do so in an improper manner'

The fact that, on top of it all, Professor Rhoodie made allegedly interest-

money, which had not yet been repaid, 'gives rise to the suspicion in the commission's mind that a most profitable partnership had, in fact, been set up.'

This suspicion was strengthened by Professor Rhoodie's explanation of the purpose for which the money was lent to his brothers — for the building of a swimming bath on a Lowveld farm owned by a company of which the Rhoodie brothers were shareholders together with other people

LOAN

The commission questioned why it was necessary at all to borrow money for the pool, and also why they borrowed money for a pool which was then to become the property of all the shareholders and for which they were not to be compensated

It also questioned the loan being made only days after Professor Rhoodie had been paid R32 000 for his part of the book Stepping Into The Future

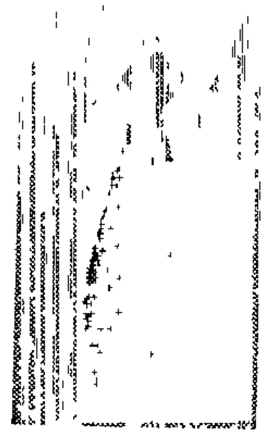
It did not accept the explanations The unanswered questions 'arouse the strong suspicion in the commis-

washed the hand of the other Rhoodie'.

At another point in the report when dealing with Dr Denys Rhoodie, the commission described him as 'one of the poorest, if not the poorest' of all the witnesses who gave evidence to the commission The reason was that he was not able to give proper account of the events at issue in the department He had tried to extricate himself from every situation by giving evasive answers.

It is also clear from the report, in another chapter, that efforts were made by the commission — through the advocates, Mr Klem and Mr van Zyl, who were sent overseas to collect evidence — to obtain evidence from Dr Eschel Rhoodie

The commission said proper arrangements were made through its legal advisers for Dr Eschel Rhoodie to give evidence abroad, without having to return to South Africa and run the risk of being arrested 'He elected, however, not to avail himself of the opportunity,' it said



Mr J van Zyl Alberts

recording the transactions did not even support Mr Alberts in his claims

Items listed in the report where State funds were used for personal purposes and/or from which personal gain was derived included the purchase of shares in Heyns Films en Televisie Beperk, SAAN shares bought and sold, Vesting Beleggings (Edms) Beperk, Perexcel (Pty) Limited, and interest earned on State funds used for personal purposes

In the case of Heyns Films, for instance, an amount of R50 000 was made available to Mr Alberts, the commission reports, under the project heading 'Bantu Films' in March 1974

The next month he paid R26 000 to Mr Thys Heyns to buy 20 000 shares in Heyns Films en Televisie Beperk.

PROFIT

Mr Alberts confirmed to the commission that he took the difference — an amount of R24 000 — as profit, but he contended he had verbally obtained an option from Mr Heyns to acquire control of his company and that he took the profit with the approval of Dr Rhoodie because he had ceded this option to the State

The commission found Mr Alberts had obtained the option on behalf of the State, but nevertheless sold the option to the State for R24 000. Mr Alberts had also not disclosed this profit in his financial statements for the years 1975, 1976, or 1977, nor in the draft statements for 1978

Details of numerous other transactions are listed by the commission

The commission has recommended that the irregularities involving Mr Alberts should be referred to the Attorney-General for investigation and evaluation with a view to possible criminal proceedings.

Waldeck's courage praised

Political Staff

'MAY he recover from the injustice done to him,' says the Erasmus Commission of Mr Koos Waldeck, a former senior official of the Information Department

In its report tabled in Parliament today the Commission says its view is that the heads of the former Department of Information engineered his early retirement 'because he, and he alone, fought against irregularities'

'In a department doomed to failure by the shortcomings of its heads, Waldeck strikes the commission as a conscientious officer who had the courage of his convictions and a clear conscience.

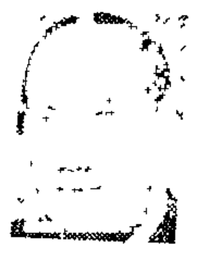
WELL QUALIFIED

'Furthermore, according to the Chief Director of Planning, he was well qualified for his work Difficult as it may have been for him in the circumstances of his employment, he was not a show-off or one to cover things up, nor a spendthrift and a dishonest accomplice, like some of his chiefs, and he did not covet their popularity — the commission says.

It points out that in retiring Mr Waldeck, former head of administration of the Department of Information, the Public Service Commission acted in accordance with Dr Eschel Rhoodie's request.

CORRUPTION

But at that time the Public Service Commission 'probably still thought Dr Rhoodie to be the wonderful man to whom a monument should be erected, according to General van den Bergh Not six



months later the bitter discovery was made that it was this selfsame gentleman who was at the centre of the corruption in the department'

The commission says examples of how Mr Waldeck kept a watchful eye on the finances of the department are legion Apart from writing a good

many of his complaints about the irregularities in memoranda to Dr Deneys Rhoodie and Dr Eschel Rhoodie, his 'constant admonitions made him unpopular with his lax chiefs'

He was not happy about everything that was going on around him in the department and was not prepared to keep quiet about irregularities for the sake of popularity, even though it meant going against his Minister, Dr Connie Mulder himself

'On one occasion, Dr Rhoodie even threatened Waldeck with imprisonment because he had expressed his dissatisfaction with staff matters.'

ALLERGIC

The commission found that he had become unpopular with the two Rhoodie brothers because he had meticulously performed his duties as a public servant and had objected to the maladministration in the department

Dr Rhoodie had probably become allergic to Mr Waldeck's memoranda and when he received one stating among other things

that Dr Deneys Rhoodie was not able to shoulder the burden placed upon him by changes in the department, the fat was in the fire

He allegedly confronted Mr Waldeck in the presence of his brother, accusing him of misconduct. Some days later Dr Rhoodie is said to have told Mr Waldeck that if he stood by his memorandum he would do with him what had been done with (L E S) de Villiers, and

'he knows what happened to him.'

Mr Waldeck told the commission he knew Mr de Villiers had been told to resign

Mr Waldeck had made tape recordings of these conversations but alleged that they had been removed from his office

without permission. He said he made the recordings because the heads of department 'attached considerable value to informants' of whom there were many.

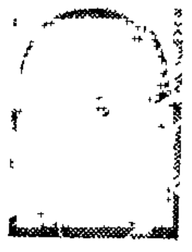
Moreover, whenever Dr Rhoodie doubted anyone's loyalty towards him, he would plant a 'Japanese spider' in the office to which a radio was tuned in to make recordings of the instruments transmissions

R1 000

On two occasions Mr Waldeck refused to authorise payments involving Dr Mulder. One was an account of R1 000 for photographs Dr Mulder had taken of himself by the Queen's photographer, P Argent, who was on a visit in South Africa. Dr Mulder had to return the photographs, but the matter was eventually settled and he payed a much smaller amount for a larger number of photographs

On another occasion he refused to pay out R400 or R500 for a painting purchased by Dr Mulder, as it was not the Minister's function to buy paintings for the Minister. A certificate was later produced that the painting was bought for exhibition purposes, and it was only then that he authorised payment

The commission believes that steps allegedly taken by Information heads to force another official, Mr R Hepers, to



resign might have been irregular.

FORCED TO RESIGN

Having formerly been involved in the publication of SA Panorama overseas, he claimed before the commission that he was forced to resign after being accused in an interview with Dr Rhoodie and Mr Waldeck of having told foreign

journalists that there was corruption in the department.

Mr Waldeck later told him Dr Rhoodie was going to sue him for libel but if he resigned they would leave matters as they were

REFUSED

He refused to resign, but when Mr Waldeck told him later proceedings were going to be instituted against him and asked him. 'Don't you realise, your services are no longer required with us' he signed a letter of resignation which was thrust into his hand. He subsequently withdrew his resignation but this was not accepted.

The commission says Mr Waldeck did not give evidence about the Hepers case, but it seemed if the charges were true Mr Waldeck was acting merely in compliance with Dr Rhoodie's wishes.

The commission points out that Mr Hepers is still trying to gain re-admission to the Information Service.

Erasmus Report... Erasmus Report... Erasmus Report... Erasmus Report... Erasmus Report...

A ladies' man, quick tempered and a fancy for flashy cars

MR Cas de Villiers . . . expensive tastes.

Political Staff

Mr Cas de Villiers, former director of the Foreign Affairs Association, is described as someone with expensive tastes, a fancy for flashy cars and a ladies' man who also has a quick temper.

The Erasmus Commission report describes his relationship with a member of his staff, how he went on holiday with another woman in Europe after breaking away from an official tour, and how he used State funds to pay his personal accounts.

He is accused of committing plagiarism, of having had scant regard for his organisation's regulations and as a man not equal to the post of head of an organisation like the FAA

In many respects he reminded one of Dr Eschel Rhoodie, former Secretary of the Department of Information, and similarly, the commission says, the FAA soon headed for a fiasco.

LADIES' MAN

'In outlook Cas de Villiers is like a young, inexperienced, wealthy man with a glib tongue, tending to mendacity He has a quick temper and is a ladies' man'

Approached by Dr Rhoodie in 1975 to establish the FAA to represent itself as an academic body doing research, he started off in a grand manner by buying a house for office purposes in Pretoria at R90 000 and improving it at a cost of R20 000 Bought with State funds, the house was registered in the name of a private company.

With FAA funds he bought a dining-room suite with seating for 14 people and kept it in the house on his farm, where it still is. Although the FAA had been disbanded, he explained that he subsequently also entertained a tremendous number of people from abroad in the house on the farm.

On starting off at the FAA a new red Mercedes-Benz 280 was bought for him for about R14 000 Eight months later he got a R15 000 BMW and two years later a Mercedes-Benz 230 was bought for guests and a combi was hired to take guests around He had his own chauffeur

In 1977 Miss Hester Lamprecht joined the FAA as a public relations officer and, although married, Mr de Villiers soon struck up a relationship with her

It developed to the point where the staff looked upon her as the 'deputy director' They were afraid of going to see Mr de Villiers in his office because he and she spent hours of their working time together in the office and he was not available

On one occasion he broke away from an official touring party in Europe to go holidaying with a woman He left no itinerary and his staff could not get in touch with him on urgent matters

UPSET

Miss Lamprecht, on hearing about the other woman, was upset and was in a hurry to leave for Europe herself, explaining that she wanted to go and talk to Mr de Villiers about her leave

Mr de Villiers telephoned her from London, and on the excuse of going to Washington for Professor Nic Rhoodie's conference, she went to London receiving an allowance of R100 a day

The commission says the excuse 'put forward for every telephone call at State expense and for every visit to another country was some trivial official appointment which came to nothing in many instances because it had not been properly arranged beforehand

GOOD EXAMPLE

The commission sees this as 'a good example of two people playing a cat-and-mouse game in Europe with State money'

Miss Lamprechts told the commission that Mr de Villiers was extremely quick-tempered If his official car would not start, he would rush at it and kick it Once he threw a tape recorder against the panelled wall of his office smashing it to smithereens The wall is still in disrepair In these moods he would use strong language

'PATHETIC'

As a public relations officer the commission found Miss Lamprechts 'quiet pathetic' Mr de Villiers sent her overseas on fruitless appointments and once to Washington for six weeks to arrange a conference which witnesses described as a waste of money.

On one occasion he flew, for no particular reason, from Washington to London by Concorde, which costs R500 to R600 more than economy class

He incurred a R1 000 account for flying to the Transkei on a flight chartered by Mr Louis Luyt He took Mr Luyt along to impress President Matanzima after learning that he was upset about the spelling of his name in an autobiography published by the FAA, and all he achieved was to get the President to agree to publication of the book

He is accused of obstructing his researchers, Dr Jan du Plessis and Dr D S Prinsloo, and of causing trouble by affording them no proper opportunity to attend overseas conferences and failing to consult them in their own fields

A near-litigation occurred between Mr de Villiers and Dr Prinsloo after a book written by the latter was sold to the Department of Information for R6 after the printers said it could be supplied at R3 or R3,20 a copy Dr Prinsloo heard of the profit and demanded an author's fee of R3 000, failing which he would take legal action. According to Mr de Villiers a compromise was reached.

The commission has found the entire transaction between the department and the FAA as suspect and as an example of how they juggled administratively with funds.

Mr de Villiers is accused of plagiarism for having taken over parts of an article written by Dr du Plessis in a book he himself wrote without disclosing the source or placing these in quotations.

However, the commission found no losses or embezzlement of large sums of money in the case of the FAA

LOST JOB

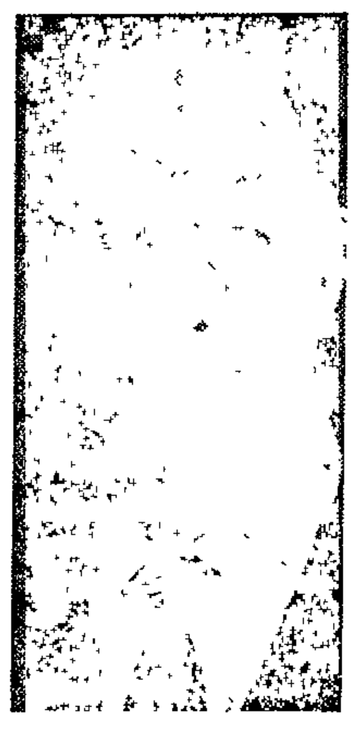
The commission points out that when the organisation was disbanded, the secretary, Mr Francois de Villiers, lost his position and was still without work.

It considers the scrapping of the organisation as a very wise step and a happy decision. 'To Cas de Villiers, Miss Lamprecht and their friends, FAA was an unexpected source of income and unearned pleasure, but to hardworking and conscientious men like Dr du Plessis and Dr Prinsloo and Francois de Villiers it must, indeed, have been a millstone about their necks and a source of vexation'

'Pardon' for PM and Horwood

Political Staff

THE Prime Minister, Mr P W Botha, and the Minister of Finance, Senator Owen Horwood, were in a 'pardonable position' in relation to irregularities and misspending of State funds, the Erasmus Commission found.



MR P W Botha . . . 'in pardonable position.'

Vorster 'knew all' about secret funds

Political Staff

THE Erasmus Commission has found the former Prime Minister (and current State President), Mr B J Vorster, 'jointly responsible' for the fact that irregularities continued in the Department of Information 'including the Citizen.'

The commission, whose final report on the Infor-

Where it had previously rejected the contradictory

Mr Alwyn Schlebusch and

MR Pik Botha . . . 'firm action.'

V d Bergh had men

Findings of first report confirmed

They were in 'the pardonable position of a cyclist whom a bigger vehicle has bumped over the white line at an intersection where he is not allowed to be,' the commission stated

'And who, except perhaps a politician who wanted to make capital out of it, would blame him if he were to pick up his cycle and continue on his way?'

The commission found these two Ministers 'had to accept the position nolens volens as they had virtually inherited it' Mr Vorster, the then Prime Minister, had assumed full responsibility for the arrangement whereby secret funds for the Department of Information came from the special Defence Account.

NOT PROOF

While passages in the exhibits provided by the PFP might arouse suspicion that Senator Horwood and other members of the present Cabinet were aware of irregularities, they fell 'far short of de facto proof,' the commission said

The commission confirmed the findings of its first report concerning both Mr Botha and Senator Horwood In the first report, presented to Parliament last December, it found Mr Botha 'at all times acted honourably in the best interests of the country, and that he had no option He was at no stage aware of any irregularities in the secret fund

'His hands are clean in every respect and his integrity remains unblemished for his great task as Prime Minister'

EXONERATED

Its finding in the first report on Senator Horwood was that 'there cannot be the slightest doubt regarding his credibility. The commission accepted his testimony and he is exonerated of all blame concerning the irregularities which the commission is investigating'

Dealing with the attempted takeover of the Natal Mercury, the commission said it might be inferred from the wording of its first report that Mr Morgan and Dr P G J Koornhof collaborated in an attempt to buy the Natal Mercury secretly with State funds to serve as an instrument for the department

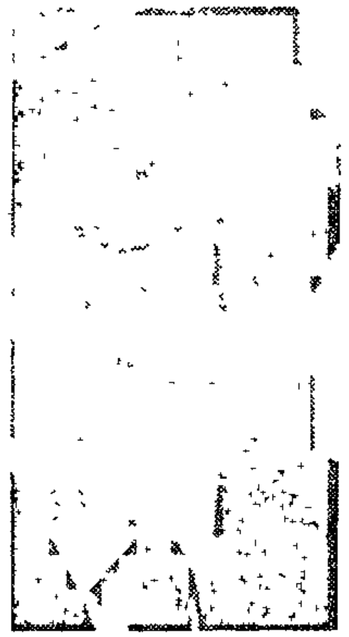
DROP HINT

Further evidence received after December last year, however, made it quite clear that Mr Morgan merely dropped a hint privately to Dr Koornhof

'Neither Mr Morgan nor Dr Koornhof ever had in mind that it should be taken over with State or partly political funds

'Their idea was merely to get acceptable private persons with the necessary capital to buy control of the newspaper.

'The transaction would in no way have had an official connection with the Government or the State'



SENATOR Horwood . . . 'his hands are clean'

Dr Eschel Rhoodie

was in the Assembly today, found that Mr Vorster 'knew everything about the basic financial arrangements for the department's funds'

The report says that Mr Vorster was consulted about the secret funds as well as about the projects themselves and that he was jointly responsible for the irregularities continuing because he had concealed them from the Cabinet and had delayed for a considerable period in 'taking purposeful steps to put an end to this wrong state of affairs'

REVERSAL

The commission's findings on Mr Vorster's involvement in the Information affair are a dramatic reversal of its findings in its first report late last year in which it rejected the evidence of witnesses who claimed Mr Vorster was involved At that time the commission had instead accepted Mr Vorster's denials.

evidence of General Hendrik van den Bergh, the commission in its final report, said greater support for some aspects of General van den Bergh's evidence had been received from witnesses who testified since December last year.

TALE-BEARER

'This fact, taken together with the accepted fact that he was Mr Vorster's right hand and his greatest tale-bearer could make the wind blow from another quarter'

Key conclusions drawn by the commission were that

- Mr Vorster on his own evidence, knew about State funding of the Citizen newspaper as early as August or September 1977, fully a year before he stepped down from office and before the fact became public
- 'While is was 'highly unlikely' the secret projects would not have been mentioned to Mr Vorster to support the requests in terms of Mr Vorster's letter of December 1973, the commission 'will not make any specific findings about the knowledge that Mr Vorster had of the Citizen before August 1977,
- Mr Vorster himself was responsible for the arrangement to channel the secret funds to the Department of Information and did not stop certain projects as soon as possible after they had come to his his knowledge. It went on to say 'the commission also holds Mr Vorster to blame for concealing his knowledge of the irregularities;'
- The commission was in doubt as to what the truth was, and was not prepared to make a specific finding on whether Mr Vorster had given the then Minister of Information, Dr Connie Mulder, a note telling him to say in Parliament that the Government 'does not own or run a newspaper'

Dr Mulder's former private secretary, Mr I W van den Heever, testified

to the commission that he had seen a note to that effect in Mr Vorster's handwriting among Dr Mulder's documents after the debate Mr Vorster denied giving Dr Mulder such a note

- Mr Vorster knew the Reynders report (finding no irregularities) was concealing those irregularities.

'By accepting the Reynders report and publishing it to the Cabinet, still without revealing his knowledge of all the true facts to the Cabinet, he was not only doing the members of his Cabinet an injustice, but was in fact participating in action which in itself was a serious irregularity — the covering up of gross irregularities. To this extent Mr Vorster must share the responsibility with Dr Mulder for the latter's irregular actions,' the commission said

Commenting on the fact that Mr Vorster was 'virtually compelled' by Mr Retief van Rooyen's actions (in speaking to other Cabinet Ministers) to inform the Cabinet at the 11th hour before his retirement from the premiership of the involvement of State funds in the Citizen project, the commission said this 'casts a shadow over Mr Vorster's committedness at the time to open administration of the country and the sharing of responsibility.'

The Cabinet, because of the burden of collective responsibility had a right to know all the facts that might have a bearing on that responsibility.

FIRM ACTION

The commission went on to say it had reason to believe that if it had not been for Mr van Rooyen and the firm action of four Cabinet Ministers — Mr P W Botha, Mr 'Pik' Botha,

serious irregularities that took place in the Department of Information would have remained hidden from the next Prime Minister, who would have had to find out for himself

'If Dr Mulder had, perhaps precisely by reason of such concealment, become the new Prime Minister, the concealment could in our opinion logically have been continued to protect Dr Mulder, who had after all fathered the Citizen,' the commission added

Pointing out that Mr Vorster had not taken any firm action to rectify matters, it said that, on the contrary, Mr Vorster had called an election 'in the full knowledge of all the irregularities, without sharing the facts either with his Cabinet or with calling Dr Mulder to account'

SOLUTION

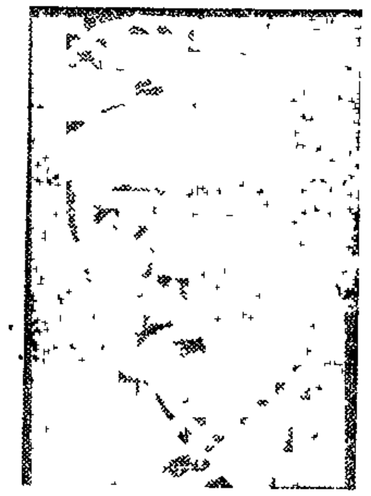
It seemed to the commission that Mr Vorster had begun to seek a solution only after the election

'Even then he did nothing effective to sever the State's connections with the newspaper, except to 'debatteer' (debate) the morality of the matter repeatedly with Dr Mulder' The commission found Mr Vorster's behaviour on this matter after August 1977 'unacceptable'

Without speculating itself on why Mr Vorster did not reveal the facts, the commission quoted Mr van Rooyen's evidence in which he recounted how he had asked Mr Vorster whether there was 'a 'blackmail element' in the matter, because he had heard that Dr Eschel Rhoodie threatened to bring down the Government if he was acted against

Mr van Rooyen told the commission Mr Vorster's reply was: 'A thousand percent. He is holding my Ministers' political lives in the hollow of his hand.'

MR Alwyn Schlebusch . . . 'firm action'



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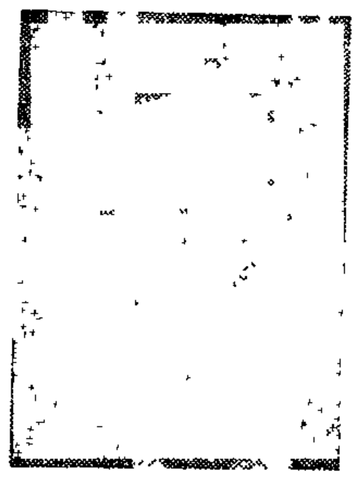


MR A J Lategan . . . member of the commission

'willing to murder'

Political Staff

EXTRACTS of General Hendrik van den Bergh's evidence are published in the final Erasmus Commission report to prove why he was earlier referred to as the power behind the throne and a man who would stop at nothing.

To prove why it was said that if he wanted to do something nobody would stop him and he would stop at nothing, the commission quotes the following evidence by him

'Mr Commissioner, I really want to tell you that my department and I are able to do the impossible That is not big talk I have good men, I do not have weak men, I also have a few weak ones, but I really have good people . . I can tell you here today, not for your records, but I can tell you, I have enough men to commit murder if I tell them kill . . I do not care who the prey is Those are the kind of men I have .'

CITIZEN ROLE

To substantiate the statement that he was in charge of a formidable network of agents, the commission quotes him as telling how Mr Danie van Huyssteen, general manager of Volkskas, was supposed to have said to Dr Eschel Rhoodie the former Secretary for information, that Hendrik van den Bergh was financing The Citizen

His evidence continued: 'You know, I must now deviate slightly and tell you that my task, as Head of Security, was just a side function. I did many other things'

To prove why it said his role was to know everything that was going on in South Africa and that he was the man with his ear to the ground, the commission report quotes him as saying 'I am the biggest tale-bearer in South Africa, but only to John Vorster'

The commission says he also tried to influence the course of events in South Africa himself

KNEW NOTHING

On this it quotes him as saying 'Then I can mention the incident where in one department I had to advance close to a million rands which the Prime Minister knew nothing about'

'I can tell you, with few exceptions, even members of this Cabinet, if they wanted something from the Prime Minister, they come and talk to me. Then they say to me, "you have locus standi with the Prime Minister, you have his ear And if you tell him, then he takes notice It doesn't help if I talk to him"'

The commission also substantiates its statements that General van den Bergh sometimes withheld certain facts from Mr Vorster, that he sometimes gave him only selected facts, that he sometimes ignored Mr Vorster's instructions and sometimes traded on Mr Vorster's name to gain his ends

Shock disclosures in the Erasmus report

VORSTER BLAMED

'Knew everything about basic Info finance plans'

(259) Argus 4/6/79

Political Staff

THE Erasmus Commission has squarely put the blame for the multimillion rand Information debacle on Mr John Vorster, former Prime Minister and now State President.

The commission also clears Mr P W Botha, present Prime Minister, and Senator Owen Horwood, Minister of Finance, of any involvement.

Tabled in Parliament to-

Full reports

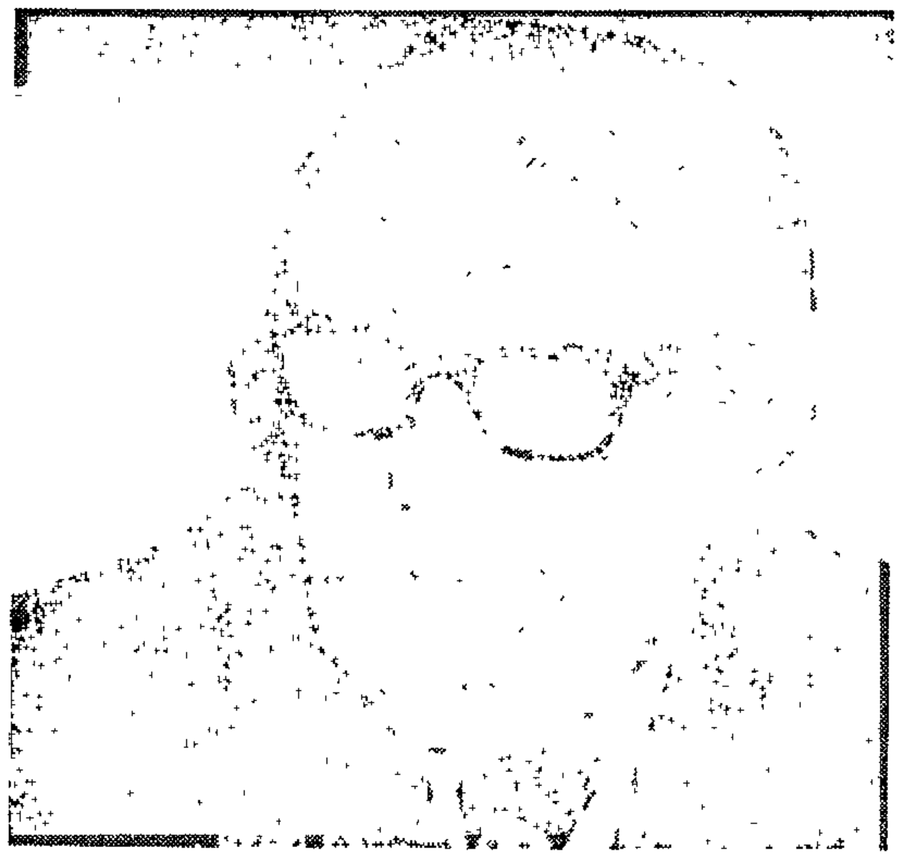
Citizen project as early as August or September 1977.

It also reports that he kept a number of irregularities secret, of his acceptance of a report by Mr Loot Reynders concealing irregularities, the commission states

'By accepting it and publishing it to the Cabi-

LATE FLASH: The State President, Mr B J Vorster, has resigned.

MR Justice R P B Erasmus, chairman of the commission.



MR B J Vorster . . . called elections 'in full knowledge of all irregularities.'

Vorster is blamed

(Continued from Page 1)

could hardly have been foreseen'

The commission finds Mr Vorster's behaviour from August 1977 onwards as unacceptable 'in spite on his state of health, for somebody in his position with the views that, according to what he says himself, he held about State financing of a newspaper'

Later in its report the commission states of Mr P W Botha and Senator Horwood that in regard to irregularities and misspending of State funds, they ' find themselves in the pardonable position of a cyclist whom a bigger vehicle has bumped over the white line at an intersection where he is not allowed to be.

'And who, except perhaps a politician who wanted to make capital out of it, would blame him if he were to pick up his cycle and continue on his way?'

Inherited

'These two Ministers had to accept the position nolens volens (willy-nilly) as they had virtually inherited it Mr Vorster, the then Prime Minister, had assumed full responsibility for this arrangement That was how he wanted it, and according to him, there were no objections from anyone in Parliament'

The commission's findings on Mr Vorster's involvement in the Information affair are a dramatic reversal of its findings in its first report late last year in which it rejected the evidence of witnesses who claimed Mr Vorster was involved At that time the commission had instead accepted Mr Vorster's denials

Full knowledge

Pointing out that Mr Vorster had not taken any firm action to rectify matters, it said that, on the contrary, Mr Vorster had called an election 'in the full knowledge of all the irregularities, without sharing the facts either with his Cabinet or with his caucus and without calling Dr Mulder to account'

It seemed to the commission that Mr Vorster had begun to seek a solution only after the election 'Even then he did nothing effective to sever the State's connections with the newspaper, except to debate the morality of the matter repeatedly with Dr Mulder' The commission found Mr Vorster's behaviour on this matter after August 1977 'unacceptable'

Without speculating itself on why Mr Vorster did not disclose the facts, the commission quoted Mr van Rooyen's evidence in which he recounted how he had asked Mr Vorster whether there was a 'blackmail element' in the matter, because he had heard that Dr Eschel Rhoodie threatened to bring down the Government if he was acted against

Mr van Rooyen told the commission Mr Vorster's reply was 'A thousand percent He is holding my Ministers' political lives in the hollow of his hand.'

Proceedings?

The commission recommended that irregularities implicating Professor Nic Rhoodie (brother of former Information Secretary, Dr Eschel Rhoodie) and Mr J van Zyl Alberts (a front for the department in the use of secret funds) should be referred to the Attorney-General with a view to possible criminal proceedings against them

● Another recommendation was that legal advice be sought on the possible liability of Dr Connie Mulder and Dr Eschel Rhoodie for losses by the State resulting from the Citizen, Washington Star, Sacramento Union and UPITV projects If they were found liable, then such losses should be recovered from them.

Continued

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259

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Like action-packed novel'

Political Staff

hird and final Eras Commission report like an action-l novel.

led in Parliament it lends a dra-final chapter to the sures about the and questionable ces that had been on for years around epartment of Infor-n.

ells also of flashy expensive holidays, ting, and deals in which millions of rands changed hands secretly.

It gives close glances into the relationships which existed between the most powerful men in the country, such as between former Prime Minister Mr B J Vorster and his security chief, General Hendrik van den Bergh

The index to the report gives a taste of the contents with dramatic chapter headings.

Under the chapter heading 'The Wrong Target' the general public attitude towards the commission and the contemptuous allegations by General van den Bergh are discussed

Under the heading 'Mr Vorster's Involvement' there appears sub-headings like 'Mr Vorster's evidence therefore does not tell the correct story' and 'Mr Vorster kept the irregularities secret'

'DRIED UP'

Under the heading 'The Cocoons' there are sub-headings which say, 'Unsolicited praise for acquaintances,' 'Unlawful activities are not mentioned except under questioning,' and 'Flow of evidence dried up'

Another heading says: 'J van Zyl Alberts — Trusted Associate who Lined his Pockets.'

The report is also larded with quotable quotes such as were a feature of the previous reports.

One says, 'Advocate van Rooyen lit the lamp as a result of which this inquiry was instituted.'

Explaining Mr Koos Waldeck's restraining role and why it was thought that he had been retired unfairly, the commission says 'He could not be influenced in this way. He did not die a pupa in its cocoon and so, to change the metaphor, became a fly in the ointment to his chiefs

'He became persona non grata and had to be got rid of and ousted from the department simply because he applied the brakes.'

Argus 4/6/79

259

dramatic document of 72 pages, also discloses that:

● Businessman Mr Jan van Zyl Alberts, was involved with the former Department of Information to the tune of more than R16-million

Bank accounts

● Hundreds of thousands of rands went through the private bank accounts of Dr Eschel Rhoodie and his wife and two brothers.

● The former Minister, Dr Connie Mulder, tried to interfere with the State Tender Board as a director of Perskor in connection with printing contracts.

● Nearly R6,5-million is still missing after dealings with American publisher Mr John McGoff to try to buy first the Washington Star and then the Sacramento Union.

● Mr Cas de Villiers, head of the front organisation, the Foreign Affairs Association, was a 'ladies' man' who threw tantrums, bought costly cars, became involved with his female public relations officer, spent money dishonestly and liberally, and once in Europe left an important official tour to 'go holidaying with a woman'.

● Mr Johannes Frederick Waldeck, former administration chief in the Information Department, had been done an injustice when he was fired.

Knew everything

Of Mr Vorster, the Erasmus report states categorically that he knew everything about the basic financial arrangements for the Information Department's funds and was consulted about the secret fund as well as secret projects

'Because he did not disclose irregularities that came to his attention, concealed them from the Cabinet and delayed for this considerable period, taking purposeful steps to

pages 10 and 11

put an end to this wrong state of affairs, he is jointly responsible for the fact that the irregularities continued, including the Citizen.'

In a chapter dealing with Mr Vorster's involvement, the report begins by stating that when the commission prepared its first report, it had no certainty as to when Mr Vorster became aware of the State financing of the Citizen newspaper.

'For this reason the commission gave Mr Vorster the benefit of the doubt in its report, and found that he became aware of the implications of the Citizen only at the end of November (1977).'

The Citizen

On April 27 this year, Mr Vorster testified to the commission that he was told of the State involvement in the Citizen during September 1977

The report continues that 'several Ministers who had served in Mr Vorster's Cabinet gave evidence during March 1979 that it was not until his Cabinet meeting on September 26 1978 that Mr Vorster informed the Cabinet about the Citizen for the first time, and then only after he had been confronted by some members of the Cabinet the previous evening. . . .'

Stating that previously it did not want to make findings against Mr Vorster on uncertain evidence, the commission now reports that on the grounds of his own evidence this year plus a Press statement by him, Mr Vorster knew of the net still without revealing his knowledge of all the true facts to the Cabinet, he was not only doing the members of his Cabinet an injustice, but was in fact participating in action which in itself was a serious irregularity, namely the covering up of gross irregularities.

Responsible

'To this extent Mr Vorster must share the responsibility with Dr Mulder for the latter's irregularities'.

That Mr Vorster was virtually compelled 'at the 11th hour' to disclose to the Cabinet facts he had concealed for more than a year 'casts a shadow over Mr Vorster's committedness at the time to open administration of the country and the sharing of responsibility. . . .'

The report continues: 'The commission has reason to believe that, had it not been for Advocate (Retief) van Rooyen and the subsequent firm action taken by Messrs P W Botha, R F Botha, Schlebusch and Heunis, the serious irregularities that took place in the department while Mr Vorster was Prime Minister would have remained hidden from the next Prime Minister, and he would have had to find out about them himself.

Concealment

'If Dr Mulder had, perhaps precisely by reason of such concealment, become the new Prime Minister, the concealment could, in our opinion, logically have been continued to protect Dr Mulder, who had after all fathered the Citizen.

'If the irregularities had remained concealed from Mr P W Botha until after he had become Prime Minister, he could have found himself plunged without warning into a storm, the consequences of which

(Continued on Page 3, col 7)

A golden thread

The Info Scandal has been known, in part, to the South African public for little more than a year. But the "golden thread" of a dream to counteract anti-South African influences started to run seven years ago Here, on the eve of the release of the third and final Erasmus Commission report, are the key events and their dates:

1972

● "PROPAGANDISTS in the pay of Pretoria" — that was how the French language weekly Jeune Afrique described those who brought out, in January 1972, the new Johannesburg-based international magazine, To The Point

"With the obvious intention of intensifying its customary brainwashing, the Pretoria Government has decided to go over to the attack in a particularly dangerous domain — the mass media," Jeune Afrique said

And in 1979 **DR CONNIE MULDER** was to admit as much saying that "the desire to bring into being an English-language newspaper runs like a golden thread from the founding of To The Point via the Natal Mercury project and the South African Associated Newspapers project and it crystallised in the founding of the paper which ultimately got the name The Citizen"

Dr Mulder said the principle that a publication "wat in die politiek staan" could be funded with State funds, was taken at the time it was decided to start To The Point

This decision, he said, was taken by the then Prime Minister, **MR VORSTER**, the Minister of Finance, **DR NICO DIEDERICHS**, the Minister of Information, **DR MULDER**, the then Secretary for Information, **MR GERALD BARRIE**, and then head of BOSS, the Bureau for State Security, **GEN HENDRIK VAN DEN BERGH.** (**BARRIE**, later Auditor-General, denied he was involved in this decision but refused to comment on whether he knew of the decision to start the magazine, while **V D BERGH** told the Erasmus Commission of Inquiry that the only "Cabinet committee" meeting he had attended had been on To The Point)

According to Mulder, **VORSTER** took the responsibility for making funds available and the money first came from his budget because at this stage Info did not have secret funds Later when the PM's budget became too large, **VORSTER** asked Info to take over To The Point, and made available R2-million from his funds which was transferred to Info's secret account for the purpose

This version by Mulder contradicts the finding of the Erasmus Commission in its second report that " it is clear . . the Department of Information had nothing to do with To The Point in its early years" And in May 1973 **MULDER** had said in Parliament that his department gave no form of financial assistance or support to To The Point But after Mulder's disclosure in April 1979, the Minister of Foreign Affairs, Mr Pik Botha, admitted that To The Point was a secret project on which the Government had spent about R14-million The To The Point project "was one big cat's nest (kattenes)" in which 30 additional companies were found to be involved, he said

Publisher and managing director of this conservative magazine was a Hollander, **MR HUBERT G (HUUB) JUSSEN**, who came to South Africa for the purpose. The assistant editor, for almost nine months in 1972, was **DR ESCHEL RHOODIE**, a former South African Information Department man at The Hague who was then on the American desk at the Department of Information in Pretoria To The Point was to be **RHOODIE'S** launching pad to the elevated post of Secretary of Information, against the recommendations of the Civil Service Commission, on August 29, 1972

JUSSEN was willing to invest money in a publication which would counter the liberal influences in Holland and **RHOODIE** sent a report on their discussions back to SA where, he said, it was given to **VORSTER. RHOODIE** was then approached by **MULDER** to be assistant editor of the magazine to protect, he said, the Government's interests and investment, and to serve as a link between the Government and the magazine He had to resign from Info and in his new capacity follow Government policy, he said

From July 1, 1973, **MR JAN VAN ZYL ALBERTS**, a chartered accountant who was previously general manager of the Rentmeester Group of Companies and who had been persuaded by **RHOODIE** to act as a front for several Information projects, became managing director and publisher of the South African edition of To The Point In April 1974 **JUSSEN** launched To The Point International in Antwerp, Belgium This costly exercise was closed down in 1977

JUSSEN, a wealthy jet-setter with a rich wife, a taste for luxury cars and owner of a posh home in Sandton and another in Stellenbosch, continued as chairman of the SA edition, retiring in April 1979 He left South Africa in May, a week or so after the disclosure that To The Point was a secret project that cost the taxpayer R14-million

As late as February 1978 **RHOODIE** still denied the magazine had strong connections with Information But at his hide-out in Ecuador in February 1979 he finally admitted his involvement to the Rand Daily Mail

On December 6, 1978, **ALBERTS** announced his resignation from the board of the publishers of To The Point — the African International Publishing Co (Aipic) — after the December 1978 report of the Erasmus commission found he had fronted for Information as publisher of The Citizen

● THE Nationalist Government decided in 1972 to channel funds from other departments to Information This was first revealed by the Prime Minister **MR VORSTER** in Parliament on May 8, 1978 He stated he accepted full responsibility for the "delicate and unconventional way" the funds had been allocated The December 1978 report of the **ERASMUS** Commission was to find that the arrangement by which this was was later done, and for which **MR VORSTER** was responsible, was an irregularity from a technical constitutional and audit point of view

1973

● ON March 29, 1973, the Secretary of the Treasury wrote to the Secretary for State Security (BOSS) that for security reasons it was advisable not to place the provision of unusual or sensitive Info services on the Info budget and that the Prime Minister **MR VORSTER** was agreeable that they be provided for under the PM's budget in the Security Services Special Account, and that as funds in this account could only be used with the approval of the PM, the Information Minister would submit all such sensitive Info projects for the prior approval of the PM The Minister of Finance (**DIEDERICHS**) was agreeable and had approved R293 000 for "security services" for 1973/74 which was really for Info This, the Erasmus Commission noted in its first report Dec 78, opened up the possibility that money for sensitive Info projects would be channelled through BOSS or some other department concerned with State security and in this way the Department of Defence became involved with the secret fund

In April **DR RHOODIE** stated in a letter to the Treasury that, after discussions with his Minister, **DR MULDER**, and BOSS, it had been decided that the new Info programme was so sensitive that only **LES DE VILLIERS**, Info Deputy Secretary (Planning) and head of Info special projects, his brother **DR DENEYS RHOODIE**, Info Deputy Secretary (General) and himself would control it

● IN December a letter "Verantwoordelikhede en Pligte van die Departement van Inligting in die Buiteland" (Responsibilities and Duties of the Department of Information Overseas) was written by Prime Minister **VORSTER** to the Ministers of Finance, Defence, Foreign Affairs, Bantu Administration, Economic Affairs, Police, Mines, Immigration, Sport and Recreation

It referred to the "growing political and propaganda attacks on South Africa" and the sophisticated and unorthodox form of these attacks, and the need to adapt the functions of the Department of Information to the furthering of national interest and security. Info was to convey the South African message by every possible means overseas, and the methods, public or secret, were to be left to the Minister of Information to decide

"The Minister would naturally consult the Prime Minister over important Information aspects and projects and consult members of the Cabinet over those matters in which they might be involved," the letter said

This letter was later quoted by **MULDER**, in justification of his actions over The Citizen before the Erasmus Commission, and by **MR DAVID ABRAMSON**, in support of his belief that a Cabinet committee monitored all Info objects **ABRAMSON**, with his business partner **MR STUART PEGG** ran the Morgan Grampian/Hortors secret project for Info

● The Department of Information's policy of keeping the outside world properly informed on SA under a five-year (1973/74 to 1978) plan involved projecting a "true" image of SA, of countering hostile attacks from abroad and even if possible swinging world opinion in SA's favour In **RHOODIE'S** time there were 160-180 secret projects

● **RHOODIE**, and the Minister who had appointed him, **MULDER**, wanted an "objective" English-language newspaper and a start in this direction was made by **DR PIET KOORNHOF** and Mr Lawrence Morgan, who explored the idea of a R4,5 - R5-million take-over of the Natal Mercury **KOORNHOF** told the Commission the State had nothing to do with this venture — it was to have been a purely private undertaking

1974

● IN February a meeting — so **RHODDIE** alleged in interviews with the "Mail" in Ecuador in February 1979 — was held between PM **VORSTER**, Minister of Finance **DIEDERICHS**, **MULDER**, **DENEYS RHOODIE**, **LES DE VILLIERS** and **ESCHEL RHOODIE**, at which, Dr Rhoodie claimed, **VORSTER** approved a propaganda war in which **RHOODIE** "should not be concerned about rules and regulations" and could even bribe if need be

● At PM **VORSTER'S** request Info secret projects were, from the 1974/75 financial year, financed from the Special Defence Account (which was exempted from audit by the Controller and Auditor-General) instead of being carried on the PM's Vote where it would not be known to what extent the secret fund was exempt from audit This meant that Info secret funds had to be provided for on the Defence Vote, and then deposited in an account kept by BOSS

In May 1978, too, PM **VORSTER** was to say that since 1972, when the Government decided to fund Info secretly from other departments, the necessary certificates had been issued that the funds made available in this way had been spent in an orderly manner and for their intended purpose But it was not as simple as that There was, as the Erasmus Commission found, "lack of clarity in the existing statutary control" **RHOODIE** was faced early on with the problem of which aspects of his administration were to be paid for with money from the secret fund and which expenditure had to be defrayed under the ordinary public service open account and accounted for to the Auditor-General

The Minister of Defence, **P W BOTHA**, says he objected strongly to the channelling of Info funds through Defence to both **VORSTER** and **DIEDERICHS** but the PM would not budge Because there was no express statutory provision in connection with secret funds for Info **BOTHA** "insisted on an internal accountant and proper auditing of the secret fund under the Information Department"

RHOODIE, untrammelled by specific legislation regarding Info, did not take too much notice of the requirements of the Department of Defence either This led, the Erasmus Commission found, to confusion and malpractices until the Secret Services Account Act No 56 of 1978 But a special accounting post was created to do the internal audit and control payments and transfers and **BRAAM FOURIE**, an Info employee, was auditor for the 73/74 — 77/78 period during which a total of R64-m allocated to secret funds

● IN September $10-million (R8-million) was transferred from the Special Defence Account to Switzerland so that Info could buy, through **McGOFF**, the influential US newspaper, the Washington Star According to the then Secretary for Finance, **MR GERALD BROWNE** this money was transferred on the instructions of **DIEDERICHS** The April report of the Erasmus Commission found **BOTHA** did not know why Info needed that money and nor was he interested It had already established in its December report that he knew of the funding of Info through Defence and objected to it

Browne's evidence, quoted in the April report of the Erasmus Commission, was the first official admission of Government involvement in the abortive bid by the American publisher and president of the Michigan-based Panax Corporation, **JOHN McGOFF**, to buy the Washington Star The "Mail" first reported the US newspaper bid on November 1, 1978 **McGOFF** said there was no truth whatever in the allegations

McGOFF later bought the Sacramento Union Californian newspaper, and, for R1,3-million, a 50 % share in UPITN, a major British-American TV agency, both allegedly with SA Government backing

At the end of the year **RHOODIE** came into contact with fertiliser magnate **LOUIS LUYT** **LUYT** had, he said, during the Angolan War communicated "sensitive international messages from African presidents" to **RHOODIE** in a restaurant and once in an office in De Meent arcade in central Pretoria This office became the registered and luxurious address of Thor Communicators, an Info front organisation

1975

February 1 - **HORWOOD** succeeded **DIEDERICHS** as Minister of Finance and, according to **RHOODIE**, replaced him the informal cabinet committee

Winter - at braaivleis at **V D BERGH'S** place Jan van Zyl **ALBERTS** suggested a SAAN takeover **RHOODIE** said he secured Mulder's agreement and claimed he told **VORSTER** if SAAN takeover did not succeed they would start their own paper and **VORSTER** said it was all right but "julle moet pasop dat julle nie julle jas die deur vasdraai nie" According to fertiliser magnate **LUYT'S** evidence to Judge Mostert he had flown in his plane to a test match with **VD BERGH RHOODIE** and **KOORNHOF** when **VD BERGH** told **LUYT** he "needed" him

August-September - **ALBERTS** studied the SAAN assets and reported to Rhoodie several times In September **RHOODIE** approached **LUYT** about fronting for the SAAN takeover According to **LUYT'S** evidence before Judge Mostert they had already bought shares thru **ALBERTS** who said he had two foreign partners, **SPRINGER** and **McGOFF** but who did not want their names mentioned

October 28 - A Nationalist newspaper blew the story of Luyt's proposed SAAN takeover and the bid failed

December 4 - A meeting Pretoria, at which **RHOODIE** and **MULDER** undertook to make money for The Citizen available from the secret funds Others present were **V D BERGH**, **ALBERTS**, **LUYT** and his auditor, **PETRUS FOURIE DU PREEZ** Establishment of a new newspaper was discussed and **LUYT** — **ALBERTS** said it would cost R6-8-million **MULDER** said he would provide it from the Info secret funds but he didn't want the capital, the pool, touched Only the interest should be used for operating costs The Erasmus Commission in their first report saw the fact that the capital eventually landed **LUYT'S** company, Triom Kunsmis, as aggravating the irregularity **LUYT** decided to call "his" newspaper The Citizen

Dec 4 - **V D BERGH** said he reported to **VORSTER** on the morning's meeting He said **VORSTER** told him to keep away from the whole thing but keep his ear to the ground V D Bergh said he told **VORSTER** that **MULDER** was there **VORSTER** in his turn before the Erasmus Commission claimed he had not been given to believe Info was involved in the establishment of the paper or that Mulder was there **V D BERGH** said he constantly reported to **VORSTER** after that and kept telling **RHOODIE** and **MULDER** that **VORSTER** didn't approve, but they said he knew, and did

Between December 29, and April 14, 1976, R12-million was paid from Info secret funds to **LUYT'S** auditors

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INSIDE MAIL

d that

was **GARY PLAYER** who the previous year, together with Finansbank, had acted as Info Fronts in a scheme to bring prominent US businessmen to SA The "Mail" said Player was paid at least R30 000 to be golf host to the visitors Player said he was not paid that amount

September 10 - Even before first publication it was obvious that the interest on the investment of R12m was hopelessly inadequate for the newspaper's costs, even at the 12-1/2 % interest at which **LUYT** had invested the money in Triomf Kunsmis **RHOODIE** had to provide further funds and a R2,7m loan was raised overseas for The Citizen.

Mr J F (Koos, wally) **WALDECK**, head of administrative section of Info unearthed irregularities in Info and called in **BARRIE** the former Secretary for Information under whom he had worked

November 25 - **RHOODIE** circular to Info officers ordering the destruction of all past secret projects documents

1977

Early in the year **RHOODIE** decided to rent a private box from the N Tvl Rugby Union in Thor's name. He was frightened by **VAN ROOYEN'S** protests and the end it had to be cancelled

January - **PIETERSE** asked **RHOODIE** whether he could use the R825 000 he had been lent from Info secret funds for the black movie industry — a project on the go since 1970 but constantly stalled by Government red tape — as security for a production loan to save the film "The Golden Rendezvous"

January - Visit to the Seychelles by **RHOODIE** and his family, **VAN ROOYEN, LES DE VILLIERS** and his wife Patsy to register **LUYT'S** plane there so Info could get into OAU countries in it — while the others at dinner **RHOODIE, DE VILLIERS** and President Mancham "negotiated".

January 21 - Treasury wrote to **RHOODIE** that after consultation between **VORSTER** and **HORWOOD** a further R2-million was being allocated to the secret fund

February 4 - **RHOODIE** wrote to Treasury in response to their requests for information "My Minister informed me today that he was not prepared to divulge details of Project Senekal " (This was the code-name for the overall secret fund operation channelled through Defence and included The Citizen).

April - Meeting in a room at Jan Smuts Holiday Inn between **RHOODIE, MULDER, ALBERTS, LUYT, DU PREEZ** It was now clear to the Info men that **LUYT** had invested the pool in his own firm After a stormy session **LUYT** told **RHOODIE** what he could do with his newspaper and left the meeting with **DU PREEZ** The others then agreed to find someone else to front for the paper

June 27 - **BARRIE** first reported Info irregularities to **VORSTER** at Libertas.

July - Letter from SADF chief Magnus Malan to **RHOODIE** that method of financing Info from Defence "unethical and irregular, and you would feel so too if your Minister had had to stand up in the House and recite untruths to obtain additional funds"

July 28 - Meeting attended by **MULDER RHOODIE ALBERTS FOURIE** and **DU PREEZ** to discuss costs of The Citizen and who should take it over Losses on the paper then running at R500 000 a month, so overdraft facilities were arranged, guaranteed by Info **ALBERTS** became financial adviser to the paper.

July 13 - **BARRIE** again reported to **VORSTER**, this time in the Game Reserve

July 29 - **BARRIE** completed a secret 42-page report on an audit inspection of the affairs of Info and sent a copy to **VORSTER** who said he instructed **BARRIE** to proceed with his investigations into supposed irregularities and with the approval of **MULDER** and **BARRIE** he appointed "another well-equipped person" to investigate fully and decisively all the alleged irregularities, stories and rumours about the misuse of funds This person was a Department of National Security auditor **LOUW REYNDERS** a fellow internee of V D Bergh at Koffiefontein **REYNDERS** uncovered the scandal bit by bit, including the matter of The Citizen, and, sworn to silence, kept it bottled up

August 1 - **BARRIE** showed a copy of his secret report of probable irregularities to **MULDER. BARRIE** had also handed copies of his report to **VD BERGH**, at **VORSTER'S** request, and to **REYNDERS** after he had been appointed investigator He also handed another briefer report in a letter to **VORSTER. VORSTER** said he heard about The Citizen from **BARRIE** in August but **BARRIE** said he knew nothing of the paper at that time or when he appeared before the Parliamentary Select Committee. Barrie said it was **REYNDERS** who advised **VORSTER** of The Citizen funding

Exchange of letters between **BARRIE** and **RHOODIE** on Info expenses **RHOODIE** claimed they were covered by the Official Secrets Act.

Sept 20 - **VORSTER** announced a General Election for November 30 — 18 months earlier than required by law — partly, he said, to give the electorate the chance to add its voice to Govt protests against international "meddling" in SA affairs.

Sept 25 - Sunday Times reported the surprise resignation of **DE VILLIERS** and break up of the powerful triumvirate of **RHOODIE** and brother **DENEYS**

September-October - **RHOODIE** invited **McGOFF** and Vic Jones from the US to take over from **LUYT. McGOFF** was advised against it.

October 26 - Date given by **MULDER** for meeting at which projects were discussed and displayed in the Prime Minister's conference room at the Union Bldgs in Pretoria.

Nov 3 - On this date, **MULDER** said in a Press statement in 1979, that he and **HORWOOD** discussed the open and secret funds Info wanted for the next financial year and that they reduced a requested R21-million to R14,8-million, which provided for R6,6-million for The

Picture by Vikki Pereira

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"I know who I am, what

"Since I'm the best, *supposedly* the best disco dancer in New York, I'm always introduced to the celebrities

"And I really made a statement! I was the first girl to have special outfits designed by Norma Kamali for disco dancing," she said

A lady with a cool head for business at 22, Sherry already owned her own clothes manufacturing company

Now she is a full-time drama student with Stella Adler who — "taught Marlon Brando and everyone who has been anyone"

"I don't think many girls have had a film script written before they went to drama classes," she smiled

"The script was written by Eugene Narmore — it's a satire on Marilyn Monroe about a girl who has numerous things in common with the late sex symbol "

The former R150 an hour model stressed "I don't want to become a Farrah Fawcett — splashed out in two years — a model who made it I could have gone in that direction but I've *got too much to give* to be just a face and body

"When I'm older, I'd like to be taken more seriously as an actress and when I'm over 80 I hope that I can be a Katherine Hepburn

"I know who I am, what I am and what I am about — *a woman of the 80s*, that's my time "

His fashion forecast for this year is a simple style for day, using ribbons with soft curls supported by a perm And, for the evening, a lot of fantasy, with chignons, rolls, weaving etc and incorporating hair ornaments

Fantasy for evening.

Graduation from fear

ROUGHLY 25-million people in the United States fear flying, according to aviation industry statistics Two women pilots have made a small start at changing that

Through the Fear of Flying Clinic — it has nothing to do with Erica Jongs sexy novel — Fran Grant and Jeanne McElhatton have, in two-and-a-half years, helped some 200 northern Californians

Their 10-week classroom course runs the gamut of overcoming phobias, accomplished with the help of a behavioral counsellor, to an actual "graduation" flight

The course includes lectures by qualified airline and Federal Aviation Administration personnel — in most instances, people who will be with the class during its first flight — films, tours of airline and FAA facilities and demonstrations

So anxious are some of the participants to overcome their phobias that it is not uncommon to find someone travelling more than 300 kilometres once a week for the three-hour class

By the end of the course the group not only has its fears licked but has a valuable working knowledge of the total picture of the functions involved in the flight of an aircraft — UPI

Where will they learn the truth?

The Chris Barnard column

wished they had not

RDM 4/6/79

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1976

January - Beeld was fined R500 and Rapport R1 500 for linking To The Point with **RHOODIE**

January 22 - R220 000 paid to **LUYT** to enable The Citizen to sponsor the 1976 Grand Prix **KOORNHOF** then Minister of Sport and Recreation, learnt about a year later **LUYT** had sponsored the race through The Citizen This "astounded" him If this was an irregularity then it was not his fault, he said Erasmus Commission II accepted his evidence.

January-February - **RHOODIE** instructed **FOURIE** to obtain a bank cheque, Fourie said, for R33 000 for use in The Citizen No such payment could be traced at The Citizen but the cheque was paid into Oscardee Investments and in February **RHOODIE** entered into a purchase agreement in his own name with Oscardee for the purchase of a Plettenberg property for R33 000

May - **ADVOCATE RETIEF VAN ROOYEN** was approached, he said, by **RHOODIE** to be a director of Thor Communicators, an Info front company

August (date uncertain but about a month before The Citizen was launched on September 7 **LUYT** discussed aspects of the newspaper with **VORSTER** in his office in Cape Town but did not mention the financing because, rightly or wrongly, he accepted **VORSTER** knew about it

Aug 10 - **RHOODIE** arranged for a letter from Thesaurus Continental Securities in Zurich "confirming" loan of R12-million to **LUYT** for The Citizen.

September 7 - The Citizen appeared One of the directors

landed the Nats in a cat's nest

Citizen. In evidence before the Erasmus Commission MULDER had been unable to remember when precisely HORWOOD had been informed about The Citizen project
The interim report of the commission in March 1979 found there was no acceptable evidence that The Citizen was brought to HORWOOD'S attention before Sept 26, 1978
November - RHOODIE later said from Ecuador that he had made a full report at a November meeting attended by MULDER, VD BERGH, VORSTER and that HORWOOD was there for part of the time HORWOOD told Erasmus Commission he attended two "November" meetings, at the first of which publications were displayed, but he did not linger at either of them and saw and heard nothing specific
November - REYNDERS reported in the presence of MULDER, RHOODIE, VD BERGH and ALBERTS to VORSTER on Info projects, irregularities and (according to Vorster) that at that stage more than R20-million had already been spent on The Citizen. At that stage, according to VAN ROOYEN, VORSTER had already been informed that Info was financing a daily paper
The gathering took place at the PM's Pretoria home, Libertas and the object was, according to Reynders, for VORSTER to confront those concerned with the detailed information with which REYNDERS had already furnished him VORSTER became depressed, said Reynders, and took ill and excused himself
November 30 - General election — Nats swept the board

1978

February - ALBERTS and JUSSEN took over The Citizen
February 6 - Report of Auditor-General BARRIE for 1976/77 tabled in Parliament It disclosed that Info used funds without Treasury authority over three years since 1974
February 14 - R399 857 was paid into ALBERTS' account for The Citizen Between Feb 18 and May 14, R3-million was transferred to ALBERTS' account through a Swiss bank for the account of The Citizen
March - MULDER, according to REYNDERS, asked the latter to hurry his report and said to him, "You did not find anything wrong in my department did you?"
April 26 - MULDER "rushed" HORWOOD (so the latter said) into approving R14,8-million expenditure in the 1978 budget on secret projects MULDER claimed he had discussed the amount the previous November with HORWOOD, including provision of R6,6-million for The Citizen HORWOOD, who at one stage said he could not understand the document because it was in a "sort of code", initialled each page because MULDER said the Auditor-General needed that authority from him before payment could be made Later HORWOOD had misgivings and his law advisers said it was not necessary to confirm each project so he told MULDER verbally and later in a letter of May 4 that he had no knowledge of the projects and wanted to cancel his initials and signature (The Erasmus Commission found in its first report that HORWOOD, unlike REYNDERS, took immediate steps to avoid being caught in an easy trap)
May - The Sunday Express was reprimanded by the Press Council for linking To The Point with RHOODIE
May 3 - After 40 years of unblemished service WALDECK was retrenched following a Parliamentary Select Committee report which criticised Info and RHOODIE for failing to exercise financial control and proper planning
May 4 - Date of letter from HORWOOD to MULDER, quoted by MULDER, in which HORWOOD said that "in the circumstances" he cancelled his initials and signature on the April 26, 1978 letter, in which he approved R14,8-million for Info projects
May 5 - First public statement by RHOODIE that his programme overseen by a secret but unofficial Cabinet committee to which he reported once or twice yearly
May 8 - VORSTER announced that the Govt had decided in 1972 to channel funds from other departments to Info and he accepted full responsibility for the way those funds had been allocated "in a delicate and unconventional way"
May 10 - MULDER replying to his vote in the Budget debate said in Parliament "The Dept of Information owns no newspaper in SA and runs no newspaper in SA" and "The Dept of Info and the Government do not give funds to The Citizen" He later claimed his lie had been prompted by a note from VORSTER.
May 12 - Letter authorising payment of R7 850 000 to Info and containing signatures of MULDER and HORWOOD
RHOODIE claimed difference of R6 600 000-million between the R14,8-million in the April letter and the R8-million in this one the sum earmarked for The Citizen for 1978-79. HORWOOD failed to notice the discrepancy, according to Erasmus II The Citizen was not mentioned per se in the document
July 1 - The Department of Information was disbanded and operated on our capital funds"
November 1 - "Mail" reported from his position of Secretary for Information
JULY - VAN ROOYEN said VD BERGH warned him he was subject to the Official Secrets Act, as was the Press He said he had told VORSTER and MULDER that he would save them, evaluate the projects and "stretch the thing out for them till the whole thing was dead"
August - VD BERGH authorised payment of R50 000 from Info funds already in ALBERTS' possession for another project for The Citizen account.
August 31 - MULDER again phoned REYNDERS and said REYNDERS had to get the report out immediately VD BERGH told him likewise and he then took his report to VORSTER
September 23 - Report in Die Transvaler, following tipoff from MULDER, to the effect that the REYNDERS report cleared MULDER. During the weekend VAN ROOYEN, outraged at this because of what he knew, spoke to Minister of the Interior Alwyn Schlebusch
September 26 - VORSTER was confronted by P W BOTHA, PIK BOTHA, SCHLEBUSCH and Minister of Economic Affairs CHRIS HEUNIS about State funding of The Citizen
September 27 - VAN ROOYEN gave evidence before JUDGE ANTON MOSTERT who had been appointed a one-man commission to inquire into exchange control contraventions MULDER refused PIK BOTHA'S request that he withdraw from Premiership stakes
September 28 - P W BOTHA elected Prime Minister VORSTER announced that the Info investigation was continuing, and the retirement of VD BERGH who was replaced by the Kemp committee, chaired by JOHANNES JACOBUS (KOOS) KEMP a member of the Department of National Security
October 26 - P W BOTHA announced an expanded Info investigation to determine which secret projects were to proceed and which to be terminated, and any irregularities This was the Pretorius Committee, chaired by MR DRIES PRETORIUS, Secretary of the Treasury, and it replaced the Kemp Committee which had replaced VD BERGH's investigation
October 29 - Sunday Express blew the State funding of The Citizen
October 30 - The "Mail" revealed that R13-million disappeared en route to The Citizen to help an ailing private company JUSSEN, chairman, and ALBERTS, publisher and MD, issued a joint statement in The Citizen that "The Citizen was bought and is conducted as an independent business venture, operated on our capital funds"
November 1 - "Mail" reported RHOODIE had sent R10-million of Info secret funds to rightwing American publisher JOHN McGOFF to buy the Washington Star
November 2 - JUDGE ANTON MOSTERT released his evidence BOTHA warned the Press against publishing the judge's disclosures but only the SABC obeyed P W BOTHA indicated he was not prepared to accept that The Citizen was State-funded until this evidence had been tested and evaluated, yet he and other Cabinet Ministers had been told about the State-funding of The Citizen in September — five weeks before "Mail" disclosed that more than R800 000 of Info money used by SA film magnate ANDRE PIETERSE to help finance "Golden Rendezvous", an Alistair MacLean adventure film, starring Richard Harris, which was an flop
November 3 - VORSTER as State President, appointed the Erasmus Commission of Inquiry into Alleged Irregularities in the former Dept of Info
P W BOTHA held a Press conference in which he said "No funds voted for Defence purposes were allotted to the Dept of Info I would say that as a matter of fact" He deemed he had known money was allotted to The Citizen, but he said he was aware of rumours in 1977 after Parliament discussed the matter and instigated investigations
November 7 - P W BOTHA disbanded the Mostert commission, Erasmus Commission announced his hearing would be behind closed doors An all-party parliamentary commission of 12 MPs appointed under chairmanship of H J D VAN DER WALT with the same mandate as Mostert MULDER resigned from the Cabinet. It was disclosed that VORSTER would give evidence before the Erasmus Commission
November 8 - RHOODIE returned from overseas because of the "libellous" nature of the evidence given to Mostert
November - PRETORIUS committee reported to a Cabinet Committee on To The Point and other secret projects — so PIK BOTHA revealed the next year
December 5 - Erasmus Commission released its report It had found that R32-million — nearly half the R64-million Info secret fund — had been used to fund The Citizen, a party political paper, that large-scale irregularities had occurred including possible theft and fraud, that MULDER had wrongly interpreted his function as head of his department and fulfilled it "incompetently", that REYNDERS put out a false report and that VD BERGH saw himself as "the power behind the throne", VORSTER and P W BOTHA were exonerated
December - Info session in Parliament, P W BOTHA said was in "an outright lie" and "cowardly gossip" in an interjection when NRP asked if it was true "R10-million" had been channelled by Gen Pienaar on the instructions of Admiral Bierman through the Special Defence Account to Switzerland in 1974
December 5 - A new company, The Citizen (78) Pty Ltd was registered
December 8 - Erasmus Commission extended to May 30, 1979 to inquire into new aspects of Info

1979

January 14 - Express said To The Point was a secret front publication, State-funded through departments other than Information This time the claim went unchallenged although the Editor-in-Chief, Dr John Poorter, formerly a top Info man at the SA Embassy in London, first said the report was "rubbish"
January 17 - SAAN, Rand Daily Mail Editor Allister Sparks and Deputy Financial Editor Hamish Fraser were found guilty by the Chief Magistrate of Johannesburg of anticipating the findings and proceedings of the Erasmus Commission, following publication, the previous month, of a report "Citizen R27m shock"
January 24 - Attorney-General J E Nothling announced he had decided it would be against the national interest to prosecute V D BERGH for his criticism of the Erasmus Commission and its report He had called the Commission a "farce"
February 6 - P W BOTHA told Parliament he had appointed two people to go back through the Cabinet minutes to 1975 but they could find no reference to a Cabinet committee connected with Info He consistently denied that any member of his Cabinet knew of The Citizen project or other Info irregularities and he said he would resign and "go to the country" if it could be proved any of them did know
March 1 - VD BERGH and JOSIAS VAN ZYL, a controversial Nationalist businessman and a distant relative of RHOODIE, and Van Zyl's attorney BRIAN KAHN, intervened, with VAN ZYL making RHOODIE a job offer to compensate him for cancelling his deal with the overseas media. This deal fell through Shortly after their return to South Africa VAN ZYL and VD BERGH had their passports taken away
March 9 - The "Mail" published stories and pictures from their meeting with RHOODIE

the Point was a secret project
April 30 - It was reported that the Pretorius Committee had asked the State Attorney to sue RHOODIE and PIETERSE for about R1-million, comprising the R825 000 loan which PIETERSE diverted to save the film the "Golden Rendezvous" plus statutory interest, and a R33 205 plus interest claim against RHOODIE for the State funds he used to buy property at Plettenberg Bay from Oscardee Pty Ltd The committee reported that R5-million of Info money had been recouped and a number of Info properties registered in the name of the State The committee found ALBERTS was involved in at least 18 front companies.
MULDER attacked HORWOOD, claiming he had signed a document approving expenditure for the secret projects in which his initials appeared next to the words To The Point (HORWOOD had told the Erasmus Commission he had had no specific knowledge of State funds going to To The Point) and that he had agreed to disguise, in an Info expenditure schedule, an amount of R6,6-million for The Citizen
May - The Government introduced the Advocate-General Bill
May 7 - HORWOOD asked in Parliament if the Rand Daily Mail was in possession of "compromising pictures" of MULDER. The "Mail" said No
May 23 - Select Committee on Public Accounts reported that RHOODIE had paid R30 000 in cash out of secret funds R10 000 of which went to his brother, PROF NIC RHOODIE — to publisher CHRIS VAN RENSBURG to meet losses on a R279 258 book on Transkei's independence
June 1. The final Erasmus report leaks out to the Press

Dr Rhoodie his claims were denied by Cabinet Ministers

RHOODIE had reported regularly to three Cabinet Ministers on Info These were the Prime Minister, the Minister of Finance and himself. He dated three meetings — October 23, 1974, October 1, 1975, and October 26, 1977 — the meeting at which HORWOOD could not stay to the end In December 1976, he said, he discussed with VORSTER the alteration of The Citizen format. HORWOOD he said, knew of the funding of The Citizen before April 1978
April 2 - The Erasmus Commission issued its interim report It found no member of the present Cabinet knew before September 1978 that The Citizen was State-funded Allegations of a three-man Cabinet committee were a "figment of the imagination" — the "pollution" did not spread beyond the Info Dept It cleared HORWOOD of knowing about The Citizen, saying that "one does not expect him to search for a black cat in a dark room where he has no knowledge of the cat" P W BOTHA did not know how the Info money channelled through Defence was spent and was "not interested in it" and KOORNHOF did not know State funds were behind the 1976 Citizen Grand Prix VORSTER approved the estimated funds needed for Info spending and HORWOOD, being presented with a fait accompli, had to rubber stamp the projects VORSTER learned of The Citizen project in Nov 1977 from REYNDERS.
April 6 - Nat Party expelled MULDER after 36 years of membership, the implication being they expected him to bear sole ministerial responsibility for the Info scandal
April 26 - MULDER refused to testify under subpoena before the Erasmus Commission, claiming he had been refused a fair hearing The Commission later asked that he be charged with contempt No decision has yet been taken by the Attorney-General
April 27 - VORSTER testified before the Erasmus Commission for the third time — at his own request Judge Erasmus disclosed that new facts before his commission had shown that some of its earlier findings might have to be reconsidered, and that RHOODIE had misled the commission
April 29 - MULDER published his side of the Info story — "so that the people could now draw their own conclusions" — in Rapport He disclosed that To The Point had been launched by the State with funds mutually from VORSTER'S budget, that he, VORSTER and DIEDERICHS (later HORWOOD) met regularly to discuss Info projects, being referred to as the Committee of Three, that in Parliament in May 1978 VORSTER slipped him a note suggesting he state that the Info Dept neither owned nor operated a newspaper in South Africa and he lied accordingly; and that the concept of launching an English-language newspaper ran like a golden thread from the founding of To The Point through the Natal Mercury and SAAN bids to The Citizen project PIK BOTHA confirmed To
March 21 - RHOODIE interview with the BBC. He claimed P W BOTHA had been involved in many secret projects, and produced the May 12 letter authorising Info expenditure signed by HORWOOD.
March 22 - VORSTER, without consulting the Government, entered the fray with a talk to newsman in which he acused RHOODIE of telling lies, challenged anyone to publish documents they claimed to have concerning him in the Info affair, and said MULDER had admitted before an unknown witness (who turned out to be Nat senator Jack Steyl) that he had not discussed Info secret projects with him Revealed RHOODIE had threatened him that he would "bring the temple down on us all" if MULDER was forced to leave the Cabinet and the NP He deemed that there had ever been a Cabinet committee dealing with the projects VORSTER had asked Mulder re The Citizen "why he did not inform me and why I had to hear about it from Mr BARRIE in August 1977" And he said the question was not whether money given to Info or if there had been secret projects — the issue concerned "the misuse of State money and extravagances and the loan of money to Mr Luyt for a newspaper"
March 25 - MULDER issued statement to Rapport accusing VORSTER of lying over his involvement in establishment and funding of The Citizen Confirmed that the paper had not been discussed by the Cabinet before Sept 78, but said further RHOODIE disclosures
March 14 - Erasmus Commission mandate extended to inquire into and report not later than March 31 into whether any member of the present Cabinet had any knowledge, before the facts were disclosed, of the subsidising of The Citizen or any other Info irregularity
March 16 - PW BOTHA announced a warrant had been issued for arrest of RHOODIE on charges of fraud, alternatively theft This was the first criminal charge laid against anyone involved in the Info scandal since Erasmus Commission reported last December Basis of the charge the circumstances of the purchase and resale of a flat in Plettenberg Bay.

Final Erasmus report expected today

C. Times 4/6/79

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Political Staff

THE FINAL and probably most controversial report of the Erasmus Commission is likely to be tabled in Parliament today following its mysterious leakage from the Government Printer last week.

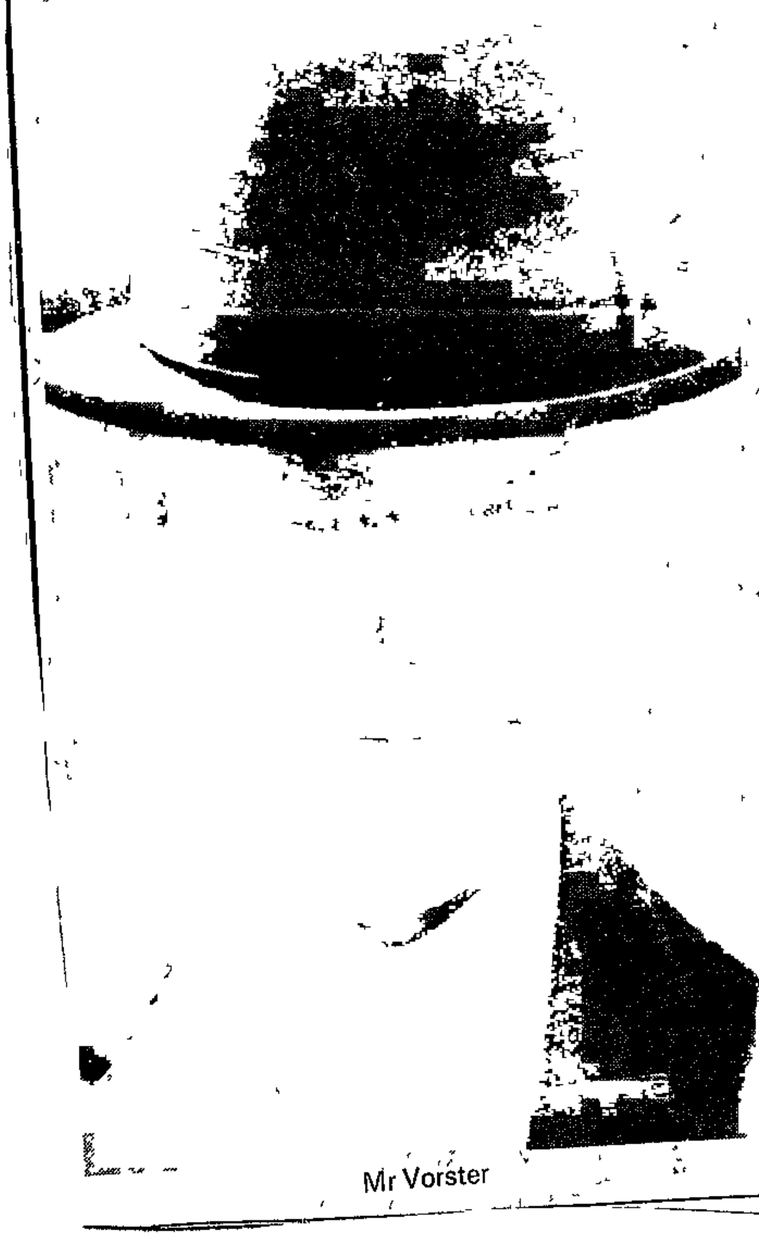
A special Cabinet meeting is to discuss the matter this morning and when approached yesterday about the release date, the Prime Minister, Mr P W Botha, said "At this stage I cannot see any obstacle to its being released now"

The report, 72 pages long and expected to have far-reaching consequences for many of the central figures in the Information scandal, comes amid rising speculation that the former prime minister, Mr Vorster, is planning to resign as State President

Speculation is rife that an announcement is imminent

Yesterday Mr Botha said he had grave misgivings about how and why the report was leaked following strict instructions in Pretoria and Cape Town that it should be kept under wraps till it had been tabled in Parliament

"The whole matter will be thoroughly investigated and the Government Printer has been summoned to Cape Town by the Minister of Interior, Mr Alwyn Schlebusch, to explain how it happened," Mr Botha said



Mr Vorster

Some only

He questioned why the report appeared to have been sent to some newspapers and news agencies only "If it was an error of judgment, why is it that not all newspapers received the report?"

At present it is not known how many newspapers received the report but most of them appear to be in the Transvaal Two foreign news agencies are also thought to have received a copy in the post

It appears that the government's plan was to release the report after Tuesday's usual Cabinet meeting

Since the surprise leakage there have been demands from the opposition that the report should be released immediately and certainly before the Randfontein parliamentary by-election on Wednesday which was created by the resignation of the former Information minister, Dr Connie Mulder

Effect on poll

The Prime Minister's statement now that he saw no "obstacle" in the way of releasing it today seems to have overtaken the opposition's demands If it is released, the results of the Randfontein election will be closely studied to see if the report had any effect on the outcome of the poll

Observers in Cape Town believe it is also possible that the country's oil position and possible saving measures might be discussed by the Cabinet today

It is thought that attempts to arrange a special Cabinet meeting last week following discussions between the Minister of Economic Affairs, Mr Chris Heunis, and representatives of the various sectors of commerce and industry, about the oil position, were complicated by ministerial speaking engagements throughout the country on Republic Day and by the weekend

If not discussed today the oil problem will be fully discussed tomorrow and a statement can be expected this week

Enigmatic and controversial force in SA

(259)

5/6/79

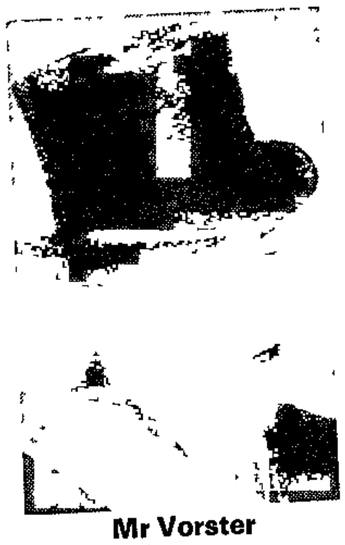
By ROGER WILLIAMS
Chief Reporter

BALTHAZAR JOHANNES (JOHN) VORSTER, one of the most powerful and also one of the most enigmatic and controversial forces in South African political history, has overnight left the amphitheatre of public life in which he was a dominant figure for nearly two decades.

His sudden resignation yesterday came barely eight months after he was sworn in as the Republic's fourth State President, amid traditional pomp and ceremony

Mr Vorster, who is 63, made himself available for South Africa's highest office after his resignation last September from the premiership he had held for 12 years

He had no sooner taken office as State President than he became deeply involved in the Information affair, and he became one of the key witnesses at the hearings of the Erasmus Commission



Mr Vorster

Resignation calls

His personal involvement led to demands for his resignation by parliamentary Opposition leaders and by a large section of the South African press There was also an unprecedented move by the two major Opposition parties to have Mr Vorster impeached

The reason for these moves was that the entry of the State President into the midst of a political controversy was seen as compromising the tested traditions of the highest office in South Africa

Mr Vorster came to power in 1966 as a man who had built up a formidable reputation as Minister of Justice for "kragdadigheid" But he surprised many people after his election as Prime Minister, in that the jackboot image of this man who had once belonged to the Ossewabrandwag and who had been interned during World War II, changed as Mr Vorster began to demonstrate a relaxed pragmatism that won him many friends in all sections of the community

Opinion polls only last year showed that Mr Vorster's support among his own language group and political party was over 95 percent, and among English-speakers 83 percent

The 12 years of Mr Vorster's premiership have been seen as among the most significant yet for South Africa, and he personally was seen as a man of paradoxes and contrasts, interpreted by admirers as political versatility and by his detractors as moral inconsistency

Last year Chief Gatsha Buthelezi, Chief Minister of Kwazulu, said on hearing that Mr Vorster was resigning as Prime Minister that "history will judge him as a man who missed the chance to be a great statesman"

And the noted South African writer and historian Alan Paton said he agreed with this "severe but measured judgment, which I regard to be the plain and simple truth"

"But", said Paton, "one should in fairness remember that if he had tried (to become a great statesman) he might have proved a great failure, broken by the forces of Afrikaner nationalism — the same forces that defeated General Hertzog and General Smuts before him

"That for him would have been the ultimate tragedy"

1979

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Mr Vorster

MR VORSTER The commission reversed its earlier finding that Mr Vorster was not guilty of irregularities while Prime Minister Highly critical of him, it found he had not told the correct story and, by sanctioning a report covering up irregularities, was himself guilty of a serious irregularity

P W Botha

MR P W BOTHA In a voice breaking with emotion, he told the Assembly that Mr Vorster had resigned as State President He expressed appreciation of the services Mr and Mrs Vorster had rendered without any personal gain, and said the cabinet believed Mr Vorster's honesty and integrity was unimpugned

General Van den Bergh

GENERAL HENDRIK VAN DEN BERGH The commission, which the general called a farce after its first report, publishes a lengthy substantiation of its earlier findings on the general's sinister role It says he may have tried to destroy the commission to prevent further revelations

Eschel Rhoodie

DR ESCHEL RHOODIE The Commission questions vasts amounts paid into his and his wife's bank accounts when Dr Rhoodie was drawing large sums, often in cash, to pay "anonymous collaborators" Between 1974 and 1977 R416 265,70 was paid in, R123 700 of it in cash

Connie Mulder

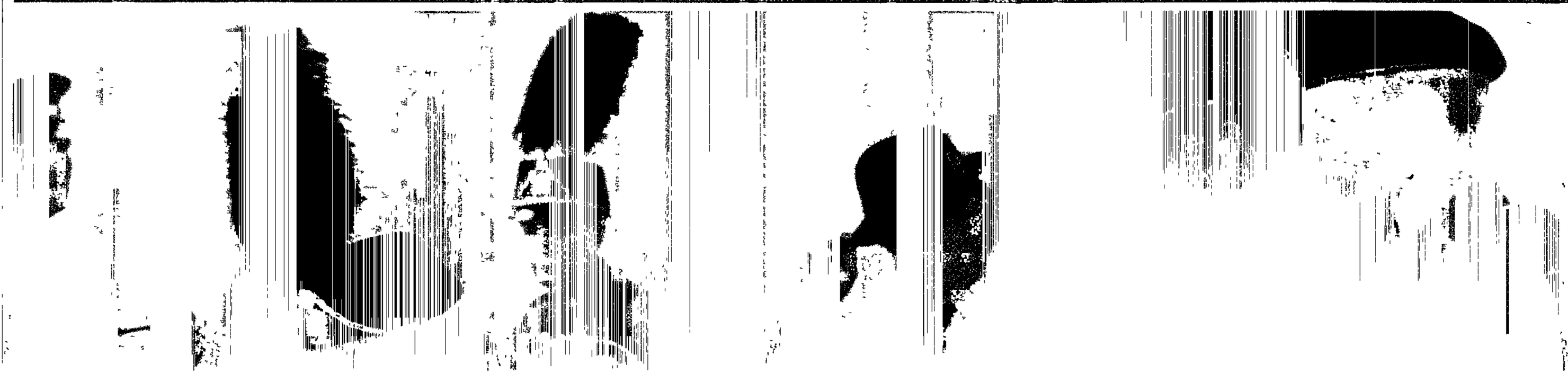
DR CONNIE MULDER The commission found the former Minister of Information had improperly tried to influence Information printing contracts in favour of Perskor of which he was a director It also branded as lies Dr Mulder's reasons for refusing reappear before it

The final Erasmus Report

reports on pages 4, 5, 6, 7, 8

Vorster: The end

Mr Vorster leaves the Tuynhuys for the last time



Just after 4pm, on a grey winter day, Mr Vorster leaves the Tuynhuys, official residence of the State President, a private citizen, after formally resigning from the highest office in the Republic Only a few members of the State Prosecutor's

Nic Rhoodie

PROF NIC RHOODIE Received more than R115 000 in work commissioned by his brothers in the Department of Information The commission found this reprehensible suspected "a most profitable partnership and recommended that criminal proceedings against Professor Rhoodie be investigated

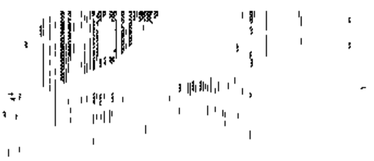
Denys Rhoodie

DR DENYS RHOODIE Paid in R32 000 over the same period, R22 000 of it in cash The commission rejected his explanation that, on a net salary of R636 he had been able to deposit more than R12 000 from cash on hand built up at home for contingencies

Koos Waldeck

MR KOOS WALDECK The report says Mr Waldeck was vindictively retired as administrative officer when the department of Information was restructured in 1978, because he tried to put a brake on the irregularities of the Rhoodie brothers It recommends compensation for the injustice done him

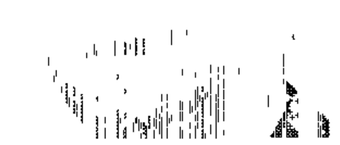
Senator Horwood



SENATOR OWEN HORWOOD The commission finally cleared all present cabinet ministers of knowledge of irregularities It

President's staff, and some security men, were at the Tuynhuys doorway at this poignant moment in South African history — the end of an era

Newscolour Richard Bell



Vorster's orders to cyclists bumped by a bigger vehicle at an intersection where they had no right to be

Jan van Zyl Alberts

JAN VAN ZYL ALBERTS The man who received R16 million to use on a variety of secret Information projects, including the Citizen and To the Point was found to be the trusted associate who lined his pockets The commission believed his misappropriations pointed to fraud and theft

Public career over

By MICHAEL ACOTT
Political Correspondent

THE State President, Mr Vorster, was forced out of public office yesterday when the Erasmus Commission severely criticized his judgment and decisiveness during his final years as prime minister

Mr Vorster's resignation was announced by the Prime Minister, Mr P W Botha, as the commission's final report was tabled in Parliament

The report ended Mr Vorster's public career with the finding that he must bear joint responsibility for the continued irregularities in the former Department of Information

Mr Botha told the Assembly, however, that this in no way reflected on Mr Vorster's honesty and integrity, and that his predecessor had served the country without any personal gain

Mr Vorster left the State President's official residence, Tuynhuys, an hour before the President of the Senate, Senator Marais Viljoen, was sworn in as acting State President for the second time within a year

Mr Vorster's resignation could precipitate the major Cabinet reshuffle Mr Botha is known to be planning Current speculation is that the Minister of Transport Mr Lourens Muller, is likely to be elected State President

Opposition leaders immediately called on Cabinet ministers who had served under Mr Vorster to accept joint responsibity for the way Mr Vorster had governed, and to resign There are also likely to be renewed calls on Mr Botha to hold a General Election

The Erasmus report said Mr Vorster had failed to reveal irregularities that came to his attention, had concealed them from his Cabinet colleagues, and had failed to take purposeful steps to end a wrong state of affairs

The commission also found that Mr Vorster, in sanctioning the Reynders report which he knew falsely cleared Dr C P Mulder and others of irregularities was himself guilty of a serious irregularity

It reproached Mr Vorster for failing for more than a year to stop State spending on the Citizen, of which he had been aware since at least August 1977, and found his behaviour unacceptable, in spite of his state of health

It also criticized him for failing to inform his Cabinet until he was virtually forced to do so by the revelations of Mr P R van Rooyen, shortly before Mr Vorster retired as prime minister

In other sections, the report uncovered new irregularities, ranging from major misappropriations to "minor" irregularities concerning charter flights

The commission

- Confirmed its interim finding that no present Cabinet minister had known of irregularities in the former Department of Information, including the State funding of the Citizen It said suspicious circumstances fell far short of proof
- Found it incredible that $6,35 million was "lost" out of a total of more than $11 million sent to the American publisher, Mr John McGoff, in his attempt to buy the Washington Star No account could be given of what had happened to the money
- Found that Mr Jan van Zyl Alberts, a key man in many Information secret projects, had "lined his pockets" through a bewildering series of inter-account transfers of some of the R16 million with which he was entrusted It recommended prosecution of Mr Alberts and Professor Nic Rhoodie for irregularities
- Recommended amended legislation to enable prosecution of a person without the danger of the State being blackmailed with the threat to disclose official secrets
- Noted that the failure to prosecute General Hendrik van den Bergh for calling the commission a farce had hampered it in its work, and recommended that judicial commissioners be entitled summarily to sentence people for contempt

Cas de Villiers a lady's man

Political Correspondent

THE PURSUIT to Europe of the director of the Foreign Affairs Association by his woman public relations officer has been added to the many bizarre ways in which public money was spent secretly during the Information scandal

The director, Mr Cas de Villiers, is described in the final Erasmus report as a glib-tongued, quick-tempered ladies' man with a penchant for flashy cars

Although married, Mr De Villiers struck up a relationship with the FAA public relations officer, Miss Hester Lamprecht They would spent hours in his office together during which he was "not available"

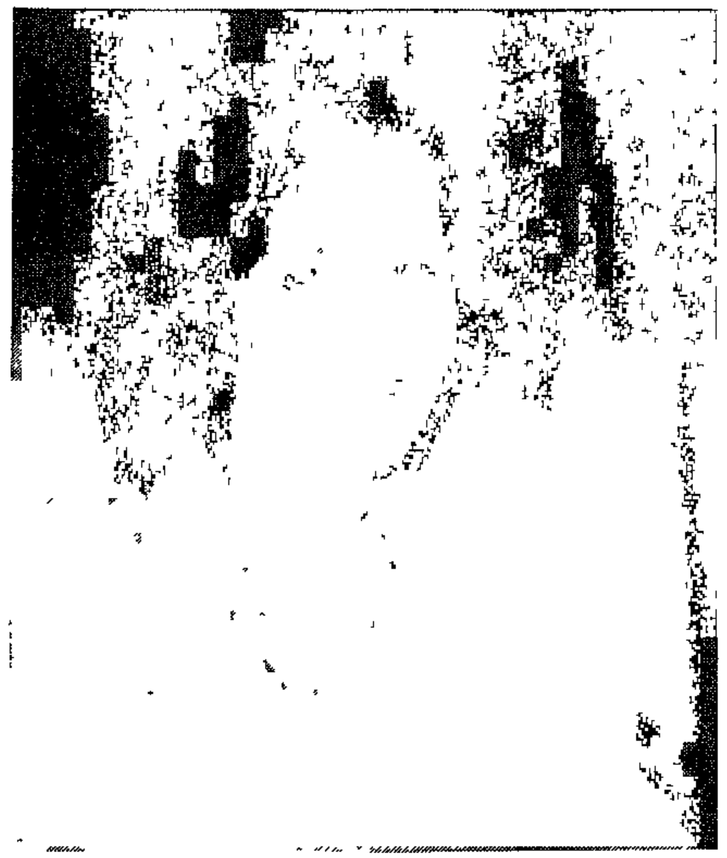
Miss Lamprecht, the report says, was upset to learn Mr De Villiers had broken away from an official touring party in Europe to holiday with another woman

She flew to Europe at State expense "because she wanted to talk to him about her leave". Having tried unsuccessfully to arrange an official appointment with someone else in London, she was also entitled to a R100 a day allowance before she took leave

"If one reads the evidence...one finds a good example of two people playing a cat-and-mouse game in Europe with State money," the report says

It commends the decision to dissolve the FAA, something Mr De Villiers' colleagues had asked the cabinet to do in view of his behaviour

FAA — Source of unearned pleasure, page 7



Miss Hester Lamprecht — Mr Cas de Villiers's public relations officer at the Foreign Affairs Association with whom he formed a relationship

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- **Cheerless mood as Vorster leaves**
- **Sad day for SA — V d Bergh**
- **Waldeck jubilant his name cleared**

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- **Scandal — 'little effect abroad'**
- **Wiley 'accepts' findings of report**
- **Raw: Black chapter ends**

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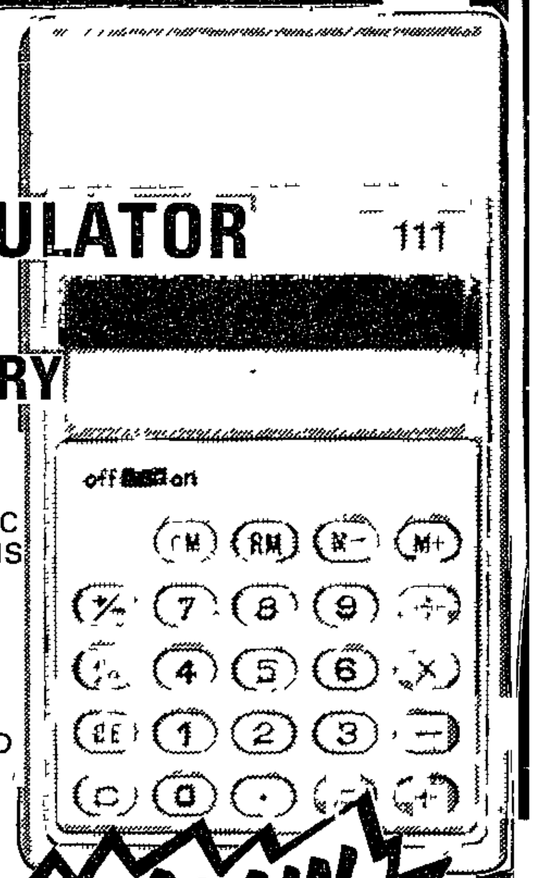

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No engagements for Mr Vorster

MR JOHN VORSTER, through his private secretary, yesterday declined requests for interviews, statements and photographs after his resignation as State President had been announced

And it was announced through the Information Service that all Mr Vorster's engagements as State President had been cancelled with effect from yesterday Those concerned would be informed in writing

After taking leave of the Prime Minister, Mr P W Botha, and other members of the cabinet at the Tuynhuys, the State President's official residence, Mr Vorster returned to Groote Schuur, formerly the official residence of South Africa's prime ministers, which is to become a Rhodes Museum

Mr Vorster will presumably be moving out of Groote Schuur as soon as his personal belongings and those of his family have been removed

His successor as State President will probably also live at Groote Schuur until the new enclosed forecourt planned for the Tuynhuys has been completed to ensure privacy for the presidential family

Cheerless mood as Vorster leaves

By ROGER WILLIAMS
Chief Reporter

THE MOOD at the Tuynhuys was as sombre and as grey as the winter rain-clouds that rolled in over Cape Town from the sea

Stalplein, scene of so many historic events, looked bare and deserted And the sound of dried leaves being flurried by the nor'-wester made its own contribution to the air of solemnity as Mr John Vorster appeared in the doorway just after 4 pm, donned his black hat and left the official residence of the State President by car — as a private citizen

The poignancy of this brief, unrehearsed and unheralded event was witnessed by a handful of guards and officials. There were no members of the public about, and the absence of the large blue presidential standard on the Tuynhuys flagpole added to the starkness of the scene

Mr Vorster had said his farewells and the Prime Minister, Mr P W Botha, and other members of the Cabinet remained inside the Tuynhuys for the next move on this historic occasion — the swearing-in of Mr Marais Viljoen, President of the Senate, as Acting State President

It was the second time in less than a year that Mr Viljoen had been called on to act in this position He was sworn in by the Judge-President of the Cape, Mr Justice J W van Zijl, at 5 pm by which time a small knot of curious passers by had stopped near the entrance of the Tuynhuys to try and find out what was happening

A young member of the State President's Guard stood at attention near the entrance, holding the halyard which, at a signal, he tugged to break out the presidential standard This signified that there was a new (although temporary) incumbent of the high office Mr Vorster had just vacated

The swearing-in ceremony over, Mr Viljoen and those who had witnessed this brief formality crossed the hallway to the spacious reception room, for the exchange of greetings and for the refreshments that usually follow such events

But there was an air of unreality about the whole thing There were no smiling faces, no pleasantries — just this sombre assemblage of the men who conduct the affairs of State, going through a formality that had to be performed but which obviously gave them no cheer

Adding to the unrealness of it all was the absence of the man who has dominated the South African political and public scene for so long, and who has always been a prominent figure at such historic events — Balthazar John Vorster

Cheers and 'amen' in Kwazulu assembly

Own Correspondent

ULUNDI — Loud cheers and shouts of "amen" in the Kwazulu legislative assembly yesterday greeted the announcement that Mr Vorster had resigned as State President

Chief Gatsha Buthelezi told the house that Mr Vorster had resigned and that new frauds had been uncovered He added "They obviously did not have enough paper to paper the cracks"

Mr Simon Conco, the Chief Whip, whose speech the chief had interrupted to make the announcement, tried to switch topics in mid-stream but the Speaker forbade him to discuss Mr Vorster

Mr Conco said the house had "expressed our jubilation because this is the man who had been responsible for so many of our problems"

No further reference was made in yesterday's debate to the Erasmus Commission findings

Statement from UPI

JOHANNESBURG — Mr Eric van Ees, Johannesburg representative of United Press International yesterday issued the following statement

"The Erasmus Commission supplementary report refers to Mr John McGoff buying a 50 percent interest in 'United Press International and Television Network' or 'UPI TV'

"There is in fact no such organization The organization in which John McGoff has an interest is called 'Upitn Corp'

His interest in Upitn Corp is 50 percent, not the controlling interest the report refers to

"The other shareholders are United Press International, with 25 percent and Independent Television News, the British Television Company Upitn Corp's byelaws lay down that UPI, ITN and McGoff have an equal say on the organization's editorial committee and any decision of McGoff's could be vetoed by the other two stockholders voting together" — Sapa

A tragedy, says Retief van Rooyen

PRETORIA. — Mr Retief van Rooyen, the Pretoria advocate commended in the Erasmus Commission's report for the role he played in bringing irregularities in the former Department of Information to the attention of cabinet members, said yesterday that he saw Mr B J Vorster's resignation as State President as a great tragedy.

Mr Van Rooyen said he had always had the greatest respect for the integrity of the former Prime Minister

"I was always convinced he would not be part and parcel to gross irregularities or reckless spending of State funds," Mr van Rooyen said

"For this reason I considered it my duty and felt free to inform him after I had become aware of serious irregularities He indeed expressed his shock to me when from time to time I informed him of new irregularities"

Mr Van Rooyen said he saw Mr Vorster's resignation as a great tragedy for South Africa "because he is a man who devoted his entire life to leading his people and did this with distinction"

Mr Van Rooyen sais "For that reason it is a pity to see him leave public life in less than happy circumstances"

Dr Jan van Zyl Alberts, former manging director of To The Point magazine and of the Citizen newspaper, declined to comment yesterday on the commission's report — Sapa

Mr Marais Viljoen, President of the Senate centre after he had been sworn in at the Tuynhuys as Acting State President by the Judge-President of the Cape, Mr Justice J W van Zijl, left, in the presence of the Prime Minister Mr P W Botha, right, and other members of the Cabinet

Waldeck jubilant his name cleared

Own Correspondent

JOHANNESBURG — A jubilant Mr Johannes Waldeck, former head of the administration branch of the Department of Information, said late yesterday he was grateful that his name had been cleared by the Erasmus Commission

Speaking from his Waterkloof home last night, Mr Waldeck, who was prematurely retired last year by Dr Eschel Rhoodie, said "I'm grateful that by giving evidence to the Erasmus Commission that it has removed all doubt about my role [illegible]

Sacked Info man wants job back

Own Correspondent

JOHANNESBURG. — Mr Roland Hepers, a former senior officer in the Department of Information, who was forced to resign for allegedly referring to corruption in the department, yesterday said "my ultimate aim is to get my job back".

The final report of the Eras- [illegible]

'My affair with Cas is dead'

Own Correspondent

JOHANNESBURG — Smarting over the Erasmus Commission's comments about her affair with her former boss, Mr Cas de Villiers, Miss Hester Lamprecht last night said "There is no longer anything between Cas and I Our affair is dead and has been dead for some months"

The 28-year-old former public relations officer who was employed by the Foreign Affairs Associaton till it was uncovered as a government front organization, said all she cared about now was her relationship with her current boyfriend, Mr Pierre Viljoen, a Pretoria company director

"Pierre and I are due to fly to Europe later this month for a six-week holiday in Italy and Greece We have been going out for two years and I think we have a special relationship

"About the tie-up between Cas and I, — there is nothing I can [illegible]

I stand by him, says wife of Cas

Own Correspondent

JOHANNESBURG — Looking composed and serene in spite of allegations about her husband's conduct as director of the disbanded Foreign Affairs Association, Mrs Erna de Villiers last night said she would stand by him.

"I do not think there is anything to be scared of. I have [illegible]

Tonight's TV

5.30. Boekevat.
5.34. Haas Das. The latest news from Animal Land brought to you by Has Das
5.40: Wielie Walie. Elma Potgieter entertains the little ones Produced by Hannalie van der Merwe
6.00: Nuus.
6.13: Pinocchio. Pinocchio is sick because of his encounters with the sly Mario and the nasty Gatto
6.42: Van Bo Af. A look from above at a variety of situations
6.48: Van Posklip Tot Satelliet: Agter Die Skerms. The electronic wonders of tomorrow are already being used in the telecommunications network of South Africa
7.30: Voorbladnuus: Sabotasie Van Die T-1000 A young physicist so impresses his company that he's appointed successor to the retiring director Then he's accused of sabotaging the company's latest project and selling confidential information to the opposition
8.00: News.
8.25: Weather
8.30: Havoc: The Great Ohio River Flood. In Maysville, Ohio, in the infamous February of 1937 singer Rosemary Clooney was only a child and there was nothing new about the Ohio River rising — it happened every year and the people who lived on River Street were used to moving out of their homes for a little while
8.55: Dallas. Act Of Love. Bobby is about to clinch a deal in which Pamela is involved, but her job requires her to attend a fashion show in Paris at the crucial time Meanwhile, Sue Ellen makes contact with Cliff Barnes
9.45: The Amazing Years Of Cinema: Monsters Movie monsters through the years
10.15: Walk Right In. A programme of song, dance and chat, hosted by Michael McGovern Produced by David Vaughan
10.35: Epilogue. The Rev George Irvine

TV last night

THERE was much drama on television last night, first in the news which did a very competent job covering Mr Vorster's resignation after the [illegible] graphed and the commentary by Jan Snyman was good

It highlighted the fact that fundamental journalistic skills

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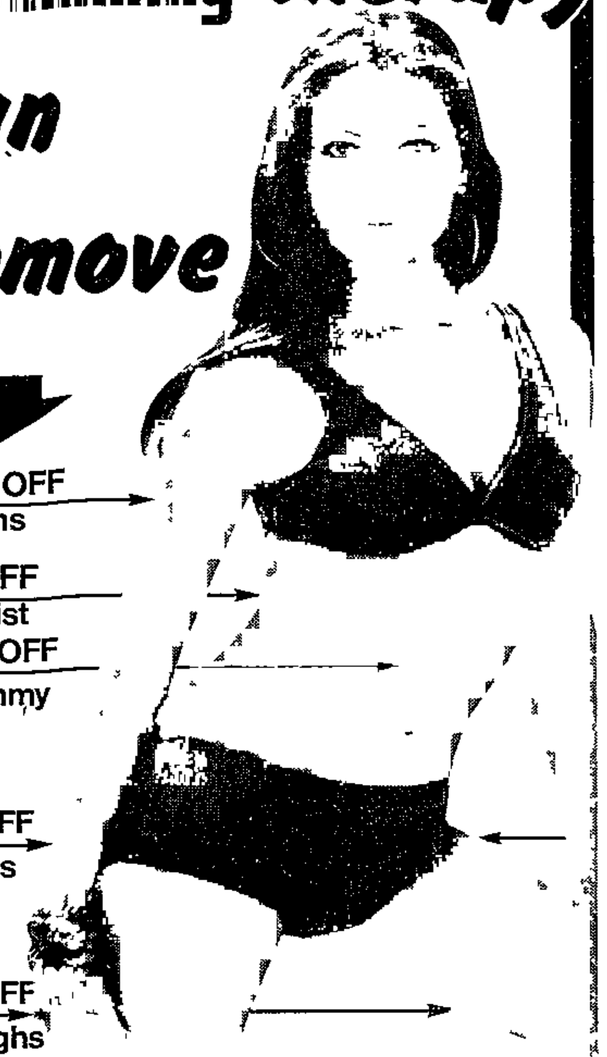

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give evidence by friends and I then agreed to do this It has resulted in clearing my name and although I had always believed that I had nothing to be ashamed of, it is nice that the commission has confirmed this"

Mr Waldeck paid tribute to the press who had supported him after his premature retirement

"I bear nobody any grudge and simply believe that truth is a force that will prevail as it has done in my case"

Mr Waldeck, who for the past several months has been working in the Transvaal Provincial Administration, confirmed that he had come out of retirement "But this has been to keep myself occupied I'm enjoying my work and it's keeping me out of mischief," he said

peared to have been irregular and he was obviously deeply aggrieved because he was forced to resign and was still trying to gain readmission to the Information service.

The commission recommended that the state consider granting relief to him as an innocent person who had lost his employment.

In May last year, Mr Hepers was denounced by the Citizen as the man who was leaking stories about the Department of Information to the press.

Mr Hepers was a former journalist for the Information Department and now works at a hospital in Pretoria.

have to phone me," Miss Lamprecht said

Her affair with her former boss lasted just over a year, till about last October, when they returned from a conference in New York

Cas de Villiers is 'to take legal advice'

JOHANNESBURG — Mr Cas de Villiers Director of the disbanded Foreign Affairs Association who was criticized in the Erasmus Commission report as not being equal to the post, refused to comment last night on the commission's finding

"I am not prepared to say anything at this stage Naturally I am upset by the report and I am going to play it the way I should play it I am going to take legal advice on what my next move shold be I am going to give full perspective of this whole thing"

or I have been guilty of dishonesty and integrity"

The commission described him as not equal to the post of head of such an oranization, as fancying flashy and good cars and being something of a ladies' man

Mrs De Villiers does not believe her husband had an affair with the FAA's public relations officer, Miss Hester Lamprecht

"Hester Lamprecht is a wonderful person She and her boyfriend came to our house on occasions She did her work and did it well."

sode was presented sanely, objectively and in a most impressive manner

But what most viewers were waiting for was the big fight between Kallie Knoetze and John Tate What many people must have asked themselves was Why didn't they broadcast it direct? The only reason I can think of is that negotiations between the SABC and the SA Rugby Board on the broadcast of rugby matches have reached a delicate stage and the direct broadcast of the fight could well have emptied every rugby ground in the Republic

But the fight as we saw it last night was full of drama It was fairly well photo-

wind-bags the knoetze was outclassed, out-thought and out-boxed

And the surprising thing, was that this was evident from the moment the fight began What we saw in that first round was Tate the boxer against Knoetze the slugger and the slugging was simply not good enough

However, it was a dramatic bout and the SABC cameras and commentators gave us a very good feeling for the occasion and the atmosphere A pity though that the cameras did not zoom in on all those VIP's sitting in ringside seats This would have added to the flavour

Brian Barrow

Sad day for SA — V d Bergh

Own Correspondent

JOHANNESBURG. — General Hendrik van den Bergh described it as a sad day for South Africa when he was told of the resignation of the State President, Mr Vorster

Speaking from his farm near Bapsfontein yesterday, the man who once described the Eramus Commission as a "farce", told pressmen who sought his reaction to the latest Erasmus report "I don't know what to say — I'm just shocked"

"If these are the thanks that you get for offering your life fo your country that's how South Africa is saying thank you to John Vorster"

He had seen the State President's resignation coming but it was still a bad day for South Africa

"It will still be some time before the dust will settle on the Information scandal and even then it will only be after the court cases And what will happen if the courts were to find differently and reject certain evidence — who will then repair the damage?" he asked

Of the chapter devoted to General Van den Bergh, he said. "I'll have to digest everything and consult with my lawyers before I make any statement"

Asked whether he would be communicating with the former State President in view of their lifelong friendhip, he said "I'll have to think about everything before I decide whether I shall contact him"

General Van den Bergh said he was pleased to note that in its latest report the commission refers to him as General Van den Bergh, not simply Van den Bergh

"It seems they have given me my rank back," he said

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weather

CAPE PENINSULA AND VICINITY and Western Cape coastal belt Cloudy and cold with rain and showers Wind fresh northerly to north-westerly The maximum and minimum temperature will be between 15° and 14° C

Coastal belt Sir Lowry s Pass to Plettenberg Bay Cloudy to partly cloudy and cold with rain and showers Wind light to moderate north-westerly to westerly

Namaqualand and the south-western Cape interior Cloudy and cold with rain and showers in the south-western Cape otherwise partly cloudy

Coastal belt Plettenberg Bay to Port Alfred Cloudy and mild with isolated light showers and possible thunder showers at first becoming partly cloudy and cooler from the west Wind moderate north-westerly to westerly

Pretoria Witwatersrand and the eastern Highveld Fine to partly cloudy and mild with fog patches over the Highveld in the morning

Transvaal Fine to partly cloudy and warm but mild over the south and south-western parts Light showers are expected over the south-western districts

Free State and Cape north of the Orange River Partly cloudy and mild with showers Griqualand west and the southern and central areas of the Free State

Natal Fine to partly cloudy and warm with thundershowers over the southern parts

SWA/Namibia Partly cloudy and warm to hot in the north otherwise cool with light rain or showers over the central regions Coast partly cloudy and mild with fog patches

Botswana Partly cloudy and warm but mild over the west and south-western regions with showers

YESTERDAY'S READINGS

	noon	8pm
Barometer	1012 3	1011 4
Humidity	95 0	89 0
Temperature	15 9	16 2

maximum 17 9 minimum 13 7 (At D F Malan 24 hours to 8pm)

Water temperatures Sea Point 12° Sea Point pool 15° Newlands pool 16° Muizenberg 14°

Hours of sunshine 0 2

Wind (D F Malan) 8pm Northerly 11 knots

Tides (Table Bay) today

High	1157	---
Low	0548	1754

Sun sets 1744 rises 0745

Moon rises 1438 sets 0224

WEATHER ELSEWHERE

		min	max
Rome	clear	15	31
Paris	cloudy	18	26
London	cloudy	16	19
Madrid	clear	12	29
Moscow	cloudy	9	21
New York	cloudy	17	29
San Francisco	clear	11	15
Tokyo	clear	19	26
Hong Kong	clear	25	29
Rio	cloudy	12	27
Lisbon	clear	15	25

Phases of the moon

Full Moon June 10
Last Quarter June 17
New Moon June 24
First Quarter July 2

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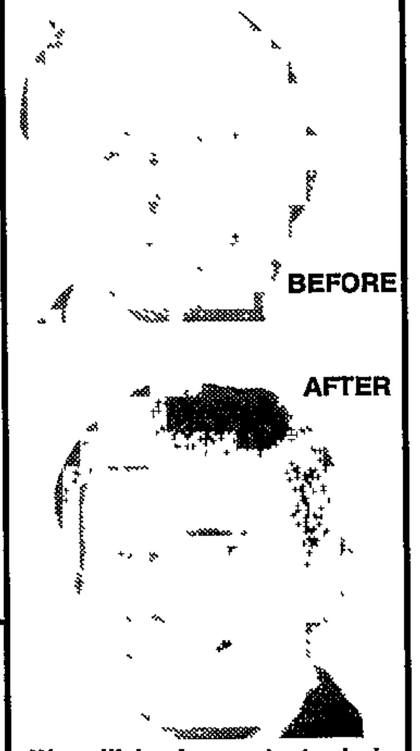

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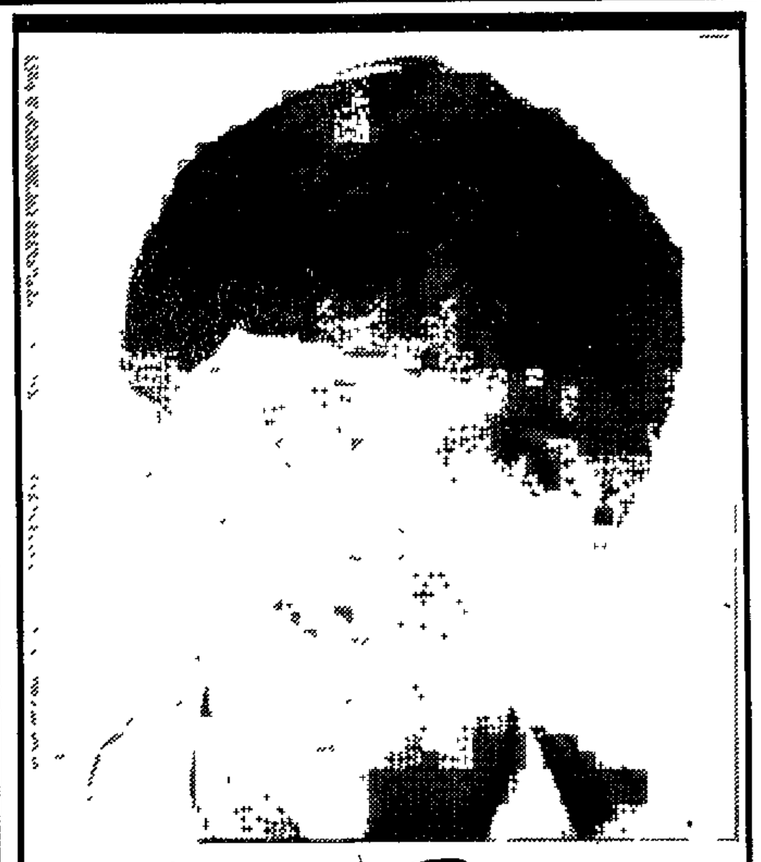

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US likely to dig deep in Info affair

The Star 5/6/79

259

By Hugh Roberton,
The Star Bureau

WASHINGTON — The US Justice Department's inquiry into South Africa's Information scandal is expected to become a full-scale investigation following yesterday's Erasmus Commission disclosures

According to Administration sources, the probe of the scandal's American ramifications is likely to include the investigatory arms of the Internal Revenue Service and Treasury Department and could lead to the appointment of a Federal Grand Jury

A grand jury has the right to subpoena documents, bank records and witnesses and in practice would be akin to an American version of the Erasmus Commission

The FBI has interviewed US newspaper publisher Mr John McGoff about the $11,5-million (R9,75-million) he received secretly from the South African Government.

The Erasmus Commission disclosed yesterday that Mr McGoff used the money to buy the Sacramento Union and that he still has not paid back $6,3-million (R5,35-million) of the amount

The FBI is expected to submit a report of its interview with Mr McGoff — and several other unidentified Americans — by the end of the week, though it is likely to continue investigating US aspects of the South African scandal in co-operation with the Internal Revenue Service and the Treasury

Mr McGoff could not be reached for comment An official of his company, the Panax Corporation, said there was little chance of any reaction to the Erasmus Commission disclosures

Earlier this year, Mr McGoff strenuously denied having received money from the South African Government to support his bid for the Washington Star

Officials of the Sacramento Union also declined to comment, but said there might be "an editorial response in the next day or so"

ALLEGATION

Justice Department officials will not say what aspects of the South African scandal are now under scrutiny in the US, but it is believed that there are two main areas of interest

One is an allegation by the former Secretary for Information, Dr Eschel Rhoodie — subsequently repeated by several British newspapers — that bribes were paid to American politicians and trade union leaders by the South African Government

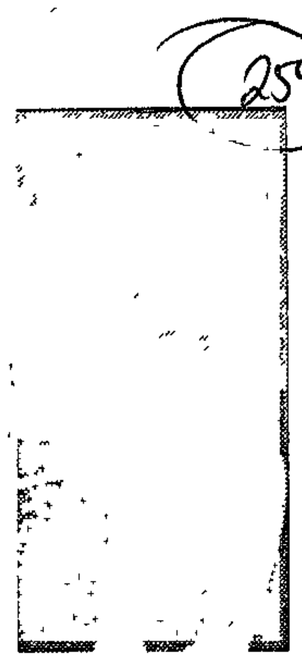
The other is the possibility that the Foreign Agents Registration Act, which seeks to protect the US news media from foreign control or influence, was contravened by the South African Government's secret projects in the US

INTERESTS

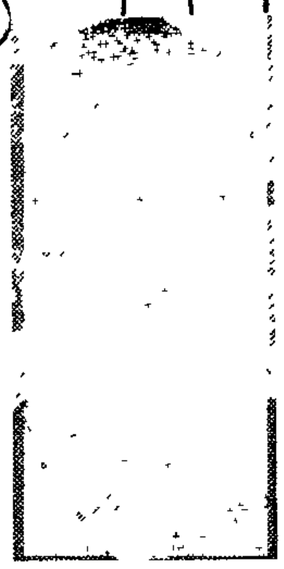
The Act requires US citizens to register as foreign agents if they represent the interests of a foreign government. It also limits the capital which a foreign government can invest in a US newspaper or other news organisation

There was no immediate reaction from the US Government, to the resignation of the State President, Mr Vorster

Not many members of the Carter Administration knew Mr Vorster and his resignation as Prime Minister last year was seen here as having been the unofficial end of his political career



Mr John McGoff . . . questioned by FBI.



Dr Eschel Rhoodie . . . spoke of bribes.

Vorster's fall big story in UK Press

The Star Bureau

LONDON — Mr Vorster's resignation is the main story in the leading British national newspapers today

It has also been the top item on radio and television news bulletins since the announcement by Prime Minister Mr P W Botha yesterday

Dutch and Belgian news carried the resignation as their main item TV viewers there and in the UK saw The Star presses rolling off a special edition with the headline "Vorster Quits"

The three main British political parties refused to comment on what they see as a "domestic affair."

Most other traditional enemies of the National Party Government were also muted

The Rev Paul Oestreicher, chairman of the British section of Amnesty International, would make "no personally negative remark about Mr Vorster now that he is down and out"

VICIOUS

Apart from that in the communist Morning Star, the most vicious comment is carried by the mass circulation Daily Mirror

Its special report by foreign editor Nicholas Davies says: "President Vorster has finally been branded by his own supporters as a contemptible liar

"His crude attempts to manipulate public opinion in South Africa, Britain and the United States through newspapers and magazines has backfired"

The Daily Mirror's editorial calls Mr Vorster "a liar who was found out"

The Sun, Britain's biggest circulation tabloid, reports Mr Vorster's resignation alongside the announcement of its readers' choice of favourite nude model

The granite face of the former President shares a centre-page spread with four beautiful topless women

The Daily Mail reports in its lead story that Mr Botha's administration is "shaken to its foundations by the debacle"

PATHETIC

Further reports inside say Mr Vorster "is exposed as a somewhat pathetic character, a liar and a party to the fiddling of taxpayers' funds"

The Daily Mail editorial praises the South African Press role in the affair "The truth seekers have got their man," it declares

It slams what it calls Mr Botha's attempt to "gag" the Press through the Advocate General Bill

The Guardian, which leads with the resignation and carries two further reports inside, also concentrates its comment on the Gag Bill

"Not only does the Bill deeply discredit the National Party on general grounds — that it wishes to stifle one of South Africa's redeeming institutions — but it suggests that many individuals are even now fearful of what the Press might unearth," it says

Mr Vorster's downfall, like Mr Nixon's, sprang more from the cover-up bid than from the original misdeed, the Daily Telegraph says

Resignation could help us, say Nats

Opposition parties in tomorrow's Randfontein by-election believe the Erasmus Report and Mr Vorster's resignation as State President will further damage the National Party in the by-election

But NP spokesmen believe the latest events could actually help the NP

Local NP supporters have also been strong supporters of Dr Connie Mulder, former MP for Randfontein and former Minister of Information

Many local Nationalists were bitter at the NP as they believed Dr Mulder had been made a scapegoat

Now that the Erasmus Commission has castigated Mr Vorster, who is also out of public life, NP supporters might not feel so strongly about Dr Mulder being singled out, NP officials point out

But Mr Neville Warrington, the Herstigte Nasionale Party candidate, said there was no doubt the latest events would help the HNP

He said this was the "second last stage of the dissolution of the National Party" The last stage would be when the party finally disbanded

Voters did not vote for a party that was breaking up, he said

Both the New Republic and Progressive Federal parties hope the Erasmus Report and Mr Vorster's resignation will increase opposition support

(Report by D Breier, 47 Sauer Street, Johannesburg).

The rise and fall of Balthazar Johannes Vorster

By Leon Marshall, Political Staff

CAPE TOWN — Dr Eschel Rhoodie's nickname for Mr B J Vorster, was "Olympus"

This was perhaps prophetic because Mr Vorsters' rise to the highest office and the circumstances of his departure have the elements of a Greek tragedy

By the time he stepped down as Prime Minister last year and made himself available for the State Presidency, his electoral support showed him to be one of the most popular leaders the country has had

It was in sharp contrast to when he was elected National Party leader and, consequently, Prime Minister 12 years before in the place of the assassinated Dr Verwoerd

At that stage cartoonists depicted him with jackboots and a nazi cap That was the image he earned as the tough Minister of Justice and Police of the early 60s.

Not too many years later he was depicted as the golf-playing, joke-cracking Prime Minister. That earned him the nickname "Jolly John" among conservatives who were very disappointed he had not remained the tough, unyielding Prime Minister they had expected

Born on December 13 1915, in Jamestown, Balthazar Johannes Vorster started to take a keen interest in politics when he studied law at the University of Stellenbosch.

His rise to political notoriety came when he joined the Ossebrandwag during World War 2 and was arrested as a "general" in the movement and jailed for three months before being sent to the internment camp at Koffiefontein.

On his departure under guard from Port Elizabeth station he managed to lock his two guards out of the compartment and then addressed a crowd of friends who had gone to see him off

With him at Koffiefontein was General Hendrik van den Bergh, described by the Erasmus Commission as "the power behind the throne" while Mr Vorster was Prime Minister

Released in 1944 Mr Vorster started practising law and in 1948 was narrowly beaten when he contested the Brakpan parliamentary seat. In 1953 he captured Nigel for the National Party.

He became Deputy Minister of Education, Arts and Science in 1958 and, when he piloted the tough Sabotage Bill through Parliament soon after becoming Minister of Justice in 1961, one newspaper headline read "Lover of nazis, hater of the English, bitter enemy of democracy — this is Vorster"

During his years as Minister of Justice and, later, of Police and Prisons he built his reputation as a tough and unyielding fighter against subversion and communism by smashing conspiracies wherever they occurred.

It was a reputation that made him virtually a natural choice for the premiership when Dr Verwoerd was assassinated in 1966

Even at that stage there were Nationalist conservatives who were worried about the direction in which Dr Verwoerd was moving and, in Mr Vorster, they saw the uncompromising ideologue they needed

They were wrong. Mr Vorster showed himself more inclined to seek communication with black leaders and also to slacken the apartheid barriers, especially in sport

Although he moved cautiously, he was not cautious enough A section of the National Party was worried about the direction in which he was moving and in 1969 he was faced with the traumatic breakaway of the Herstigte Nasionale Party of Dr Hertzog which led to a severe setback to the National Party in the 1970 election.

That gave Mr Vorster a shaky start as Prime Minister but it did not deter him from continuing his pragmatic approach to the point where, with his excursions into Africa, he became known as the Prime Minister who introduced Nationalism to the principle of detente.

Many wanted him to move faster with policy changes on the home front but the experience of 1969 appeared to have made him determined never again to split Nationalist Afrikanerdom.

Nevertheless he gripped the imagination, first with his contact with Africa (which did not come to much in the end) and, later, with his meeting and contacts with leaders of foreign countries and with Western leaders.

He engineered the process of constitutional revision by the Government to include coloured people and whites. The Wiehahn and Riekert commissions, which have come forward with far-reaching proposals, were appointed under him

LANDSLIDE

The height of his political career was the 1977 general election which he won with a landslide to the National Party. He did it on a "unite-against-a-hostile-world" ticket and at a time when the opposition was in serious disarray

But it was widely recognised that his personal popularity had much to do with it

Mr Vorster was elated by the victory and, talking to political journalists afterwards, he admitted that he had not expected such a landslide

It was not known that, at that time, the Information scandal had already started and that he was aware of it

His decision to stand down as Prime Minister, for reasons of health, barely a year after winning that election came as a shock but his election as State President was a popular choice

It was believed initially that he might play a more "politically active" role than former State Presidents, especially in the field of international affairs.

But as the Information bombshells started exploding it gradually became clear that his position was becoming uncertain and many realised that he was unlikely to see out his full term as fourth State President of South Africa.

Now Van den Bergh hits at amended report

General Hendrik van den Bergh yesterday criticised the supplementary Erasmus Report for producing a finding based on "untested" evidence

The former chief of the Bureau of State Security said the report had done irreparable harm to Mr John Vorster and others involved in the Information affair

DISAPPOINTED

He said he could not understand how the Government could accept the untested evidence of the Erasmus Commission, when the Prime Minister, Mr P W Botha, had rejected the untested evidence given to the Mostert Commission

He was "bitterly disappointed" at the resignation of Mr Vorster as State President There were others who would have filled the post as well as Mr Vorster, he said, but this was not the way the nation should thank the former Prime Minister for a life-time of dedication to South Africa

The general denied having tried to 'shoot down' the commission, but said it was a pity he had not done so "My only target was to show South Africa what was going on"

He had not criticised the commission, but its report, and he was not the only one to have called it a "farce"

General van den Bergh said he had used the wrong words before the commission when he had said "I have enough men to commit murder If I tell them kill . . . I do not care who the prey is These are the kind of men I have . "

RESPONSIBILITY

What he meant was that he had men who were reliable and dedicated enough to "fetch a tree from hell"

But his men had a sense of responsibility that would have prevented them from doing anything stupid, simply because the general had given the order

He had never demanded blind obedience from his men, who had been free to criticise if they disagreed with him

Charge us, challenges Pegg

The Star Bureau

LONDON — Mr Stuart Pegg, the South African businessman involved in the Department of Information's operations in Britain, has challenged the South African Government to lay charges against him and Mr David Abramson, his associate, as a result of Erasmus Commission allegations that they contravened exchange regulations

Of the allegation that he and Mr Abramson may have broken exchange controls by using profits from the Morgan-Grampian deal to buy Horfors shares in South Africa via security rands, Mr Pegg said yesterday. "The Reserve Bank knew all along what we were doing, and everything was done with the full knowledge of its officials. I won't say more until I have seen the full report."

Hepers is hoping for Info job

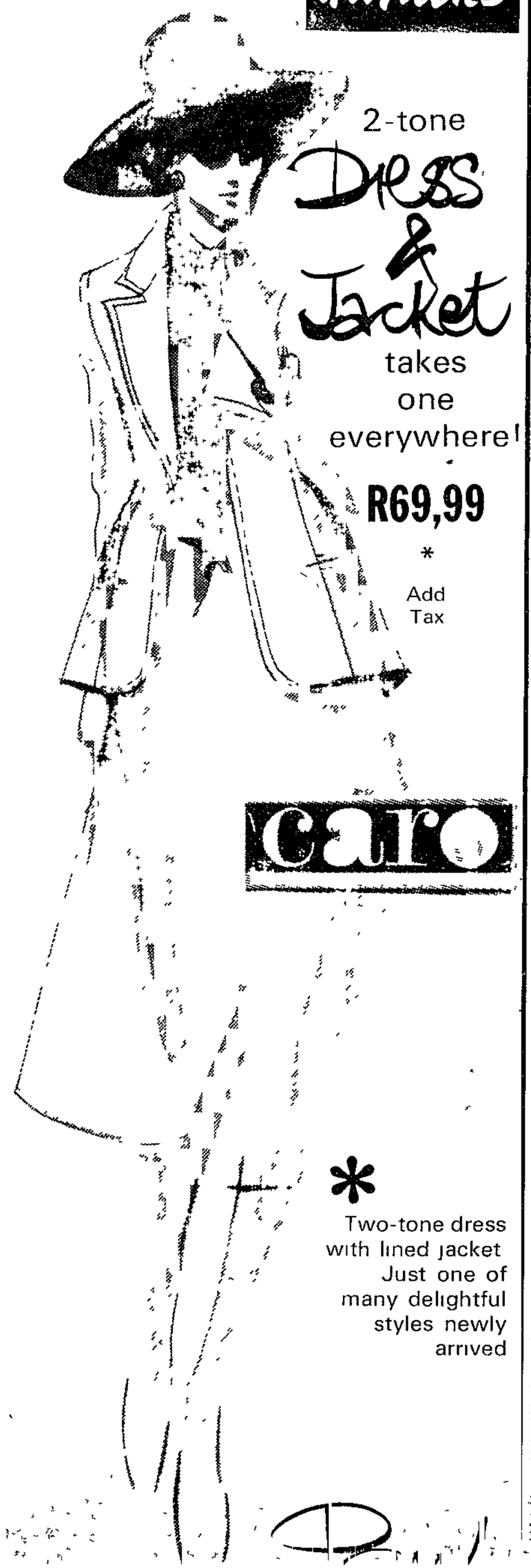
The former overseas head of Panorama magazine, Mr Roland Hepers who was forced to resign from the Department of Information by Dr Eschel Rhoodie hopes to get his job back

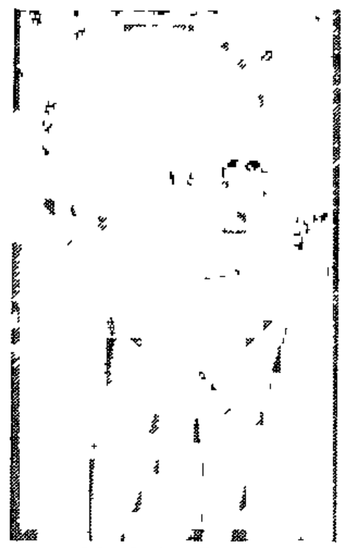
"The decision on whether or not I get a job back rests with Mr Pik Botha, the Minister now in charge of former Information matters," said Mr Hepers.

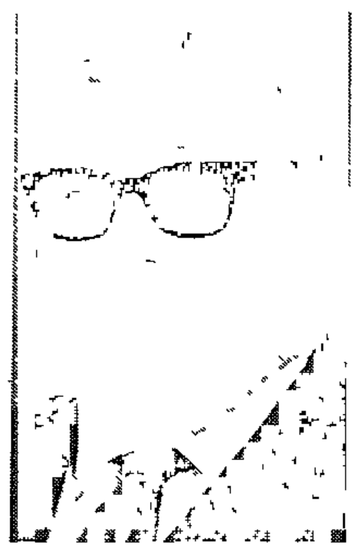
"After I resigned both Dr Denys Rhoodie and Mr Koos Waldeck came to me and said they were sorry for what had happened I think I became a threat to Dr Eschel Rhoodie When I realised something was wrong in the department I went to the Civil Service Commission"

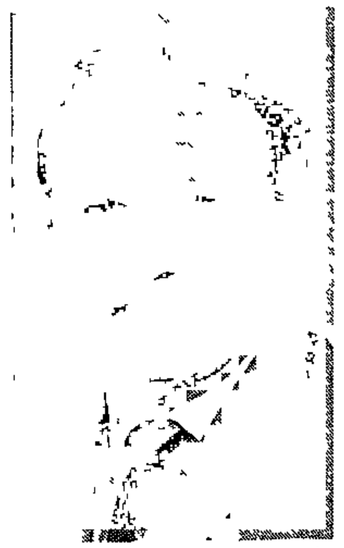
Showroom-2nd Floor

Garlicks




Mr Colin Eglin


Mr Vause Raw


Mr John Wiley

Eglin appreciates govt's attitude

HOUSE OF ASSEMBLY. — Mr Vorster's resignation was in the highest interest of the office of the State President, the Leader of the Opposition, Mr Colin Eglin, said yesterday.

Mr Eglin expressed the Opposition's appreciation for the announcements made by the Prime Minister, Mr P W Botha, regarding the government's attitude to the Erasmus Commission's report

"We are overwhelmed by the import of what has taken place," Mr Eglin said He hoped that an electoral college to elect a new State President could be convened at an early date so that a new chapter in history could be started

Mr Vause Raw, leader of the New Republic Party, said he and his party associated themselves with Mr Botha's remarks regarding the person of the State President

"While I accept there was no personal dishonesty or gain involved, the NRP believes there is a political responsibility beyond one person, a collective responsibility that must be debated," he said

He wanted an assurance from the government that immediate action would ensue to withdraw the passports of all persons implicated in the report to ensure they could not escape the country

Mr John Wiley, leader of the South African Party, also associated his party with the prime minister's remarks and said the State President had taken the only honourable way open to him

Mr Wiley wished Mr Vorster well in his well-earned rest and said the SAP associated itself with the further steps the government would take on the report

"I would also like to thank the Erasmus Commission for the work they have done under difficult circumstances," Mr Wiley said — Sapa

Report ends 'black chapter'

THE final Erasmus report brought to an end a black chapter in South African Government, the leader of the New Republic Party, Mr Vause Raw, said last night

In a statement to Sapa in Cape Town, Mr Raw said it revealed the worst feature of the situation which had developed under a National Party power structure which allowed super elites to operate unchecked

It has exposed a nightmare picture of lack of control and mal-administration which has allowed corruption to flourish

"That this could happen under the noses of a Cabinet with joint responsibility for the government is one of the saddest aspects of the affair It shows them unfit to govern"

It was fortuitous that the vacancy caused by the forced resignation of Dr Connie Mulder, who headed the Department of Information, was to be filled on Wednesday

"Here will be an opportunity for his own voters to give judgment on the way in which responsibility was first cast on him and his officials alone

Announcement was 'dramatic'

THE Prime Minister's announcement yesterday of Mr Vorster's resignation was one of the most dramatic ever made in the House of Assembly, the Leader of the Opposition, Mr Colin Eglin, said in a statement

Yesterday's turn of events was "above all, a triumph for the Parliamentary system of government and a vindication of the Opposition," he said.

Mr Vorster's decision was the correct one and was in the

The report would be debated in due course, but yesterday's events "mark the close of one chapter in the history of South Africa and the start of a new one", Mr Eglin said.

Mr Harry Schwarz (PFP Yeoville) said in a statement that the resignation of the State President was a shock to the people of South Africa.

Mr Schwarz said any country would be shocked by such an event.

Wiley 'accepts' findings of report

IN the light of the findings of the Erasmus Commission, it was clear that the only honourable course open to Mr Vorster was to tender his resignation as State President, Mr John Wiley, leader of the South African Party, said yesterday

In a statement released in Cape Town Mr Wiley said his party accepted the findings

"The fatal error made by the former prime minister, the former minister of Information and the government when the Information scandal was first brought to light, was not to have accepted full responsibility for all that was done and to have referred the whole matter then to a judicial commission," Mr Wiley said

"All apparent irregularities disclosed in the report must be referred to the attorneys-general and the police for full investigation and action

"Those former State employees wrongfully dismissed or prematurely retired must either be reinstated or properly compensated

"Without delay, such of those assets purchased from the secret funds that are not required, must be disposed of to the best advantage of the State" — Sapa

No date for Info debate

HOUSE OF ASSEMBLY — Debate on the final report of the Erasmus Commission of Inquiry into irregularities in the former Department of Information, would take place at an appropriate time after consultation between the Leader of the House and the whips of the political parties

This was announced yesterday by the Prime Minister, Mr P W Botha, after he had announced the resignation of the State President, Mr Vorster

Mr Botha gave no indication when the debate would take place — Sapa

Scandal — 'little effect' abroad

HOUSE OF ASSEMBLY — The Information scandal had little or only transitory effect on South Africa's image abroad, the Information Service of South Africa said in its annual report published and tabled here yesterday

It was viewed overseas mainly as an internal matter The service's officers had to cope with a credibility problem regarding South Africa s policies on the question of removing inequalities within the society

"Overseas opinion almost invariably tries to measure South Africa's policy of multinational development against their own ideal of total integration," the report said in its introduction to the work of its foreign information branch

From the report it appeared that the impact of the Information issue was most strongly felt in London

The other centre most affected by the Information scandal was Wellington, New Zealand, where newspapers and anti-South African groups had used the revelations to discredit the service's publications by linking them with secret funds

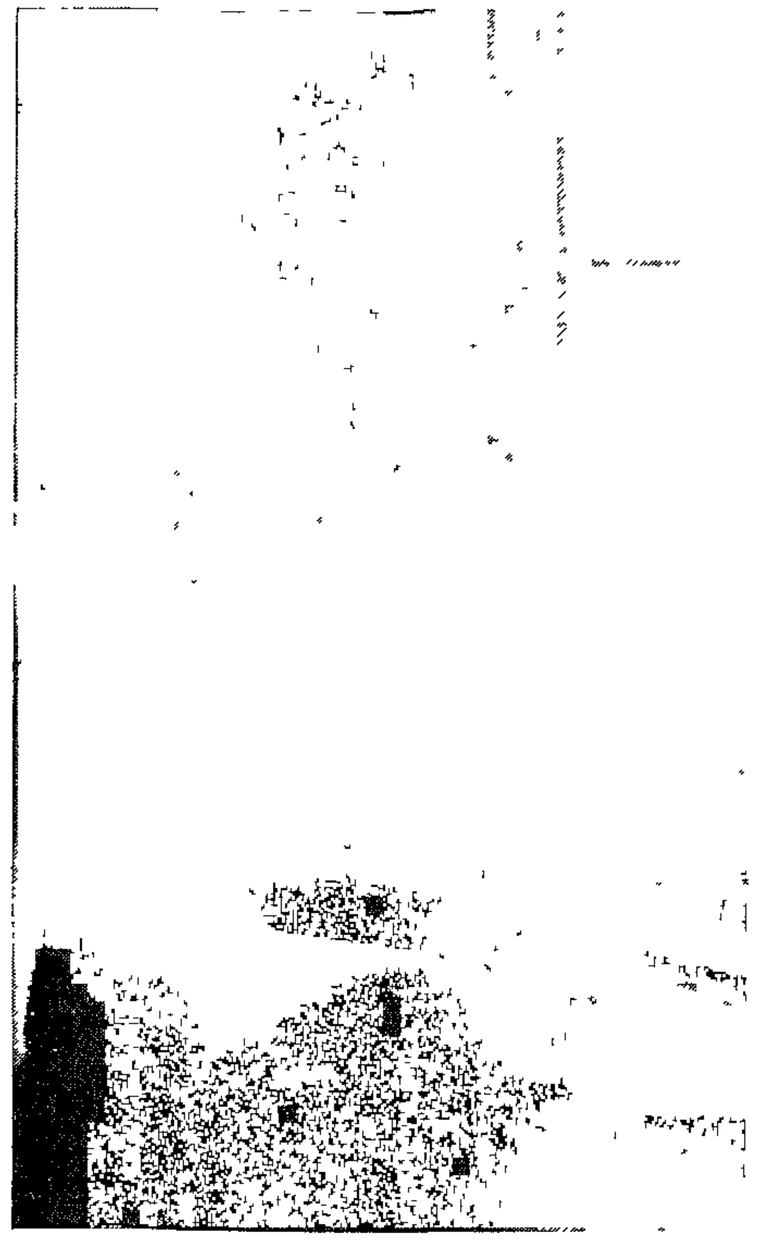
The SWA/Namibia question received growing attention from the world press and radio, and attitudes toward South Africa improved in countries such as Australia, Portugal, Spain and France

In the United States, South Africa caught the eye of the media less frequently than in the preceding year

In the Netherlands, the political situation improved marginally under Premier Van Agt's new coalition government, and political opposition to the World Council of Churches grants to terrorists was favouring South Africa

The Italian Government appeared to have adopted a more critical attitude toward South Africa in the past year, the report said

In the South American countries South Africa was receiving a "fair press", the service reported — Sapa


General H J van den Bergh reading a copy of the Erasmus Commission after he received it yesterday

Debate on report leak

HOUSE OF ASSEMBLY — The premature release of the final Erasmus Commission report to certain newspapers and news agencies will be the subject of a snap debate under the half-hour adjournment rule in the Assembly today

Notice of a motion to this effect was moved yesterday by the leader of the South African Party, Mr John Wiley (Simonstown) The debate will start at 5 30pm — Sapa

Israelis blast rocket boat

TEL AVIV — A Palestinian speedboat racing to launch a rocket attack on Israel was blasted out of the water by Israeli naval craft on Sunday night, an official spokesman said here yesterday

All members of the guerilla squad apparently drowned, the spokesman said

Israeli patrol craft intercepted the speedboat as it approached the seaside resort of Rosh Hanikra, near the Lebanon border Moving in close, the Israelis ordered the speedboat to stop It started to move off too fast for the patrol boats to follow and the Israelis opened fire

Amid the debris, the Israelis recovered several bodies and a Katyusha rocket-launcher The number of dead was not disclosed

Naval sources said the Palestinians planned to bombard the shore with rockets and then head back to a base in Lebanon

For the Palestinians it was a novel kind of mission The Russian-made Katyusha rockets are often used to bombard Israeli border settlements, but a speedboat raid would bring more populated centres within the Katyushas's 20-km range

There seemed little intention of putting guerillas ashore and seizing hostages, as on previous raids

Shortly before the sea clash, Israeli occupation forces had staged a pre-dawn raid on Arab houses used to harbour Palestinian guerillas on the West Bank — Sapa-Reuter

Ghana reports coup quelled

LONDON — There was confusion over the situation in Ghana last night after Radio Accra said during the day that a rebel group led by an Air Force flight-lieutenant had taken control of the government

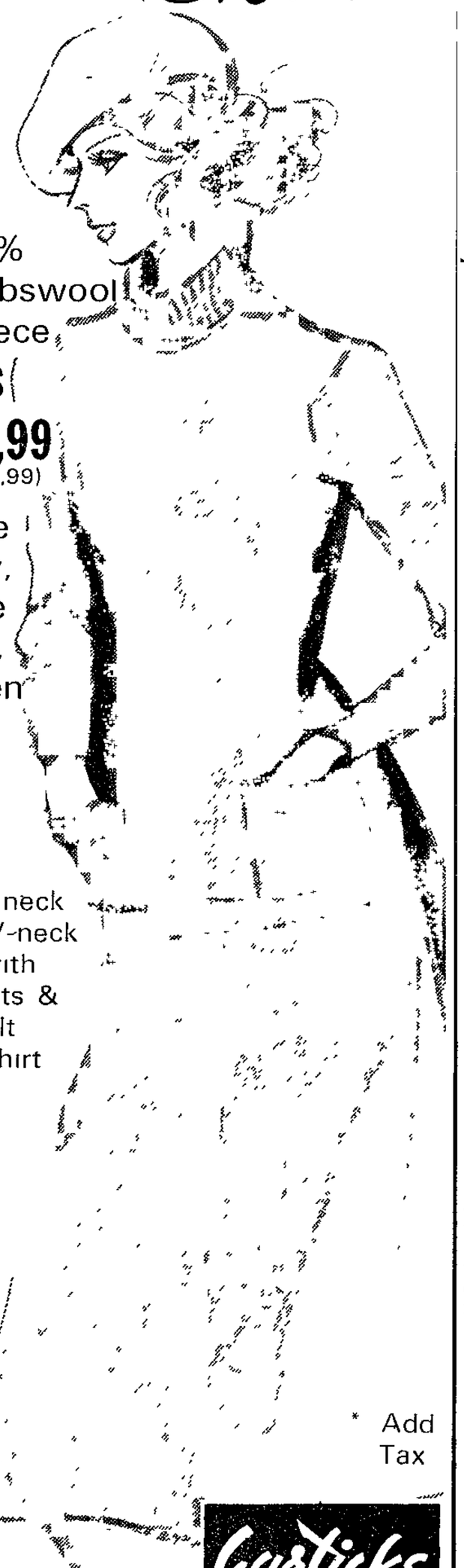
The announcement, monitored here, said "Flight-Lieutenant Rawlings and his men have taken over control of this country" (Flight-Lieutenant Jerry Rawlings' reportedly failed in a coup attempt against Ghana's military rulers last month)

But Ghana's army commander, General Neville Odartey-Wellington, broadcast two statements on the radio later yesterday saying the coup attempt had been quelled

● A report from Accra said that in the later broadcast, General Wellington appealed to leaders of the uprising to meet him without fear of arrest

Rawlings appeared before a court martial last month accused of leading an attempted uprising on May 15 Sapa-Reuter

Gerain



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answer a positive one by voting for a practical alternative Thereafter I believe the government must in due course go to the country for a new mandate to replace the phony election of 1977

"There are two positive aspects to this whole affair The first is that a judicial commission has shown once again that South Africa's judiciary is independent and acts without fear or respect for persons or office The other is the vital part played by the opposition and a free press " — Sapa

the office of the State President, he said

"The political implications of the Erasmus Commission's report are shattering. First and foremost among these is the constitutional concept of Cabinet responsibility

"The government as a whole cannot avoid this issue

"Those members of the government who served in Mr Vorster's Cabinet will have to decide on their course of action."

shocked because this resignation comes at a time when our country needs strong leadership, for South Africa has never been more seriously threatened than now.

"The person who has resigned was the State President, but far more important, he was the former leader of the National Party, and, as such, was the prime minister for more than a decade." — Sapa

Councillor wants plan for gifted children

Staff Reporter

LACK OF attention given in schools to gifted children must have caused a vast waste of human potential, the PFP member for Constantia, Mr Roger Hulley, said in the Provincial Council yesterday

He pleaded for an eight-point plan for gifted children

A new post or section in the province's Education Department to deal with this question, in-service teacher training, a proportion of teachers to be encouraged to become specialists in this field, intelligence, achievement, ability and aptitude tests, a review of class arrangements and teaching methods co-ordinated extramural enrichment programmes, recognition, similar to sports colours, for pupils for high achievement in the cultural and intellectual spheres, inter-school competitions in cultural activities

The PFP member for Pinelands, Mr Ken Andrew, said the problem of children who required special remedial education was not receiving enough attention About 15 percent of children of intelligence did not progress according to their ability

The department had fewer than one-third of the number of teachers required to provide remedial education

Business today

HOUSE OF ASSEMBLY Today's business

Resumption of committee stage, Appropriation Bill (Foreign Affairs vote)

5,30 pm Snap debate under the half-hour adjournment rule on the premature release of the Erasmus Commission report to certain newspapers and news agencies (Mr John Wiley) — Sapa

Mixed school sport a 'jungle of red tape'

IF a white headmaster wanted to arrange for his school to meet a coloured or black school on the sports field, he had to ask the school committee, who had to ask the school board, who had to ask the provincial Department of Education, who had to ask the Minister of Sport, who arranged it through the Minister of Community Development

This was stated in the Provincial Council yesterday by Mr Roger Hulley, Progressive Federal Party MPC for Constantia, who said that this was what he had been told by the MEC in charge of Education, Mr Frans Loots

As a result of this "jungle of red tape", only nine applications had been made — all of which had been approved

In the cultural sphere, the same procedure had to be followed, and no applications had been made, Mr Hulley said

He challenged Mr Loots to say what progress had been made to streamline "this highly unsatisfactory" system

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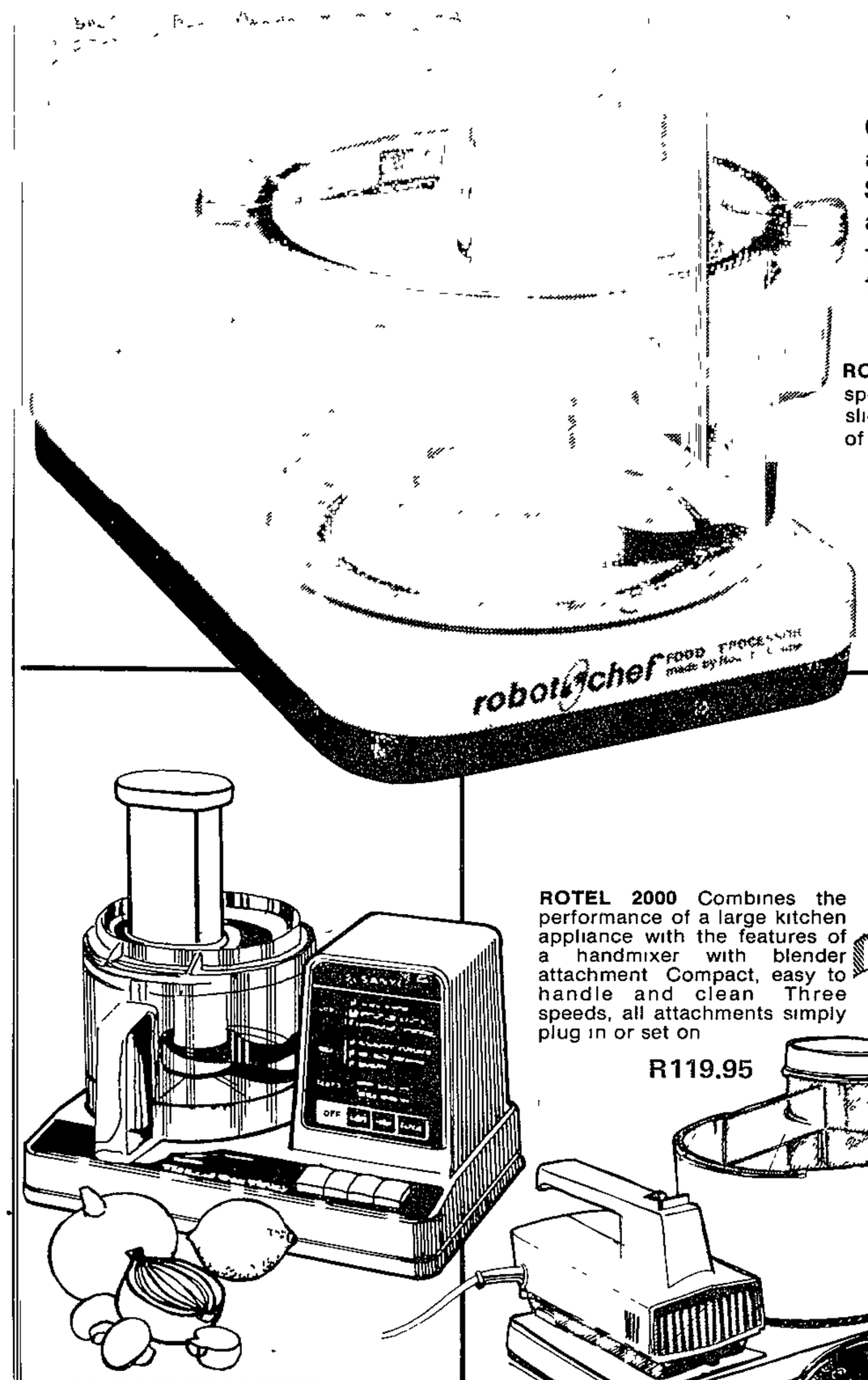

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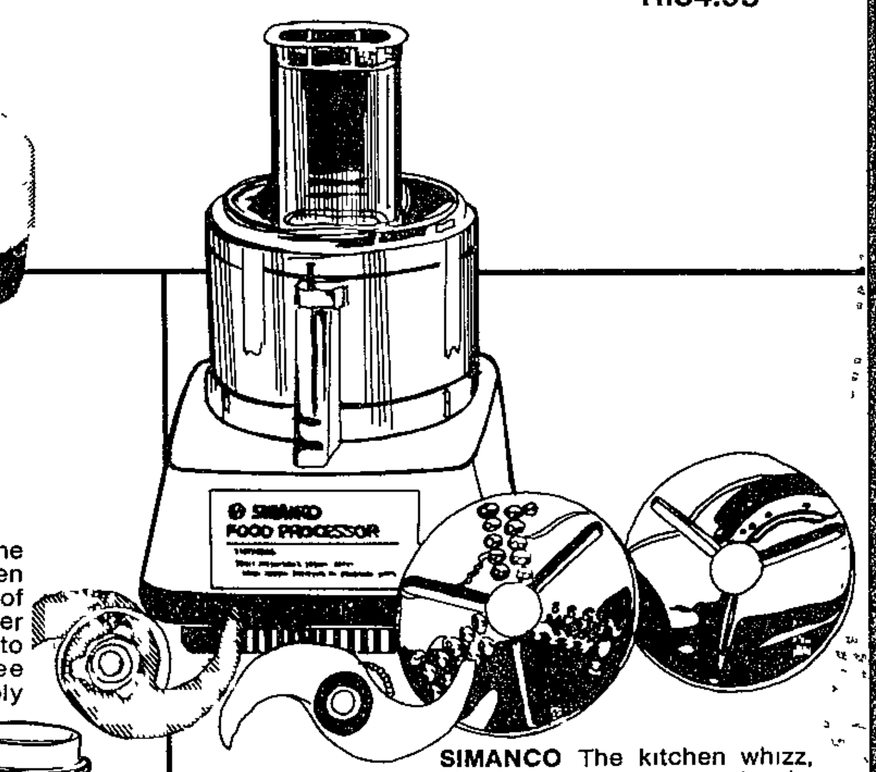

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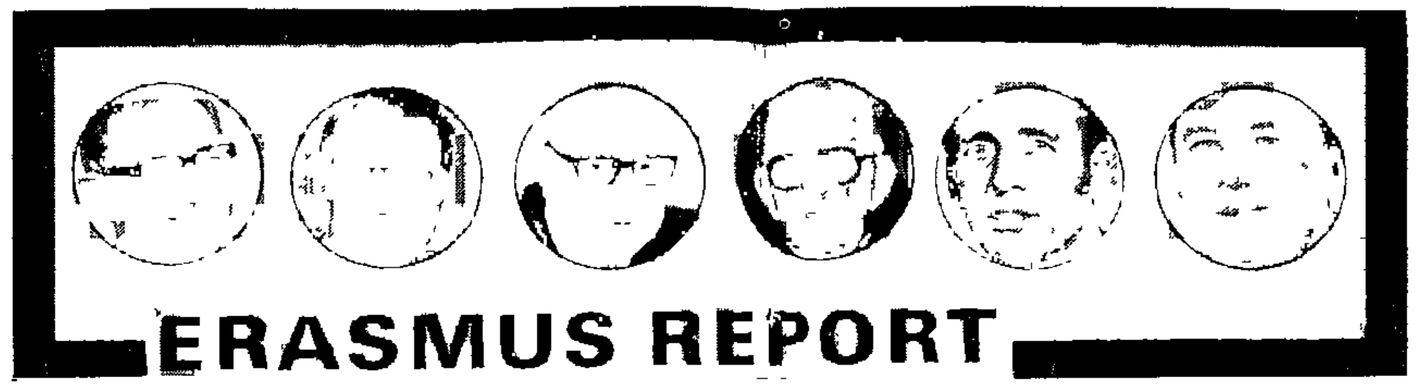
'The hand of the one Rhoodie washed the hand of the other'



HOUSE OF ASSEMBLY — The Erasmus Commission, in its final report tabled yesterday says unanswered questions in connection with the Rhoodie banking accounts arouse a strong suspicion that the hand of the one Rhoodie had washed the hand of the other Rhoodie

Certain transactions involving the three Rhoodie brothers also give rise to the suspicion that a most profitable partnership had been set up

The commission reports on its inquiries into the financial position of Dr Eschel Rhoodie, his wife Mrs C E H Rhoodie, and his two brothers, Dr D O Rhoodie and Prof N Rhoodie, and lists some of the accounts it looked into

These include Dr E Rhoodie's cheque accounts with Nedbank, and Standard Bank, a savings account with Nedbank and two with the Standard Bank, Mrs Rhoodie's cheque account with the Trust Bank, a savings account with Nedbank, and two savings accounts with the Standard Bank, Dr D O Rhoodie's cheque and savings accounts with Barclays Bank, and a savings account with the United Building Society, and Prof Rhoodie's cheque and savings accounts with Nedbank

Large amounts were transferred backwards and forwards between the respective accounts of Dr Rhoodie and Mrs Rhoodie Large sums of money were paid over between the Rhoodie brothers, especially from Prof Rhoodie to Dr D O Rhoodie and Dr E Rhoodie

The commission examined only deposits to these accounts exceeding R1 000, and did not take into account deposits originating from other accounts of the same person and in the case of Dr and Mrs Rhoodie, from each other's accounts

In Dr Rhoodie's case, a total of R291 913,20 was deposited in his various accounts between April 5, 1974 and May 29, 1978 — R81 200 in cash and R35 000 by means of bank cheques

In the case of Mrs Rhoodie,

Mrs Kate Rhoodie

R124 352,50, of which R42 500 was in cash and R5 000 by means of bank cheques was paid in to her accounts between January 14, 1975, and May 12, 1978

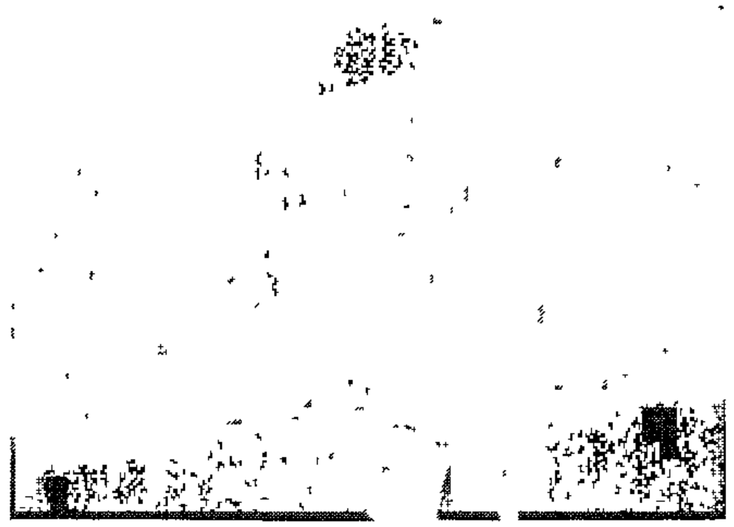
Dr D O Rhoodie's total was R99 784,70, of which R22 000 was in cash and R10 000 by means of bank cheques between December 9, 1974, and May 15, 1978

In the case of Prof N Rhoodie, the total was R214 279 07, of which R18 400 was in cash, and deposited between November 13, 1974 and March 10, 1978

"The above summary of the deposits made by Dr and Mrs Rhoodie shows receipts of such exceptionally large sums as to call for further discussion In this regard, it should be borne in mind that Dr Rhoodie, as his family's only bread-winner, was earning a net salary of not more tan R1 146 a month at any time material to thse events

"Notwithstanding this fact, the deposits made to the accounts of these two persons total R416 265,70 which amount does not include deposits of less than R1 000 Furthermore, R123 700 of this total amount flowed into these accounts in the form of cash

● According to Dr Rhoodie's testimony, he might have used his accounts once, but not



Dr Eschel Rhoodie

more than twice, for departmental purposes

● In most cases, no corresponding disbursements to unknown payees which can be reconciled with the deposits can be traced "

The commission points out that among the fairly large amounts included in the summary is one of R54 550,93 received by Mrs Rhoodie as a legacy and an amount of R44 928,18 realised on the sale of a flat at Plettenberg Bay Also payments made to Dr Rhoodie by the Department of Social Welfare and Pensions have not been included

The commission says special attention was given to cash deposits made to the accounts of Dr and Mrs Rhoodie

A summary shows that between March 11, 1975 and May 19, 1978, a total of R81 200 in cash and cheques was paid into Dr Rhoodie's various accounts

In Mrs Rhoodie's case, R42 500 in cash and cheques was paid into her accounts between November 11, 1974 and May 19, 1978

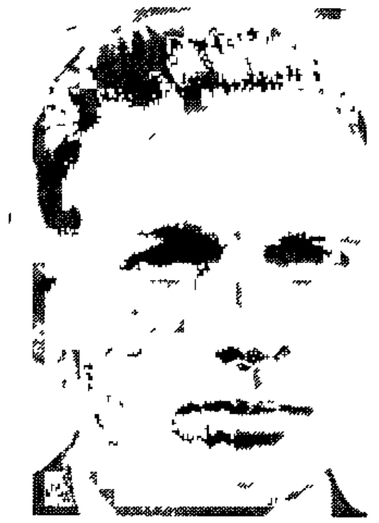
"In the absence of an explanation by the Rhoodie couple, the source of this cash remains a mystery Although Braam Fourie (an accountant in the planning branch of the former Department of Information) testified that considerable amounts of cash were paid to Dr Rhoodie from the Secret Fund for payment of so-called anonymous collaborators, and although such payments were made at the same time as some of the cash deposits in the accounts concerned, there is not sufficient evidence for a finding that the cash deposits originated from such payments This is, however, a possibility "

The commission then deals with the deposit of bank cheques, for which, it says, there are records that can be used to trace these cases properly

Referring to a cheque for R5 000 drawn on Volkskas in favour of Trust Bank, and dated January 21, 1976, it says that on January 15, 1976, Dr Rhoodie instructed Braam Fourie to draw the cheque on the Secret Fund for payment of anonymous collaborators The cheque was handed to Dr Rhoodie, and on January 23, it was deposited to Mrs Rhoodie the same amount made out to cash Fourie drew a bank cheque for R10 000 in cash on February 4, 1977, and handed it to Dr Rhoodie, who paid it into one cheque account on February 11 On the same day, Dr D O Rhoodie paid a cheque, drawn against this account for R10 000, into another cheque account

"Dr D O Rhoodie testified that this amount of R10 000 represented a personal loan from his brother to him

"No other withdrawal during the ensuing period could be reconciled with this deposit of



Dr Denys Rhoodie

R10 000 to Dr Rhoodie's cheque account

"The above transactions point to misappropriation of State funds by Dr Rhoodie '

The commission then says in the case of Dr D O Rhoodie, it was ascertained that a bank cheque for R10 000, which drawn on January 21, 1976, was paid into his cheque account on January 24 This cheque represents an amount which had been requested by Dr Rhoodie for payment of anonymous collaborators

A corresponding amount was withdrawn from Dr D O Rhoodie's cheque account on February 13 and paid into the banking account of Alfesko Trust Alberts placed this amount to Dr Rhoodie's personal credit in the investment account J D O E M (an account relating to the three Rhoodie brothers, Prof N J Rhoodie, Dr D O Rhoodie and Dr E M Rhoodie)

"Dr D O Rhoodie said he had received this money for trans

accounts, including one of R10 000, two of R3 000 and three of R2 000, during the period January 1, 1975, to July 15, 1977, the commission says that according to his testimony, his net monthly income after deductions, came to R636 in 1977

However, he said in evidence that, with the exception of R6 000, which he had borrowed from his brother, Dr Eschel Rhoodie, and which formed part of the deposit of R10 000 on January 16 1975, the other cash deposits had been made from cash he had on hand at home and that had been built up by him from time to time for contingencies

"Viewed in the light of all the circumstances, the commission does not accept this explanation by Dr D O Rhoodie either, and a big question mark continues to hang over these deposits "

Large amounts

"From the overall picture formed from these transfers, it was clear to the commission that all these accounts were used as a unit and that no separation of funds took place

The commission then deals with transfers totalling R17 753 during 1974, 1975 and 1976 by Prof Rhoodie to Dr Eschel Rhoodie, and transfers totalling R19 446 during 1975 and 1976 by Prof Rhoodie to Dr D O Rhoodie, and transfers totalling R32 519 in 1975, 1977 and 1978 by Dr E Rhoodie to Dr D O Rhoodie

Prof Rhoodie testified that his transfers to Dr E Rhoodie and Dr D O Rhoodie represented personal interest-free loans to his brothers

"The commission is struck by the fact that, during the years in queston, Prof Rhoodie owed a very large part of his income to work given to him either by direction of the department in which his brothers were in charge or by publishers who were largely dependent upon the department for the purchase of the publications concerned As far as could be ascertained, in all, Prof Rhoodie received the enormous amount of at least R115 879,29 during the period in question for work he was commissioned to do, by the e

'Plural' institute could continue 'openly'

HOUSE OF ASSEMBLY. — The commission finds no reason why the Institute for the Study of Plural Societies should not continue with its activities, and openly instead of in secret

It says the institute was established within the framework of the Department of Sociology of the University of Pretoria As professor of sociology, Professor N J Rhoodie is attached to the Department of Sociology of the university and heads the institute — a former Department of Information front organization

The department annually voted R100 000 for the institute, as it did for the Foreign Affairs Association The institute's main functions were to do research for publications and to arrange conferences, which was aimed at boosting and projecting South Africa's image

The cost of conferences was not included in the R100 000. According to evidence by Professor Rhoodie, the cost of a conference is anything from R45 000 to R50 000

Apart from the personal financial statements of Professor Rhoodie and his brothers, Dr Eschel Rhoodie and Dr D O Rhoodie, the institute had been productive and had done good for South Africa The commission could find nothing irregular in its activities. — Sapa

Decision not to charge 'hinders' report

HOUSE OF ASSEMBLY. — The refusal by the Attorney-General of the Transvaal to prosecute General H J van den Bergh for his flagrant contempt of the Erasmus Commission created problems and hindered the commission in the performance of its functions

This was stated in the commission's final report on the Information scandal

Early last December, dramatic reports appeared in newspapers that General Van den Bergh, the former head of the Bureau for State Security, had called the commission's (first) report a farce.

The Attorney-General of the Transvaal, Mr J E Nothling, submitted a memorandum dated January 15, 1979, in which he said there was no doubt that General Van den Bergh had insulted, disparaged and belittled the commission

National interest

However, he had decided not to charge General Van den Bergh because if he were prosecuted, evidence given to the commission which should not be published in the national interest, might have to be published. He therefore considered it not in the national interest to prosecute

According to the allegations, the commission's report *inter alia* contained "lies" The commission was branded a farce and, so far as General Van den Bergh personally was concerned, the report was described as "the biggest character assassination in the history of South Africa"

The commission said General Van den Bergh's attack might not have been aimed at the commissioners personally, but at destroying the commission so as to end the inquiry and keep matters dark.

Wrong target

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could establish, no similar amount was withdrawn from any of the banking accounts concerned. The credit which this built up in Mrs Rhoodie's cheque account was gradually reduced by payments made in the normal use of her personal cheque account. Prima facie it therefore appears that in this instance R5 000 was paid from state funds for Mrs Rhoodie's personal use."

Another cheque for R5 000 was drawn on Volkskas in favour of Nedbank and dated January 21, 1976. Fourie said he was instructed by Dr Rhoodie on January 15 to draw the cheque for payment of so-called anonymous collaborators. Dr Rhoodie deposited the cheque in his savings account with Nedbank on January 23.

"No similar amount was withdrawn from any of Dr Rhoodie's banking accounts during the ensuing period."

Another cheque for R10 000 drawn on Volkskas in favour of Standard Bank and dated January 21, 1976, for a similar purpose, was handed to Dr Rhoodie and deposited to one of his bank accounts on January 23. On February 6, 1976, an amount of R10 000 was withdrawn from one cheque account and paid into one of his savings accounts.

"No corresponding withdrawal from any of the accounts in question can be traced for the ensuing period."

A cheque for R10 000 for payment of anonymous collaborators, dated January 18, 1977, was given to Dr Rhoodie the following day. However, he returned it to Braam Fourie with the request that Fourie should draw a bank cheque for

"After it had been pointed out to him that hundreds of

Mr Justice R B P Erasmus

thousands of rands that were on investment at that stage were available for the film project, Dr D O Rhoodie explained that this was for possible future anonymous collaborators. The amount in question was the only amount channelled to Alberts through his banking account.

"Alberts testified that he had entered this money in his books as an investment for Dr D O Rhoodie. At no time was money ever transferred to him for the purpose mentioned by Dr D O Rhoodie, and Truter confirmed that there was more than sufficient money available to pay R10 000 to anonymous collaborators on the film project if necessary.

"Dr D O Rhoodie's explanation of the incident is not acceptable to the commission. The transaction in question points to a possible misappropriation of state funds."

After referring to various cash deposits totalling R22 000 made to Dr D O Rhoodie's

Prof Rhoodie made allegedly interest-free loans of such large sums of money, which have not been repaid to date, to Drs Rhoodie and D O Rhoodie gives rise to the suspicion in the commission's mind that a most profitable partnership had in fact been set up here. This suspicion is strengthened by Prof Rhoodie's explanation to the commission of the purpose for which this money was allegedly lent to his brothers.

"He accounted for the amount of R9 730, which he lent to each of his brothers on April 21, 1975, by saying that his two brothers wanted to have a swimming bath built at their own expense on the small lowveld farm Reenberg which was owned by a company in which the three Rhoodie brothers were shareholders with a number of other persons.

"Prof Rhoodie stated that he had personally calculated the cost at R19 460. He then made each of Drs Rhoodie and D O Rhoodie an interest-free loan of half this amount (i.e. R9 730) on April 21, 1975, without specifying any period for its redemption.

"He also testified that it had not been the intention to complete this bath within the next few months after April 21, 1975. As a matter of fact, this bath was never built, and Drs Rhoodie and D O Rhoodie are still sitting with the money.

"In point of fact, before this loan was made and for some considerable time afterwards, the banking accounts of both of the last-named Drs Rhoodie were so much in credit that they could easily have paid for the bath between them without negotiating a loan — Sapa

utterances, whether true or partially true, hit the wrong target

His evidence could not be reconciled with that of Mr Vorster. In some aspects, their evidence was competely contradictory

Although the commission could not accept Mr Vorster's evidence without qualifications in its (first) report, it gave preference to his over General Van den Bergh's evidence in some important respects, because General Van den Bergh's evidence contained serious weaknesses. He admitted that he sometimes lied and he made out other reliable witnesses to be liars

"Not everything that he says can be rejected, but General Van den Bergh's evidence always has to be considered with caution," the commission said

Tale-bearer

"After the (first) report had been issued, greater support for some aspects of General Van den Bergh's evidence was received from witnesses who have testified before the commission since December 1978. This fact, taken together with the accepted fact that he was Mr Vorster's right hand and his greatest tale-bearer, could make the wind blow from another quarter."

In support of its finding that "if he wanted to do something, nobody would stop him and he would stop at nothing", the commission quoted him as testifying — Sapa

Wording in first report corrected

HOUSE OF ASSEMBLY — The Erasmus Commission's final report corrects certain parts of its first report.

In the case of the attempt to purchase the Natal Mercury, the commission says that from the wording of its first report it might be inferred that Mr Morgan, a resident of Natal at the time, and Dr Piet Koornhof collaborated in an attempt to purchase the Natal Mercury secretly with State funds to serve as an instrument for the department.

Further evidence after December 1978, however, made it quite clear that Mr Morgan merely dropped a hint privately to Dr Koornhof that the newspaper might be for sale.

Neither Mr Morgan nor Dr Koornhof ever had in mind that it should be taken over with State or party-political funds. Their idea was merely to get acceptable private persons with the necessary capital to buy control of the newspaper.

The transaction would in no way have had an official connection with the government or the State.

The first report had also stated that Mr Louis Luyt had suffered a loss of interest "because the Standard Bank had raised their rate of interest on a foreign loan to Luyt from three percent to 12 percent when Luyt's involvement with the Citizen became known to them".

The commission has since received evidence that Luyt's liability in connection with this loan was increased because a foreign loan of 17 375 000 Swiss francs was granted to him in June 1971, which was equivalent to R3 006 055 at that time — Sapa

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BUSINESS

Horwood vital to SA economy, says banker

5/6/79 (259)

By Colin Campbell

It would be a bad thing for the South African economy if the political head of the Minister of Finance, Senator Horwood, was called for because of any association with the Info Scandal, Mr Tonie Botha of Hill Samuel said in London yesterday.

Reflecting a widely held view among financiers, economists and investment analysts, Mr Botha said foreign loan capital inflow into South Africa had increased markedly in the past few months — but this improvement could face a setback if Senator Horwood were forced to resign

"From the point of view of investors and bankers it is not relevant whether the Minister knew or did not know about newspaper investments and the like.

"The fact of the matter is that he is probably as important a contributor to the strength of the South African economy as the current high gold price

OPPENHEIMER

"If he is forced to resign party political consideration will have destroyed an influence which the country can ill afford to lose," Mr Botha added

"One of the sad aspects of this ussue is that party political scoring matches seem to have made it impossible for one of the most eminent South Africans, Mr Harry Oppenheimer, to give support to Senator Horwood and so remove him from the political storm raging around the defunct Department of Information

"Bankers and industrialists across all party lines have rallied to the Minister's defence, with the clear exception of Mr Oppenheimer, all obviously of the conviction that he is too important a man to be used as a scapegoat for attacks on the Government"

BENEFITS

Mr Botha said publicly — as others in South Africa have said privately — that the general recovery of the South African economy (helped by a rise in the gold and commodity prices) has been the direct result of Senator Horwood's monetary and fiscal policies which withstand the euphoria of past dramatic gold price rises

Other notable benefits of Senator Horwood's administration had been the appointment and acceptance of the De Kock Commission and the appointment of a truly exceptional Treasury executive

"I find the irony bitter that Big Business which is funding the Opposition and reputedly the Opposition Press, has put the political fate of one of its most substantial assets in peril," Mr Botha added.

SUPPORT

Despite the latest Erasmus report, there may still be a danger that the bankers both in London and Europe to whom he had spoken in the last few days.

Mr Botha added that he had found wide support for his "leave Horwood be" views from eminent political head of Senator Horwood could be called for — but recognition of the Minister's excellent handling of the economy by somebody of Mr Harry Oppenheimer's stature would do much to take this political heat off, Mr Botha told me from London last night.

The Cape Times

Now go to the country

THE RESIGNATION of Mr Vorster as State President is no cause for jubilation, even among the bitterest of his opponents while he still held party political office A man who little more than a year ago enjoyed a national prestige and an international respect unequalled in recent years has ended his career in ignominy More than that. He has scarred the office of State President and severely damaged the principle that it should be untainted by personal controversy or culpability His resignation was the only honourable action left to him, but the pity is that, in the circumstances, he accepted the post in the first place.

His going places on the cabinet, which he led while still prime minister, an obligation to defend decisions he took in its collective name As the latest Erasmus Report states, "every innocent member of the cabinet . had, because of the collective responsibility of the cabinet, to bear the stigma of public accusations without knowing the facts". Now that every single member does know the facts, as revealed in the report, the collective responsibility must still be borne: For holding a general election, while its leader had full knowledge of all the irregularities, without informing the public; for allowing Dr Mulder, with whom Mr Vorster is now held jointly responsible for the information affair, to be nominated as a prime ministerial candidate, for allowing Mr Vorster himself to be elected State President. These three acts alone have done at least as much, if not more, to undermine public confidence in the democratic structures of South Africa as the gross irregularities uncovered

Both Dr Mulder and Mr Vorster have now belatedly retired from public office. But the National Party continues to hold the biggest majority in parliament in South African history, gained in an election held under false pretences The government is indeed the benefactor of its erstwhile leader's cover-up It is holding seats it would probably never have won had the public known of the massive misuse of their taxes for party political or private ends Belatedly it, too, can do the proper thing, two years after the electorate were rushed to the polls in case they found out what was going on before the due date of the next election — 1979 . It can resign, and go to the country again The people who have forked out R32m on the Citizen, R14m on To the Point, R6,5m on the Washington Star, tens of thousands on private junkets, "pocket-lining", Loftus Versveld boxes, blocks of seafront flats, mountain hideaways and foreign womanizing should have the right to express their feelings in the traditional democratic way

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ADVANCED ACCOUNTING - PAPER II

Question 1 (35 marks)

You are furnished with the following abbreviated and unaudited balance sheets and income statements of H Ltd and S Ltd for the year ended 31st December, 1978.

	Notes	H (000's)	S (000's)
Balance Sheets:			
Share Capital (R1 shares)		400	200
Non-distributable Reserve	3	-	30
Distributable Reserves -			
General Reserve	6	60	20
Retained Earnings		61	50
		R521	

The Star
Tuesday June 5 1979

259

Plots which pulled down Mr Vorster

WITHIN the party hierarchy Mr John Vorster was a man bigger than most of his predecessors and bigger than all of his successors Yet the system within which he worked, and the methods he allowed to develop among his underlings, destroyed him. It is never an edifying spectacle to observe the fall of a once powerful and respected statesman We take no personal relish in the abrupt ending of Mr Vorster's career Yet there are two points in this drama that everyone should welcome

The first is that the denouement of the Information scandal represents a vindication of Western standards of responsible government and a return to a cleaner—but still dangerously secretive — administration Secondly, while Mr Vorster might have clung to the State Presidency in the interests of self-preservation, he did the honourable thing in the end by resigning. History will judge him not only on the abuses of government to which he was party but also by the fact that ultimately he recognised they could not be justified or tolerated The institution of the State Presidency, and hopefully South African public life as a whole, should benefit from this purging process

This said, one needs to look once again at the circumstances which brought Mr Vorster's career to this inglorious end Firstly there was an excess of power The complacency of a regime in office for a quarter-century—and kept there unassailably by a minority of South Africans—led some of its leaders to believe they could play fast and loose with public funds and public accountability Then there was the secrecy—the excess of plotting

The "national interest" became the excuse for ever more bizarre secret operations And while there is no suggestion that Mr Vorster benefited personally from these, the Erasmus Report shows plenty of other instances of how power, secretly exercised, turned into common corruption and self-enrichment

The same obsessive secrecy is a factor that remains very relevant to the P W Botha administration and its future credibility. It has killed off many of the former Information operations but some 60-odd secret projects, at last count, still continue. There is a place for secret diplomacy and secret intelligence operations but not, we submit, for covert propaganda tricks such as buying newspapers abroad to promote South Africa's interests Here we must differ from the Erasmus Commission Apart from the ethics of the matter, such operations inevitably face exposure and a damaging backlash By persisting with needless and pointless secret projects Mr Botha could be digging the same grave as his predecessor The "national interest" does not require plotting and clandestine dirty tricks. If excessive secrecy continues, real national interest may demand Mr Botha's head just as it claimed Mr Vorster's

President's resignation announced

THE resignation of the State President, Mr Vorster, was announced in the House of Assembly yesterday by the Prime Minister, Mr P W Botha

In a statement to the House Mr Botha said "I regret to inform the House that the State President has tendered his resignation, with effect from June 4, 1979, to the Speaker of the House of Assembly

"Senator the Honourable M Viljoen, President of the Senate, will be inaugurated as acting State President this afternoon at 1700 at Tuynhuys "

Mr Vorster's resignation followed the tabling in the House of Assembly of the third and final report of the Erasmus Commission of Inquiry into alleged irregularities in the former Department of Information

The commission, in its final report, found that Mr Vorster knew everything about the basic financial arrangements for the department's funds

The commission also found that he was consulted about the secret funds as well as the projects themselves

"Because he did not reveal irregularities that came to his attention, concealed them from the Cabinet and delayed, for this considerable period, taking purposeful steps to put an end to this wrong state of affairs, he is jointly responsible for the fact the irregularities continued, including the Citizen "

The commission says in its report that its finding regarding Mr Vorster contained in its first report therefore stands amended "in the light of the findings and conclusions" in the final report

Previous finding

The previous finding read

"It must be stated clearly and unequivocably that Mr Vorster's attitude and actions throughout all the activities involving irregularities were, in the commission's opinion, honest, bona fida and devoid of any trace of personal gain

"In the commission's opinion, his integrity is unblemished "

In a second statement on the Cabinet's decision on the final report, Mr Botha said "The Cabinet has considered the supplementary report of the commission of inquiry into alleged irregularities in the former Department of Information and holds the following view at this stage

- "That notice has been taken of chapter one of the report
- "That, insofar as chapters two and three deal with the Honourable B J Vorster's involvement with the activities of the former Department of Information, the Cabinet has taken note thereof and would like to point out the following
- "That the Honourable Mr B J Vorster fulfilled his duties under very trying circumstances and under great pressure during the last year of his premiership due to his state of health
- "That the honourable Mr Vorster wanted to relinquish his post as early as 1977, but that his colleagues persuaded him not to do so in the national interest at that stage
- "That the Cabinet would like to state its appreciation for the sacrificial services rendered by Mr and Mrs Vorster to the country at all times with honesty and without any personal gain "

Honesty and integrity

The statement said that, after consideration of all the relevant facts and circumstances, the Cabinet accepted that the commission's deductions and decisions as embodied in its supplementary report did not in any way reflect upon the honesty and integrity of Mr Vorster

Mr Botha said the Cabinet confirmed the commission's finding that Mr Vorster informed the Cabinet on September 26, 1978 as to all the irregularities known at that stage without withholding available details

He said the Cabinet expressed the wish that Mr and Mrs Vorster be afforded the opportunity to enjoy their well-earned rest in peace

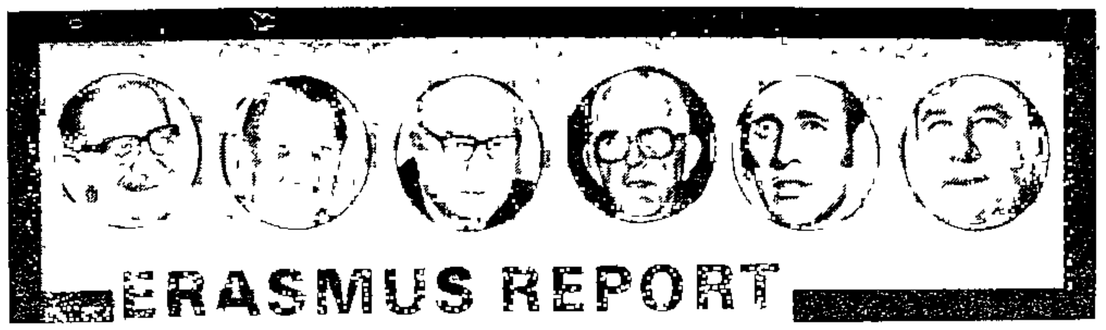
The government was giving its positive attention to the deductions and recommendations contained in the rest of the report

"All testimony and documentary evidence gained by the commission and upon which it based its various reports be submitted to a select committee with the instruction to identify such evidence and documents of which the publication would be prejudicial to state security so that the remaining evidence can be published

"That the appointment of the Erasmus Commission and the Pretorius Committee underline and confirm the government's earnestness to identify, eliminate and prevent undesirable practices in state administration as far as possible

"The government would like to make an urgent appeal to all who wish to contribute positively and in a spirit of patriotism towards the future of our country, to view the unpleasant Information episode as subservient to our mutual duty towards the Republic of South Africa

"Let us stand together and serve our country in faith and with renewed inspiration," Mr Botha said — Sapa



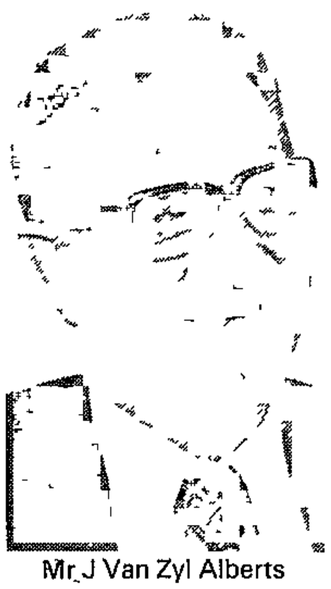
Trusted associate lined his pockets

HOUSE OF ASSEMBLY. — The Erasmus Commission has found prima facie that there was extensive misappropriation by Mr J van Zyl Alberts of State funds under his control. It is of the opinion that the misappropriations point to theft and fraud. He is the former managing director of To The Point magazine

The commission makes this finding in a chapter headed "J van Zyl Alberts — Trusted associate who lined his pockets".

From March 1974 to November 30, 1978, Alberts acted as a front for the Department of Information in handling a large number of secret projects and transactions

"During this period Alberts received a total of R16 026 220,23 from the Secret Fund to utilize on behalf of the State


Mr J Van Zyl Alberts

"Alberts confirmed to Mr B O Truter, an accountant and auditor the commission appointed to investigate Alberts and companies in which he has an interest, that there had been deliberate merging of funds with the object of maintaining secrecy

"The financial records were not kept in such a way that it was possible at all times to distinguish with certainty between State funds and personal funds

"Alberts admits that it may have happened that funds belonging to the State were used for personal purposes but also points out that he himself did have surplus funds available from time to time." — Sapa

$6 m lost in bid to buy US paper

HOUSE OF ASSEMBLY. — The former Department of Information lost $ 6 350 000 on its attempt to buy the Washington Star newspaper through the American publisher, Mr John McGoff, the Erasmus Commission reported yesterday

The commission said it found it incredible that no one knew what happened to the 6 350 000 dollars

It also found it incredible that.

- **Officials of the department could leave 10 million dollars in the hands of Mr McGoff without themselves keeping proper control over the spending of the money,**
- **That Dr Eschel Rhoodie, the former secretary for Information, agreed with Mr McGoff, without the approval of a higher authority, to purchase the Sacramento Union newspaper — a transaction involving upwards of six million dollars,**

Mr John McGoff

- **That there was no proper documentation describing the transactions in legally correct terms or showing the circumstances in which the funds were written off;**
- **That Mr McGoff as a shareholder was sitting with the Sacramento Union and UPITV, while there was no clarity as to whether South Africa had any right to these assets**

The McGoff saga began in 1968, when he visited South Africa at the suggestion of Mr L E S de Villiers In 1974 Mr McGoff indicated that the Washington Star was in financial difficulties and could be bought

Mr De Villiers informed Dr Rhoodie Dr Rhoodie was said to have told Dr

Waldeck - 'He alone fought against irregularities'

HOUSE OF ASSEMBLY — The Erasmus Commission says that in a department doomed to failure by the shortcomings of its heads, Mr J F Waldeck, a former Deputy Secretary, strikes the commission as a conscientious officer who had the courage of his convictions and a clear conscience

"In the commission's view, the heads of the department engineered his retirement because he, and he alone, fought against irregularities May he recover from the injustice done to him"

The commission recommends that the State consider granting relief to Mr Waldeck as one of the innocent men who have lost their employment through the dissolution of the department

Mr Waldeck was a restraining element in the department, where he was formerly a Deputy Secretary and head of the administration branch

"He could not be influenced He did not die a pupa in a cocoon an so, to change the metaphor, become a fly in the ointment to his chiefs

"He became persona non grata and had to be got rid of and ousted from the department, simply because he applied the brakes This had to be done, even if the department had to be restructured and Waldeck's post done away with"

Mr J F Waldeck

The commission says he was well-qualified in his work and difficult though it may have been in the circumstances, he was "not a show-off or one to cover things up, nor a spendthrift and a dishonest accomplice, like some of his chiefs, and he did not covet their popularity"

Discussing Mr Waldeck's removal, the commission says that in May, 1978, Dr Eschel Rhoodie, then Secretary for Information, wrote to the Public Service Commission saying Mr Waldeck was redundant and recommending that he be retired if he could not be found a post elsewhere in the Public Service

"Not six months later, the bitter discovery was made that it was this selfsame gentleman who was at the centre of the corruption in the department," the commission says

The commission notes that the Public Service Commission acted against Mr Waldeck on the strength of what Dr Rhoodie said, without giving Mr Waldeck, who had no influence, a hearing

Examples of how Mr Waldeck kept a watchful eye on the finances of department are legion In July, 1977, he discovered serious irregularities in regard to an account submitted by the Film Board for authority to pay Heyns Films for services they were alleged to have rendered to the department It appeared that these services had largely been rendered by Mr Dawid Oosthuizen as cameraman, but he was employed in and remunerated by the department

On another occasion Mr Waldeck had refused to pay an account for R400 or R500 for a painting purchased by Dr Connie Mulder, then Minister of Information, since it was not the minister's function to buy paintings, nor was it the department's function to buy paintings for ministers

Mr Waldeck had also refused to pay a bill of about R1 000 for photographs Dr Mulder had had taken of himself by Queen Elizabeth's photographer, P Argent, then on a visit to South Africa — Sapa

Who discussed it with Mr Vorster, then prime minister, and Dr Diederichs, then minister of Finance.

Mr Gerald Browne, then secretary for finance, testified that Dr Diederichs told him that Mr Vorster and Dr Mulder initiated the project

Mr McGoff told Mr De Villiers he needed 25 million dollars to buy the Washington Star, he could put up 15 million and South Africa should pay 10 million dollars

It was decided that the 10 million dollars would provisionally come from the special defence account of the Department of Defence

The money was transferred to the Union Bank of Switzerland in Zurich and then to Thesaurus Continental Securities, a subsidiary of the bank, and through Thesaurus to the Star Newspaper Company in Delaware.

Because the project was so sensitive, the idea was to channel the funds from Thesaurus to Mr McGoff in such a way that it would appear to be a legal foreign loan.

According to Mr De Villiers, Dr Rhoodie agreed to buy the Sacramento Union newspaper, but later denied that he had given Mr McGoff the right to use part of the capital He did not deny, however, the agreement to use interest on the capital

A further 1 350 000 dollars was made available to Mr McGoff to buy a controlling share in United Press International and Television Network (UPITV)

According to Mr De Villiers, Mr McGoff's actions did not receive the approval of Dr Mulder and Dr Rhoodie, and it was agreed that Mr McGoff should pay the newspaper's profit to Thesaurus

A total of $4 970 000 was repaid, and Dr Rhoodie and Mr McGoff agreed, without Treasury approval, to reduce the balance of the loan to one million dollars, ie, according to Mr De Villiers, $5 380 000 of the debt were written off

"The commission wishes to place on record that proper arrangements were made by the commission throught its legal advisers for Dr Rhoodie to give evidence abroad, without having to return to the RSA and run the risk of being arrested He elected, however, not to avail himself of the opportunity

"A proper invitation was also extended to McGoff to give evidence in connection with the Washington Star and Sacramento Union He also did not avail himself of the opportunity." — Sapa

CT. 5/6/79. (259)

THE RECOMMENDATIONS

Use of funds point to 'theft and fraud'

HOUSE OF ASSEMBLY — Losses of State money in certain Information Department secret projects should be recovered from Dr Connie Mulder and Dr Eschel Rhoodie, if they were legally liable, the Erasmus Commission recommended

Legal advice should be sought to determine their possible liability, the commission said

The secret projects named were the Citizen, the Washington Star, Sacramento Union and UPITV

Dr Mulder, the former minister of Information, said nothing in his evidence about the Washington Star and Sacramento Union and refused to answer questions on them, the commission said

Dr Rhoodie, the former secretary for Information, was named in an earlier commission recommendation which said irregularities committed by Dr Rhoodie and his brother, Dr D O Rhoodie, the former deputy-secretary, with moneys from the secret fund be referred to the Attorney-General for investigation and evaluation with a view to possible criminal proceedings

In the final report the commission repeated this recommendation on the strength of its latest findings It also added the names of Professor N J Rhoodie, the third Rhoodie brother, and of Mr J van Zyl Alberts to the list of those whose handling of secret funds should be referred to the Attorney-General

In regard to Mr Alberts, the commission found that "the facts indicated *prima facie* that there had been extensive misappropriation by Alberts of State funds under his control", and added

The commission is of the opinion that the misappropriations point to theft and fraud "

Another recommendation by the commission was aimed at prosecution of anyone who had disclosed official secrets abroad since June 1 last year

The commission also recommended changes in legal procedure to enable the State to charge and to prosecute any person entrusted with government administration in any capacity for his acts of maladministration and misappropriation of funds without there having been any danger that such person

- (A) Would be able to apply duress to the State by threatening disclosure of "official secrets",
- (B) would be entitled, either in person or by calling other witnesses, to disclose "official secrets" in the course of the trial,
- (C) would be entitled to apply to a court for the disclosure of any evidence which had been given in some other lawsuit or inquiry and which might have involved "official secrets"

The commission added that in precluding (A), (B) and (C), the least possible prejudice be done to an accused, both as regard the merits and the sentence

The commission, which referred in its report to "unwarranted criticisms of, and attacks on it", recommended that it be provided in regards to all judicial commissions of inquiry that the presiding officer should himself have the right to sentence any person there and then for any contempt of the commission Whether this be by ignoring the commission's *subpoena* to appear or refusing to testify or by wilfully hindering or insulting the commission in the performance of its functions provided however, that he may at his discretion refer such a case to the Attorney-General for prosecution

The commission said from a legal point of view, it had no objection to the disclosure of the evidence, except such parts of it, including exhibits as might be prejudicial to the security of the State

But it suggested that in deciding whether to release the evidence, the executive should have regard to a number of factors

Firstly, disclosure might easily have created the impression of breach of faith toward witnesses Throughout, evidence was taken *in camera* and witnesses were given the impression that the proceedings were secret Consequently they gave evidence which they would probably otherwise never have given

Secondly, there was the possibility of prejudice to innocent persons against whom accusations had been made, which eventually proved irrelevant, and who did not have the opportunity of defending themselves

Thirdly, the evidence comprised 57 volumes, as well as exhibits, of several thousand pages There was a possibility therefore that snatches of evidence would be quoted in the news media without regard to the context, which might result in a distorted picture being given of the true state of affairs

Fourthly it was clear from the reports that criminal proceedings might result against more than one of the alleged parties to irregularities

The commission recommended that the State considered granting relief to innocent persons who had lost their employment through the dissolution of the Department of Information or any of its front organizations It referred to the cases of the secretary of the former Foreign Affairs Association, Mr Francois de Villiers, who had lost his post when the FAA was disbanded and was still without a post, Mr Red Metrowich, Mr R W Hepers who was forced to resign from the department, and Mr J F Waldeck, the former head of the department's administration branch, who had retired prematurely

In another recommendation, the commission said any separate cases of irregularities brought to its notice after May 5, 1979, should stand over for such investigation as the executive might determine

Finally, the commission recommended that its report be released — Sapa

Mr J van Zyl Alberts

A 'bona fide effort' to gain foothold

HOUSE OF ASSEMBLY — The former Department of Information's purchase of shares in Morgan Grampian "was a bona fide effort to gain a foothold in foreign media with the object of promoting South Africa's interests", the Erasmus Commission has found

The commission also found that the spending of State funds in this way and for this purpose cannot be considered irregular, except insofar as Dr Eschel Rhoodie used profits for the Citizen. The commission says it was not a transaction purely for personal gain.

Similarly, the take-over of Hortors (Pty) Ltd cannot be considered an irregularity Mr D O Abrahamson and Mr Stuart Pegg fronted for the department.

The commission says it does not consider the fact per se that secret funds are spent on publications as an irregularity

The commission says

Mr D O Abramson

Abramson and Dr Eschel Rhoodie discussed early in 1976 the possibility of acquiring a block of shares in Morgan Crampian, a British publishing company. Dr Rhoodie was keen to acquire any interest for the department so that it could use the company's publications as opinion-formers to advance South Africa's interests.

Dr Rhoodie and Abramson agreed that the department would guarantee a loan of 4,6 million dollars by a foreign financial institution to Abramson to buy a 20 percent interest in Morgan Grampain. The department would be entitled to 20 percent of any proceeds

Meanwhile, on March 26 Abramson had undertaken to buy ordinary Morgan Grampian shares for 4,1 million dollars Abramson had acquired a company, Alpane Ltd, in whose name the transactions could be done

Dr Rhoodie further agreed to make R1,5 million available free of interest for the purchase of further shares

The commission investigated whether Abramson and Pegg had permission from the Reserve Bank to take the profit out of South Africa. It finds that on the evidence no blame attaches to either. — Sapa

Nobody would admit to any fault

HOUSE OF ASSEMBLY. — The biggest problem in its investigations was the tendency of witnesses to cover up and spin a web of unpalatable facts, the commission says

No witness from the defunct Department of Information was prepared to say he had been at fault Here and there something was let slip inadvertently.

While the commission was sitting in Cape Town, the State President, Mr Vorster, summoned Dr Connie Mulder, former minister of Information, put questions to him and then released a public statement.

Dr Mulder intimated that the State President was not credible

Witnesses sang their own and their acquaintances' praises unasked

"The commission, however, will not allow itself to be influenced in any way by the 'findings' of Mr Vorster's 'inquiry' or the 'rebuttal' by Dr Mulder "

Dr C P Mulder

Mr Vorster praised General Van den Bergh. But "If General Van den Bergh was to be regarded as credible, his evidence would be irreconcilable with Mr Vorster's."

Mr Vorster described Dr Rhoodie as "the most fantastic man I have ever met in my life, there will never again be such a person" The commission found Dr Rhoodie had committed irregularities pointing to fraud and theft.

General Van den Bergh praised Dr Rhoodie

Witnesses did not mention unlawful activities except under questioning Mr Vorster gave evidence twice before December, 1978 but the commission heard nothing about the transfer of $10 million to the US to buy the Washington Star, or about his alleged consternation at the purchase of the Sacramento Union He also tried to conceal facts from the Cabinet

Man 'forced to resign'

HOUSE OF ASSEMBLY — Steps taken against Mr R W Hepers, a journalist employed by the Department of Information, appear to have been irregular, the Erasmus Commission says.

"He was obviously deeply aggrieved because he had been forced to resign He is still trying to gain readmission to the Information Service," the commission says.

He is one of those to whom the commission recommends the State consider granting relief as an innocent person who lost his work

He was employed in Berne and was involved with the publication of SA Panorama.

According to his testimony he boosted circulation from 3 000 to 148 000

He was transferred to Pretoria in 1972 or 1973 but returned to Berne in 1974 He had Panorama published in six foreign languages and pushed its circulation up to 262 000. Then he was directed to discontinue the publication

So many complaints about this step were received from subcribers that he received instructions four months later to resume publication

After a newspaper had published a derogatory article about him which, according to him, was entirely without foundation, Hepers was transferred to Buenos Aires in 1977. He was transferred to Pretoria four months later and forced to resign after he had been there about three months. — Sapa

FAA — source of unearned pleasure

HOUSE OF ASSEMBLY — The disestablishment of the Foreign Affairs Association, a Department of Information front, was a wise step and a happy decision, the commission comments

"To Mr Cas de Villiers (the director), Miss Hester Lamprecht (public relations officer) and their friends, FAA was an unexpected source of income and unearned pleasure

"But to hard-working and conscientious men like Drs Jan du Plessis and D S Prinsloo and Mr Francois de Villiers it must indeed have been a millstone about their necks and a source of vexation"

FAA was established on April 6, 1975 and disestablished on November 21, 1978 It fell directly under Mr L E S de Villiers, the department's chief director of planning

The main idea was to represent itself as an academic body doing research, financially independent of the state and the department The normal annual budget was about R100 000 but the department voted additional funds so that FAA cost it about R200 000 a year

Cas de Villiers bought a house for R90 000 for office purposes with state funds but it was registered in the name of a private company He bought with FAA funds a circular diningroom suite which could seat 14 people and which he kept in the house on his farm

"In outlook, Cas de Villiers is like a young, inexperienced, wealthy man with a glib tongue, tending to mendacity He has a quick temper and is a ladies' man And because he knew little about administrative work and was no match for the strong personalities of Drs Prinsloo and Du Plessis, he avoided or disregarded them This gave rise to clashes and unpleasantness in FAA, which led inevitably to its early dissolution"

Again "He had a fancy for flash and good motor cars When he began with FAA in

Mr Cas de Villiers

1975, a new red Mercedes Benz 280 was bought for him for about R14 000 Eight months later, a new three-litre BMW was purchased for about R15 000, and he got rid of the Mercedes"

Although married, he struck up a relationship with Miss Lamprecht which developed to the point where the staff of FAA were afraid of going to see Cas de Villiers in his office "because he and she spent hours of their working time together in the office and he was not available"

Once, he broke away from an official touring party in Europe to holiday with a woman Miss Lamprecht was upset on hearing about the other woman and seemed to be in a hurry to leave for Europe She visited London and New York

"The excuse put forward for every telephone call at state expense and for every visit to another country was some trivial official appointment, which came to nothing in many instances because it had not been properly arranged beforehand If one reads the evidence one finds a good example of two people playing a cat-and-mouse game in Europe with state money"

Drs Prinsloo and Du Plessis and Mr Francois de Villiers asked members of the Cabinet to dissolve FAA

According to Miss Lamprecht Cas de Villiers was quick-tempered If his official car would not start, he would rush at it and kick it, and once threw a tape recorder to smithereens against the wall of his office In these moods he would use strong language

Comment on Miss Lamprecht "As a public relations officer the commission found her quite pathetic" Yet she was sent to Washington for six weeks to arrange a conference there for FAA — a waste of money

Cas de Villiers put his own name on work done by Drs Du Plessis and Prinsloo He used state funds to pay his personal accounts

"No losses or embezzlement of large sums of money came to the commission's notice in connection with FAA, but the evidence leaves no room for doubt that Cas de Villiers was dishonest and personally spent FAA's money liberally as a result of injudicious arrangements and undertakings"

Vorster must share responsibility for Mulder's irregular actions

HOUSE OF ASSEMBLY — The Erasmus Commission says the former Prime Minister, Mr Vorster, must share with former Minister of Information, Dr Connie Mulder, responsibility for the latter's irregular actions in the now defunct Department of Information scandal It has changed its previous finding exonerating Mr Vorster

In its report, tabled in the House of Assembly yesterday, the commission says

Mr Vorster knew everything about the basic financial arrangements for the Department's funds

He was consulted about the secret funds as well as the projects themselves

Because he did not reveal irregularities that came to his attention, concealed them from the Cabinet and delayed, for a considerable period, taking purposeful steps to put an end to this wrong state of affairs, he is jointly responsible for the fact that the irregularities continued, including the Citizen

The commission then amends its finding in its first report "in the light of the findings and conclusions" it has now reached

This previous finding read "It must be stated clearly and unequivocably that Mr Vorster's attitude and actions throughout all the activities involving irregularities were, in the commission's opinion, honest, bona fide and devoid of any trace of personal gain In the commission's opinion, his integrity is unblemished"

Accused

The commission says that since it issued its first report, Dr Mulder has been obliged to resign from his office as a member of Parliament because of the irregularities in which he was involved In his statement to the press on March 22, 1979, Mr Vorster reproached Dr Mulder for remaining silent when his colleagues in the Cabinet were accused by the Parliamentary opposition and certain newspapers of being implicated in these irregularities

"In essence, however, a similar reproach can be addressed to Mr Vorster in the commission's judgment For more than a year, Mr Vorster, together with Dr Mulder, kept his knowledge of irregularities in the administration of the country from his Cabinet colleagues, at a time when the press and the opposition were already making serious insinuations and accusations of maladministration against the government

"During this period every innocent member of the Cabinet therefore had, because of the collective responsibility of the Cabinet, to bear the stigma of public accusations with-

zen All the witnesses who gave evidence on this matter (except Drs Mulder and Rhoodie, who were found to be unreliable in this connection) agreed that it was during the latter half of 1977, but could not pinpoint a specific time They did, however, all agree that he had been informed of several apparent cases of misappropriation by the Department, including the Citizen, at the latest during November 1977 at the evening meeting at his residence, Libertas

For this reason, the commission gave Mr Vorster the benefit of the doubt in its report, and found that he became aware of the implications of the Citizen only at the end of November

"The commission was naturally mindful of the fact that much earlier knowledge could have serious implications for Mr Vorster, and in all fairness it was not prepared to make a speculative finding on such an important aspect"

"This uncertainty has, however, now been cleared up for the commission by Mr Vorster himself in a press statement released on March 22, 1979, which was submitted to the commission In this statement Mr Vorster makes it clear

that he became aware of the matter as early as August 1977"

On being questioned by the commission on April 27 this year, Mr Vorster also testified that he had been informed of the State's involvement in the Citizen by Mr L S van de V Reynders during September 1977

commission did not want to make findings against him on uncertain evidence

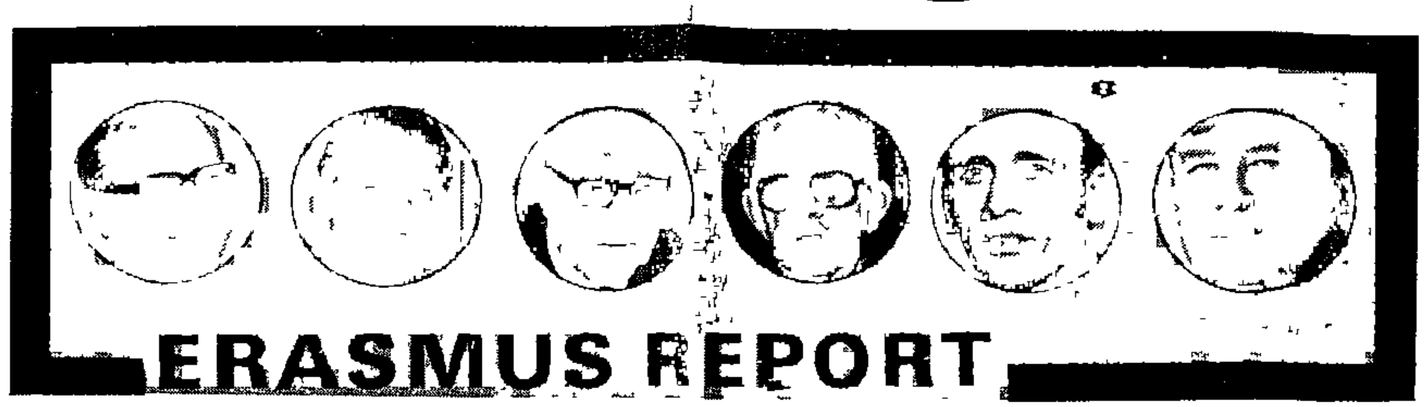
"One piece of evidence given by General Van Den Bergh, (former head of the Bureau for State Security) however, impressed the commission as being the truth, because it was given spontaneously and as coming from an old friend of Mr Vorster's, who was moved by the recollection of a painful moment The commission finds Mr Vorster's reaction to this strange and unacceptable

"The evidence deals with General Van Den Bergh's visit to Cape Town to say goodbye to Mr Vorster While he was in the aircraft, General Van Den Bergh stated, he sat there turning over in his mind what he had to go and say to Mr Vorster in Cape Town

'Inner torment'

"His evidence reads as follows

"'And then my thoughts turned to this frightful problem that the poor man was struggling with, the Citizen, because I knew it had become an inner torment (sielewroeging) for him How could I help him? I tried very hard to help him I arrived in Cape Town and immediately went to him I reported on my affairs, and then I said to him, John, today I want to talk seriously to you as man to man, as friend to friend Just you and I We have come very far You know, John, what respect I have for you, what appreciation I have for you But you have now reached a stage where things are not going well It's not going, and it hurts me I don't want people to criticise you They can say what they like about me They must leave you alone Here, in this corridor of yours, I hear among your people that they are criticising you about this information affair They say you do not speak the truth They do not say you are lying in what you say, but they say you have knowledge which you are withholding And that is where they say you are not telling the truth I say, John, and this is the best of all, you know it is so And you know that I know it is so And you know [illegible]



that he knew of the Citizen project as early as August or September 1977, and the implications of this finding are

Mr Vorster's evidence therefore does not tell the correct story,

That he kept the irregularities secret,

That he concealed the irregularities from the Cabinet, regardless of the consequences

Referring to Mr Vorster's knowledge of financial arrangements, the commission says Mr Vorster intimated he had become aware of Defence secret funds going to the Department of Information only about May 8 1978

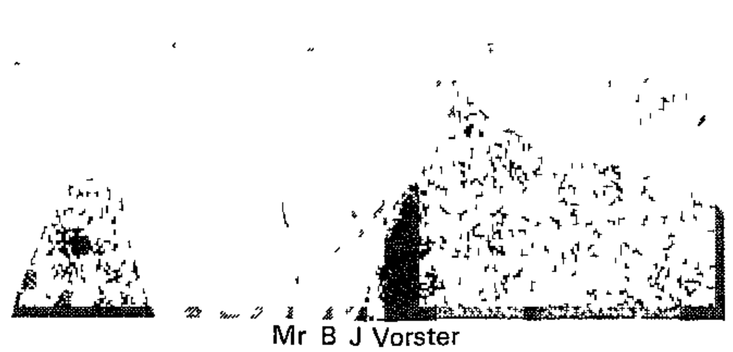
But Senator Owen Horwood's evidence paints a completely different picture

"He said that on February 21, 1975, shortly after he had become Minister of Finance Dr Diederichs had told him that this arrangement had been agreed upon by Mr Vorster, himself and Dr Mulder Senator Horwood's evidence continues as follows

"'And I would like to add to that, Mr Chairman, that I did some time later, talk to the Prime Minister (Mr Vorster) about this He said it is correct that there was this decision which was felt to be in the national interest, very strongly, and it was felt that this was the best way to do it In other words, he did confirm what Dr Diederichs had told me'"

This was continued in spite of the objection of Mr P W Botha, then Minister of Defence

"General van den Bergh supports Senator Horwood's evidence It appears from this that Mr Vorster was aware of [illegible] financial arrangements



Mr B J Vorster

the Department of Information

The commission says it dealt with the certificate in its first report with reference to the actions of Dr Mulder and General Van Den Bergh, and the pressure they exerted on Reynders to submit a false certificate to Mr Vorster

The commission found then that Mr Vorster had not known in what circumstances the report had come to him nor that it was a false report When questioned in April this year however, Mr Vorster took the line that he had been satisfied with the report and that it had not been false, even after the nature of the irregularities then existing had been pointed out to him

"The commission finds this unacceptable In the light of this the commission has to reconsider its original view on Mr Vorster's involvement in the false version of the real situation in that report"

General Van Den Bergh had maintained in his evidence that Reynders had to investigate all irregularities, whatever their nature This was also the opinion of several members of the Cabinet

Mr Vorster tried to defend the certificate and would have accepted it as being quite in order and in accordance with his instructions to Reynders According to him it had not been necessary for Dr Mulder or General Van Den Bergh to exert any pressure on Reynders

Mr Vorster said in evidence that when he had instructed Reynders to investigate the alleged irregularities, he had had in mind only cases of self-enrichment and embezzlement (self-verryking en geldverduistering)

"Reynders was adamant that he would not have issued such a certificate had it not been for the pressure exerted on him He therefore probably understood the instruction as being different from what Mr Vorster now says the intention was

"The commission finds it difficult to understand why Mr Vorster did not give Reynders the instruction concerning the investigation that he says was his intention Mr Vorster has issued a press statement, stating exactly what his instruction to Reynders was, viz 'To carry out a full and thorough investigation about all alleged irregularities, allegations, stories and rumours so far as the misuse of funds is concerned' In this sense, surely, the massive spending of State funds on the Citizen and the loan of R825 000 by Dr Rhoodie to Pieterse for the making of a film for his personal gain for example, would have been serious irregularities committed in the Department

"When Mr Vorster received Reynders's report, he had already been informed in detail by Reynders over the preceding period of almost a year of a large number of irregularities, including the two cases of gross misappropriation of State funds mentioned above Despite this, Reynders then reported in writing to Mr

Vorster that his investigation had revealed no cases of misappropriation

"The commission believes that to Mr Vorster's knowledge on the date of Reynders's report, Reynders had deliberately painted an incorrect picture of the true state of affairs, and that there were in fact cases of gross misappropriation in the Department

"Mr Vorster explained this untenable situation to the commission by saying that at the time when he received the report he had been concerned only about whether 'someone had filled his pocket (iemand sy sak gevul het)' and whether there had been self-enrichment and embezzlement He gave this as the reason why he had accepted Reynders's report without a murmur.

"The Commission cannot accept this explanation of Mr Vorster's He knew at that stage that serious misappropriations, in terms of his own instruction to Reynders, had taken place in the Department and he therefore knew that Reynders's report was concealing those irregularities. By accepting it and publishing it to the Cabinet, still without revealing his knowledge of all the true facts to the Cabinet, he was not only doing members of his Cabinet an injustice, but was in fact participating in action which in itself was a serious irregularity, viz the covering up of gross irregularities To this extent Mr Vorster must share responsibility with Dr Mulder for the latter's irregular actions Sapa

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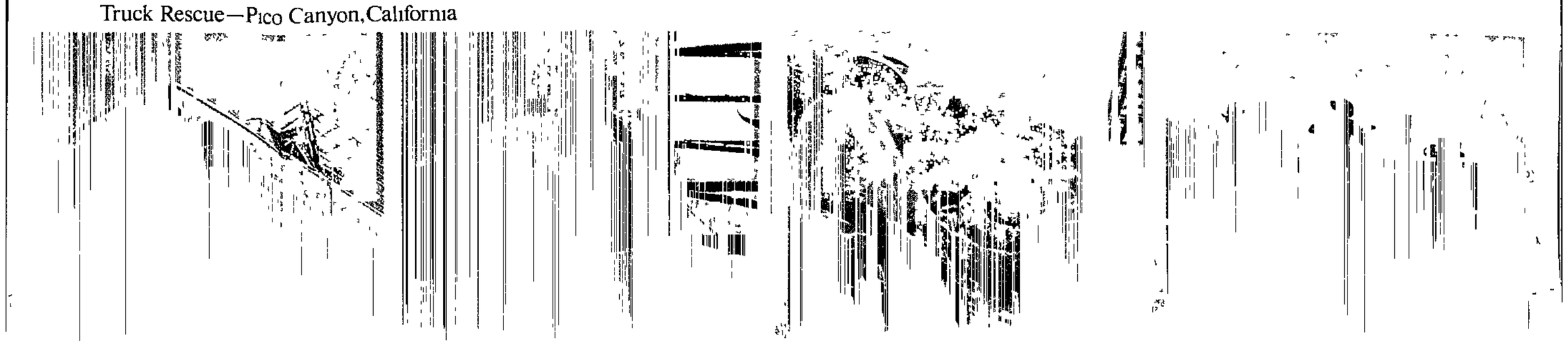

commission does, however, in all fairness to Mr Vorster, want to point out again that he did have the affairs of the department investigated, for example by the Public Service Commission and others during this period "

Asking why Mr Vorster did not reveal the facts, the commission says it does not want to speculate about this but would like to quote a passage from Advocate P R van Rooyen's evidence The evidence reads

"At this stage I asked Mr Vorster if there was not an element of blackmail, because I had heard, which I wanted to discuss with him, that Dr Eschel Rhoodie threatened to bring the government down if action was taken against him

"This was hearsay, but I discussed it with the Prime Minister, and I then asked him if an element of blackmail was not concerned in the whole affair, and the Prime Minister's reply to me was 'A thousand percent He holds my Ministers's political life in the hollow of his hand' This was for me disturbing "

"Even this piece of evidence given by Advocate van Rooyen later proved to be true," the Commission commented

The commission says when its first report was prepared, the commission had no absolute certainty as to when Mr Vorster first became aware of the State financing of the Citi-

Several ministers who had served in Mr Vorster's Cabinet gave evidence during March this year that it was not until his last Cabinet meeting on September 27 1978 that Mr Vorster informed the Cabinet about the Citizen for the first time, and then only after he had been confronted by some members of the Cabinet the previous evening with the facts that Mr van Rooyen had given them

The commission says it seems Mr Vorster feels resentment towards Mr van Rooyen, blames him and regards him as a gossipmonger for ever having told him (Mr Vorster) the facts and for having revealed them to members of his Cabinet in September 1978

"The commission can find no fault with Van Rooyen's action in revealing the facts about the Citizen to members of the Cabinet on the eve of the election of a new Prime Minister in 1978, especially if it is remembered that he knew that Dr Mulder, one of the candidates, had had a hand in this gross irregularity

"Evidence given by Mr Vorster before December 1978 about the irregularities consisted mainly of denials, and the commission accepted his denials rather than the evidence of witnesses such as General Van Den Bergh, Dr Mulder and Dr Rhoodie that contradicted the denials The

shrugged his shoulders and then said, 'Yes it is so,' and I said, 'But John, it can,t go on like that This thing will destroy you, it's eating at you like a cancer We cannot go on like this And your health is not good "

"When this evidence was read to Mr Vorster, he re-

plied, 'This is too stupid for words Such a conversation never took place It is as presumptuous as anything I ve ever heard ' "

The commission comments that General Van Den Bergh is indeed presumptuous, but it is of the opinion that his version of the incident was free of fabrication or pretence

The commission then finds that on Mr Vorster's own evidence in April this year as well as the statement contained in his press release, and that Mr P W Botha objected to them from the start a fact that was denied by Mr Vorster "

The commission says it is reasonable to infer that Mr Vorster must in fact have known everything about the basic financial arrangements in connection with the Department's funds and its main projects

Highly unlikely

Dealing with Mr Vorster's knowledge of the secret projects, the commission refers to certain letters which it says make it clear that Mr Vorster was consulted in advance concerning the funds needed for the secret projects

"It therefore seems highly unlikely that the secret projects would not have been mentioned to him to support the requests in terms of Mr Vorster's letter of December 1973 the concluding paragraph of which reads as follows.

" 'The Minister of Information consults in the nature of the affair the Prime Minister on important information aspects and projects ' "

In dealing with its assertion that Mr Vorster kept the irregularities secret, the Commission refers to the certificate issued by Mr Reynders to Mr Vorster on September 19, 1978, after Mr Reynders had been appointed by Mr Vorster to investigate irregularities within

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Erasmus rejects PFP view on funds

THE Erasmus Commission has confirmed its finding in its interim report that no present members of the Cabinet had any knowledge of the Citizen project.

In its final report, the commission said that some parts and passages of the Progressive Federal Party's documentary evidence "point to circumstances that may arouse the suspicion that Senator Horwood and other members of the present Cabinet were aware of irregularities, but they fall far short of *de facto* proof".

It therefore confirmed its earlier finding.

The commission said it has emerged from the documents that the PFP's attitude is that almost all projects launched and financed with moneys from the department's secret fund should be regarded as irregular because of the irregu-

Mr P W Botha

larity of the fund itself in the department, the irregularity being aggravated by the fact that projects were conducted in secrecy.

The commission considered this view of the PFP, did not hold water

Dealing only with irregularities and misappropriation of State funds as found in the department, the commission said. "In this regard, both Mr P W Botha and Senator Horwood find themselves in the pardonable position of a cyclist whom a bigger vehicle has bumped over the white line at an intersection where he is not allowed to be." — Sapa

Some tried to hinder the probe

HOUSE OF ASSEMBLY. — The Erasmus Commission says the first real problems it faced in its further inquiry were unwarranted criticism and attacks on it.

The commission says that as the secret activities of the Department of Information were of an unusual nature, it was to be expected that their disclosure would have a traumatic effect.

"In these circumstances, and also because of the involve-

Mr Justice R P B Erasmus

ment of politicians in the matter, there was bound to be improper, disparaging and hindering action in regard to the Commission," it says.

Among general examples were attempts by leaders of a political party to obtain "representation on or at the commission" on grounds that, because they represented the official opposition, they were entitled to this

Another example was public statements made on matters being investigated by the commission.

There were attempts to cast doubt on the commission's findings by urging the publication of evidence ostensibly so that such findings might be checked There was a suspicion-mongering by the propagation of naive ideas about the "legal character" of the commission.

There was also hindering of the commission's activities by the publication of party-political propaganda in a section of the English-language press instead of placing information of importance at the disposal of the commission — Sapa

'Mulder tried to interfere with tender'

HOUSE OF ASSEMBLY — The Erasmus Commission considered that Dr Connie Mulder, when Minister of Information, improperly attempted to interfere with the proper performance by the State Tender Board of its function, with the intention of helping Perskor, of which company he was a director

The commission said yesterday that Dr Mulder elected not to answer the commission's questions about this matter on April 26 this year

The matter arose over the award of the contract to print SA Panorama at the end of 1977 SA Panorama was printed for 16 years by Perskor, using the letterpress process which, according to Mr J H O Adendorff, then head of publications for the department, was virtually kept and used specially for this purpose

In 1974, when the contract had to be awarded anew for three years, Mr Adendorff advised Dr Rhoodie that it would be desirable to invite tenders for lithographic as well as letterpress printing, which could be 50 percent more expensive than modern methods

Dr Rhoodie asked him to request the Government Printer

Dr Eschel Rhoodie

to invite tenders, but to put it to the Government Printer that extending Perskor's contract would be to the state's advantage This the Government Printer refused to do

With Dr Rhoodie's approval, Mr Adendorff then wrote to the Government Printer, requesting him to invite tenders for lithographic printing as well as letterpress Soon after, Mr Adendorff testified, he was approached by Mr J M Buitendag, Perskor's printing manager, with the request that only tenders for letterpress printing be considered

Mr Adendorff said the matter rested with the Government Printer and Mr Buitendag said he would have to discuss the matter with his "baas" Dr Mulder was then both minister of Information and a director of Perskor

Mr Buitendag explained that, if he had used the words, they were a reference to Mr Marius Jooste, chairman of Perskor

Awarded

About nine days later Mr Adendorff was instructed by Dr Rhoodie to write a second letter to the Government Printer directing him to consider only tenders for letterpress printing The contract was again awarded to Perskor for three years

In 1976 Mr D C van der Spuy became head of publications for the department In 1977, when new tenders had

Mr Lood Reynders

again to be invited for printing SA Panorama, Van der Spuy recommended to the Government Printer that tenders be opened to all printing processes He was in favour of using the lithographic process

Several printers tendered, including Nasionale Koerante (gravure), SA Litho (lithography) and Perskor (letterpress, gravure and lithography) The tender from Nasionale Koerante was by far the lowest, about R260 000 cheaper over the period of three years than any of the others The next lowest tender was SA Litho's and third Perskor's lithographic tender The letterpress tender from Perskor was considerably higher than any of the three others mentioned

The contract was awarded to SA Litho at the end of 1977

The directors of Nasionale Pers were not satisfied and on March 9, 1978 wrote to Dr Mulder asking for an explanation

Mr Van der Spuy testified that he insisted on lithographic printing for SA Panorama as his technical adviser in the department, Mr A G Driessen, had advised him it was superior to all other processes But neither he nor Mr Van der Spuy had ever ascertained the quality of gravure printing done by Nasionale Koerante

Dr Mulder, in his reply to Nasionale Pers, relied on trivialities and absurdities which all witnesses agreed would not be valid reasons for not awarding the contract to Nasionale Koerante

The commission found that in the circumstances Mr Van der Spuy played a suspicious role in awarding the Panorama contract to SA Litho that showed *prima facie* favouring of SA Litho for dubious reasons

After the Tender Board awarded the contract to SA Litho, according to Mr Van der Spuy's evidence, Dr Rhoodie informed them that Dr Mulder felt unhappy about it

Bankruptcy

Dr Mulder gave Mr Van der Spuy instructions, through Dr Rhoodie, to convene a meeting with the State Buyer, Government Printer and Tender Board He was instructed to request the meeting to make sure SA Litho could handle the work and was not on the brink of bankruptcy

Mr Van der Spuy said the purport of Dr Mulder's instructions was to investigate the possibility of changing the decision taken by the Tender Board

The commission found that Dr Mulder convened the meeting because he hoped the Tender Board might reconsider its award of the contract to SA Litho in favour of Perskor

The commission said Dr Mulder was subpoenaed to testify before the commission in connection with the Washington Star project and the printing of Panorama

Fair hearing

"He refused to give evidence and the commission has referred him to the Attorney-General of the Transvaal for prosecution on a charge of contempt of the commission"

According to newspaper reports, Dr Mulder contended that he refused to give evidence because the commission had refused to give him a fair hearing by not giving him access to files

Later, after refusing to give testify, he said, according to newspaper reports, that the commission had shifted its position by saying it would make the documents available to him after he had taken the oath

"Both statements are untrue, and a true record of the events is given below," the commission said

Before the commission began its session on April 26 this year, when Dr Mulder was to have given evidence, his legal representatives submitted a document (exhibit 60) setting out the reasons why he would not testify This document was not true

Dr Mulder had already given evidence twice, and he knew that all documents available to the commission, which heard evidence *in camera*, had been made available to him as soon as the oath was administered If at any time he had asked for time to consider his replies in connection with such documents, the commission would have given him the chance to do so He would then, however, have had to give an undertaking of secrecy

A lie

In the case under discussion the commission, by way of exception, made certain documents available to Dr Mulder before he was asked to take the oath

In exhibit 60 it was alleged that Dr Mulder "geen geleentheid gehad het om te reageer op weersprekende getuies me en is hy nie eers van die streeking of bestaan van weersprekende getuies verwittig nie"

"This is a lie," the commission said "The evidence of Reynders, Mr Vorster's press statement, etc, for example, were put to him in detail Later, Senator Horwood gave evidence against Dr Mulder and on November 27, 1978, Dr Mulder was recalled and Senator Horwood's evidence was put to him in detail

"In this regard Dr Mulder was treated just like all the other witnesses, and after he had given evidence before the commission the first time he said, perfectly satisfied, 'Thank you, Mr Commissioner, thank you gentlemen, and thank you for the good spirit in which it can take place' "

In exhibit 60, Dr Mulder alleged that the commission did not give him the opportunity to rebut its findings in the interim report In a press statement dated March 22, 1979, the commission invited all persons who could give evidence on matters covered in its terms

Dr C P Mulder

of reference for the interim report to come forward Dr Mulder ignored this invitation The commission assumed he could give no further evidence

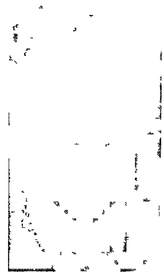
"Whatever the case may be, on the morning of April 26, 1979 in the conference room, before Dr Mulder was called to take the oath, the chairman explained the whole position to him in detail The commission wished to hear Dr Mulder on the findings it had arrived at about which he (Dr Mulder) might feel unhappy, since the commission's activities had not yet been completed

"The commission wanted to hear his evidence on the Star project, including the Sacramento Union, and the loss sustained by the state in this matter, as well as about his alleged interference in the awarding of the SA Panorama printing contract by the Tender Board

Key witness

"The commission explained the whole procedure regarding the making available of documents to him and also pointed out that his allegations in exhibit 60 were incorrect, and then adjourned so thay he could reconsider his decision not to give evidence

"Despite all this, Dr Mulder's advocate informed the commission that Dr Mulder was standing by the objections in exhibit 60, and Dr Mulder added to this 'I



Senator Owen Horwood

have had one experience which I do not wish to repeat Thank you very much'

"The commission is convinced that Dr Mulder, as a key witness, could have shed light on both matters, but was deliberately refusing to do so, and the commission is satisfied that it did not commit any procedural irregularity" — Sapa

Final findings on the Citizen project

HOUSE OF ASSEMBLY — The Erasmus Commission has found that the founding and establishment of the Citizen with State funds in competition with other newspapers in the newspaper market to be a gross irregularity.

In the section of its report dealing with publications that the former department of Information either published or bought and distributed and with which irregularities are said to have taken place, the commission said it could find no irregularities in connection with the periodical To The Point

The commission said it seemed that the department paid an exorbitant price for the publication, South Africa — a Visual History, and the fact that use was made unnecessarily of an intermediary also gave rise to suspicion

Dr D O Rhoodie

This publication issued in 1976 was printed and published by Perskor on behalf of the department at a price of R13,63 a copy

The cost to the department came to R102 000 for roughly 7 500 copies.

The department's head of publications, Mr Van der Spuy, was not satisfied with this particular edition both as regards its contents and its price

Mr Van der Spuy also did not think the price should have been more than R6, but Dr D O Rhoodie, who, by his own testimony, exercized quality control, did not consider the price to be too high.

Of another publication, SA Mosiac, printed by International Publishing Co, Mr R W Hepers had stated that 50 000 copies were destroyed because the publication was worthless According to him this entailed a loss of R240 000 to the State

In connection with the Year Book 1974, an additional payment of R556 had been made to Professor Rhoodie for his contribution, and this became known as a double payment in the department

Mr Van der Spuy said Dr D O Rhoodie instructed him to make this payment

"Dr D O Rhoodie considered that this payment had in fact resulted from an error in calculation. His explanation of this payment is highly unsatisfactory and unacceptable to the commission"

A book, Republic of the Transkei, was published by Van Rensburg Publications (Pty) Ltd, whose owner, Mr Van

Mr Justice R P B Erasmus

Rensburg, had suggested its publication The department undertook to buy 10 000 ordinary and 20 de luxe copies

Mr Van Rensburg ran into trouble with the printing and publicaction of the book and allegedly sustained a loss of more than R29 000

"Although his actual loss came to only R29 120, Dr Rhoodie agreed to pay him R30 000"

Of another book, Stepping into the Future, published by Erudita Publications (Pty) Ltd, for whom Mr Van Rensburg acted as adviser, the commission said Mr Van Rensburg wrote to the department on March 24, 1975 indicating that 8 000 copies of the book were ready, which was not actually the case because materials had not been delivered

"This letter was apparently the result of collusion between the department and Van Rensburg to have payment for the book made before the end of the relative financial year, and thus to avoid having to re-deposit the department's available funds in the State Revenue Fund" — Sapa

Taxpayers' money by hundreds of thousands of rands went through Rhoodie families' private accounts.

Trusted associate Van Zyl Alberts lined his own pockets with state funds says the report.

Former Prime Minister jointly to blame for Info scandal irregularities says Erasmus commission final report.

Legal moves urged over R6 million still missing in abortive American newspaper deals.

5 June 1979

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Vorster resigns

CAPE TOWN — The State President, Mr Vorster, resigned yesterday after the Erasmus Commission had found him jointly responsible for the irregularities in the Information scandal.

The departure of the man who as Prime Minister was the most powerful man in South African politics just eight months ago was announced to a silent House of Assembly by the man who succeeded him, Mr P. W. Botha.

In an emotion-filled and faltering voice, Mr Botha said in English "I regret to have to inform the House that the State President has tendered his resignation with effect from June 4, 1979 to the Speaker of the House of Assembly."

Mr Vorster's decision to quit followed the release of the final Erasmus report which reversed its earlier findings on the former Prime Minister's role in the Information scandal.

The commission's previous finding was that Mr Vorster's attitude and actions throughout all the activities involving irregularities were "honest, bona fide and devoid of any trace of personal gain".

Subsequently, the commission found Mr Vorster "knew everything about the basic financial arrangements for the department's funds" and was consulted about the secret funds as well as the projects

It also found: "Because he did not reveal irregularities that came to his attention, concealed them from the Cabinet and delayed, for this considerable period, taking purposeful steps to put an end to this wrong state of affairs, he is jointly responsible for the fact that the irregularities continued, including The Citizen".

Immediately after Mr Vorster's resignation was announced, the opposition shifted the emphasis to the Cabinet's responsibility for the scandal

The Leader of the Opposition, Mr Colin Eglin, said Mr Botha's "shattering" statement was "one of the most dramatic made in the House of Assembly".

From BARRY STREEK

It involved the constitutional concept of Cabinet responsibility.

"The government as a whole cannot avoid this issue. Those members of the government who served in Mr Vorster's Cabinet will have to decide on their course of action"

The leader of the New Republic Party, Mr Vause Raw, said that the fact this could happen under the noses of Cabinet Ministers "shows them unfit to govern and I believe all members of the Vorster Cabinet should resign"

The PFP's Mr Harry Schwarz, who played a key role in the select committee on public accounts in exposing the scandal, said these events were not only the responsibility of Mr Vorster.

"It is the responsibility of the party which he led. The mandate was obtained by the National Party on withheld facts and with the help of an improper media instrument," Mr Schwarz said.

The NRP's Mr John Malcomess, MP for East London North, said: "One by one, more Nationalist politicians are becoming involved. One can only speculate as to who will be next to be thrown to the wolves"

There was speculation in the corridors of Parliament yesterday that the Erasmus report could lead to an early election — possibly in September — but undoubtedly the Nationalist caucus will rally around the new leadership in the party to portray unity.

For Mr Vorster, the latest report, which found that he was involved in at least four cover-ups, is a devastating blow to the man who became one of the most respected white politicians in South African history and who led the National Party to its [illegible] electoral [illegible]

ERASMUS REPORT pages 2, 3, 4, 5

Mr Vorster at his inauguration as State President in Pretoria last year.

Waldeck is jubilant

JOHANNESBURG — A jubilant Mr Johannes Waldeck, former head of the administration branch of the Department of Information, said yesterday he was grateful his name had been cleared by the Erasmus Commission

Mr Waldeck, who was prematurely retired last year by Dr Eschel Rhoodie, said "I'm grateful that by giving evidence to the Erasmus Commission it has removed all doubt about my role in the Information affair

"I was persuaded to give evidence by friends. I always believed I had nothing to be ashamed of and the commission has confirmed this

"It has lifted the cloud that hung over the head of myself and my family for a long time," he said — DDC

De Villiers: I'll take legal advice

Mulder tried to sway State Tender Board

THE ASSEMBLY — Opening with the words "Mr State President, may it please you" the Erasmus Commission yesterday blamed Mr Vorster for the multi-million rand Information scandal

The commission's report, which led to Mr Vorster's immediate resignation, also cleared the present Prime Minister, Mr P. W. Botha, and the Minister of Finance, Senator Horwood, of any involvement

The report tabled yesterday discloses that.

Businessman, Jan van Zyl Alberts, a key figure in The Citizen and To the Point, was involved in the former Department of Information to the tune of more than R16 million,

Hundreds of thousands of rands of taxpayers' money went through the private bank accounts of Dr Eschel Rhoodie, the former Secretary of Information, his wife, and his two brothers;

The former Minister of Information, Dr Connie Mulder, who nearly became Prime Minister in September last year, tried [illegible] person for contempt; and

It recommended relief be given to people who had lost their jobs innocently through the dissolution of the department or of any of its front organisations.

The commission also urged that legal advice be sought for Dr Mulder's liability in the R6,5 million lost in the Washington Star deal.

The 72-page report, which reads like an action-packed spy drama, is devastating for its revelations about the goings-on in the former department and it could turn into a best-seller.

However, there are lighter moments of the colourful terminology which has typified all three of the commission's reports

Such as:

Mr Waldeck "did not die a pupa in its cocoon and so, changes the metaphor, became a fly in the ointment to his chiefs."

"In terms of irregularities and misspending of state funds, both Mr P. W. Botha and Senator Horwood find themselves in the pardonable position of a cyclist whom a vehicle has bumped over at the white line at an intersection where he is not allowed to be. And who, except perhaps a politician who wanted to make capital out of it, would blame him if he were to pick up his cycle and continue on his way"; and

Chapter headings such as "The Cocoons" and "J van Zyl Alberts — trusted associate who lined his pockets" and "The wrong target." — PC.

(News by Barry Streek, Press Gallery, House of Assembly, Cape Town)

became aware of The Citizen affair

Sapa reports that in a second statement yesterday on the Cabinet's decision on the final Erasmus Commission report, Mr Botha referred to chapters two and three which deal with Mr Vorster's involvement with the former Information Department's activities and said the Cabinet wished to point out

"That the Honourable B J. Vorster fulfilled his duties under very trying circumstances and under great pressure during the last year of his premiership due to his state of health,

"That the Honourable Mr Vorster wanted to relinquish his post as early as 1977, but that his colleagues persuaded him not to do so in the national interest at that stage,

"That the Cabinet would like to state its appreciation for the sacrificial services rendered by Mr and Mrs Vorster to the country at all times with honesty and without any personal gain."

The statement said the Cabinet accepted that the commission's deductions and decisions as embodied in its supplementary report did not in any way reflect upon the honesty and integrity of Mr Vorster.

Mr Botha said the Cabinet expressed the wish that Mr and Mrs Vorster be afforded the opportunity to enjoy their well-earned rest in peace.

The government was giving its positive attention to the deductions and recommendations contained in the rest of the report.

(News by B Streek and C Braid, Press Gallery, House of Assembly, Cape Town)

Editorial opinion, page 10.

tor of the disbanded Foreign Affairs Association who was slammed in the Erasmus Commission report as not being equal to the post, refused to comment on the commission's finding last night

"I am not prepared to say anything at this stage Naturally I am upset by the report and I am going to play it the way I should play it I am going to take legal advice on what my next move should be I am going to give the full perspective of this whole thing "

Although Mr De Villiers refused to be drawn into commenting on the contents of the report, he hinted at steps he would be taking at a later stage to put his case before the public.

"It is impossible for me to leave it at that," he said about the commission's findings He hoped it would be no longer than a week before he would be in a position to make a statement

Mrs Erna de Villiers, looking composed and serene in spite of the latest allegations about her husband's conduct while serving as director of the association, said last night "I will stand by him, no matter what I still have faith in my husband "

New editor for Financial Mail

JOHANNESBURG — Mr Stephen Mulholland, former assistant editor of the Sunday Times, has been appointed editor of the Financial Mail.

He will take the place of Mr Graham Hatton who has been appointed editor of Business Europe, a European publication. — SAPA

MISS LAMPRECHT . . . our affair is dead.

MRS DE VILLIERS . . . I'll stand by him.

She said her husband had been cleared of the commission's main objective to establish whether government funds had been misappropriated

"I do not think there is anything to be scared of I have known my husband for 16 years We have been married for 12 and I can vouch for his honesty and integrity "

The commission did not sum up Mr de Villiers in quite the same way. It described him as a person who had a fancy for flashy and good cars and who was something of a ladies' man

He reminded the members of the commission in many respects of Dr Rhoodie

According to the evidence of Miss Hester Lamprecht, the FAA's public relations officer who admitted having had an affair with Mr De Villiers, he was also extremely quick - tempered If his official car would not start, he would rush at it and kick it, and on another occasion he smashed a tape recorder against the panelled wall of his office.

"That's all gossip and has nothing to do with the commission's briefing," Mrs De Villiers said

She also does not believe the stories that her husband had an affair with Miss Lamprecht

"I do not believe that there was a relationship between them. Hester Lamprecht is a wonderful person Those people who told the commission they were having an affair were just trying to get at him, for what reason I could not say Cas appreciated her ability to work hard that was all It would not have mattered how beautiful or sexy she was — if she did not work well, he would have fired her "

Miss Lamprecht, 28, said last night "There is no longer anything between Cas and I Our affair is dead and has been dead for some months."

She said all she cared about was her relationship with her current boyfriend, Mr Pierre Viljoen, a Pretoria company director

"About the tie-up between Cas and I There is nothing I can do about it It will all depend on Pierre whether our relationship will continue I won't know until I have spoken to him. He will have to phone me " — DDC

tor of Perskor to retain a contract for his firm,

Nealy R6,5 million is still missing after dealings with American publisher John McGoff to try to buy the Wasthington Star and the Sacramento Union,

Mr Cas de Villiers, head of the front organisation, the Foreign Affairs Association, was a "ladies man" who threw tantrums, bought costly cars, became involved with his female public relations officer, spent money liberally and dishonestly, and once left on an important tour in Europe to "go holidaying with a woman ";

Mr Johannes Waldeck, former administrative officer in the Department of Information, had been done an injustice when he was fired,

Although it did not say so directly, the commission implicitly criticised the Attorney - General of the Transvaal for not prosecuting General Van den Bergh, and it recommended that in future presiding officers of commissions be empowered to sentence any

How it will reveal itself in political terms is difficult to say at this stage, but the shock waves will surely run deep and traumatically

How do we feel about it? There will be those who will expect us to rejoice over the fall of such a formidable political foe

But the answer is, no One does not rejoice over another's downfall — particularly a figure who had attained such stature Inevitably, there is an element of sympathy

However, we do feel vindicated For six months this newspaper and others, along with the official Opposition, have been subjected to angry condemnation for insisting that the first Erasmus Report was wrong in its clearing of Mr Vorster, and that he should resign his high office to avoid bringing it into disesteem

We were accused of political malevolence, even of trying to bring the office of the Presidency into disrespect (though the opposite was in fact the case) But we stuck to our guns, and now we have been vindicated The Erasmus Commission has conceded it was wrong, and has changed its finding to endorse almost exactly what we said from the beginning was the true position regarding Mr Vorster's involvement

Indeed it is worth noting that, despite all the angry accusations by the Government that the Press had "gone too far" with its Info exposes, there is hardly an aspect of any consequence in the Erasmus Report which has not already been revealed by this newspaper and others — some as long ago as before Judge Anton Mostert made *his* disclosures nine months ago

And there is not a single disclosure on which we have been shown to be wrong

So much for the attempts to justify the monstrous Advocate-General Bill!

While we do not rejoice at Mr Vorster's departure we must, however, be frank and admit that neither do we mourn it

We did not share the admiration which his own followers — and many others too — held for him That he was a major personality we readily concede But to us he was the man who, over 20 years, did more than anyone else to violate the Rule of Law and trample on the institutions and practices of democracy in South Africa — first as Minister of Justice, then as Prime Minister

He is the architect of our forbidding array of security legislation, with detention without trial and the power to ban and banish people and organisations at will

He did it all in the name of national security, of course, but as Mr David de Villiers, the distinguished lawyer who heads Nasionale Pers, pointed out in a recent lecture, such deviations can acquire a momentum of their own that lead eventually to internal corruption and decay

That is the road to authoritarianism — and John Vorster took South Africa a long way down it

Yet ironically, for all his iron image, he appears to have had a curious streak of weakness and indecisiveness During the critical township disturbances of 1976, when the country desperately needed leadership, he remained silent and inactive for months on end

And now, with the Info crisis, he appears to have been paralysed by indecision — sitting with knowledge of the irregularities but doing nothing, hearing his most senior Minister lying in Parliament and doing nothing

It is for these reasons that we believe his great reputation and popularity were largely undeserved. And that history will now place him in a more appropriate perspective

But for South Africa the real lesson is this

There is no substitute for absolute integrity in public life. Machiavellian schemes like secret projects to buy favours abroad may seem justifiable for an embattled country like ours, but they amount to deception, which cripples integrity. And that can bring down a whole nation just as it can bring down that nation's most powerful leader.

by many as the country's greatest leader, has fallen victim to the scandal that had changed the face of South African politics.

'Vorster did the right thing'

CAPE TOWN — Mr Vorster's resignation was in the highest interest of the Office of the State President, the Leader of the Opposition, Mr Colin Eglin, said yesterday

Mr Eglin expressed the Opposition's appreciation for the announcements made by the Prime Minister, Mr P W Botha, regarding the Government's attitude to the Erasmus Commission's report

"We are overwhelmed by the import of what has taken place," Mr Eglin said

He hoped that an electoral college to elect a new State President could be convened at an early date so that a new chapter in history could be started

Mr Harry Schwarz, the PFP's chief spokesman on Information, said Mr Vorster's resignation was a shock to the people of South Africa

Any country, he said, would be shocked by such an event. "South Africa, however, must be even more gravely shocked because this resignation comes at a time when our country needs strong leadership, for South Africa has never been more seriously threatened than now.

"The person who has re-

To Page 2

Little more than two months ago, Mr Botha rose angrily in defence of Mr Vorster, after Opposition calls for his resignation.

The announcement of Mr Vorster's resignation followed an extraordinary Cabinet meeting to discuss the final report of the Erasmus Commission, officially tabled in Parliament at 2 15 pm yesterday. The report — by far the most sensational of the three released since last December — begins with the customary words, "Mr State President, may it please you . ", and continues to deliver a scathing indictment of Mr Vorster.

In a reversal of its finding six months ago that Mr Vorster's integrity was "unblemished", the final Erasmus report reveals that Mr Vorster gave incorrect evidence before the commission in several key areas, played an instrumental role in covering up The Citizen scandal and called a general election at a time when he was fully aware of the scandal

Despite these findings, Mr Botha said the Cabinet accepted that the commission's conclusion on Mr Vorster "in no way reflects upon (his) honesty and integrity." Two hours later, stony-faced Cabinet ministers gathered at the Tuynhuys — Mr Vorster's official residence — to witness the swearing in of Mr Marais Viljoen, president of the Senate, as Acting State President.

Mr Louwrens Muller, Minister of Transport and Leader of the House, is expected to become the new State President, leading to

To Page 2

Just after 4pm, as grey winter clouds roll in over Cape Town, Mr John Vorster leaves the Tuynhuys, official residence of the State President, as a private citizen after formally resigning from the highest office in the Republic Only a few members of the State President's Guard, the presidential staff and some security men were at the Tuynhuys doorway at this poignant moment in South African history — the end of the Vorster era

PAGE 8
VORSTER Profile
PAGE 10

'It's a sad day for South Africa'

By MERVYN REES

SOUTH AFRICA's foremost spy-catcher, General Hendrik van den Bergh, described it as a sad day for South Africa when he was told of the resignation of the State President, Mr B J Vorster

Speaking from his farm in the Bapsfontein district, the man who once described the Erasmus Commission as a "farce" was surprisingly reticent yesterday when Pressmen converged on his property to get his reaction to the latest Erasmus Report

"I don't know what to say — I'm just shocked," said the general, obviously bemused by the sudden turn of events of the day, " if these are the thanks that you get for offering your life for your country That's how South Africa is saying thank you to John Vorster

"It will still be some time before the dust will settle on the Information scandal and even then it will only be after the court cases And what will happen if the courts were to find differently and reject certain evidence — who will then repair the damage?"

Of the chapter devoted specifically to Gen Van den Bergh, he said "I'll have to digest everything and consult with my lawyers before I make any statement on the Erasmus Report

"South Africa can never thank John Vorster enough for what he did for South Africa If I can fault him it was because he was too much of a gentleman I often said to myself that I wondered what it would be like if John Vorster were to tell someone to go to hell . . that might have given him some relief but he was always too much of a gentleman to do that

"If John Vorster is today being attacked by the Erasmus Commission — and I have not yet read the report — I think it would be the most undeserved accusation that could be thrown against the man I will go further and say that the present Prime Minister referred to Mr Justice Mostert's documented evidence as being untested and I am going to say today, and I hope the Erasmus Commission won't think I am being disparaging, but this evidence that has been presented is the most untested that one could get

"Mr Vorster is suffering from the same type of evidence that was brought against him when he was interned Now he is having it thrown at him again and like myself I'm sure John Vorster would like to put some of this evidence to test in a court of law."

Frequently jocular as he glanced through the Erasmus Report, Gen Van den Bergh commented on bits and pieces at random And when he got to the section which suggested that he had tried to shoot down the Commission he said· "That is not so, I never tried to shoot them down "

He said that the situation which had arisen yesterday could have been prevented and repeatedly asked how it was possible that the present Prime Minister could have rejected the evidence of the Mostert Commission but now accepted the evidence of the Erasmus Commission

Breakfast Quip

"Randfontein's voters have been let into the dark room to see if they can find that black cat."

Commission 'destroys web of golden threads'

GOLDEN threads "shone everywhere". Members of the Erasmus Commission had to be on their guard against the tendency of witnesses to "spin cocoons". And some witnesses spun, not a cocoon, but a web, to hide unpalatable facts.

But commissioners Judge Rudolf Erasmus and Advocates George Smalberger and Abraham Lategan have once again revealed, by the colourful imagery of their report, that nobody pulls golden threads over their eyes.

Newspapers, says the commission, wanted evidence published so the findings could be checked on the assumption that any "Dick, Tom and Harry" was able to judge them. Out of "crumbs" slipped inadvertently, the commission had to "build a platform" to get at the truth.

At least in the evidence of the former Administrative Head of the Information Department, Mr J F Waldeck, did they find a man who "did not die a pupa in its cocoon and so became a fly in the ointment to his chiefs".

When former Secretary for Information Dr Eschel Rhoodie became allergic to Waldeck's memoranda, says the report, the fat was in the fire Eschel and his brother Deneys were unpopular because of the "hand-in-glove intriguing", and when third brother Nic Rhoodie's evidence was considered, the suspicion was aroused that "the hand of the one Rhoodie had washed the hand of the other Rhoodie".

Prime Minister P W Botha and Senator Horwood (the man the Commission previously did not expect "to search for a black cat in a dark room where he has no knowledge of the cat") found themselves "in the pardonable position of a cyclist whom a bigger vehicle has bumped over the white line at an intersection where he is not allowed to be," says this report. "And who would blame him if he were to pick up his cycle and continue on his way?"

The bigger vehicle was the then Prime Minister, Mr Vorster. And this report, which yesterday resulted in Mr Vorster's resignation, began with the words. "Mr State President, may it please you . . ."

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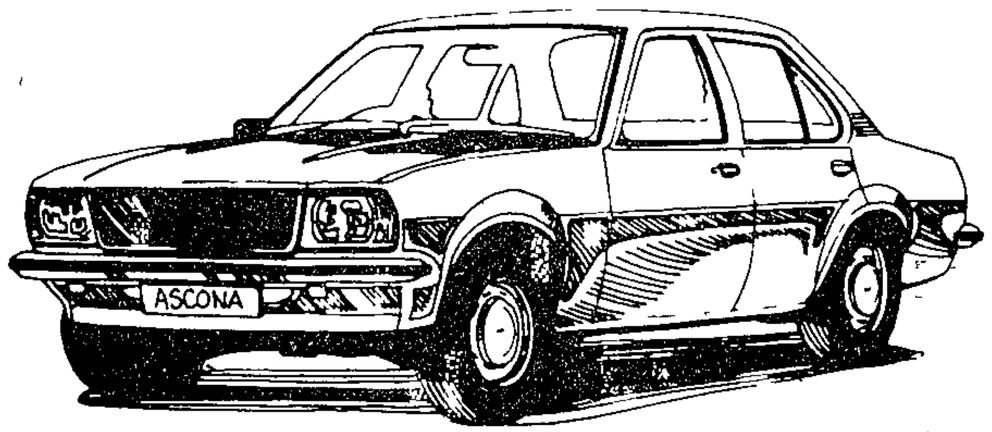

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THE FINAL ERASMUS REPORT

Ex-President's first hours — with PW

By JAYNE LA MONT

THE FORMER State President, Mr B J Vorster, and his wife, Mrs Tini Vorster, spent the first few hours of retirement at the home of the Prime Minister, Mr P W Botha.

A man who answered the telephone at Groote Schuur, the residence of the State President said the couple were out visiting friends He did not know when they would be home but gave a telephone number where they could be reached

The telephone number was that of Westbrook, the residence of the Prime Minister

A woman who answered the telephone at Westbrook said Mr and Mrs Vorster were "visiting for the whole evening and will only go home very late"

"They cannot be disturbed," she said

All engagements accepted by Mr Vorster as State President have been cancelled

The Information Service of South Africa (ISSA) said yesterday those concerned would be notified in writing, reports Sapa

Our correspondent in Ulundi reports that loud cheers and shouts of "amen" in the KwaZulu Legislative Assembly yesterday greeted the news of Mr Vorster's resignation

Chief Gatsha Buthelezi told the Assembly that Mr Vorster had resigned and added "They obviously did not have enough paper to paper the cracks"

Mr Simon Conco the Chief Whip, whose speech the Chief had interrupted to make the announcement, tried to switch topics, but the speaker forbade him to discuss Mr Vorster

Mr Conco said the Assembly had "expressed our jubilation because this is the man who had been responsible for so many of our problems.

No further reference was made in yesterday's debate to the Erasmus Commission's findings.

STANLEY UYS reports from London that Mr Vorster's resignation was one of the main news stories on British television and in London's evening papers yesterday

The Evening Standard ran the page one headline "Vorster resigns Guilty Man" over a large report

The Evening News, with a deadline just too early, carried a page two report saying Mr Vorster had covered up the "slush fund scandal" and forecast his resignation

Both the British Broadcasting Corporation and Independent Television led their bulletins with the resignation

A quotation from Mr Vorster informing Parliament "categorically" that no serving member of his Cabinet had any knowledge of Info irregularities was flashed on to the screen.

The BBC bulletin then showed scenes from the Soweto disturbances, claimed that Mr Vorster had propped up Mr Smith's regime in Rhodesia and said Mr Vorster would be remembered chiefly for his rejection of outside interference in South Africa's internal affairs

It also mentioned the allegation that, through Info funds, the American millionaire, Mr John McGoff, had bought into UPI-ITN

Newspapers, television and radio programmes all looked at Mr Vorster's career and his dramatic fall from grace

Keen interest was shown in the effect Mr Vorster's resignation will have on the National Party. Some commentators thought verligtes in the Government might be strengthened in their efforts to liberalise policy

The British Government declined to comment

The reaction in anti-apartheid circles and exile groups was that although Mr Vorster, the individual, was gone, the system continued

GERALD REILLY reports from Pretoria that the head of the Political Science department at the University of South Africa, Professor Willem Kleynhans, said Nationalist Afrikanerdom had suffered its greatest ever shock

He said Mr Vorster's resignation was a situation unprecedented in South Africa's political history

If the Government wanted to preserve what remained of its tattered credibility it would call a General Election immediately

Voters must be given the opportunity of reacting to the sordid Information scandal, prof Kleynhans said

They had been badly let down, their money had been misused and there had been skullduggery

They must now be allowed to pass judgment on the happenings of the past two years

Leading Nationalists, Prof Kleynhans said, had been stunned by the enormity of developments

To many it was unbelievable — a political nightmare

"It's not only one or two people It's the whole of the Nationalist Government, and particularly the Cabinet that is involved"

The resignation of the State President was the ultimate blow to the prestige and status of National Party leadership

Prof Kleynhans said the dismay and shock would also have a direct bearing on the results of the Randfontein by-election tomorrow

Until now the response of NP supporters to the party call to vote had been at best lukewarm for a number of reasons

Among them were the Government's acceptance of the Wiehahn Commission proposals, the Advocate-General Bill, the spate of recent price increases and th feeling that Dr Connie Mulder had been made to carry the burden of blame for the Information scandal

"Now on top of this we have the resignation of the State President and former Prime Minister"

Prof Kleynhans forecast that the percentage support for the NP in the by-election would plunge to an all time low

"They'll win it But the result will support the growing public clamour for a General Election once and for all to get the judgment of the electorate," Prof Kleynhans said

The NP's right to govern was being questioned and should be tested

DURBAN. — The Mayor of Ladysmith, Councillor B J E Human, would still like to confer the Freedom of Ladysmith on Mr Vorster in spite of yesterday's Erasmus Commission shock disclosures

But whether the honour will be granted to, and accepted by, Mr Vorster in October as planned, is not known

"I don't quite know what the position is as he has announced the cancellation of all his future engagements," Mr Human said

He would wait to hear from Mr Vorster's office before taking the matter up with the Ladysmith councillors

"While I cannot bind my council to a decision on this matter, I personally would still confer the Freedom of Ladysmith on Mr Vorster," Mr Human said.

Truth has won, says jubilant Waldeck

By MERVYN REES

A JUBILANT Mr J F "Wally" Waldeck, former head of the administration branch of the Department of Information, said late yesterday he was grateful that his name had been cleared by the Erasmus Commission

Speaking from his home in Waterkloof, Pretoria, Mr Waldeck, who was prematurely retired by Dr Eschel Rhoodie last year, said "I bear nobody any grudge and simply believe that truth is a force that will prevail — as it has done in my case."

"I'm grateful that by giving evidence to the Erasmus Commission it has removed all doubt about my role in the Information affair

"I was actually persuaded to give evidence by friends, and I then agreed to do this It has resulted in clearing my name and although I had always believed that I had nothing to be ashamed of, it is nice that the commission has confirmed this"

Mr Waldeck paid tribute to the Press for supporting him after his premature retirement

He confirmed that he has come out of retirement. For the past few months he has been working in the Transvaal Provincial Administration. "But this has been to keep myself occupied I'm enjoying my work and it's keeping me out of mischief," he said

Throughout yesterday well-wishers telephoned Mr Waldeck to congratulate him on the "clean bill of health" given him by the commission

"It has lifted the cloud that has hung over the head of my family and I for a long time," he said

Nats shocked by disclosures

□ From Page 1

a far-reaching Cabinet reshuffle.

The Leader of the Opposition, Mr Colin Eglin, described Mr Vorster's decision to resign as "correct and in the interest of both the country and of the office of the State President".

But both Opposition parties pointed out the grave implications for Cabinet ministers who served under Mr Vorster, in the light of the principle of joint Cabinet responsibility

This is likely to be the major issue when the final report is debated in Parliament before the end of the month

Government members were shattered by the fall of the man who became their most revered political leader

They were particularly shaken by the commission's finding that Mr Vorster had attempted to cover up the scandal by giving incorrect evidence under oath and withholding vital evidence from his own Cabinet before calling a General Election

The commission found Mr Vorster guilty of covering up "gross irregularities"

To this extent he had to share the responsibility with Dr Connie Mulder, former Minister of Information, who was forced to resign his Cabinet post

In a straight rejection of the evidence given by Mr Vorster, the commission found

- That he must have known everything about the basic arrangements in connection with the department's funds
- It was "highly unlikely" that the secret projects would not have been mentioned to him
- That Mr Vorster's explanation of the false Reynders report was unacceptable and that Mr Vorster knew that Mr Reynders was concealing irregularities

"Mr Vorster's evidence therefore does not tell the correct story," the report said

By accepting the Reynders report, Mr Vorster was concealing irregularities

"By accepting it and publishing it to the Cabinet still without revealing his knowledge of all the true facts, he was not only doing the members of his Cabinet an injustice, but was in fact participating in action which in itself was a serious irregularity, viz the covering up of gross irregularities

"To this extent Mr Vorster must share the responsibility with Dr Mulder for the latter's irregular actions," Judge Erasmus concludes

"The commission finds this behaviour unacceptable, despite his state of health," the report said

The commission also found that there had been a "blackmail element" in Mr Vorster's decision to keep silent on what he knew

This had arisen out of a threat by Dr Eschel Rhoodie, former Secretary of the Department of Information, that he would bring down the Government if action were taken against him

Evidence of this threat was placed before the commission by advocate Retief van Rooyen and corroborated by Mr Vorster

Despite these findings, the Prime Minister said in Parliament yesterday that the final conclusions drawn by the commission on Mr Vorster did not "in any way reflect upon (his) integrity"

"The honourable Mr BJ Vorster fulfilled his duties under very trying circumstances and under great pressure during the last year of his premiership due to his state of health," the Prime Minister's statement said

Mr Vorster wished to relinquish his post as early as 1977, but his colleagues persuaded him not to do so "in the national interest at that stage", he said

"The Cabinet would like to state its appreciation for the sacrificial services rendered by Mr and Mrs Vorster to the country at all times with honesty and without any personal gain

"The Cabinet expresses the wish that Mr and Mrs Vorster be afforded the opportunity to enjoy their well-earned rest in peace"

UPITN, not UPITV

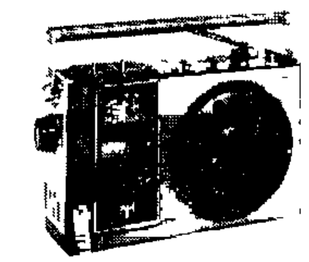
MR ERIC VAN EES, Johannesburg representative of United Press International (UPI) yesterday said

"The Erasmus Commission supplementary report refers to Mr John McGoff buying a 50 % [illegible] Corp is 50 %, not the controlling interest the report refers to

The other shareholders are United Press International, with 25 % and Independent Television News, the British Television Company UPITN

'Nonsense'

THE Rand Daily Mail yesterday asked Mr Marius Jooste, chairman of Perskor, to comment on a section of the Erasmus Report which said: "The commission considers Dr Mulder improperly attempted to interfere with the proper performance by the State



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ACROSS
1 Go-ahead is likely enough to show the benefit of research
3 Such a person may well suffer a good deal of anxiety
6 Passer-by may stop to take pleasure in seeing children in school playground
7 Encounter
8 Hunter of needs a specially bold spirit
12 There must have been a real crisis if a man the way of life for which he's known
15 High and
16 Stitch together
17 A bad would naturally be the subject of much discussion
18 How one reacts to a is a test of character

DOWN
1 A could, of course, be quite impulsive
2 Dull husband may not fully realise what spells for his wife
4 The right manner obviously helps when teaching
5 A may prevent a man from showing what he's really capable of
8 One may brace oneself as a bursts on one
9 Stagger
10 There could naturally be times when a feels he's had enough
11 Water and are readily associated
13 Nasal organ
14 Being in a tends to limit one's freedom of movement

Daily RAND Mail — TUESDAY JACKPOT No 459

1 F		R	2 M		3	E	N	4 D	E	5 R
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								N		L
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						7 M	E		T	
8 B		A	9 R	S				S		10
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L			15 O	W				A		T
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17 W	I	N		E	R		18 E	E	E	R

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Daily RAND Mail Daily RAND Mail

Editor doubts claims on McGoff

NEW YORK. — Midwest publisher Mr John McGoff maintained his long silence in the face of the Erasmus report —

proved the government's respect for the rule of law

"The US is quite aware of operations of this sort and

work' or 'UPITV'

"There is in fact no such organisation The organisation in which John Mcgoff has an interest is called 'UPITN Corp' His interest in UPITN

equal say on the organisation's editorial committee and any decision of McGoff's could be vetoed by the other two stockholders voting together" — Sapa

with the intention of [illegible] Perskor

Mr Jooste said "You are twisting it to your own benefit You are talking nonsense"

THE PRESS Council has revoked its decisions against Beeld, Rapport, and the Sunday Express for publishing "unsubstantiated allegations" of a link between the magazine To The Point and the defunct Department of Information

The council outlined its reasons in a statement released yesterday

The original complaints, which were made by Dr Eschel Rhoodie, resulted in each newspaper being found guilty of violating the Press Code In each case Dr Rhoodie made an affidavit denying any connection between the two bodies

The Press Council reconsidered its decisions following a letter from the Minister of Foreign Affairs, Mr Pik Botha, to the chairman, Mr Justice O Galgut

The letter was written shortly after Mr Botha's disclosures in Parliament that To The Point was in fact Government-funded

Mr Botha said he was certain the council would have come to a different conclusion about the allegations "had the true state of affairs been known"

"In the circumstances I would be grateful if the council could review those decisions I shall abide by any decision the council may reach in the matter," Mr Botha said

After pointing out that the council was not empowered to revoke any decision which it had previously made, Mr Justice Galgut said that "all the relevant parties" had agreed that the decisions should be either reviewed by him, as chairman, or the deputy chairman

In each case the decision was revoked

Mr Galgut said the council was satisfied that the complaints should never have been lodged

It was pointed out that at the time the council had had no choice but to rule against the newspapers on the strength of the evidence before it Had the correct facts been known the complaints would have been dismissed

Mr Galgut said the council realised that in each case the newspapers were put to some expense in defending the complaints against them However, the council was in no position to award costs to a successful or losing party

In the case of the fines awarded against Rapport and Beeld, the council suggested that repayment of these be discussed between the newspapers and the Newspaper Press Union

POLITICAL comment in this issue by Allister Sparks newsbills by John Ryan headlines and sub editing by Vas Soni cartoons by Bob Connolly all of 171 Main Street Johannesburg

[illegible] doubted the charges were true

Mr Don Hoenshell, editor of the Sacramento Union, expressed "surprise" at the report's finding that upwards of $6-million (R5 400 000) of South African funds went into the purchase by Mr McGoff

"I haven't talked with John McGoff about it and whether the South African Government has a claim on the Sacramento Union I haven't the faintest idea," he said

"The Erasmus report makes [illegible] rather doubt it"

Federal investigators probing covert South African operations and the linked activities of Mr McGoff said that they were awaiting a copy of the report A spokesman for the Justice Department said that so far there was no change in the status of its "enquiries"

South Africa's officials here prediced "no problems", and maintained the report would have a positive impact on their efforts in the US, since it [illegible] a country that has [illegible] subject them to the closest possible surveillance," said Washington Information Chief Mr Carl Noffke

"I think there are very few countries in the world that would allow this."

Stating that Mr McGoff had nothing to say, an aide at his Michigan headquarters added he was "travelling around quite a bit" and could'nt be contacted

'Vorster did the right thing'

From Page

signed was the State President but, far more important, he was the former leader of the National Party and, as such, was the Prime Minister for more than a decade"

Mr Schwarz said Mr Vorster had not resigned because of what he did as State President but because of what had occurred while he was leader of the NP

It was in that capacity, in the words of the Erasmus Commission, that "he called an election in the full knowledge of all the irregularities, without sharing the facts either with his Cabinet or with his caucus"

The people should, therefore, at this time realise how important it was for the country to have an alternative leadership Strong opposition was, therefore, essential in these crucial times, Mr Schwarz said

"The Commission fails to add the most important group of people with whom the leader of the National Party did not share the facts before the election, namely the voters

"The National Party went into an election with its leader possessing vital information as to irregularities and with a newspaper actively supporting its cause financed secretly by taxpayers' money

"This is a matter not only for the responsibility of the person concerned, it is the responsibility of the party which he led The mandate was obtained by the National Party on withheld facts and with the help of an improper media instrument," Mr Schwarz added

The leader of the New Republic Party, Mr Vause Raw, said he and his party associated themselves with the Prime Minister's remarks regarding the person of the State President

"While I accept there was no personal dishonesty or gain involved, the NRP believes there is a political responsibility beyond one person, a collective responsibility that must be debated," he said

He wanted an assurance from the Government that immediate action would ensue to withdraw the passports of all persons implicated in the report to ensure they could not escape the country

Mr Raw said the final Erasmus report brought to an end a black chapter in South African government

He said it revealed the worst feature of the situation which had developed under a National Party power structure which allowed super elites to operate unchecked

It had exposed a nightmare picture of lack of control and maladministration which had allowed corruption to flourish, Mr Raw said

"That this could happen under the noses of a Cabinet with joint responsibility for the government of South Africa is one of the saddest aspects of the affair It shows them unfit to govern"

It was fortuitous that the vacancy caused by the forced resignation of Dr Connie Mulder was to be filled tomorrow

"Here will be an opportunity for his own voters to give judgment on the way in which responsibility was first cast on him and his officials alone

"I call on them to make the answer a positive one by voting for a practical alternative Thereafter I believe the Government must in due course go to the country for a new mandate to replace the phony election of 1977," Mr Raw said

Weather Mail

THE weather forecast for today is.

TRANSVAAL — Fine to partly cloudy and warm, but mild over the south and south-western parts Light showers are expected over the south-western districts

FREE STATE and CAPE north of the Orange — Partly cloudy and mild with showers over Griqualand West and the southern and central areas of the Free State

CAPE south of the Orange — Cloudy and cold with showers except over the western coast, Namaqualand, Bushmanland and the western Karoo regions where it will be fine to partly cloudy and cool

NATAL — Fine to partly cloudy and warm with thundershowers over the southern parts

SOUTH WEST AFRICA — Partly cloudy and warm to hot in the north, otherwise cool with light rain or showers over the central regions Partly cloudy and mild with fog patches over the coast

Temperatures are Celsius maximums expected for each city

Rand Daily Mail Weather Station

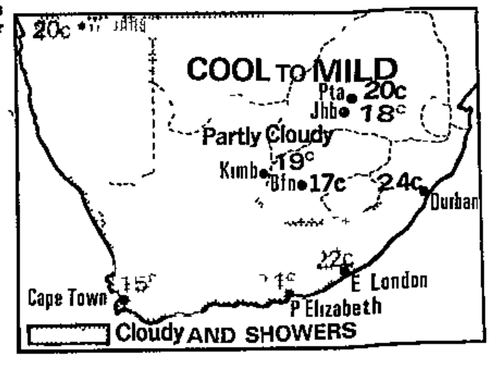
YESTERDAY
March 7, 1979
Temperatures

09h00	14h00	21h00
11C	17C	11C

Humidity

72%	38%	50%

Max temp 17C
Min temp 7C
Rain 24hrs to 09h00 Nil
Sunset today 17h23
Sunrise tomorrow 06h49



SOUTH AFRICA YESTERDAY

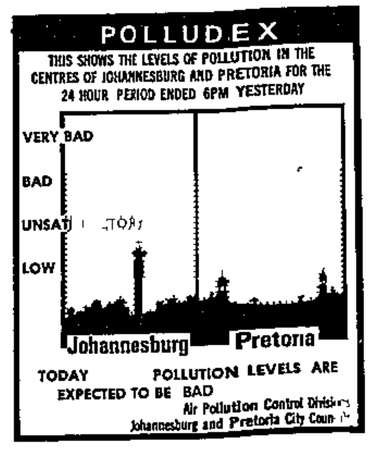
Temperatures at 14h00

	C		C		C
Bloemfontein	17	Jan Smuts	17	Potchefstroom	20
Cape Town	17	Nelspruit	22	Pretoria --	19
Durban	22	Pietersburg	19	Skukuza --	26
East London	24	Port Elizabeth	25	Standerton	19

SOUTH AFRICA Hottest at 2 pm Skukuza 26C Coldest at 8 am Frankfurt 1C
TRANSVAAL Hottest at 2 pm Skukuza 26C Coldest at 8 am Bethal 2C

THE WORLD YESTERDAY

	Min C	Max C	Weather
Amsterdam	16	28	Cloudy
Berlin	20	29	Clear
Brussels	17	27	Cloudy
Buenos Aires	7	19	Sunny
Chicago	15	30	Clear
Hong Kong	25	29	Clear
Honolulu	22	31	Clear
Lisbon	15	26	Clear
London	16	19	Cloudy
Los Angeles	14	21	Cloudy
Madrid	12	29	Clear
Miami	24	29	Cloudy
Montreal	19	25	Clear
Moscow	9	21	Cloudy
New York	17	19	Cloudy
Rio de Janeiro	12	27	Cloudy
Rome	15	31	Clear
San Francisco	11	15	Clear
Stockholm	13	22	Clear
Tokyo	19	26	Clear
Toronto	15	25	Clear



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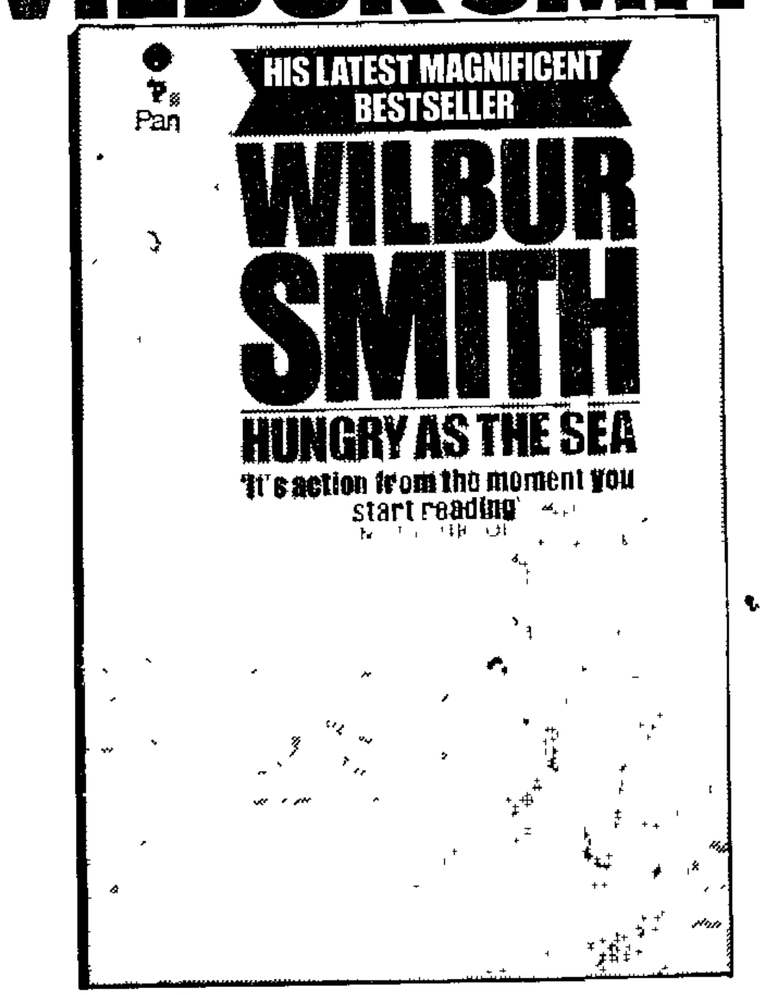

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ERASMUS REPORT

Control rules may be broken

□ From Page 8

ment dated July 12, 1976. The parties to the agreement were Alpane and Dr Rhoodie on behalf of "the participant".

According to this document the department would, in addition to guaranteeing $4,6-million, make a further R1,5-million available interest free for the purchase of further shares in Morgan Grampian

According to the new agreement, the department would be entitled to 50% of the proceeds of the investment As security, Alpane made the shares purchased available to the department in a transferable form

With this money at his disposal, Mr Abramson and his co-director in Alpane, Mr Stuart Pegg, began buying additional shares in Morgan Grampian and by November 5, 1976 they had succeeded in acquiring 27,4% of the Morgan Grampian shares for a total purchase price of $5 781 206,71

In addition, the department was, however, aiming at a larger shareholding in, and more active control of, Morgan Grampian However, as they could not acquire more than 30% of the shares without making an offer to take over all the shares, it was decided to acquire further shares through a nominee

Dr Rhoodie was not, however, satisfied with the price at which the further shares could be bought and the transaction was taken over by another company

In the meantime Mr Abramson was considering acquiring the shares in a South African company, Hortors Ltd. The idea was then to have Hortors taken over by Morgan Grampian, in this was acquiring further Morgan Grampian shares in exchange for Hortors shares

Before Mr Abramson could put through his Hortors-Morgan Grampian plan, an offer was made in October 1977 by Trafalgar House Limited, a British Company, to Alpane [illegible]

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Morgan Grampian The offer was of such a nature that Mr Abramson immediately discussed it with Dr Rhoodie and Dr Mulder It was decided to accept the offer

On November 10, 1977 Alpane sold its entire shareholding to Trafalgar House for a sum of $10 137 474 This transaction left Alpane with a nett profit of $4 356 267 The amount was divided between Alpane and the department on a 50-50 basis, which meant that the State would be entitled to $2 178 134

However, differences emerged as to the interpretation of the interest clauses in the contract and it would seem that Alpane still owes the State $305 104,32

Representations were then made to the South African Reserve Bank by Mr Abramson and Dr Rhoodie for permission to return this profit to the Republic, using securities rands This request was refused

Alternatively, permission was requested for the profit to be used for similar projects abroad This request was granted The part that was due to the department, however, was in fact brought back to the country to finance The Citizen

In view of the equal entitlement to the assets acquired in Morgan Grampian by the State and Mr Abramson and because half of the profit belonged to Mr Abramson and Mr Pegg, the commission had to go into the question of whether these two had had the permission of the Reserve Bank to take assets of this order out of SA and to keep them there and use them there The commission had to consider whether the Reserve Bank had not granted the permission as a result of misrepresentations by Mr Abramson and Mr Pegg

The report further states It is clear that Dr Stals and Mr Senekal definitely knew that Mr Abramson was acting on behalf of the department in this case

Their evidence to the effect that they were not aware of the interest that Mr Abramson and Mr Pegg had in the profit is, when the evidence is analysed, clearly not contradicted by Mr Abramson In effect, Mr Abramson testified that he assumed, without specifically putting it to them that Dr Stals and Mr Senekal had been informed of his and Mr Pegg's interest in the profit on the Morgan Grampian transaction

On the evidence before it, the commission finds that no blame attaches to Mr Abramson and Mr Pegg or to either one of them for the misapprehension under which Dr Stals and Mr Senekal acted in connection with the profit on this transaction

The question whether this was not a transaction purely for personal gain was thoroughly considered and it was found that this was not the case

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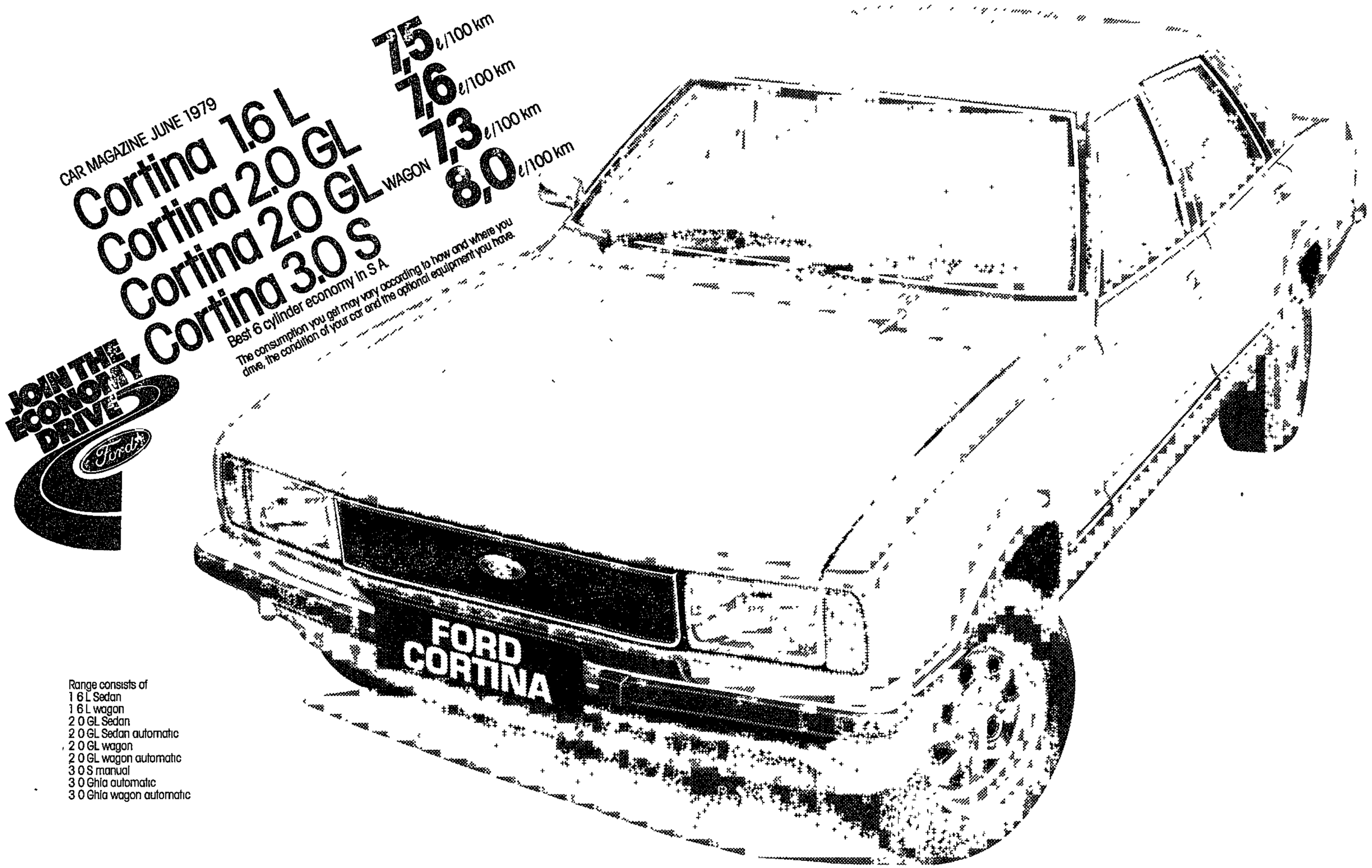

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Mrs Erna Maria de Villiers, wife of the former director of the disbanded Foreign affairs Association Mr Cas de Villiers, says she will stand by him Pictures DAVE PUGHE-PARRY

Mr Cas de Villiers, whom the commission described as a man who liked flashy, good motorcars and was something of a ladies' man

Miss Hester Lamprecht, who worked with Mr de Villiers and who claimed she had an affair with him. Mrs de Villiers has laughed off her claim as just talk

'Cas had a taste for women, cars'

MR CAS de Villiers, former director of the Foreign Affairs Association — a defunct Info front — is "quick-tempered" and a "ladies' man" with a fancy for flashy cars

He once "played a cat-and-mouse game" in Europe with the association's female public relations officer — on State money On another occasion he broke away from an official touring party "and gadded about Europe with a woman"

This description of Mr De Villiers emerged from the final report of the Erasmus Commission, which found his "liking for women's company interfered with his official duties"

Although he was married, Mr De Villiers soon struck up a relationship with Miss Hester Lamprecht, his public relations officer at the FAA

The relationship developed to the point where the staff — two senior researchers — looked upon her as the "deputy director" of the FAA and were afraid of going to see Mr De Villiers in his office because he and she spent hours of their time working together in the office and he was not available

The report said "In outlook, Cas de Villiers is like a young, inexperienced, wealthy man with a glib tongue, tending to mendacity He has a quick temper and is a ladies' man "

It said that according to the evidence of Miss Lamprecht, Mr De Villiers was extremely quick-tempered

"If his official car would not start, he would rush at it and kick it, an on another occasion he threw a tape recorder to smithereens against the panelled wall of his office. This wall is still in disrepair "

The report said that when Mr De Villiers went to Germany to conduct a visit by 12 South African MPs, he only stayed with the group for a day and a half before he "broke away and gadded about Europe with a woman"

Mr De Villiers started off at the FAA — which was established as a front in April 1975 with an annual budget of about R100 000 — "in a grand manner" by buying a luxury R90 000 house in Pretoria for his headquarters Another R20 000 was spent on improvements

The report said Mr De Villiers had a fancy for flashy and good motor cars and had the use of FAA cars between his farm and the office and had his own chauffeur

The commission backed the disbanding last year of the FAA It said that to Mr De Villiers, Miss Lamprecht and their friends, the FAA "was an unexpected source of income and unearned pleasure"

While the commission cleared the Institute for the Study of Plural Societies it criticised Professor Nic Rhoodie, head of the institute, in another part of the report

Professor Rhoodie is the brother of Dr Rhoodie and is a Professor of Sociology at the University of Pretoria

The commission said the institute — which received about R100 000 annually from the Department of Information had been "productive since its inception and to have done good work on behalf of the RSA The institute has proved itself and the commission could not find anything irregular in its activities "

There was no reason why the institute should not continue with its activities in the open, the report said

Here are extracts from the report

A FOREIGN AFFAIRS ASSOCIATION

(a) Its functions

5 1 One of the front organisations of the department, the FAA was established on 6 April 1975 and was disestablished by the Minister of Foreign Affairs on 21 November 1978 The organisation fell directly under Mr Les De Villiers, the Chief Director of Planning

5 2 In February-March 1975, Dr Eschel Rhoodie approached Mr Casper "Cas" Francois de Villiers, to establish an association The main idea was that it was to represent itself as an academic body doing research, which was to be financially independent of the State and the department

5 3 Apart from the publication of books, its function was originally also to invite Americans, especially American politicians, to the Republic to get a better picture of the country Later its functions were extended to drafting speeches for the Minister of Information, framing his replies to questions in Parliament, and organising conferences here and abroad.

(b) Annual estimates

5 4 Les De Villiers and Cas de Villiers annually drew up estimates for FAA after they had ascertained what the needs of anonymous collaborators would be (55) The normal annual budget may be put at about R100 000 Additional funds were voted by the department for FAA if it had to arrange a conference. Such a conference abroad could cost from R45 000 to R60 000 The expenses of guests invited from abroad came to about R3 000 per guest. The additional costs attached to conferences and guests could also amount to something like R100 000 a year i e this front organisation cost the department some R200 000 a year

5 6 Cas de Villiers started off in a grand manner As the only member of FAA at that stage, he selected and bought a house for R90 000 for office purposes This house, which was bought with public funds, was registered in the name of a private company

5 7 Improvements costing about R20 000 were made to the house, besides which he used FAA funds for the purchase of a circular dining-room suite which could seat 14 persons and which he kept in the house on his farm He explained that, although the suite belonged to FAA, it was still in the house on his farm because, according to his testimony, he subsequently also entertained a tremendous number of people from abroad in the house on the farm

(d) Predilection for smart cars

5 8 He had a fancy for flashy and good motor cars When he began with FAA in 1975, a new red Mercedes Benz 280 was bought for him for about R14 000 Eight months later, a new three-litre BMW was purchased for about R15 000, and he got rid of the Mercedes (see 897) About two years later, a Mercedes Benz 230 was bought for guests In addition, a combi was hired to take guests around

5 9 He lived on the farm and had the use of FAA's cars to travel backwards and forwards between his work and the farm on a road that was "not too good" He had his own chauffeur

At present he drives a private car, a Mercedes Benz 450 SLC, like the one used by Dr Rhoodie a while ago.

(e) The staff

5 10 He gradually expanded the FAA staff He took over the gardener from the owners of the house he had bought and appointed a temporary librarian On 1 May 1975, he appointed a secretary to FAA This was Mr Francois J de Villiers, who was also the accountant although he had not had any training in accountancy. He had previously been chief executive Verligte Aksie

5 11 Dr Jan du Plessis was appointed by Cas de Villiers to a senior post in FAA to coordinate research and to find outsiders to do publications for FAA

5 12 On January 1976, Dr D S Prinsloo was appointed senior researcher

5 13 On 1 April 1977, Miss Hester Lamprecht joined FAA as its public relations officer She held a Diploma in Public Relations Work from the Pretoria Technical College and had had three years experience with the Human Sciences Research Council

(f) FAA's agreement with the department

5 14 As Director of FAA, Cas de Villiers reminds one in many respects of Dr Rhoodie, the secretary of the department, and, like the department, FAA soon headed for a fiasco

5 15 In outlook, Cas de Villiers is like a young inexperienced, wealthy man with a glib tongue, tending to mendacity He has a quick temper and is a ladies' man And because he knew little about administrative work and was no match for the strong personalities of Drs Prinsloo and Du Plessis, he avoided or disregarded them This gave rise to clashes and unpleasantness in FAA, which led inevitably to its early dissolution

(g) His liking for women's company interferred with his official duties

5 16 Although married, he soon struck up a relationship with his public relations officer, which developed to the point where the staff looked upon her as the "deputy director" of FAA (1061) and were afraid of going to see Cas de Villiers in his office because he and she spent hours of their working time together in the office and he was not available

5 17 On one occasion, he broke away from an official touring party in Europe to go holidaying with a woman, and FAA's staff could not get in touch with him on urgent matters He had left no itinerary

5 18 Meanwhile his public relations officer was upset upon hearing about Cas de Villiers and the other woman After that, she was in a hurry to leave for Europe herself She wanted to get in touch with him "because she wanted to talk to him about her leave "

5 19 He telephoned her from London while she was still in the RSA He left on September 29, 1978, and she on Wednesday, October 4 Her excuse then was that she had to go to Prof Rhoodie's conference in Washington, which was due to take place in the middle of October. However, in Europe she applied for a week's leave from the following Monday, ie October 8

5 20 She was to have arrived in London on Thursday, October 5, as she wanted to see someone there "officially" However, she arrived there on Friday She phoned this person's office but could not get in touch with him and failed to accomplish anything in London during the entire weekend up to the 8th So far, everything had been at State expense, and from October she was entitled to an allowance of R100 a day

5 21 At the end of her week's holiday, she went to New York Cas de Villiers telephoned her from Rome to say when he would arrive there and that she should arrange with "someone" there to see him upon his arrival

5 22 The excuse put forward for every telephone call at State expense and for every visit to another country was some trivial official appointment, which came to nothing in many instances because it had not been properly arranged beforehand If one reads the evidence one finds a good example of two people playing a cat-and-mouse game in Europe with State money

5 23 The story of Cas de Villiers is more reprehensible He had to conduct a group of 12 Parliamentarians from the RSA through Germany on an exchange programme that had been arranged for FAA by Dr Hennenhofer They were in Germany for 12 days, and he had to accompany them for about 10 days After that, he was also to go to Prof Rhoodie's conference in Washington

5 24 After a day and a half with this group, he broke away and gadded about Europe with a woman He informed the staff of FAA that he was going on eight days leave in Europe Upon his arrival there, however, he extended his leave by nine days, so that he was at his post with the group for slightly more than one day

5 25 Although he was with this group for one and a half days only, his story when he returned to the RSA was that he had been with them for four days The circumstances were such that Drs Prinsloo and Du Plessis, as well as Francois de Villiers, requested members of the Cabinet to dissolve FAA

(h) Quick-tempered

5 26 According to Miss Lamprecht's testimony, Cas de Villiers was extremely quick-tempered If his official car would not start, he would rush at it and kick it, and on another occasion he threw a tape recorder to smithereens against the panelled wall of his office This wall is still in disrepair When he was in these moods, he would use strong language

(i) He was not equal to the post of Director of FAA

5 27 It almost goes without saying that a man like Cas de Villiers is not equal to the post of head of an organisation such as FAA The following are a number of examples concerning which the commission heard evidence

5 28 According to some witnesses, he failed to apply in writing for leave as required In any event, he could not satisfy the commission that he had completed and signed leave forms He could not remember and was uncertain about it He stated in evidence that it was possible that he had failed to complete a leave form before leaving

5 29 Miss Lamprecht testified that she had once completed an application form for three days leave Cas de Villiers had simply torn it up and said that she had done enough overtime She went to Disneyworld in Orlando, US, for those three days He accompanied her, but she did not see him putting in for leave for himself for this period

5 30 He sent Miss Lamprecht to London to see certain persons there in connection with publicity work Miss Lamprecht's testimony reads as follows

"You were in London twice on the way to America? — That is correct.

Each time you stayed on a few days? — That is correct

Did you see Winston Churchill? — No

You had gone for the purpose of seeing him? — I had gone for the purpose of seeing him

These arrangements were through Jeffrey Stuart Smith — I won't say that he helped me with this, but he had given me telephone numbers and names and things like that I had been at the House of Commons It was just totally impossible to see the people

But did you get this organised and confirmed before you went to see them? —No

Did you make any attempts here in South Africa to make a definite appointment with these people for a certain date and for — No, I did not

Why not? — It is very difficult to answer the question for you "

As a public relations officer the commission found her quite pathetic

5 31 And yet this young lady was sent to Washington for a period of six weeks to arrange a conference there for FAA According to witnesses, this was a waste of money

5 32 FAA published an autobiography on Mr Matanzima, which Cas de Villiers wanted him to autograph While the book was with the printers, he learned that Mr Matanzima was not satisfied with the spelling of his name Cas de Villiers wanted to make an impression on him by taking a businessman along, and the name of Mr Louis Luyt occurred to him He then asked Luyt whether he could not do business with Mr Matanzima, in which event he would accompany Luyt

5 33 Luyt said that he did not have much time so he would charter a plane They then flew to Mr Matanzima As there were some vacant seats on the plane, Cas de Villiers just invited his neighbour, Mr Van Tonder, and someone else along

5 34 Upon being asked who was to pay for the charter of this plane, he answered "If Mr Luyt had not paid the account, then we would probably have paid "

5 35 Luyt sent the account to FAA All that Cas de Villiers succeeded in doing was to persuade Mr Matanzima to agree to the publication of the book with the incorrect spelling of his name

5 36 He denied having discussed the erection of a casino for Transkei with Mr Matanzima but said "Luyt did it " Dr Du Plessis testified that Cas de Villiers and Luyt had personally planned this flight to see whether they could start a casino in Transkei in their private capacities From the evidence given by Francois de Villiers, it appears that this account, which came to more than R1 000, has not yet been paid

5 37 In another instance, Cas de Villiers flew from Washington to London by Concorde for no particular reason While it cut the flying time by three to four hours, the difference between the economy class and the Concorde air fares came to between R500 and R600, which was an extra charge to the State

5 38 On one occasion, Dr Du Plessis and Prinsloo had made all their arrangements and appointments with important overseas personalities, including a shadow minister in Britain, Lord Bottomley When they were on the point of departure, Cas de Villiers ordered the arrangements to be cancelled because he had heard that an American politician was to visit South Africa and that a senior FAA officer was to show him around

5 39 Nothing came of Dr Du Plessis' and Dr Prinsloo's proposed tours

5 40 Cas de Villiers also caused trouble by not affording his researchers a proper opportunity of attending conferences overseas, although he himself often travelled about overseas

5 41 He ignored Drs Du Plessis and Prinsloo in connection with publications that came directly within their province in FAA He personally commissioned Dr Totemeyer to write a book on the Territory of South West Africa Dr Totemeyer was, according to the evidence, favourably disposed to Swapo He wrote the manuscript, for which he was paid R4 000, although about R2 000 was subsequently recovered The manuscript was submitted to and rejected by Drs Du Plessis and Prinsloo

5 42 After that, he commissioned Mr Hennie Serfontein, a freelance journalist, to write a book on "Vorster, Man of Detente" Questioned about his failure to consult his staff, he said

"No, I had consulted with Eschel Rhoodie over the book by Hennie Serfontein and not the research team

This is the question, why did you not ask (them)? — I cannot specifically say why I did not do that "

5 43 This book was never written because circumstances had changed, and FAA no longer wanted the book because "they are now afraid that Serfontein's book with reflect negatively on Mr Vorster " In any case, Serfontein had started work on the book, and FAA had to pay him R2 000, which represented a loss Cas de Villiers testified that only R1 700 was paid to Serfontein Attempts are now being made to recover some of this money

5 44 Dr Prinsloo completed a manuscript "United States Foreign Policy and the RSA" This was sold to the department for distribution. Before the completion of the book, Cas de Villiers went to the Head of Publications in the department and told him that the book would cost about R6 to R7 When the book was in the printing stage, the printers, according to him, quoted a lower price per copy and the department was informed that FAA could supply the book to the department at R3 or R3,20 per copy

5 45 According to Cas de Villiers, Francois de Villiers them came back to him and told him that the printers could supply the book for less than R1 per copy But he left the price at R3,20 per copy to the department and sold a number of copies to the department for R14 000 As these copies had cost FAA R5 000, FAA made a profit of R9 000

5 46 The records have a different story to tell, however, and show that, after Cas de Villiers had conducted the first negotiations with him the department's Head of Publications obtained Treasury approval for the purchase of 4 000 copies at R24 000, i e at R6 per copy

5 47 According to the evidence given by Cas de Villiers, the position subsequently changed so that the department bought the books at R3,20 a copy Cas de Villiers argued that the extra money made by them would in any case again be used by the department's front organisation for its purposes

5 48 The entire transaction appears suspect to the commission

5 49 Dr Prinsloo got to hear of this huge profit and insisted upon being paid an author's fee of R3 000 for his books, failing which he would take legal action Cas de Villiers refused on the grounds that, as a member of FAA, Dr Prinsloo was not entitled to such a fee and that such a payment would create an unheard of precedent

5 50 According to his own statement, however, Cas de Villiers reached a compromise with Dr Prinsloo in terms of which the profit on the extra copies of the book ordered from the printers would go to Dr Prinsloo after they had been sold and the costs deducted Dr Prinsloo claimed the agreement had been that he was to receive the profits on 1 000 copies which, according to Cas de Villiers, Mr Red Metrowich had ordered from FAA. Cas de Villiers claimed he had merely said Metrowich might purchase 1 000 copies Metrowich denied all knowledge of the matter

5 52 Dr Du Plessis wrote an article in the "Africa Institute Bulletin", Cas de Villiers subsequently wrote "Rusland in Afrika" as Chapter 6 of a publication "Die Kommunisme in Aksie". On page 76, Chapter 6, he took over large parts of Dr Du Plessis' article word for word, without disclosing the source of putting the passages in quotation marks, as though he himself were the author

5 54 During a conference in Washington, FAA had specially opened a bank account for this purpose in New York After holidaying in Europe, Cas de Villiers arrived broke in New York and withdrew R700 from this account According to him, he used some of this money for the accounts of FAA The records show, however, that he repaid the R700 in full, and the question arises why he repaid the full amount if part of it had been for FAA's accounts, as contended by him

5 55 According to his testimony, he allegedly repaid this money in South Africa of his own accord without being reminded about it by anyone He was unable to say how much money he had borrowed in this manner from the State but admitted that it was not their usual procedure

5 59 No losses or embezzlement of large sums of money came to the commission's notice in connection with FAA, but the evidence leaves no room for doubt that Cas de Villiers was dishonest and personally spent FAA's money liberally as a result of injudicious arrangements and undertakings

(k) Disestablishment of FAA a wise step

5 62 The commission considers that the disestablishment of FAA was a very wise step and a happy decision To Cas de Villers, Miss Lamprecht and their friends, FAA was an unexpected source of income and unearned pleasure, but to hard-working and conscientious men like Drs Du Plessis and Prinsloo and Francois de Villiers it must indeed have been a milestone about their necks and a source of vexation

B THE INSTITUTE FOR THE STUDY OF PLURAL SOCIETIES

(a) 5 63 The Institute for the Study of Plural Societies was established within the framework of the Department of Sociology of the University of Pretoria As Professor of Sociology, Prof Rhoodie is attached to the Department of Sociology of the university and heads the institute, which is also one of the department's front organisations

5 64 The department annually voted R100 000 for the institute, as for FAA

(c) Findings 5.67 In the commission's view, there is no reason why the institute should not continue with its activities, even though on an ad hoc basis. However, the commission can find no good reason why its activities cannot be continued overtly instead of in secret as in the past

THE FINAL ERASMUS REPORT

Control rules may be broken

THE Erasmus Commission says that Mr David Abramson and Mr Stuart Pegg appear to have contravened South Africa's Exchange Control regulations by using securities rands for the purchase of Hortors, although the use of State funds for the purchase of a publishing company not of a party political nature is not regarded by the commission as an irregularity

The deputy general manager of the Reserve Bank, Mr Jan Senekal, told the commission that permission for the Hortors takeover had been given in the belief that it was merely the repatriation of profits made by the State on the English company, Morgan Grampian.

Mr Senekal said that he was under the impression that R4-million being used to buy Hortors was entirely the State's profit and that no private money was involved.

"Had I known that there was a private interest in these funds then there could have been only one decision in the circumstances and that was that the private people should bring their money back to South Africa in the normal way as we do on a day-to-day basis."

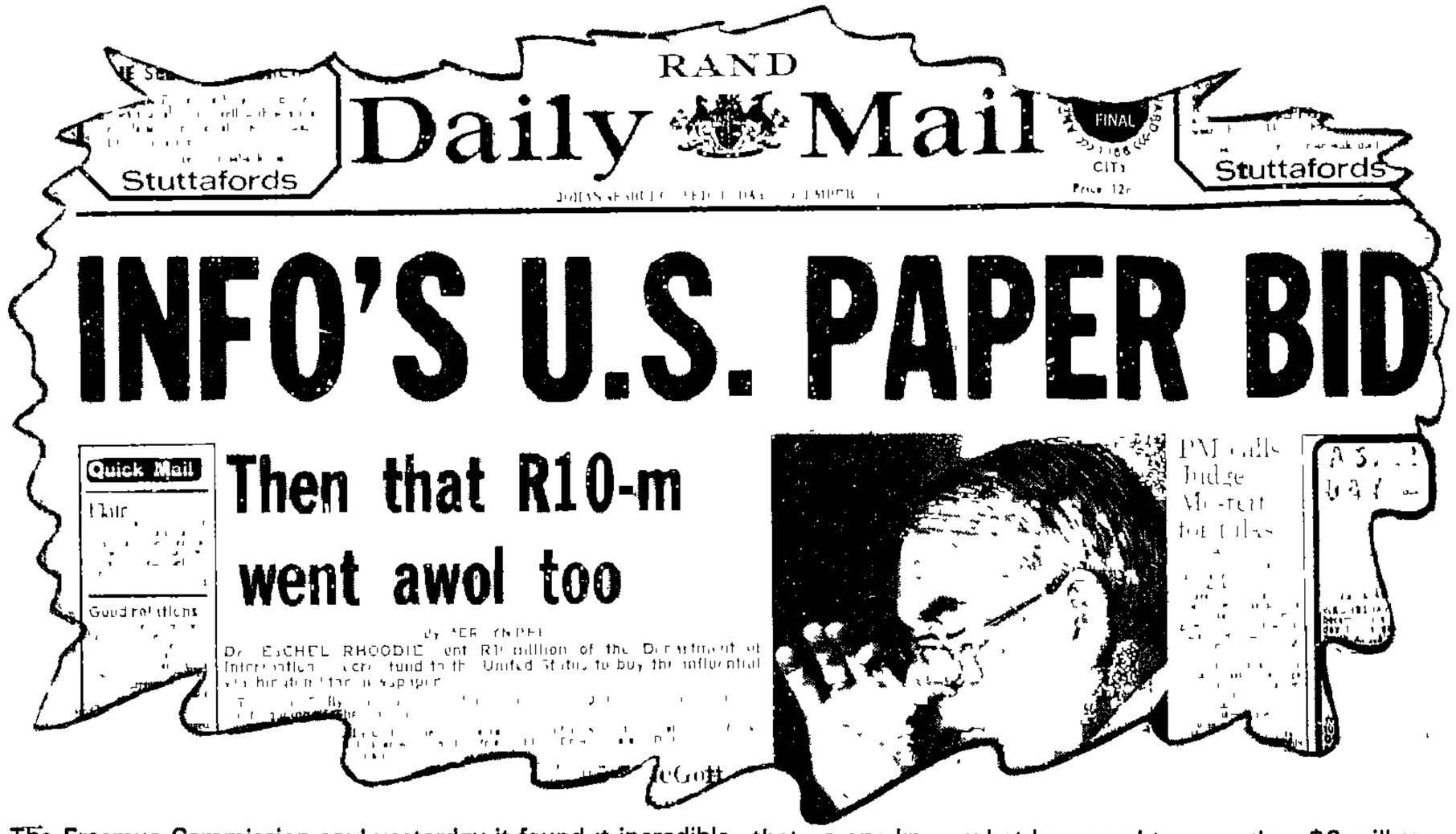
Mr Abramson, however, says that he was sure in his dealings with the Reserve Bank that the officials were aware of his involvement in the Morgan Grampian deal and in the subsequent Hortors takeover

Mr Abramson said that at a meeting with Dr Chris Stals, Deputy Governor of the Reserve Bank, he had assumed Dr Stals had the full picture

"Dr Stals did in fact say to me that he had had a phone call from Dr Connie Mulder and that Dr Mulder had told him everything that was being discussed with him by Dr Rhoodie and me came with his full authority and blessing And he repeated that to me."

Mr Abramson said he could not recall whether he had specifically spelt out his interests in either the Morgan Grampian or Hortors deals to Dr Stals.

The report states "It is clear to the commission that these gentlemen were at cross purposes and that Abramson as-



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Price 12c

INFO'S U.S. PAPER BID

Then that R10-m went awol too

Quick Mail

Hair

Goodrelations

PM calls Judge Mostert for talks

The Erasmus Commission said yesterday it found it incredible that no one knew what happened to more than $6-million — half of the $10-million that went into the abortive attempt to buy the Washington Star. This is how the Rand Daily Mail broke the story on November 1, 1978.

Whereabouts of R6m is unknown

THE ERASMUS Commission "finds it incredible" that no one knows what happened to the $6 350 000 that was lost by South Africa in the former Department of Information's abortive attempt to buy the Washington Star

The Commission says it is also incredible that Mr John McGoff, the millionaire Michigan publisher, "as a shareholder is sitting with the Sacramento Union and the UPITV, while there is no clarity as to whether the RSA has any right to those assets"

And, without Treasury approval, Dr Rhoodie agreed to write off $5 380 000 of the $10 970 000 Mr McGoff owed

Chapter 10 of the report, tabled in Parliament yesterday, details negotiations between Mr McGoff and Drs Eschel Rhoodie and Connie Mulder, then Secretary and Minister of the Department of Information, respectively

The Sacramento Union was bought by Mr McGoff with the $10-million sent to him to buy the Washington Star

The money had been channelled to his personal account in the US from the Department of Defence's Special Defence Account, via a subsidiary of the Union Bank of Switzerland, Thesaurus Continental Securities Corporation

Half the shares of United Press International Television Network were bought by Mr McGoff with a further $1 350 000 from the department, also via the Union Bank of Switzerland

The report describes how Mr McGoff told the department in 1974 that the Washington Star was in financial trouble and could be bought for $25-million. South Africa put up $10-million

Then a Texas banker joined the bidding, for not only the Star but its two television stations Mr McGoff alleged that the banker was setting up a monopoly in Washington and started an action against the banker to stop the sale

The report says "It failed, the banker bought the newspaper, and McGoff had to pay the costs." The costs of the action were met out of the $10-million

In 1975, Dr Rhoodie agreed with Mr McGoff that the interest on the money — about $500 000 — be used to buy the Sacramento Union for $6-million

Later Dr Rhoodie told Mr McGoff he had not given him approval for the $6-million, or any part of the capital amount of $10-million, for the purchase

Then, at a meeting in Montreal in September 1976, Mr McGoff revealed to Dr Rhoodie and Dr Mulder that he had already bought the newspaper and that the $10-million had been invested

In the meantime, Mr McGoff had received the $1 350 000 to buy a 50 % share in UPITV on behalf of South Africa But he acquired it for himself

The report says. "A total of $380 000 was repaid to Thesaurus, and there was $10 970 000 still owing out of the total of $10-million — plus the $1 350 000 used for the controlling share of UPITV."

In 1977, Mr McGoff had to cut his financial ties with South Africa. "McGoff and Dr Rhoodie then agreed that the former would repay a further $4 590 000 in cash at that stage.

"A total of $4 970 000 was therefore repaid and Dr Rhoodie and McGoff further agreed to reduce the balance to $1-million

"That is, according to De Villiers, $5 380 000 of the debt was written off In March 1978 this debt of $1-million

The commission said "The outcome of the Star project was that the Department showed a loss of $6 350 000 on an investment of $11 350 000, added to

(i) a further R400 000 paid over to McGoff for the purchase of UPITV which was not included in the Thesaurus loan agreement;

(ii) costs incurred in the process of purchasing or attempting to sell the Washington Star and UPITV, and

(iii) administrative expenses charged by Thesaurus which, according to calculations, was $25 000 per annum."

Witnesses spun a web over

To The Point

State spent R14m on To The Point

THE GOVERNMENT spent a total of R14 150 000 on To The Point up to the end of March, the Erasmus Commission confirmed in its final report yesterday.

Mr Braam Fourie, known in the Department of Information as "the funny money man" for his work on the accounting of the department's secret funds, told the commission the first payment — R100 000 — for the magazine was on July 17, 1973

Arrangements for that payment were made by Dr Eschel Rhoodie through General Hendrik van den Bergh.

The final payment, made on April 21 last year, was R1 300 000

The commission says "a leading journalist who is opposed to secret activities" called To The Point "a bloody fine publication" for its "very responsible and balanced picture about this country".

This is contained in Chapter 11 of the report, which criticises Dr Denys Rhoodie, former deputy head of the department, for his role in the publication of the 1976 issue of "South Africa — A Visual History"

Dr Rhoodie, who took control of that publication over the head of Mr Dawid van der Spuy, the department's head of publications, used a "front" — Visual Publications — to negotiate with Perskor on the printing of the book.

Dr Rhoodie told Mr Red Metrowich, who, as director of Visual Publications handled the negotiations with Perskor, that Professor Nic Rhoodie was to receive 15 % of the cover price — R13,63 a copy — as author's fee

Mr Metrowich told the commission other printers would have charged less than R5 a copy The commission says. "It seems that the department paid an exorbitant

Shady deals in printing contracts

EVIDENCE of irregularities in the awarding of contracts for the printing of the prestige propaganda magazine, SA Panorama — worth several million rand — and pro-South African books, are contained in the final Erasmus Commission report

Central figures named in the report are Dr Connie Mulder, Minister of Information at the time, and Mr Dawid van der Spuy, head of publications of the now defunct department

The commission finds that

- Mr van der Spuy "played a suspicious role in the awarding of the SA Panorama contract" in 1977 to SA Litho, favouring the company "for dubious reasons"
- Dr Mulder, who elected not to answer the commission's questions on the matter on April 26, 1979, had "improperly attempted to interfere with the proper performance of the State Tender Board of its function, with the intention of helping Perskor, of which company he was a director" after the awarding of the SA Panorama contract to SA Litho Perskor had printed the magazine for about 10 years previously
- Mr van der Spuy "improperly compromised himself as a public servant in his relations with Trio Rand" (of which SA Litho is a subsidiary) "by accepting improper favours and doing them favours"
- Mr Van der Spuy "did his Trio Rand friends a favour with ulterior motives" in the publishing of a book called "Progress or Exploitation"

The award of the printing contract for SA Panorama was awarded at the end of 1977 to SA Litho, on the recommendation of the Department of Information, despite the fact that Nasionale Koerante had tendered R260 000 lower

When Nasionale Koerante demanded an explanation, says the Erasmus report, Dr Mulder replied in "trivialities and absurdities" and he had not been able to put forward a valid objection to the Nasionale Koerante tender.

The next lowest tender was

Dr Mulder . . . "Suspicious role'.

est price Dr Mulder however, did not inquire why the lowest tender had not been accepted as one could reasonably have expected an economy-conscious Minister to do," the report states.

The commission heard evidence from Mr J de Beer, the Government Printer, who said pressure was put on those at the Government Printer in favour of Perskor They were always aware that the directors or the management of Perskor "consisted to a great degree of our bosses" and the Minister of the Interior and of Information was also his Minister

Mr De Beer said a person always had the feeling that he had to remember who was boss of the print works and of Perskor, although nobody had actually said it

Dr Mulder had described SA Litho as a "klein maatskappytjie" (a tiny little company) but the commission heard evidence that Trio Rand-SA Litho has a turnover of more than R30-million a year and did not fit the former Minister's description

The commission reports that during 1977 new tenders had been invited for the printing of SA Panorama In that year Mr G J Kruger became the managing director of Maskew Miller

der Spuy did not deny he had put out feelers concerning directorships and that he had made use of Trio Rand cars. He also conceded that he had compromised himself by these actions

"Kruger testified further that on one occasion in the Cape Van der Spuy told him that he was going to get a farm for what he was doing for the Trio Rand Group

"According to Kruger, Mr D Zandberg, chairman of Trio Rand, said when Kruger asked him about this 'Ja, ek weet, maar sy m . '".

When 5 000 copies of "Progress or Exploitation" were delivered in March 1978 the price was calculated by Maskew Miller at 55c a copy. But shortly afterwards Mr Kruger had a telephone call from Mr Van der Spuy "and, to his surprise, was informed by the latter that his unit price on the invoice was too low and that he should increase it"

The commission reports: "Kruger said in evidence that he felt if somebody wanted to give one money, one took it, and Maskew Miller's original invoice was then cancelled and a new one issued by the firm's office in Johannesburg

was really the case."

Mr Abramson was introduced to Dr Rhoodie by Gen Hendrik Van den Bergh early in 1976 On that occasion the possibility of acquiring a block of shares in a British publishing company, Morgan Grampian, was discussed

Dr Rhoodie was keen to acquire an interest in the company for the department so as to enable the department to use the company's publications as opinion-formers to advance South Africa's interests

Dr Rhoodie and Mr Abramson then agreed that the department would guarantee a loan of $4,6-million by a foreign financial insitution to Mr Abramson and that this loan would be used to acquire a 20% interest in Morgan Grampian

On 26 March 1976 Mr Abramson had concluded an agreement undertaking to purchase 2 060 000 ordinary shares in Morgan Grampian for $4 106 000 on April 30, 1976

Shortly after this, Mr Abramson was informed by Dr Rhoodie that the department was prepared to become financially involved in the transaction to a greater extent in order to obtain a larger shareholding.

In the meantime Mr Abramson had acquired a company, Alpane Limited, in whose name these transactions could be done

Dr Rhoodie's willingness to become involved to a greater extent is expressed in a docu-

To Page 9

THE TENDENCY of the witnesses to cover up and "spin a web over unpalatable facts in a variety of ways" was the biggest problem the commission had in its investigation, says the Erasmus Report

In a chapter titled "The Cocoons", the report says· "Witnesses sang their own and their acquaintances' praises unasked — golden threads shone everywhere and the commission continually had to be on its guard against the tendency of witnesses to spin cocoons"

In this regard, the names of Mr Vorster, General Hendrik van den Bergh and Mr L E S de Villiers are mentioned

The report also says that unlawful activities are not mentioned (by witnesses) except under questioning, and names Mr Vorster, Dr Mulder, Dr Eschel Rhoodie, Dr Deneys Rhoodie, Mr L E S de Villiers and Mr Braam Fourie

Not a single witness from the Department of Information who gave evidence, was prepared to say that he had been at fault in any way "Here and there something was let slip inadvertently

"Out of these crumbs, the gossip of fellow officials in the department, newspaper reports and contradictory evidence of individual witnesses, the commission had to try to establish a platform from which it could launch an 'attack' in the interests of the truth," the report says.

The commission is also critical of Mr Vorster's "inquiry" when he summoned Dr Connie Mulder earlier this year, questioned him and then issued a statement

Under the section "unsolicited praise for acquaintances", the report refers to an "unasked" statement by Mr Vorster in which he praises General Van den Bergh

Mr Vorster referred to the sacking of Dr Eschel Rhoodie, the abolition of his post, the reconstruction of the department and the appointment of the general to make a thorough evaluation while he was still Prime Minister

"I will now be disloyal against my conscience and against Gen Van den Bergh, who is an officer and who has given invaluable service to this country and who went through many dark days with me, and the Pogo insurrection and the revolution which we experienced in the early 60s

"I had the fullest confidence in him, in his integrity, and I still have it now," Mr Vorster said "It will surpise me if someone told me his integrity must be in doubt."

But the commission repeats that if Gen Van den Bergh was to be regarded as credible, his evidence would be irreconcilable with Mr Vorster's.

It also refers to Gen Van den Bergh's praise of Dr Eschel Rhoodie If people knew what Dr Rhoodie had done for South Africa, they would build a monument for him instead of crucifying him, the general had said

Mr Vorster gave evidence on two occasions before December 1978, but the commission heard nothing from him then about, for instance, the transfer of $10-million to the US for the purchase of the Washington Star

The commission says it has also pointed out how Mr Vorster tried to conceal certain facts from the Cabinet

Dr Eschel Rhoodie, it says, failed to mention a host of cases of unlawful activities.

The report is most critical of the evidence of Dr Deneys Rhoodie It says "Of all the witnesses who gave evidence before the commission, he was one of the poorest, if not the poorest, and the reason for this was obviously that he was not able to give a proper account of the events at issue in the Department"

He tries to extricate himself from every situation about which he was asked as deputy head of the Department by giving evasive answers "and he had to be asked again and again to reply to questions put to him"

An example of this and the way he covered up the truth was his reply to questions concerning double payment to Professor Nic Rhoodie for his contribution to the 1974 edition of the Yearbook

The commission found Dr Deneys Rhoodie's evidence "was mendacious" and it could not rely on it at all.

He and his brother Eschel "intrigued in secret", excluding all the other officials (in the Department of Information)

"If this man had not held such a key position in the department and had not represented his brother, Dr (Eschel) Rhoodie, there, the Republic could have been saved a great deal of money Irregularities with the department's money took place on a large scale between him and his brother"

The report adds that Dr Deneys Rhoodie's financial affairs are very suspect and he could not explain the large sums of money involved in his banking transactions to the satisfaction of the commission

The report describes Mr De Villiers as a "great talker about everything, but never really came to the point".

The commission says it accepted the evidence given by Mr Braam Fourie — senior accountant in the planning division — which was not contradicted This was in connection with the abuses in the department which made it impossible for him to carry out his duties as accountant properly

Mr Koos Waldeck subsequently gave evidence on the difficulties Mr Fourie caused in the Department As senior accountant, he continually interfered with the accounts division, which was under Mr Waldeck's control

"The commission is inclined to believe Waldeck and is therefore obliged to amend its findings about Braam Fourie," the report adds

irregular'

THE State-funding of the magazine To The Point was not irregular because it "benefits South Africa as a whole", the Erasmus Commission has found, although it previously found the funding of The Citizen to be irregular

The commission reaches its conclusion on To The Point in rejecting the view of the Progressive Federal Party on the spending of public funds

It finds the PFP "proceeds from the wrong premise" From PFP documents submitted to it, the commission says it emerges that the "PFP's attitude is that almost all projects launched and financed with monies from the department's secret fund should be regarded as irregular because of the irregularity of the fund itself in the department, the irregularity being aggravated by the fact that projects are conducted in secrecy"

The commission reiterates there is nothing wrong with secret funds "The question is whether they were spent in an irregular manner and this depends in turn upon the circumstances of the case

"Consider To The Point According to the evidence before the commission, it benefits South Africa as a whole"

The commission says it has no evidence to the effect that the Government wanted to buy a newspaper in Europe in 1975, as intimated by Senator Owen Horwood

was made unnecessarily of an intermediary also gives rise to suspicion"

It also refers to SA Mosaic — 80 000 copies of which were destroyed at a cost of R240 000 — because the publication was worthless

The double payment of R556 by Dr Denys Rhoodie to his brother, Professor Rhoodie, for his contribution to the 1974 Year Book has been refunded, says the report

It also details how in 1977 Dr Eschel Rhoodie repaid from secret funds a publisher, Chris van Rensburg, for the R29 120 loss his company sustained in printing "Republic of the Transkei"

Mr Van Rensburg was told he could be assisted through the department's open budget but would be paid with secret funds He was paid R30 000

The report refers to the "puzzling correspondence" which Dr Rhoodie requested He wrote to Mr Van Rensburg, saying the department could not help and Mr Van Rensburg replied expressing his disappointment

The commission also investigated "Stepping into the Future", a book on Bophuth-aTswana, on which Mr Van Rensburg acted as adviser to Erudita Publications

In March, 1975, he wrote to the department indicating 8 000 copies were ready when they were not

This, the report says, was apparently the result of collusion between Mr Van Rensburg and the department to have payment made before the end of the financial year and thus avoid having to redeposit the department's available funds in the State Revenue Fund.

"A final payment of R238 560 (after an advance payment of R35 000 on December 9, 1974) was made on March 25, 1975, on the authority of the secretary, although the book was still not ready at that date

"The payment of this higher amount was contrary to the usual financial regulations, the report said

higher than the others

The commission was told that Dr Mulder was "very unhappy" about the awarding of the contract to SA Litho Dr Mulder instructed Mr Van der Spuy to convene a meeting of the State Buyer, the Government Printer and the Tender Board in October 1977 The meeting was requested to "make absolutely sure that SA Litho could handle the work . and was not on the brink of bankruptcy"

Mr Van der Spuy testified that a Minister had never previously interfered with the awarding of contracts for publications

"For this reason the commission finds it all the more remarkable that Dr Mulder, who normally did not bother about 'detail' in his Department, tried to intervene in this case

"It should be remembered that Nasionale Koerante, a big and sound company, had in fact tendered far and away the low-

was also a subsidiary

"Mr Kruger testified that in about September 1977 he visited Van der Spuy in his office in Pretoria together with Mr Tertius Myburgh, managing director of SA Litho

"There was discussion of the coming tenders for SA Panorama and, according to Kruger, Van der Spuy promised on this occasion that he would make sure that the specifications for the tenders were drawn up in such a way that the format and the printing process required would suit SA Litho better than the other printers who were, as far as he knew, going to tender

"Kruger also testified that, on another occasion, when Van der Spuy visited him in Cape Town, Van der Spuy said that the reason he was taking trouble to give work to the Trio Rand group was that he would not mind a directorship or two in the Cape when he retired from the Public Service"

The report says that Mr van

author of a book called 'Amnesty for Terrorism" He requested Maskew Miller to print and publish it As it did not fit in with Maskew Miller's image it was decided a dormant subsidiary would publish it The unit price was calculated on the basis of a book of about 120 pages

"When the book was delivered, it proved to have only 80 pages Kruger approached Van der Spuy and asked him whether, since the book was now considerably smaller, he should adjust the price accordingly Van der Spuy said this was not necessary and that the old price negotiated for the thicker book would be paid

"In fact the Department then ordered about 8 000 copies and paid R4 284,60 for them in April 1978

"Again, said Kruger, he did not cavil at the favour that Van der Spuy was doing his company and accepted the the money though he felt it was irregular"

Information flow has 'dried up'

THE ERASMUS Commission says it could not investigate all the former Department of Information projects without additional evidence about irregularities.

The report says it is evident that the scope and results of the commission's inquiry depended on people who had the goodwill to come forward and give evidence about irregularities, if any

"Where people did not come forward, and the commission did not learn of any further irregularities whatsoever from any other source, it would have been futile and unnecessarily costly to undertake an investigation into each of the 160 or so projects and to subpoena all the persons concerned in them," says the report.

The commission investigated all projects in which the possibility of irregularities was brought to its attention by any other person or body

This ocurred in the case of the Van der Walt commission, the Pretorius Committee, as well as with the Press and individuals

The report also notes that, by the end of April this year, the flow of information to the commission had dried up

"And the commission is satisfied that, in the circumstances, it has been able to cover the field to which its mandate applies, fairly well"

'Inquiry' by Vorster criticised

THE ERASMUS Commission criticised the "inquiry" earlier this year by Mr Vorster, who, as State President, questioned Dr Connie Mulder and then released a statement.

The report says that while the commission was engaged in its inquiry in Cape Town, the State President summoned Dr Mulder, put questions to him in connection with the subject of the inquiry and then released a public statement

"Dr Mulder hit back and intimated in so many words that the State President was not credible

"The commission, however, will not allow itself to be influenced in any way by the 'findings' of Mr Vorster's 'inquiry' or the 'rebuttal' by Dr Mulder."

No Info connection

THE attempted take-over of the Natal Mercury in 1973, in which Dr Piet Koornhof was involved, had nothing to do with secret funds or the former Department of Information, according to errata published with the Erasmus Report

The commission says that from the wording of the first report it could be inferred that Mr Lawrence Morgan and Dr Koornhof collaborated in an attempt to buy the paper secretly with State funds to serve as an instrument for the Department

"Neither Mr Morgan nor Dr Koornhof ever had in mind that it should be taken over with State or partly-political funds," says the report. "Their idea was merely to get acceptable private persons with the necessary capital to buy control of the newspaper. The transaction would in no way have had an official connection with the Government or the State"

Mulder refused to shed light on projects

DR CONNIE Mulder's claim that the Erasmus Commission refused to give him a fair hearing when he declined to give evidence in April on the Washington Star project and the printing of Panorama, is untrue, the commission says

The commission says it was convinced that Dr Mulder, former Minister of Information, could have shed light on both matters, but he deliberately refused to do so

In Chapter 10, the commission says Dr Mulder lied when he told it he had had no opportunity to react to contradictory evidence

This claim by Dr Mulder was made in spite of the exception made by the commission in making available to him — while not under oath — certain documents in the commission's possession

The commission has referred Dr Mulder to the Attorney-General of the Transvaal for prosecution on a charge of contempt of commission

The report says "According to newspaper reports, Dr Mulder contended that he had refused to give evidence because the commission had refused to give him a fair hearing by not giving him access to files

"Later, after he had refused to give evidence, he stated, according to Press reports that the commission had shifted its position by saying that it would make the documents available to him after he had taken the oath

"Both statements are untrue, and a true record of the events is given below"

On April 26 Dr Mulder's legal representatives told the commission that he had decided not to give evidence Dr Mulder, the commission says, had already given evidence twice before, and knew that all documents available to the commission, which was hearing evidence in camera, had been made available to him for his replies as soon as the oath had been administered

The report says "If at any time he had asked for time to consider his replies in connection with such documents while he was giving evidence, the commission would even have given him the chance to do so. He would then, however, have had to give an undertaking of secrecy

"In the case under discussion the commission, by way of exception, made certain documents that had been handed in and on which substantial evidence had not yet been given, available to Dr Mulder before he was asked to take the oath

"He was not, however, allowed to remove them from the building . before Dr Mulder was called to take the oath, the chairman explained the whole position to him in detail

"The commission explained the whole procedure regarding the making available of documents to him and also pointed out that his allegations (made in the document giving his reasons for refusing to testify) were incorrect, and then adjourned so that he could reconsider his decision not to give evidence"

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ERASMUS REPORT

Control rules may be broken

From Page 8

ment dated July 12, 1976 The parties to the agreement were Alpane and Dr Rhoodie on behalf of "the participant"

According to this document the department would, in addition to guaranteeing $4,6-million, make a further R1,5-million available interest free for the purchase of further shares in Morgan Grampian

According to the new agreement, the department would be entitled to 50% of the proceeds of the investment As security, Alpane made the shares purchased available to the department in a transferable form

With this money at his disposal, Mr Abramson and his co-director in Alpane, Mr Stuart Pegg, began buying additional shares in Morgan Grampian and by November 5, 1976 they had succeeded in acquiring 27,4% of the Morgan Grampian shares for a total purchase price of $5 781 206,71

In addition, the department was, however, aiming at a larger shareholding in, and more active control of, Morgan Grampian However, as they could not acquire more than 30% of the shares without making an offer to take over all the shares, it was decided to acquire further shares through a nominee

Dr Rhoodie was not, however, satisfied with the price at which the further shares could be bought and the transaction was taken over by another company

In the meantime Mr Abramson was considering acquiring the shares in a South African company, Hortors Ltd The idea was then to have Hortors taken over by Morgan Grampian, in this was acquiring further Morgan Grampian shares in exchange for Hortors shares

Before Mr Abramson could put through his Hortors-Morgan Grampian plan, an offer was made in October 1977 by Trafalgar House Limited, a British company, to Alpane Limited

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THE FINAL ERASMUS REPORT

Trusted Alberts lined his pockets — commission

It began with a barbed wire link to Vorster

MR JAN van Zyl Alberts, once of Welkom furniture salesman, whose position as a front man for the Government's secret operations sprang from his association in internment at Koffiefontein with Mr John Vorster and General Hendrik van den Bergh, is accused by the latest Erasmus Report of misappropriations which point to theft and fraud

In a chapter headed "Trusted associate who lined his pockets", the supplementary report tabled yesterday shows that Mr Alberts' income — either paid directly by the Government or in profits realised as a result of his involvement with the Government — was R338 465 between 1974 and 1978

He paid no tax on R222 300 of this income

A Johannesburg tax consultant said yesterday that in order to earn a taxed income of more than R200 000 in that period, a normal taxpayer would have needed to earn a gross salary of about R700 000

The highest-paid chief executive of a South African company gets about R120 000 a year before tax

The above calculation takes no account of another R130 000 which is discussed elsewhere in the report

A spokesman for the Department of Inland Revenue said yesterday that a full investigation into Mr Alberts' income tax returns would be instituted as soon as it received a copy of the commission's report

The commission said Mr Alberts merged State funds with his own "not only to conceal his role as a front man for the Department (of Information), but also deliberately to create such a chaotic tangle that nobody would notice, without a thorough audit, when Alberts used State funds for his own gains

"It should be noted that, because of the covert nature of Alberts' role on behalf of the Department, the entries reflecting the expenditure of funds could never, to the best of Alberts' knowledge, be audited

"The commission is therefore forced to this conclusion not only *ex facie* the chaos itself, but also because it also inconceivable that a man who described himself as an auditor and experienced businessman could make such incredible mistakes in his bookkeeping and then try to give such naive explanations afterwards"

The commission found that these forms of remuneration as explanations whenever it appears that money due to the State has been appropriated by him

"The entries recording these transactions are of such a nature that they do not even support him and the commission rejects these explanations he has now given

"The commission is of the opinion that the misappropriations point to theft and fraud"

The report says that the commission foresaw that it would be necessary, after the first report, for Mr Alberts' control and handling of State money to be investigated in depth

It appointed Mr B O Truter, a chartered accountant and auditor, to conduct a thorough investigation into the possible misappropriation of State funds, including the use of such funds for personal gain or their merging with personal funds by Mr Alberts and companies in which he had an interest

Mr Truter found that Mr Alberts had been entrusted with more than R[illegible]-million of [illegible] disclose three banking accounts to them

In the auditor's opinion, the financial records of the company in which Mr Alberts did most of his fronting operations, Alfesko Trust, were not kept in a proper manner

Mr Truter found that

- Transactions were often recorded under incorrect dates
- Funds that became available to Mr Alberts were accounted for in the books for the first time only long afterwards
- In many cases, supporting vouchers for transactions were not available Transactions were often recorded on the strength of verbal communication
- Interest on investments was not meticulously checked
- Amounts were often transferred from one account to another in the ledger without the transaction being recorded in a subsidiary book.
- Receipts and expenditure were often set off against each other in the ledger and assets were sometimes written off against receipts in the ledger without being [illegible] proper-control to the State"

Mr Truter established that the purchase of the 20 000 shares on behalf of Alfesko Trust — the company through which the deal was done — was not recorded until a year later

But the financial statements for the year to February 28, 1978, did not yet show the investment

"Alfesko Trust's accountant, Mr Nel, who is also Alberts' brother-in-law, confirmed that he recorded this transaction only after August 1978, after the accounts as at February 28 had been drawn up, and that he was back-dating the entry to March 1, 1977

"Nel also confirmed that at several meetings with Alberts and himself, Braam Fourie of the Department repeatedly enquired about the R50 000 that had not been accounted for, but then it was pointed out to him that this amount had been used to purchase the shares in Heyns Films"

Mr Alberts told the commission he had taken a written option on the 20 000 shares and that he took a R24 000 fee from the State for the option He said he had cleared this with Dr Rhoodie

"Heyns, however, testified that there were no buyers other than Alberts and that Alberts knew that several other financiers had been approached without success

"Alberts also gave the impression that the purchase of the shares was made on behalf of the Department, but this was not recorded in any of the Department's records

THE FINAL ERASMUS REPORT

'I'll get you out of this mess, John'

General Hendrik van den Bergh reads the report of the Erasmus Commission, in which he figures so largely, in Pretoria yesterday

Picture DANIE COETZER

General had the men to 'commit murder'

GENERAL Hendrik van den Bergh, former head of the Bureau for State Security, emerges from the pages of the report of the Erasmus Commission as the "power behind the throne"

He was a man who boasted that he could "do anything" with the resources open to him and even had "the men to commit murder" A man who both kept the Prime Minister informed and ignored his instructions.

Here are the commission's findings on General van den Bergh

APPENDIX A

SUBSTANTIATION OF FINDINGS ON GENERAL VAN DEN BERGH

1 Since no prosecution was instituted against General Van den Bergh the commission feels called upon, in the public interest, to refer in detail to the General's own evidence in connection with the commission's findings, for, since the commission sat in camera, General Van den Bergh could judge the commission's findings only on his own evidence The commission must point out, however, that its findings in regard to General Van den Bergh were based on all the evidence which was before it at the time and of which the General had no knowledge

2 The findings and quotations from his own evidence that substantiate the findings follow below First the reference to the paragraph in the report in which the finding was made is given, as well as the finding itself, and then General Van den Bergh's evidence is quoted

3 V 12 433 General Van den Bergh and Dr Rhoodie were close friends "From the time when he (Dr Rhoodie) became Secretary of Information, did you, due to the activities of his department and especially regarding his secret projects, often discuss things with him because you shared matters of

had been brought from outside and there was a strong antipathy towards him in the public service" (V 859 and V 888)

4 V 12 434 Van den Bergh's role was to know everything that was going on in South Africa He was the man who had his ear to the ground

(i) "In the first instance, Mr commissioner, my task is to gather information, I must know what goes on in South Africa It does not matter what" (V 876)

(ii) "Now why do you want to inform Mr Vorster, what has Mr Vorster got to do with it? — But I inform him about everything It is an English-language

knew nothing about it and that I must immediately distance myself from the group (who wanted to start the English-language newspaper, The Citizen) and from such a newspaper and that I must keep my ear to the ground" (V 885, 887 and 893)

(iv) "I am the biggest newsbearer in South Africa, but only to John Vorster" (V906)

(v) " my boss told me, you must keep yourself out of these things, except in order to keep your ear to the ground" (V938 and V941 et sequor)

5 V 12 435 He also tried to influence the course of events in South Africa himself

(i) "Then I can mention a

(ii) "I can tell you, that with single exceptions, even members of this Cabinet, when they want something from the Prime Minister, they come and talk to me Then they tell me, you have locus standi with the Prime Minister, you have his ear And when you tell him he takes notice It won't help if I talk to him." (V907) (comp V9 277)

(iii) "You know, Mr Commissioner, I am not a politician, but I know about sensitive things that I have done, which you can never ascribe to the Prime Minister (aan sy kapstok kan hang nie) And that I inform him and tell him, I am going to do this, it is for the

brought out the false report had it not been for the tremendous pressure exerted on him by Van den Bergh, among others (V 528), and Gen Van den Bergh himself said "Yes, I think Reynders is a very honourable person" (V974) The commission found that the false report was produced to improve Dr Mulder's chances of becoming Prime Minister (Cf V 11 385, V 11 391 and V 11 397)

6 V 12 436 General Van den Bergh was "the power behind the throne"

(i) "When they (Alberts and Jussen) told me this, that they can take over the newspaper (according to Vorster) I differed with them about this and when I saw Mr Vorster again then I challenged him on this Then he said, he had never said this" (V 902)

(ii) In a conversation with Mr Vorster he was reported to have said "And Harry Schwarz told me after that discussion, General, you are the one man on the side of the Government I am prepared to believe Then I told the boss (Mr Vorster), I am not looking for a job I want to retire But if you need me, John, to get you out of this mess I am prepared, because of everything, to help you" (V 942-3)

(iii) "Mr Vorster says I must go on with this project, money must continue to be paid, cheques must be signed, but nobody wants to give me authorisation But I write out cheques like mad, because the things must go on, but I have no authorisation, absolutely no authorisation, if I have ever spent money illegally, it was spent illegally during those periods" (V 976-7)

(iv) "And when Reynders reported to me that he had an amount of plus minus R2 100 000, then I said, I am taking that money I placed it under the control of two officials It was still in his name, but at the banks where the money was invested, documentation was changed in such a way that he could not draw the money without the approval of these two officials

The Chairman On behalf of the Bureau or on behalf of the commission? . — On behalf of Hendrik van den Bergh" (V977-8)

(v) "Mr Schalber Or Fine,

no I decided myself (V977-8)

7 V 12 436 (a) General Van den Bergh sometimes withheld certain facts from Mr Vorster

(i) "Then I can mention a case to you where I in another department had to advance almost R1 000 000 of which the Prime Minister had no knowledge" (V855)

(ii) He testified, for example, that Dr Rhoodie had bought the furniture, but that Dr Rhoodie had given his cheque to a company to disguise the fact that he was the buyer Mr Vorster did not want Dr Rhoodie to buy the furniture His evidence reads

"Was Hein Schaeffer not involved in this? — Yes, he was, he acted as middleman He (Rhoodie) gave Hein Schaeffer the cheque It is only to mislead the Press that they don't know, that we sold to Eschel Rhoodie" (V 988)

8 (b) Sometimes General Van den Bergh gave Mr Vorster only selected facts

(i) He could not testify that he told Mr Vorster that the previous guarantee given by Louis Luyt on behalf of The Citizen was in fact State money (V 899) According to him he had to report everything to the Prime Minister, but when he was asked the question "Did you convey this to the Prime Minister?", he replied. "I cannot remember that I specifically conveyed this to him" (V 899)

(ii) Elsewhere he testified

"I came to the conclusion — I never told the Prime Minister this — that he had someone who was carrying news to him, and that he based his questions on that news being carried to him" (V 957)

9 V 12 436 Sometimes he ignored Mr Vorster's instructions

(i) He testified at page V 887 that the Prime Minister had instructed him to distance himself immediately from Dr Rhoodie and others in connection with The Citizen project He was to have conveyed the message to them His evidence reads

"Did you have instructions from the Prime Minister to convey such a message to Dr Rhoodie? — No Did you talk to Dr Mulder about this? — No Not at that stage" However, his own evidence shows that he was constantly in touch with Dr Rhoodie and sometimes Dr Mulder in connection with the project Thus, he undertook to solicit advertisements for The Citizen (V 894-5) He testified:

"At one stage there was the idea that we had to do something positive to get advertisements for the newspaper, The Citizen, and because I have a massive circle of friends in South Africa because of my position I said, I would do it with the greatest pleasure, as long as the boss approved this"

(ii) "And then regarding Eschel Rhoodie, in contradiction to the instructions of the Prime Minister, he told me not to talk to Eschel Rhoodie at all I ignored this I also told him, I am ignoring this" (V 945-6)

(iii) "And after the Prime Minister had completed the questioning and was seemingly satisfied with the report, then Mr Reynders told him, Mr Prime Minister, I am being pestered by the Press They want to know when I am going to hand in my report, can I give it to the Press? Then I said, before the Prime Minister could say anything, no, you are not giving anything to the Press Then the Prime Minister said, no, I don't agree, when the Press phones you again, tell them, you have handed in your report" (V 956) " When I got to the office, I called Reynders in Then I said, that instruction the Prime Minister gave you to release this thing to the Press, you are not doing it" (V 960)

10 V 13 436 He traded on Mr Vorster's name to gain his ends

In connection with money which was required for The Citizen but was to be used for other projects, he testified "And I then took it upon myself and went to the project managers and said, that upon instructions from the Prime Minister I am going to confiscate that money This was not his, the Prime Minister's, instruction" (V 856-7)

11 V 12 437 He was in charge of a formidable network of agents

He stated that Danie van Huyssteen, General Manager of Volkskas, was supposed to have said to Dr Rhoodie one day that Hendrik Van den Bergh was financing The Citizen The evidence continues "You know, I must now digress a little and tell you that my task, as Chief of Security, was merely an additional task I did many other things" Then he went on to list his other important functions, which are not relevant (V 909 et sequor)

12 V 11.386 If he wanted to do something nobody would stop him and he would stop at nothing

"Mr Commissioner, I really want to tell you, that I am able with my department to do the impossible This is not bragging I have good men, I don't have weak men, I also have a few weak ones, but I have truly good people I can today tell you here, not for your records, but I can tell you, I have enough men to commit murder if I tell them, kill I don't care who the prey is These are the type of men that I have" (V921)

13 V 12 438 General Van den Bergh exercised considerable influence over Mr Vorster and at times made his decisions for him

See paragraphs 4, 5 and 6 above, and read pages V 892, V 893, V 908, V 913, V 918, V 956, V 961 and V 1002 Cf further V 12 440, V 12 436 and V 12 435

14 V 12 439 and V 12 440 He threw his weight about in connection with Reynders and he dominated Reynders

(i) "As I understand it, Mr Reynders still reported to you from time to time, do you know whether he also reported to the Prime Minister? — Yes, in my presence" (V 935)

(ii) "I told Reynders, you are waiting a long time for these things, the boss is ill, the boss is going to hospital, if it is at all within your power regarding this report, you tell me you have long finished, you are ready, well, if you are finished and ready, go and give it to the boss" (V962) V 965 et sequor

(iii) He testified further

"Did you accompany Reynders when the report was delivered? — I took it I made the appointment" (V 955)

15 V 12 442 and V 12 444 After Mr Vorster had instructed General Van den Bergh not to sell the furniture to Rhoodie, General Van den Bergh sold it to him and reported that he had sold it to a company

See paragraph 11 (ii) above and read pages V 799 and V 986.

16 V 12 445 General Van den Bergh wanted to influence the election with a clean report

This conclusion is based only partially on General Van den Bergh's evidence It is supported by Reynders's evidence (V 528) which General Van den Bergh did not see and which contradicts his evidence (See V 11 385 and V11 387.)

17 V 12 446 General Van den Bergh admitted that Reynders was an honest man and would not have presented such a report without duress

"As you know him (Reynders), and you know people, you must in the work you do, do you think he is the kind of man who would bring out a report in three little paragraphs where you actually expected a long report? — But he did do so Yes, I think Reynders is an honourable man He does not want to cover up" (V 974)

18 V 12 447 General Van den Bergh contends that Minister Horwood owed him R800 000

(i) "I told you earlier, when we referred to R800 000, which Minister Horwood said he still had to give to me, which I still have not received from him, which I don't want I told him, I will not take it" (V 950)

(ii) Minister Horwood denied this Who is to be believed? Van den Bergh himself told repeatedly of untruthfulness on his part in his negotiations.

The following are examples

"I lied to him We still had plus/minus a million. But I told him I have no more money" (V 854)

"And I then took it upon myself and went to the project managers and said on the instructions of the Prime Minister I am going to confiscate all that money The Prime Minister's instruction It was not an instruction (V 857) Cf paragraph 10 above

"I did, of course, I was aware that he was right, but I denied it, I said, bring me the proof" (V 908)

"And I said, I am doing it on the authority of the Prime Minister, but I did not have the authority from the Prime Minister, but they believed me" (V 975)

"I had then taken over My predecessor had spent all the money I told a lie Purposely, but we still had five million with the Treasury, but I wanted to take that five million to pay off the overdrawn account" (V978)

19 V 12 448 He played a double role

According to General Van den Bergh, Mr Vorster told him to distance himself from the English newspaper, but he did not do it He continued to take a material interest in it after its establishment (V 9 255) His own evidence reads as quoted in paragraph 9 (i) Also read Mr Vorster's evidence at page V 1971 and V 1977 and see Chapter II.

BE BLUNT

tion and profits from the Government when he first gave evidence

"When he first appeared before the commission, Alberts was specifically asked to mention all the remuneration, of any nature whatsoever, that he had received from the Department for his work

"On that occasion he stated that he had only received the agents' fees, etc, that he had was R15 000 a year at first and later became R20 000 a year

"He said nothing about commission on transactions, tax-free honorarium, which negotiated with Dr Rhoodie

"Now, however, he has come along afterwards and used

"Alberts confirmed to Truter that there had been deliberate merging of funds with the object of maintaining secrecy

"Moreover, the financial records were not kept in such a way that it was possible at all times to distinguish with certainty between State funds and personal funds

"Alberts admits that it may have happened that funds belonging to the State were used for personal purposes, but also points out that he himself did have surplus funds available from time to time"

The report says Mr Alberts used a firm of accountants to write up his books from February 28, 1976, but he did not

Mr Alberts posed as front man for the State netted him a profit of R24 000, says the report

In March 1974, R50 000 was made available to Mr Alberts under the project heading "Bantu Films" A month later Mr Alberts paid R26 000 for 20 000 shares in Heyns Films en Televisie

Mr Alberts confirmed to the commission's auditor that he took the difference — R24 000 — for himself as profit

"He contends that he had verbally obtained an option from Heyns to acquire control of his company and that he took the profit with the approval of Dr Rhoodie because he had ceded this option to acquire

he option for someone else

"It is therefore clear to the commission that Alberts actually obtained the option on behalf of and as an agent for the State, but nevertheless he 'sold' the option to the State for R24 000

"Moreover, it also clear that he specifically obtained a written option on shares for which there were no other buyers than the State with the object of selling the option to the State or, to put it differently, of levying a premium of R1,20 from the State, his principal, on each share of R1,30 which, according to Heyns, was worth no more than R1,30

"This profit of R24 000 taken for himself by Alberts was not

'Misappropriation points to theft'

THE FINAL report of the Commission of Inquiry into the irregularities of the Department of Information found that Mr Jan Van Zyl Alberts misappropriated State Funds

"The Commission is of the opinion that the misappropriations point to theft and fraud," the report said

The names of Mr Van Zyl Alberts and a third Rhoodie brother, Prof Nic Rhoodie, were added to the list of those whose handling of secret funds should be referred to the Attorney-General

The report repeated its recommendation that irregularities regarding secret fund monies — committed by Dr Eschel Rhoodie, former secretary of the department, and his brother, Mr Deneyes Rhoodie, former deputy secretary of the department — be referred to the Attorney-General for investigation and evaluation, with a view to possible criminal proceedings

Mr J E Nothling, Attorney-General for the Transvaal, was not available for comment last night

It was disclosed in the supplementary report that on a sum of R222 300 received over a four-year period from 1974-1978, Mr Van Zyl Alberts paid no income tax because he did not declare it as income to the Receiver of Revenue

When the Receiver was approached for comment last night, he told the Rand Daily Mail to contact his office today

PM lashed out, but the rumours were true

Political Staff

CAPE TOWN. — A little more than two months ago the Prime Minister, Mr P W Botha, rose angrily to the defence of the State President, Mr Vorster, after Opposition calls for his resignation

Yesterday, Mr Botha announced Mr Vorster's retirement in an emotion-charged statement in the House shortly after the Cabinet had met in extraordinary session to discuss the final report of the Erasmus Commission

The commission finally confirmed rumours about Mr Vorster's role in the Information affair with the finding that he was jointly responsible for the act that the irregularities in the Department of Information, including the Citizen project, were allowed to continue

On March 23 this year, the Progressive Federal Party and New Republic Party called for Mr Vorster's resignation after he entered the controversy with statements to newspapers and by calling Press conferences at which he denied allegations by Mr Connie Mulder that he was aware of irregularities within the department.

The findings of the commission and Mr Vorster's reactive retirement as State President bring Mr Botha's remarks at various times during the current session into sharp relief

In a Press statement after the call for Mr Vorster's resignation on March 23, Mr Botha emerged strongly in defence of Mr Vorster He launched into an attack on the Opposition, saying the statements issued earlier that day by Mr Colin Eglin, Leader of the Opposition, and Mr Vause Raw, leader of the NRP, bordered on the ludicrous

"For weeks they and their lackeys have waged a personal campaign against the State President They thought that because of his high office he would not react to all the unworthy talks which were being circulated against him and the fugitive Dr Rhoodie presented him to them as a handy instrument to continue their objectionable campaign against the Government as well as our Head of State"

Mr Botha went on to say "The State President's action has not created any constitutional crisis. He has by no means participated in the party political battle He has defended himself and given facts which have brought clarity." Mr Botha described the action by the Opposition as "cheap political manouevres" which should be treated with the "contempt they deserve".

In a reply to a request by Mr Eglin for a meeting to discuss the constitutional situation which Mr Eglin believed had arisen, Mr Botha said· "Your transparent political ploy will make no impact on any right-minded person"

Refusing the request for a meeting, he said the public would not allow themselves to be misled by Mr Eglin's antics

"What I do know is that Mr Vorster defended himself against unparalleled personal attacks"

He said Mr Vorster had presented only facts in his statements to bring clarity to an issue siezed by Mr Eglin and "his friends" to make reprehensible allegations

He also referred to the transcript of a speech he made in the House of Assembly on February 6 The No Confidence Debate was in its second day and members of the Opposition had questioned Mr Vorster's role in the Information affair and his knowledge of irregularities.

Berating the Opposition for its treament of Mr Vorster, Mr Botha said his predecessor had put in motion the machinery, through the Auditor-General, Mr Gerald Barrie, to investigate the irregularities.

"My predecessor then expressly told the Auditor-General. 'Proceed with the inquiry regardless of persons'

"In other words, he did not try to obstruct the instrument created by his House to disclose irregularities"

In its latest report, the Erasmus Commission devoted one section under a heading· "Mr Vorster conceals irregularities from the Cabinet, regardless of the consequences"

It found that it could be accepted without doubt that Mr Vorster knew of the Citizen project as early as August or September 1977 and kept the facts from the Cabinet for more than a year

"The fact that, in the commission's judgment, he was virtually compelled by Advocate Van Rooyen's actions to inform the Cabinet at the eleventh hour casts a shadow over Mr Vorster's committedness to open administration of the country and sharing of responsibility"

"The commission has reason to believe that had it not been for Advocate Van Rooyen and the subsequent firm action taken by Ministers P W Botha, R F Botha, Schlebusch and Heunis, the serious irregularities that took place would have remained hidden from the next Prime Minister and he would have had to find out about them himself"

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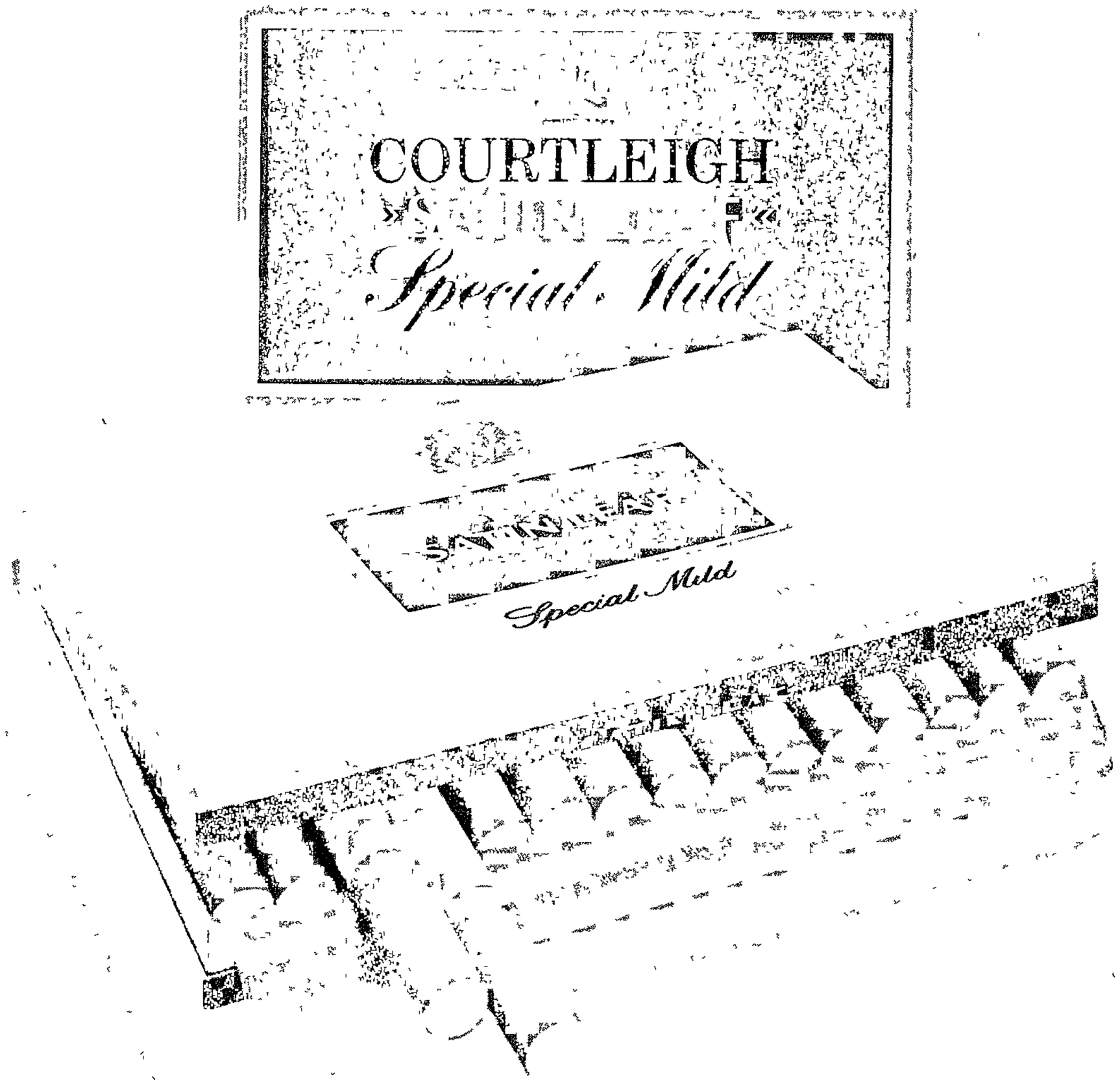

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talk to me I took him under my wing a little, because the allegation was made that he

(iii) "After you told the Prime Minister this, what was his reaction? — He told me he advanced a loan of [illegible] on behalf of another department, of which the Prime Minister had no knowledge " (V(855)

[illegible] he tells me, Hendrick, fine, do what you want " (V 1002)

(iv) Reynders gave evidence that he would never have

Bureau, that it also had secret projects? — Yes, many

Did you get the usual authorisation for a project? — No,

State footed the bill to fly guests back and forth for weekend in the country

IN A chapter headed "Minor Irregularities", the commission's report deals with State-paid charter flights during 1974 in which visitors and their bedding were flown to and from a farm in Hoedspruit and the Mala Mala game farm

Among the guests were four American visitors including publisher Mr John McGoff, Mr and Mrs L E S de Villiers, Dr Eschel Rhoodie and his brother Dr Deneys Rhoodie, and Professor and Mrs N J Rhoodie

The schedule of the flights for the weekend to and from the farm Reenberg at Hoedspruit and the Mala Mala game farm, as given in evidence by Mr P W Weideman, a former senior official of the Department of Information, is

● Day One, Friday, March 1, 1974 An aircraft, chartered at State expense, flies "private individuals' bedding and mattresses" from Johannesburg to Hoedspruit The aircraft returns to base empty the same day

● Day Two The four US guests, plus Mr and Mrs De Villiers, are flown from Johannesburg to Hoedspruit The aircraft returns to base

● Day Three A third aircraft is chartered to take Dr Eschel Rhoodie, Dr Deneys Rhoodie and Prof and Mrs N J Rhoodie from Johannesburg to Hoedspruit The same afternoon, Prof and Mrs Rhoodie are flown back to Johannesburg in the same aircraft

● Day Four, Tuesday, May 5 A fourth charter flight is arranged to take the party from Mala Mala to Waterkloof

The commission could not ascertain whether Mr McGoff paid for the last two flights as Dr Rhoodie had told Mr Weideman he would

Mr Weideman normally had to certify all accounts connected with guests of the Department before payment could be made, but in this case no accounts were submitted

The commission found that as Prof Rhoodie was not an officer of the Department at any time, it was inexplicable why he should have been invited to Hoedspruit at State expense

The second part of this chapter deals with the resignation of Mr Roland Hepers, who was connected with the Department as a journalist in Berne, Switzerland and at a later stage became involved with the publication of South African Panorama abroad

He was transferred to Pretoria in 1972 or 1973 but in 1974 returned to Berne, where he found the affairs of the magazine in "a chaotic state" He succeeded in having it published in six foreign languages and pushed its circulation up to 262 000

Then suddenly, for no apparent reason, he was directed to discontinue the publication of Panorama But so many complaints were received from subscribers that he was instructed to resume publication four months later

After a newspaper published a derogatory article about Mr Hepers — which, according to him, was entirely without foundation — Mr Hepers was transferred to Buenos Aires in 1977 He was there for four months and was then transferred to Pretoria, where he was employed in the Publications section

Mr Hepers said he was forced to resign after he had been there for about three months

He was summoned for an interview with Dr Rhoodie and Mr J F Waldeck, during which he was accused of having told foreign journalists that there was corruption in the Department He denied this

The following day, Mr Waldeck summoned Mr Hepers to his office and read him a letter Mr Hepers had written to a Mr Behrens in which he referred to corruption According to Mr Hepers this reference was to his own affairs

Mr Waldeck also told him Dr Rhoodie was to sue him for libel but if he were to resign, they would leave the matter "where it is" He refused

Another day, Mr Waldeck again sent for him and said that they were going to institute proceedings against him Mr Waldeck added " 'Off the record', don't you understand, your services are no longer required by us' "

A letter of resignation was thrust into his hand, and he signed it He subsequently withdrew it, but this was not accepted (1192)

Mr Waldeck did not give evidence about the Hepers case but the commission felt that, if these charges were true, he was merely acting in compliance with Dr Rhoodie's wishes

"The steps taken against Hepers appear to have been irregular, and he was obviously deeply aggrieved because he had been forced to resign He is still trying to gain readmission to the Information service," the report said

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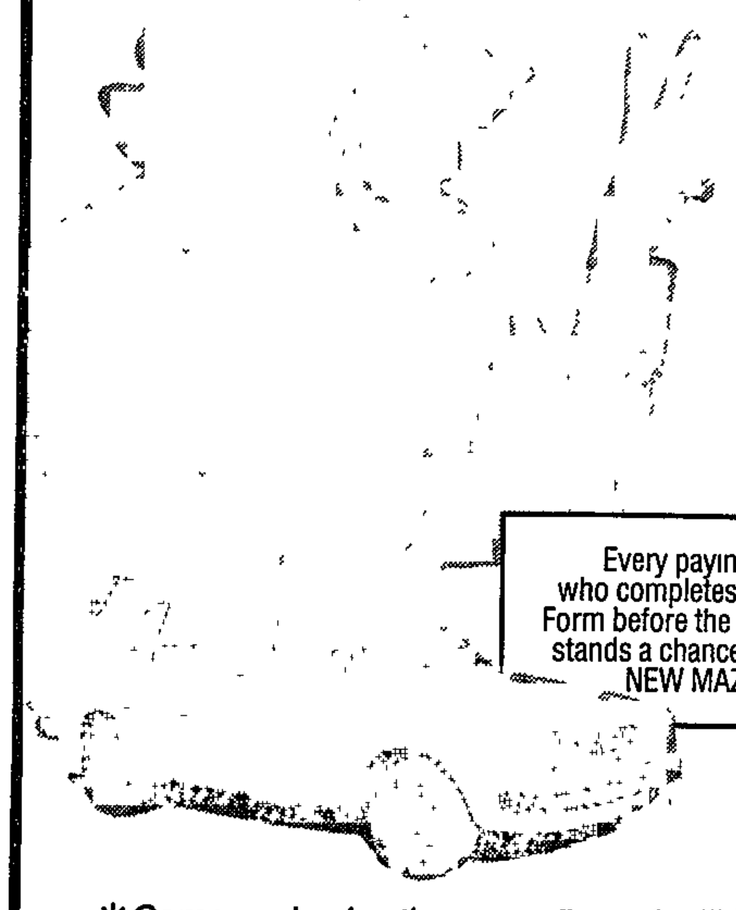

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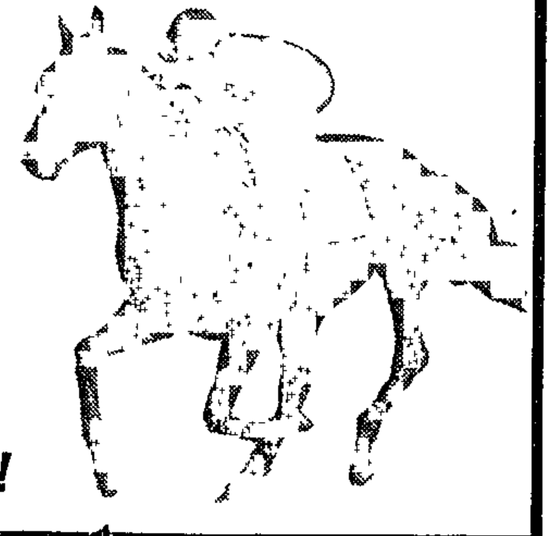

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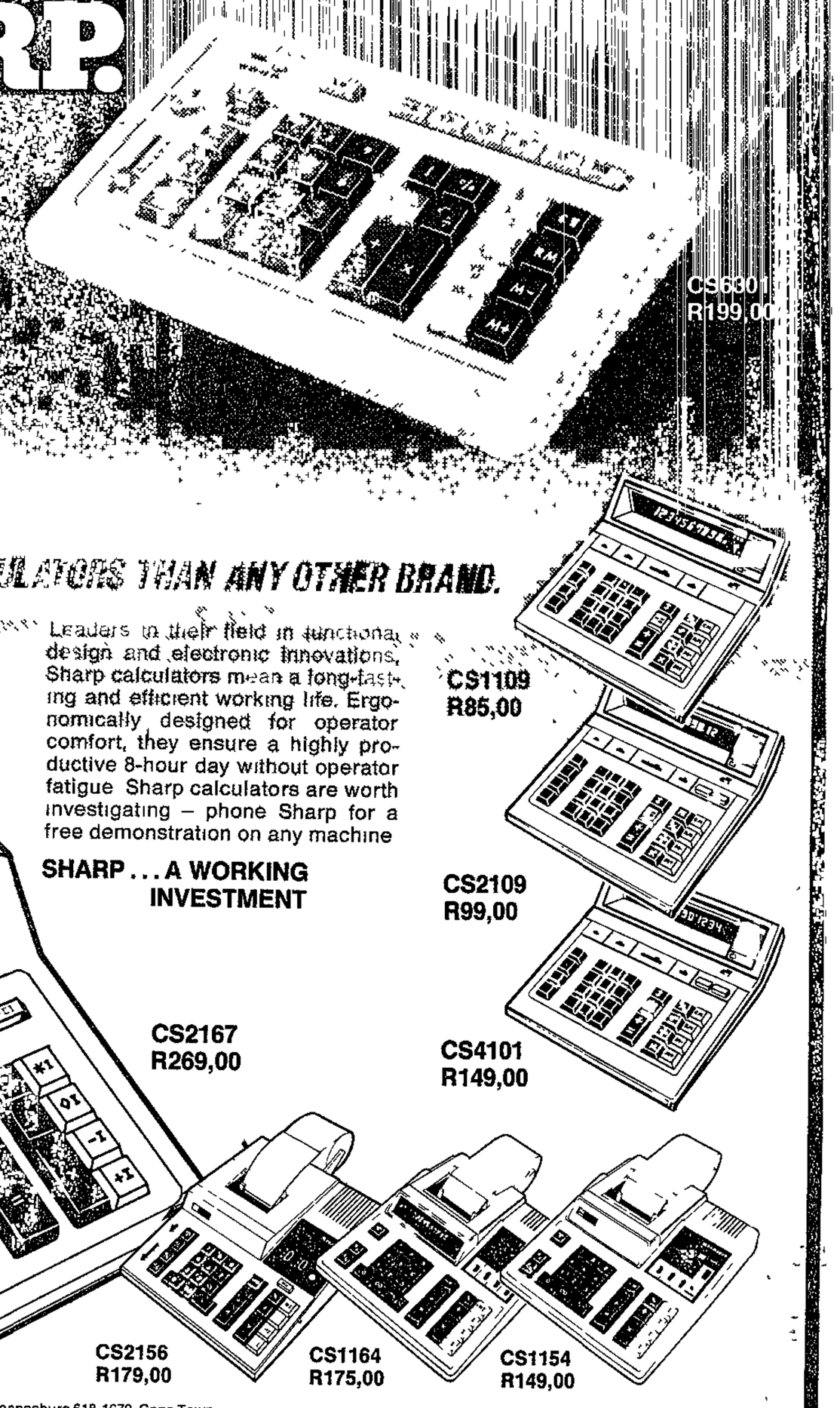

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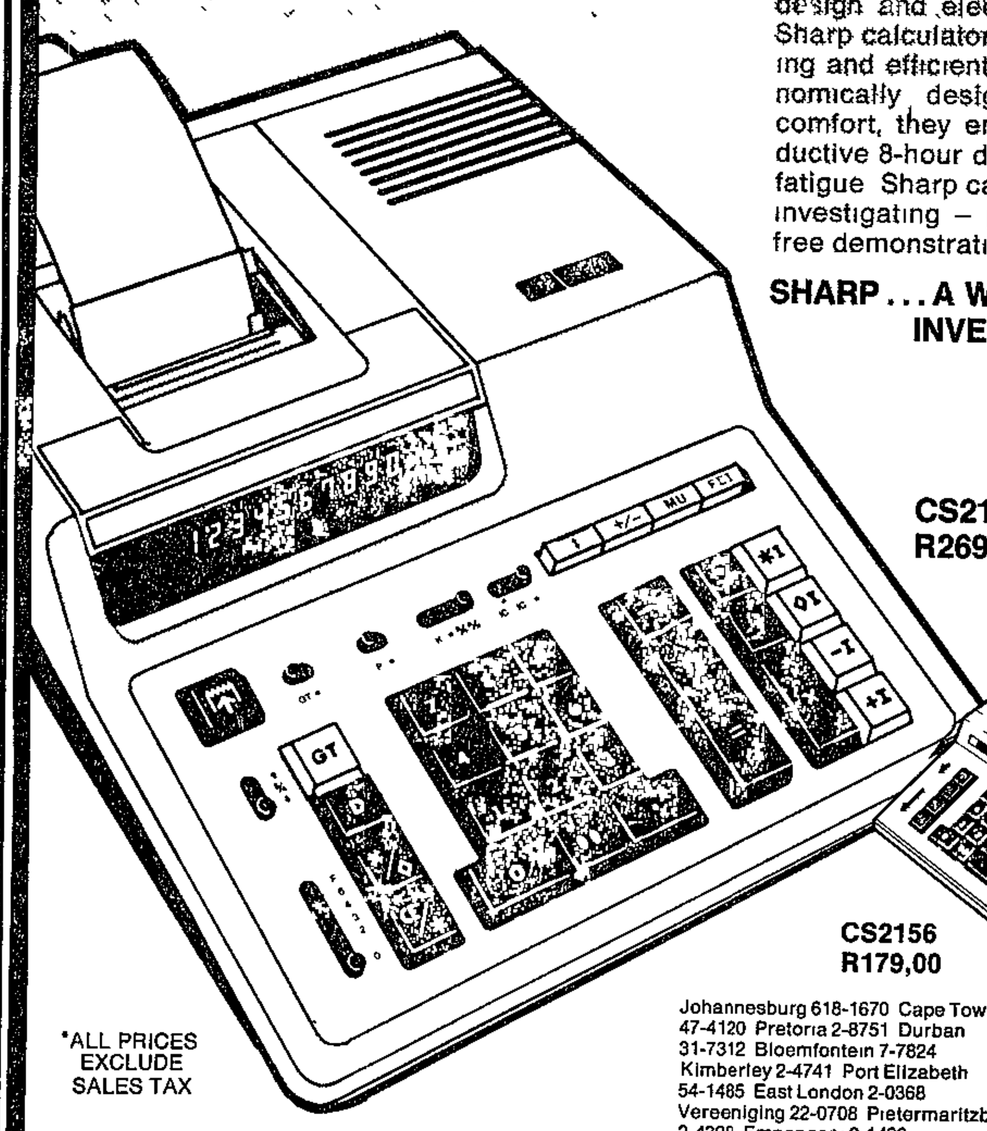

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THE FINAL ERASMUS REPORT

Vorster 'knew everything about basic Info funding'

MR VORSTER'S INVOLVEMENT

A INTRODUCTION

3 1 At the time when the report was prepared the commission had no absolute certainty as to when Mr Vorster first became aware of the State financing of The Citizen.

All the witnesses who gave evidence on this matter (except Drs Mulder and Rhoodie, who were found to be unreliable in this connection), such as Reynders, Mr Van Rooyen and Mr Vorster himself, agreed that it was during the latter half of 1977, but could not pinpoint a specific time. They did, however, all agree that he had been informed of several apparent cases of misappropriation by the Department, including The Citizen, at the latest during November 1977 at the evening meeting at his residence, Libertas

3 2 For this reason the commission gave Mr Vorster the benefit of the doubt in its report, and found that he became aware of the implications of The Citizen only at the end of November The commission was naturally mindful of the fact that much earlier knowledge could have serious implications for Mr Vorster, and in all fairness it was not prepared to make a speculative finding on such an important aspect.

3 3 Mr Vorster himself was unsure about the date when he had heard. He gave evidence to this effect at pp. V 792 and 793· Now can I put it to you that the project The Citizen was made known to you and that State funds were involved with it in about August-September 1977. I do not want to limit myself to a date, it could be any time from when Mr Barrie spoke to me until now, I cannot tell you when (V 1939).

3 4 Reynders was also uncertain. He said at one point, he thought he had told Mr Vorster, he really did not only see me every Tuesday at the Cabinet, but he saw me on various occasions and why did he not discuss the matter with me? Why did he not inform me and must I only hear from Mr Barrie what is happening concerning this in August 1977 and thereafter? His answer was that he would rather not have compromised me by discussing the matter with me" (1925-1926)

3 8 On being questioned by the commission on 27 April 1979, Mr Vorster also testified that he had been informed of the State's involvement in The Citizen by Reynders during September 1977

3 9 For purposes of the commission's interim report, several Ministers who had served in Mr Vorster's Cabinet gave evidence during March 1979 that it was not until his last Cabinet meeting on 26 September 1978 that Mr Vorster informed the Cabinet about The Citizen for the first time, and then only after he had been confronted by some members of the Cabinet the previous evening with the facts that Van Rooyen had given them

3 10 The commission can find no fault with the fact that, when the facts about The Citizen came to his knowledge, Van Rooyen confidentially informed Mr Vorster of them It was after all no more than his duty as a citizen to inform the country's highest figure of authority confidentially and out of loyalty about what he regarded as a serious irregularity in the spending of the taxpayer's money

3.11 However, the commission finds Mr Vorster's reaction to this step taken by Van Rooyen strange The commission quotes Mr Vorster's evidence on this point "... Will you allow me, Mr Commissioner, I'm trying to think, I'm trying to recall, I'm trying to see Mr Vorster, he really had to go and say to Mr Vorster in Cape Town

3 17 His evidence reads as follows "And then my thoughts came to rest on this terrible problem which the poor man was not struggling with, The Citizen, because I know it had become soul tormenting to him

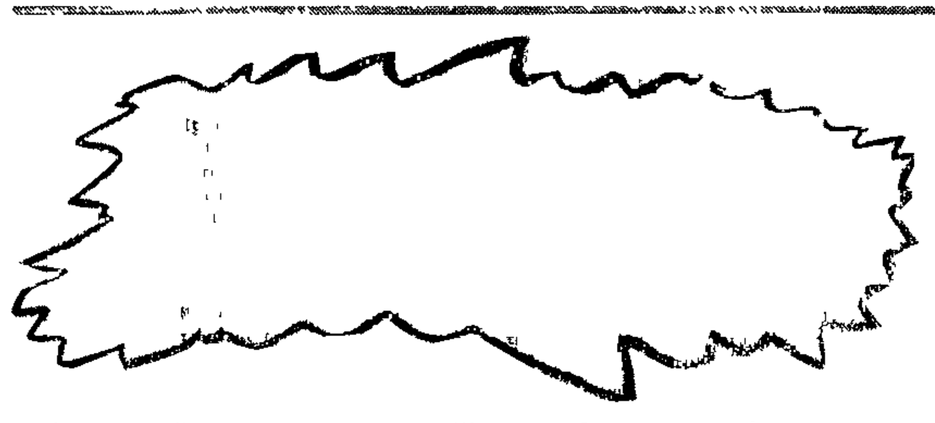
"How could I help him? I tried a lot to help him . I came to the Cape and I immediately went to him I reported concerning my things and then I said to him, John, today I want to talk to you very seriously as man to man; as friend to friend

"Just you and I. We have come very far. You know, John, what respect I have for you, what affection I have for you, but you have now reached a stage where things are not going well with you It is not flowing, it hurts me. I do not want people to criticise you

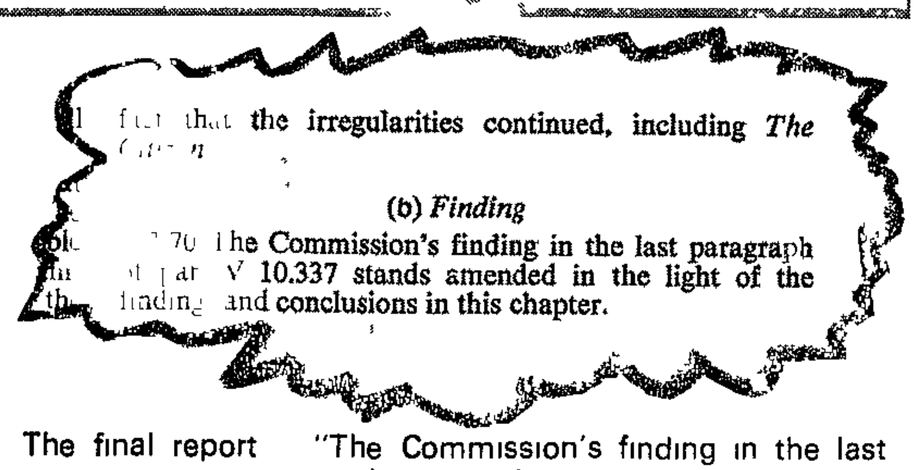
"They can say what they will about me. They must leave you. Here, in this lobby of yours, I heard among your people that they criticise you over this Information matter They say you are not speaking the truth They do not say you lie in what you say, but they say you possess knowledge which you are whithholding

"And it is true they say (that) you are not speaking the truth I say, John, and what is best of all, you know it is so And you know that I know it is so. And you know that Connie Mulder knows it is so He raised his shoulders, then he said 'Yes that is so' Then I said 'But John, it cannot go on like this This thing will destroy you, it feeds like cancer on you, we cannot continue like this And your health is not good ' " (V 942)

3 18 When this evidence was



The first Erasmus report . "In the Commission's opinion his (Mr Vorster's) integrity is unblemished"



The final report "The Commission's finding in the last paragraph stands amended"

to the Secretary for State Security, dated 29 March 1973, in which it was stated that Mr Vorster had been and was being consulted in this connection

3 24 One would find it pertectly natural and logical that General Van den Bergh, as informant, would know of these [illegible]

spite of the objection of Mr Botha? — Correct

3.29 General Van den Bergh supports Senator Horwood's evidence It appears from this that Mr Vorster was aware of all the basic financial arrangements right from the start, and that Mr P W Botha objected to [illegible]

3 34 More particularly as regards The Citizen, in the light of the above finding and information there are indications that General Van den Bergh would have informed Mr Vorster about the progress of the newspaper, as he testified and did on Mr Vorster's instructions to keep his ear to the [illegible]

According to him it has not been necessary for Dr Mulder or General Van den Bergh to exert any pressure on Reynders (V 792)

3 41 Mr Vorster said in evidence that many stories have been doing the rounds and that, when he had instructed [illegible]

port without a murmur (V 783-792)

3 47 The commission cannot accept this explanation of Mr Vorster's He knew at that stage that serious misappropriations, in terms of his own instruction to Reynders, had taken place in the department

'But John, it cannot go on like this . . .'

possess a newspaper and also did not run it"

3 53 Dr Mulder contended that Mr Vorster had in fact given him such a note when he had asked Mr Vorster's advice on how to reply to the question In December the commission was not prepared to give a decision on this evidence since Dr Mulder's statement was unsupported against Mr Vorster's denial, and the commission was in any case not much impressed by Dr Mulder's efforts in general to excuse himself

3 54 In April 1979, however, Mr I W van den Heever, who had been Dr Mulder's private secretary at the time, appeared before the commission and gave evidence that he had seen a note to this effect in Mr Vorster's handwriting among Dr Mulder's documents after the debate

3 55 Mr Vorster has denied that he wrote the note in dispute at Dr Mulder's request, and intimated that, on another occasion and on some subject other than The Citizen, he had given a written reply to Dr Mulder Mr Vorster has denied that he was present in the House of Assembly when Dr Mulder replied to the question concerned In the circumstances the commission is in doubt as to what the truth is, and is again not prepared to make a specific finding on this matter

(c) Mr Vorster conceals the irregularities from the Cabinet, regardless of the consequences

3 56 If it is now accepted as beyond all doubt that Mr Vorster was informed of the facts about The Citizen as early as August or September 1977, this means that he kept the facts from the Cabinet for more than a year The fact that, in the commission's judgment, he was virtually compelled by Mr Van Rooyen's actions to inform the Cabinet at the 11th hour, before he retired as Prime Minister, casts a shadow over Mr Vorster's committedness at the time to open administration of the country and the sharing of responsibility The Cabinet is, after all, the highest executive authority, and has a right, because of the tremendous burden of its collective responsibility

3 61 In the commission's judgment nobody can be reproached for mere knowledge, per se, of irregularities, unless such a person is in a position where it could reasonably be expected of him to take positive steps to rectify matters If it is accepted that Mr Vorster became aware of The Citizen (and other irregularities) as early as August-September 1977, and that he as Prime Minister was in a position where he could have intervened drastically to put a stop to the mischief, his earlier knowledge from August to November 1977 places a different complexion on his actions

3 62 In passing, the commission would point out that, as early as December 1975, General Van den Bergh informed Mr Vorster about the presence of executive officers of the department at the foundation meeting of a newspaper at the home of De Villiers on 4 December 1975 (see V 9 253 to V 9 255) Although Mr Vorster contends that he was not given the impression by General Van den Bergh that the department was involved in the establishment of the newspaper, it seems strange to the commission that he did not have a closer investigation undertaken after he had heard that his head of security had been present and the department well represented at the foundation meeting

3 63 The commission finds it significant that he instructed General Van den Bergh not to involve himself with the newspaper Whatever other conclusions may be drawn from this, one thing is clear Mr Vorster unequivocally showed his disapproval of State involvement in the newspaper

3 64 For this reason it must have come as a shock to Mr Vorster when, in August or September 1977, he found out that the department was involved One would reasonably have expected that Mr Vorster would then immediately have called in Dr Mulder or Dr Rhoodie or both and would have compelled them to stop the State financing of The Citizen without delay

formed Mr Vorster of the irregularities relating to The Citizen and could be sure only of November 1977 as a date when Mr Vorster was fully informed (V 9.279)

3 5 Mr Van Rooyen was also fairly vague, to the extent that he did not fix the time closer than "during the second half of 1977" (V 47 and V 50)

3 6 This uncertainty has, however, now been cleared up for the commission by Mr Vorster himself in a Press statement released on 22 March 1979, which was submitted to the commission In this statement Mr Vorster makes it clear that he became aware of the matter as early as August 1977

3.7 Referring to The Citizen, Mr Vorster says in his statement. "I asked him (Dr Mulder) why he never discussed this matter (The Citizen) personally with me He

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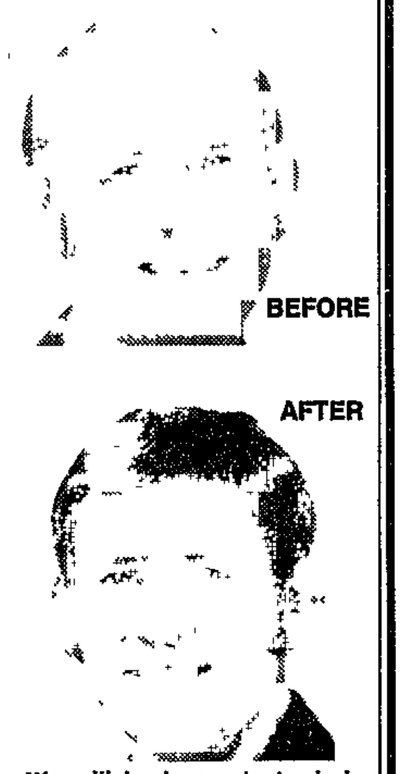

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Van Rooyen's evidence, to say a few words about Van Rooyen

. I have known Van Rooyen for, over many years Very talkative, and you as advocate while you practised, will know such juniors when they talk to other people, then they slate the senior And he gladly slated his senior when he spoke to you He can talk nicely, he can gossip interestingly. He asked me, during the time you were in SWA, he asked me on occasions whether he could come and see me to tell me what happened in the what they call the Turnhalle talks, and what the currents are like in South West

"I found it interesting, I heard him gladly In other words he had free entry to my home When this investigation of Barrie came, he (Mr Van Rooyen) came on a few occasions He brought me nice stories, but all the facts which he brought me, I already knew at that stage I had heard it, either from Barrie or I had heard it from Reynders There was nothing new in what he told me, but he gossiped very nicely out of the Rhoodies' house, with whom he was friendly " (V 755 to V 767)

3 12 From this reaction of Mr Vorster it now seems to the commission, in the new light of the March 1979 evidence, as if he feels resentment towards Van Rooyen, blames him and regards him as a gossipmonger for ever having told him (Mr Vorster) the facts and for having revealed them to members of his Cabinet in September 1978

3.13 The commission can find no fault with Van Rooyen's action in revealing the facts about The Citizen to members of the Cabinet on the eve of the election of a new Prime Minister in 1978, especially if it is remembered that he knew that Dr Mulder, one of the candidates, had had a hand in this gross irregularity

3.14 Evidence given by Mr Vorster before December 1978 about the irregularities consisted mainly of denials, and the commission accepted his denials rather than the evidence of witnesses such as General Van den Bergh, Dr Mulder and Dr Rhoodie that contradicted the denials The commission did not want to make findings against him on uncertain evidence

3 15 One piece of evidence by General Van den Bergh, however, impressed the commission as being the truth because it was given spontaneously and as coming from an old friend of Mr Vorster's, who was moved by the recollection of a painful moment The commission finds Mr Vorster's reaction to this strange and unacceptable

3 16 The evidence deals with General Van den Bergh's visit to Cape Town to say goodbye to Mr Vorster While he was in the aircraft, General Van den Bergh stated, he sat there turning over in his mind what he

Such a conversation never took place It is the most presumptuous that I have ever heard." (V 1960)

That General Van den Bergh is indeed presumptuous, is clear from Appendix A, attached, but the commission is of the opinion that the version of the incident he gave here was free of fabrication or pretence

3 19 On the grounds of Mr Vorster's own evidence given on 27 April 1979, as well as the statement contained in his Press release, the commission therefore finds that he knew of The Citizen project as early as August or September 1977, and this admission by him has given certainty about evidence about which there was no certainty before December 1978

B THE IMPLICATIONS OF THIS FINDING

(a) Mr Vorster's evidence therefore does not tell the correct story

(i) Mr Vorster and General Van den Bergh

3 20 At all material times Mr Vorster was the Prime Minister of the Republic of South Africa, and in that capacity he was in a position where one would normally expect him to know how the Department obtained its finances and also to know about its most important projects

3.21 In fact, Mr Vorster referred to these matters in his letter to the Ministers of Finance, Defence, etc, in December 1973 This letter is quoted in V 9 239 In it he said that the growing political and propaganda onslaught on the RSA was making new demands on the department and that, among other things, the means available to the department had to be adapted to the situation and that the Minister of Information should consult the Prime Minister on important projects

3 22 The Bureau for State Security was established under Mr Vorster in his department General Van den Bergh was placed in charge and he was in control of a secret fund in the Bureau for State Security The first secret funds for the Department came directly from this secret fund, and later the department's secret funds were channelled from the Department of Defence through the Bureau for State Security The position is explained in paragraphs V 2 12 to V 2.17

3 23 Specific reference is made there to the letter from the Secretary to the Treasury

but also its major projects because of their highly secret and sensitive nature

3 25 Concerning General Van den Bergh's connection with the department, Mr Vorster gave the following evidence "Do you know of any reason why Gen Van den Bergh would become involved with the operations of the department, — There was no official reason which I know why he became involved with it, except that the bureau kept an eye on almost everything, not so It was the nature of their function to look here and to look there what they see, what they do not see But there were no instructions or official reasons why he should be involved with it " (V 804)

(ii) Mr Vorster's knowledge of the financial arrangements.

3 26 At pages V 803 and V 804 of Mr Vorster's evidence the minutes of the commission read as follows

" Mr State President, you were aware that money from Defence's secret funds went through the Bureau to the Department of Information, — Funnily enough I only became aware fairly recently that it was so channelled "

He intimated that he had become aware of this only about 8 May (1978)

3 27 After he had replied to the first question in the negative, the commissioner concerned said "My next question would have been whether you were responsible for that arrangement — No, I was not responsible for the arrangement and did not know about it I realised for the first time this year that this was the custom " (V803)

3 28 Senator Owen Horwood's evidence (V 1933) paints a completely different picture. He said that on 21 February 1975, shortly after he had become Minister of Finance, Dr Diederichs had told him that this arrangement had been agreed upon by Mr Vorster, himself and Dr Mulder (V 1934) Senator Horwood's evidence continues as follows " and I would like to add to that, Mr Chairman, that I did some time later, talk to the Prime Minister (Mr Vorster) about this. He said it is correct that there was this decision which was felt to be in the national interest, very strongly, and it was felt that this was the best way to do it In other words he did confirm what Dr Diederichs had told me " And this was continued in

804).

3 30 Among other things General Van den Bergh said (V 829 et sequor) that Mr Vorster had instructed Dr Rhoodie to check the department's books and that Mr Vorster had also said that Mr P W Botha had objected to the arrangement, but that despite this objection this had to be done Right at the start there were objections to the arrangement (V 830 and V 905) [Also see TV 60 and TV 61 and the evidence of Mr Pretorius (1615)]

3.31 It is reasonable to infer from the above that Mr Vorster must in fact have known everything about the basic financial arrangements in connection with the department's funds (see V 10 316) and its main projects, and this finding, on the probabilities and the direct evidence quoted above, is borne out by the correspondence. In this connection, Dr Rhoodie's letter, dated 4 February 1977, to the Secretary of the Treasury (Exhibit 17E 6) may be referred to as an additional factor The second paragraph reads

"My Minister informed me today that he is not prepared to publicise the details of Project Senekal (this included The Citizen project) He gives a complete yearly report to the Prime Minister "

3 32 The commission refers further to paragraphs TV 52 and TV 53, in which the procedure followed by Dr Rhoodie, the Minister of the Department and Mr Vorster is described Only after this procedure was the Minister of Finance approached for the money [Exhibits 17D, 17E1 (dated 13 December 1976), 17E 3 (dated 21 January 1977), 17E 4 (dated 24 January 1977) and 17E 5 (dated 2 February 1977)

(iii) Mr Vorster's knowledge of the secret projects

3 33 From all these letters it is furthermore clear that Mr Vorster was consulted in advance concerning the funds needed for the secret projects It therefore seems highly unlikely that the secret projects would not have been mentioned to him to support the requests in terms of Mr Vorster's letter of December 1973, which is referred to in paragraph 3 40 and the concluding paragraph of which reads as follows "The Minister of Information naturally consults the Prime Minister about the important information aspects and projects "

not, however, make any specific finding about the knowledge that Mr Vorster had of The Citizen before August 1977

(b) Mr Vorster kept the irregularities secret

3 35 So far as keeping irregularities secret is concerned, the commission does not intend to deal with the whole sequence of events since 1973, but wants to single out only a few incidents

(i) The certificate issued by Reynders

3 36 As a result of the evidence given on this matter by several Ministers after December 1978, the commission has some comments supplementary to the report on Mr Vorster's action concerning Reynders's report to him dated 19 September 1978

3 37 The commission has already dealt with the certificate in the report (see V 11 376 to V 11 387) with reference to the actions of Dr Mulder and General Van den Bergh and the pressure they exerted on Reynders to submit a false certificate to Mr Vorster

3 38 The commission found that Mr Vorster had not known in what circumstances the report had come to him nor that it was a false report submitted to him When questioned in April 1979, however, Mr Vorster took the line that he had been satisfied with the report and that it had not been false, even after the nature of the irregularities then existing had been pointed out to him The commission finds this unacceptable In the light of this the commission has to reconsider its original view on Mr Vorster's involvement in the false version of the real situation in that report

3 39 In his most recent evidence General Van den Bergh maintained that Reynders had to investigate all irregularities, whatever their nature This was also the opinion of several members of the Cabinet (see 1940 and 1946) The report came before the Cabinet on 26 September 1978 Mr A Schlebusch, Minister of the Interior, gave evidence that he had had the impression that Mr Vorster was not happy with the report at that time Mr Schlebusch himself had not been happy with the report, and said that he would not have accepted it (1955 and 1957)

3 40 Mr Vorster tried to defend the certificate and would have accepted it as being quite in order and in accordance with his instructions to Reynders

in mind only cases of "self enrichment and embezzlement of money" (V 791)

3 42 Reynders was adamant that he would not have issued such a certificate had it not been for the pressure exerted on him He therefore probably understood the instruction as being different from what Mr Vorster now says the intention was He also gave evidence that he had reported Dr Mulder's conversation with him to Mr Vorster, and that Mr Vorster had then forbidden him to make such a report (V 11 380)

3 43 The commission finds it difficult to understand why Mr Vorster did not give Reynders the instruction concerning the investigation that he says was his intention Mr Vorster has issued a Press statement, Exhibit 10D, stating exactly what his instruction to Reynders was, viz "to do a complete and thourough investigation into all alleged irregularities, allegations, stories and rumours as far as the misuse of funds was concerned" In this sense, surely, the massive spending of State funds on The Citizen and the loan of R825 000 by Dr Rhoodie to Pieterse for the making of a film for his personal gain, for example, would have been serious irregularities committed in the department

3 44 When Mr Vorster received Reynders's report, he had already been informed in detail by Reynders over the preceding period of almost a year of a large number of irregularities, including the two cases of gross misappropriation of State funds mentioned above Despite this, Reynders then reported in writing to Mr Vorster that his investigation had revealed no cases of misappropriation.

3 45 The commission believes that to Mr Vorster's knowledge on the date of Reynders's report Reynders had deliberately painted an incorrect picture of the true state of affairs, and that there were in fact cases of gross misappropriation in the department

3 46 Mr Vorster explained this untenable situation to the commission by saying that at the time when he received the report he had been concerned only about whether "somebody had filled his pocket" and whether there had been self-enrichment and embezzlement He gave this as the reason why he had accepted Reynders's re-

ing those irregularities By accepting it and publishing it to the Cabinet, still without revealing his knowledge of all the true facts to the Cabinet, he was not only doing the members of his Cabinet an injustice, but was in fact participating in action which in itself was a serious irregularity, viz the covering up of gross irregularities To this extent Mr Vorster must share the responsibility with Dr Mulder for the latter's irregular actions

3 48 On 27 April 1979, however, Mr Vorster gave evidence that when he first confronted Dr Mulder about The Citizen, he put it to him unequivocally that it was "incorrect use" of State funds The commission can see no difference between "incorrect use" and "misappropriation" of State funds

3 49 Despite the view he expressed outspokenly to Dr Mulder he accepted Reynders's statement in his report that there was "no misuse" of State funds by the department

3 50 Mr Vorster wanted to explain this obvious contradiction by intimating that such wrong spending was not necessarily morally wrong In the commission's judgment, however, Mr Vorster has only two alternatives either the spending on The Citizen was wrong and therefore, as a misappropriation morally unacceptable to him, or it was morally acceptable to him and therefore no misappropriation If the latter alternative is his view, that may explain, among other things, why for more than a year he took no steps to stop the State spending on The Citizen

3 51 Apart from the fact that Mr Vorster himself was also, inter alia, responsible for the arrangement to channel the secret funds to the department and did not stop certain projects as soon as possible after they had come to his knowledge, the commission also holds Mr Vorster to blame for concealing his knowledge of the irregularities

(ii) Dr Mulder's denial in Parliament

3 52 In his evidence before the commission in November 1978 Mr Vorster denied that he had given a note to Dr Mulder during the Parliamentary Session in 1978 telling him to say in reply to a question put by Mr J D du P Basson [see Hansard (1978), Columns 6499 to 6500] that the Government (did) "not

have a bearing on that responsibility

3 57 The commission has reason to believe that, had it not been for Mr Van Rooyen and the subsequent firm action taken by Ministers P W Botha, R F Botha, Schlebusch and Heunis, the serious irregularities that took place in the Department while Mr Vorster was Prime Minister would have remained hidden from the next Prime Minister, and he would have had to find out about them himself If Dr Mulder had, perhaps precisely by reason of such concealment, become the new Prime Minister, the concealment could, in our opinion, logically have been continued to protect Dr Mulder, who had after all fathered The Citizen

3 58 If the irregularities had remained concealed from Mr P W Botha until after he had become the Prime Minister, he could have found himself plunged without warning into a storm, the consequences of which could hardly have been foreseen

3 59 Since the commission issued its report, Dr Mulder has been obliged to resign from his office as a Member of Parliament because of the irregularities in which he was involved In his statement to the Press on 22 March 1979 Mr Vorster reproached Dr Mulder for remaining silent when his colleagues in the Cabinet were accused by the Parliamentary opposition and certain newspapers of being implicated in these irregularities

3 60 In essence, however, a similar reproach can be addressed to Mr Vorster in the commission's judgment For more than a year Mr Vorster, together with Dr Mulder, kept his knowledge of irregularities in the administration of the country from his Cabinet colleagues, at a time when the Press and the Opposition were already making serious insinuations and accusations of maladministration against the Government During this period every innocent member of the Cabinet therefore had, because of the collective responsibility of the Cabinet, to bear the stigma of public accusations without knowing all the facts The commission does, however, in all fairness to Mr Vorster, want to point out again that he did have the affairs of the department investigated, for example by the Public Service Commission and others during this period

no ing o the ... and, according to his own evidence, merely discussed the proprietary of financing The Citizen with Dr Mulder He was also shocked He did not, however, take any firm action to rectify matters On the contrary, he called an election in the full knowledge of all the irregularities, without sharing the facts either with his Cabinet or with his caucus and without calling Dr Mulder to account It seems to the commission that he began looking for a solution only after the election Even then he did nothing effective to sever the State's connections with the newspaper, except to "debate" the morality of the matter repeatedly with Dr Mulder

3 66 The commission finds this behaviour on the part of Mr Vorster from August 1977 onwards unacceptable, despite his state of health, for somebody in his position with the views that, according to what he says himself, he held about State financing of a newspaper

(d) Why did he not reveal the facts?

3 67 The commission does not want to speculate about this but would like to quote a passage from Mr Van Rooyen's evidence The evidence reads "I asked him (Mr Vorster) at one stage whether there was not a 'blackmail' element in it, because I had heard, which I spoke to him about, that Dr Eschel Rhoodie threatened to bring the Government to a fall if action was taken against him. This now was hearsay, but I then discussed it with the Prime Minister, and then I asked the Prime Minister whether there was not a 'blackmail-element' involved in the whole affair, and then the Prime Minister's answer to me was "A thousand per cent He now has my Ministers' political life in the palm of his hand' This was upsetting to me "

3 68 Even this piece of evidence given by Mr Van Rooyen later proved to be true

C CONCLUSIONS AND FINDING

(c) Conclusions

3 69 On the basis of its findings in this chapter the commission has come to the following conclusions and finding

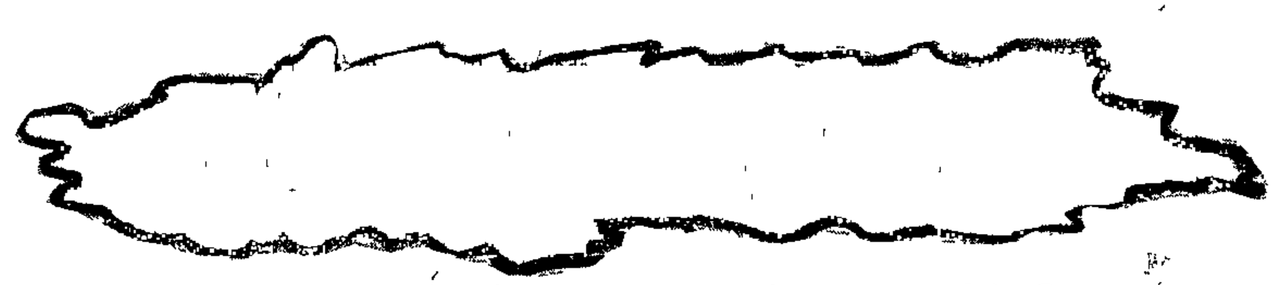
(i) Mr Vorster knew everything about the basic financial arrangements for the Department's funds (3 31)

(ii) He was consulted about the secret funds as well as the projects themselves (3 33)

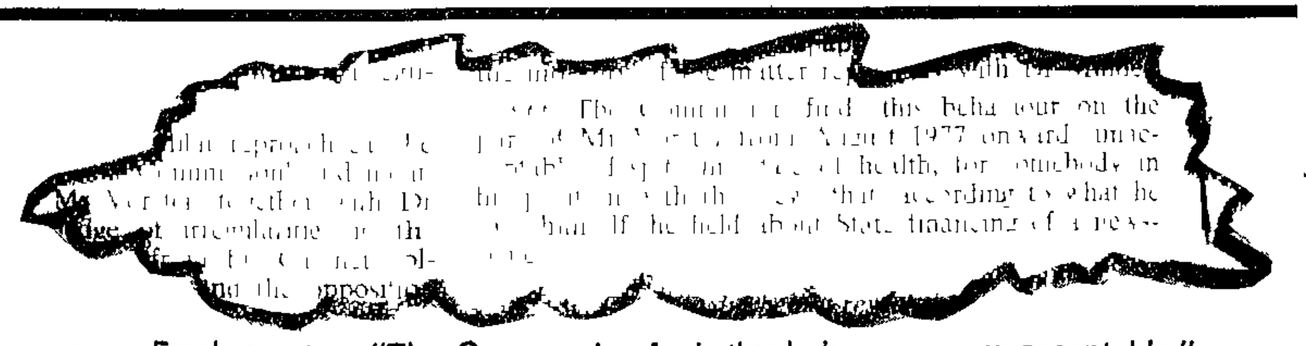
(iii) Because he did not reveal irregularities that came to his attention (3 35), concealed them from the Cabinet (3 54) and delayed, for this considerable period, taking purposeful steps to put an end to this wrong state of affairs, he is jointly responsible for the fact that the irregularities continued including The Citizen

(b) Finding

3 70 The commission's finding in the last paragraph of par V 10 337 stands amended in the light of the findings and conclusions in this chapter



First report . . . "a salvaging attempt in the interests of the State."



Final report . . . "The Commission finds this behaviour . . . unacceptable ".

THE FINAL ERASMUS REPORT

The gap in the Rhoodie budget

MORE than R400 000 was deposited into the personal bank accounts of Dr Eschel Rhoodie and his wife, Katie, in a four-year period, although Dr Rhoodie earned just over R1 000 a month as the family's only breadwinner

This is revealed by the Erasmus Commission, which made a close study of the Rhoodie couple's accounts, as well as those of Dr Deneys Rhoodie and the third Rhoodie brother, Prof Nic Rhoodie

The commission is critical of all the Rhoodies, and says it suspects the brothers set up a "profitable partnership" in the former Department of Information It suspects that "the hand of the one Rhoodie had washed the hand of the other Rhoodie "

There was a prima facie case regarding one amount of R5 000 of State money was paid to Mrs Rhoodie for her personal use

The commission's report says that R416 265 — of which R123 700 was in cash — flowed into the accounts of Dr Eschel Rhoodie and his wife The total included R54 550 received as a legacy by Mrs Rhoodie, and R44 928 from the sale of a flat at Plettenberg Bay

Special attention is given to the large cash deposits, but the commission fails to establish their source

"In the absence of an explanation by the Rhoodie couple, the source of this cash remains a mystery," says the report "Although Braam Fourie (internal accountant of the secret fund) testified that considerable amounts of cash were paid to Dr Rhoodie for the payment of so-called anonymous collaborators . . there is not sufficient evidence for a finding that the cash deposits originated from such payments This is, however, a possibility "

The commission finds, however, that secret fund money, no similar amount was withdrawn, and the credit which the cheque built up "was gradually reduced by payments made in the normal use of her personal cheque account

"Prima facie it therefore appears that in this instance R5 000 was paid from State funds for Mrs Rhoodie's personal use "

The report mentions separate cheques for R5 000 and R10 000 intended for the payment of "anonymous collaborators" which ended in Dr Rhoodie's personal accounts

It traces the course of another R10 000 intended for this purpose, but which apparently ended in a personal loan by Dr Rhoodie to his brother, Deneys The commission concludes that the transactions involving this amount pointed to misappropriation of State funds by Dr Eschel Rhoodie

Another amount of R10 000 which ended to the credit of Dr Deneys Rhoodie in the front company, Alfesko Trust, was said by him to be "for possible future anonymous collaborators " The commission finds Dr Deneys Rhoodie's explanation unacceptable, and adds "The transaction in question points to a possible misappropriation of State funds "

The commission found that R22 000 had been deposited, in cash, into Dr Deneys Rhoodie's personal accounts between January, 1975, and July, 1977 He earned R636 a month after deductions in 1977, and despite Dr Rhoodie's explanations, "a big question mark" continued to hang over the deposits

The commission is struck by the fact that during the period in question (November, 1974 to March, 1978) Prof Nic Rhoodie owed a very large part of his income to work stemming from the former Department of Information As far as could be established, he received "the [illegible]

"Copenhagen", where foreign visitors were hosted The house was built high up in the towering Reenberg range, Eastern Transvaal and was Info's answer to Camp David

The big pool mystery

ONE unanswered question in the Info scandal still rankles with the Erasmus Commission It concerns the mystery of the missing swimming pool

According to the report, Professor Nic Rhoodie gave interest-free loans of R9 730 to each of his brothers, Eschel and Deneys, in 1975 for use in building a swimming pool at the Lowveld farm, Reenberg

This is the spectacular 50-morgen property near Hoedspruit which Dr Connie Mulder is said to have planned as his "Camp David" when he became Prime Minister

The farm, known as "Copenhagen" to the Info clique, is virtually inaccessible by road, and visitors are taken in by helicopter

The original shareholders were the three Rhoodie brothers, Dr Mulder, Mr L E S de Villiers, Mr Jan Van Zyl Alberts and the American publisher, Mr John McGoff

Prof Rhoodie told the commission he had personally calculated the cost of the pool at R19 460, and had lent each of his brothers half the amount, without specifying any period for its redemption

"He also testified that it had not been the intention to complete the pool within the next few months," says the reoprt

"As a matter of fact, this pool was never built, and Drs Eschel and Deneys Rhoodie are still sitting with the money "

The commission poses these questions

- Why was it necessary to borrow the money, when Eschel and Deneys Rhoodie were "so much in credit" with their banks?
- Why did they borrow the money for the pool which was to become the property of all the shareholders, and make no arrangements for compensation?
- Why was the money borrowed long before the construction of the pool, and not when the money was required?
- Why was the amount an exact, unlikely amount of R19 460 — calculated by a self-acknowledged layman — and not a round figure?
- Why an interest-free loan without conditions concerning repayment, only a few days after Prof Rhoodie had received R32 000 for his part of the book "Stepping into the Future" which had been written at the request of the Department of Information?

The report concludes "The commission does not accept this explanation, and the circumstances of all Prof Rhoodie's transfers to his brothers and the unanswered questions arouse the strong suspicion in the commission's mind that the hand of the one Rhoodie had washed the hand of the other Rhoodie "

Cabinet was kept in the dark

DOCUMENTS submitted to the Erasmus Commission threw no further light on allegations that members of the present Cabinet knew of the Info department's Citizen project

This is one of the main findings of the commission's final report The commission then goes on to confirm its earlier published findings,

These were that none of the present members of the Cabinet, including the Minister of Finance, Senator Owen Horwood, knew anything about The Citizen project

The chapter starts by saying that Dr Connie Mulder's former private secretary, Mr I W (Sakkie) van den Heever and the Info department's Miss S Maree, could not give a satisfactory account for failing to respond to the commission's invitation to testify

It pointed out that the Press had repeatedly referred to the failure of Dr Mulder to give evidence after March 14 under its extended terms of reference

It had not been the commission's policy to recall witnesses who had already testified and who disregarded its invitation through the Press to testify again

The commission had to assume that such witnesses had nothing to add to their previous testimony "and the criticism by the Press, if intended as such, is deplored "

The report said that the PFP handed the commission three files of documents which consisted partly of representations, partly submissions of fact that were already known from evidence, partly of passages of ministerial speeches as quoted in Hansard and partly of information that had appeared in newspapers

91 witnesses and 8 611 pages . . .

THE supplementary (final) report of the commission runs to 8 611 pages

This includes the evidence of 91 witnesses as well as exhibits

Apart from recalling previous witnesses in its further inquiry, the commission called new witnesses and sent Messrs Klem and Van Zyl, who led the evidence, overseas for three weeks to obtain evidence on commission

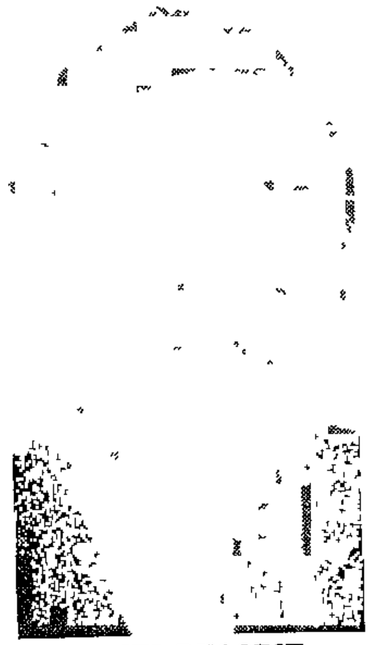
The supplementary report follows the commission of inquiry appointed on November 3, 1978

In the introduction to the lengthy report handed to the State President, it is stated the purpose of the commission was to evaluate and make recommendations on certain evidence on alleged irregularities in the former Department of Information which had come to light through other authorities charged with inquiries and through the Press

The commission completed its report before December 6 and handed it to the State President

Following new facets and areas brought to light, a further inquiry was called for to enable the commission to discharge its terms of reference fully The commission recommended that its term be extended to May 30, 1979

The commission's inquiry was interrupted on March 14 by another commission issued by the State President, directing it to inquire into and to report not later than March 31 on the question of whether any member of the present Cabinet, before the facts were disclosed as a result of inquiries by the Government, had any knowledge of the subsidising of or the rendering of other financial assistance to The Citizen by, or of any other irregularities in, the department



ESCHEL RHOODIE
. . . R1 000 a month

Eschel had a chance

DR ESCHEL Rhoodie, the fugitive former Secretary for Information, could have testified to the Erasmus Commission without returning to South Africa.

The commission said "He elected, however, not to avail himself of the opportunity "

Mr Erasmus said last night "All I want to say on this, I

Probe Nic Rhoodie and Van Zyl Alberts — commission

IN ITS recommendations, the commission says the Attorney-General should investigate Mr Jan Van Zyl Alberts and Professor Nic Rhoodie with a view to possible criminal proceedings.

It recommends that their names be added to those of Dr Eschel Rhoodie and Dr Deneys Rhoodie, who were mentioned in the first Erasmus Report as subjects for investigation by the Attorney-General

It also recommends that the State Attorney investigate Prof Rhoodie's affairs to see to what extent the State's interests or assets that proved to have been affected may be secured or recovered

The full recommendations are

(1) The existing legal procedure should be so amended as to make it possible for the State to charge and to prosecute any person entrusted with Government administration in any capacity for his acts of maladministration and misappropriation of funds without there being any danger that such a person —

(c) will be entitled to apply to a court for the disclosure of any evidence which was given in some other lawsuit or inquiry and which may involve "official secrets", but that in precluding (a), (b) or (c) the least possible prejudice be done to an accused, both as regards the merits and the sentence.

(2) That it be provided in regard to all judicial commissions of inquiry that the presiding officer shall himself have the right to sentence any person there and then for any contempt of the commission, whether by ignoring the commission's subpoena to apppear, or refusing to testify or by wilfully hindering or insulting the commission in the performance of its functions, provided, however, that he may at his discretion refer such a case to the Attorney-General for prosecution

(3) That the State consider granting relief to innocent persons who have lost their employment through the dissolution of the department or any of its front organisations In this connection the commission wishes to refer to the cases of berts be added to those names, and that the name of Prof Rhoodie be included in recommendation V 14 465 as well

(5) That legal advice be sought in regard to the possible liability of Drs Mulder and Rhoodie for the losses sustained by the State as a result of The Citizen, Washington Star, Sacramento Union and UPITV projects and, if such advice is to the effect that they are indeed liable, that such losses be recovered from them

(6) That it be provided with retrospective effect from June 1 1978 that any person who commits any act outside the Republic which would constitute a contravention of the Official Secrets Act, 1956 (Act 16 of 1956), if committed within the Republic, shall be deemed to have committed such act in the Republic

(7) (1) From a legal point of view, the commission has no objection to the disclosure of the evidence, except such parts of it, including exhibits, as may be prejudicial to the security of the State If the commission were to recommend that the evidence be not disclosed, the graph (1), the Executive have regard to the following factors

(a) Disclosure of the evidence may easily create the impression of a breach of faith towards the witnesses Throughout, the evidence was taken in camera in terms of regulation 8(a) of the relevant regulations, and apart from what they were told, the witnesses were given the impression that the proceedings were secret Witnesses consequently furnished information which they would probably otherwise never have furnished

(b) The possibility of prejudice to innocent persons against whom accusations were made, which eventually proved irrelevant to the inquiry, and who did not have the opportunity of defending themselves against such accusations Because the witnesses spoke freely, a very large part of the minutes consists of material that is not relevant to the matters investigated, and the disclosure of such material cannot serve any purpose and can only satisfy curiosity and may cause the persons concerned embarrasment and possible prejudice

Allegations were sometimes [illegible]

ended up in various bank accounts.

Among these amounts was a cheque for R5 000, which was deposited in Mrs Rhoodie's Trust Bank account As far as the commission could establish,

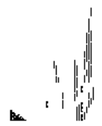
work

The fact that, on top of it all, Prof Rhoodie allegedly made large interest free loans to his brothers gave rise to the suspicion that "a most profitable partnership" had been set up

The commission, in its final report yesterday, said it wished to place it on record that proper arrangements were made through its legal advisers for Dr Rhoodie to give evidence abroad

propa[illegible] comment on the matter at this stage"

Mr Mervyn Gross, Dr Rhoodie's Pretoria attorney, said "I'm not going to answer any questions I've no comment to make"



KATIE RHOODIE
... prima facie case

ing disclosure of "official secrets"

(b) will be entitled, either in person or by calling other witnesses to disclose "official secrets" in the course of the trial, or

Mehrowich, Heper and Waldeck

(4) That the recommendations contained in V 14 464 be repeated on the strength of the findings in this report and that the names of Prof Rhoodie and Al-

of secrecy, even though it might be good reasons for such a recommendation

(ii) It is suggested, however, that, in deciding whether or not the evidence should be released in terms of subpara-

upon to state their side of the case, such allegations were inevitably one-sided Consequently these accusations were inconclusive Disclosure of these accusations would not be fair towards these persons and could only lead to publicity being given to the defamation of persons against which Lord Denning guarded in the Profumo case (See Bell v Van Rensburg, N O 1971 (3) 693 at page 713)

(c) The evidence comprises 57 volumes, plus exhibits running to several thousand pages There is a possibility, therefore, that snatches of evidence would be quoted in the news media without regard to the context, which might result in a distorted picture being given of the true state of affairs

(d) Furthermore, it is clear from the reports that criminal proceedings may result against more than one of the alleged parties to irregularities, and if the evidence were released, such persons would be largely prejudiced at their trials since they would already have been condemned in advance by public opinion on the evidence

(8) That any separate cases of irregularities that may be brought to the commission's notice after 5 May 1979 stand over for such investigation as the executive may determine (The commission announced in a Press statement that it would not be able to hear further evidence after 5 May 1979 since it needed an opportunity to prepare its report)

(9) That this supplementary report be released

Mr State President, the undersigned commissioners have the honour to submit a unanimous report under difficult circumstances

Signed

R P B Erasmus (chairman)

G F Smalberger (member)

A J Lategan (member)

research and the commission decided to admit them as evidence

It emerged from the PFP's exhibits that its attitude was that almost all projects financed by the Info department's secret fund should be regarded as irregular because of the irregularity of the fund itself The fact that projects were conducted in secret, aggravated the matter further

The PFP's view was that to finance a newspaper in South Africa, or abroad, would be irregular To use public funds for a project to support or bolster the ruling party would be irregular To do either secretly would aggravate the irregularities

"The commission considers that this view of the PFP does not hold water The commission reiterates that there is nothing wrong with secret funds"

The question was whether the funds were spent in an irregular manner and this depended on the circumstances of the case

For instance, if all the parties in South Africa agreed to the purchase and funding of a newspaper in South Africa by the Government, that could not be irregular, even if conducted in secret

Similarly there could be no objection if a government, which democratically represented a people, subsidised a newspaper with State funds in another country with consent, if such a paper advanced and prompted the interest of a country as a whole

"This would be the position in the commission's view, irrespective of what others might say about it

"Consider To The Point according to the evidence before the commission, it is a periodical which benefits South Africa as a whole"

Referring to a speech in the Assembly by Senator Horwood about instructing the Treasury to pay millions for a newspaper in Europe, the report said· "The commission has no evidence to the effect that the Government wanted to buy a newspaper in Europe in 1975, as intimated by Senator Horwood"

Turning to the question of knowledge of irregularities and misspending of State funds, the report said that both Mr P W Botha and Senator Horwood found themselves in a pardonable position

"These two Ministers had to accept the position 'nolens volens' as they had virtually inherited it Mr Vorster, the then Prime Minister, had assumed full responsibility for this arrangement That was how he wanted it, and according to him, there were no objections from anyone in Parliament"

In the way — so Waldeck had to go

MR JOHANNES Frederick Waldeck, former head of the Department of Information's Administration branch, had to be "got rid of and ousted" because he had applied the brakes to the administration of the secret funds

This is a major finding in Chapter 13 of the Erasmus Commission's Report, headed "Waldeck, A Restraining Element".

It says the administration of the funds would not have become such a fiasco if the running of the Department had been entrusted to reliable and experienced persons with a thorough knowledge of administrative matters and the value of money

Because of the inexperience of "imaginative amateurs" in charge, to whom vast sums of money were entrusted, a disappointing example was set to their subordinates, influencing some to the detriment of their own duties

A restraining element in the Department was Mr Waldeck He could not be influenced in this way.

"He became persona non grata and had to be got rid of and ousted from the Department simply because he applied the brakes This had to be done even if the Department had to be restructured and Waldeck's post done away with"

The report says Mr Waldeck's testimony, substantiated by other witnesses, showed "how the rot can set in when brothers or 'boeties' (literally and figuratively) are appointed to high posts in Government administration"

Mr Waldeck was promoted to Deputy Secretary in 1975 On the same level were Dr Deneys Rhoodie and Mr L E S de Villiers

In January 1976 Dr Eschel Rhoodie made domestic changes and Mr Waldeck's post was downgraded *de facto* Although he remained Deputy Secretary he was from then on known as Chief Administrative Services

Dr Eschel Rhoodie — not the Public Service Commission — made his brother second in command as *de facto* Senior Deputy Secretary

It was immediately evident from the Public Service Commission's report of June 1978 that it did not agree with these domestic changes

The change placed the two Rhoodie brothers in control of the department responsible for the secret fund administration, although "they were not equal to this task"

Neither of them had administrative aptitude and they were unpopular because of their "hand-in-glove intriguing"

The report said that it was felt that Dr Deneys Rhoodie would never had obtained the rank of Senior Deputy Secretary if his brother had not recommended him to the Public Service Commission He was incapable of doing his work properly

Indeed Mr Waldeck told him and his brother straight out that this was so This resulted in Mr Waldeck being accused of misconduct

Not one of the errors in the accounts referred to in evidence on the handling of the department's finances had anything to do with the administration or accounts section under Mr Waldeck

The report noted that at the time Dr Eschel Rhoodie was a man of consequence and that the Public Service Commission had acted against Mr Waldeck on the strength of what he said, without giving Mr Waldeck a hearing

Mr Waldeck had set forth many of his complaints about irregularities in written memoranda to the Rhoodie brothers The Erasmus Commission was convinced of the truth of these memoranda

Apart from his memoranda, Mr Waldeck's constant admonitions made him unpopular with his chiefs Dr Eschel Rhoodie had even threatened Mr Waldeck with imprisonment because he had expressed his dissatisfaction with staff matters

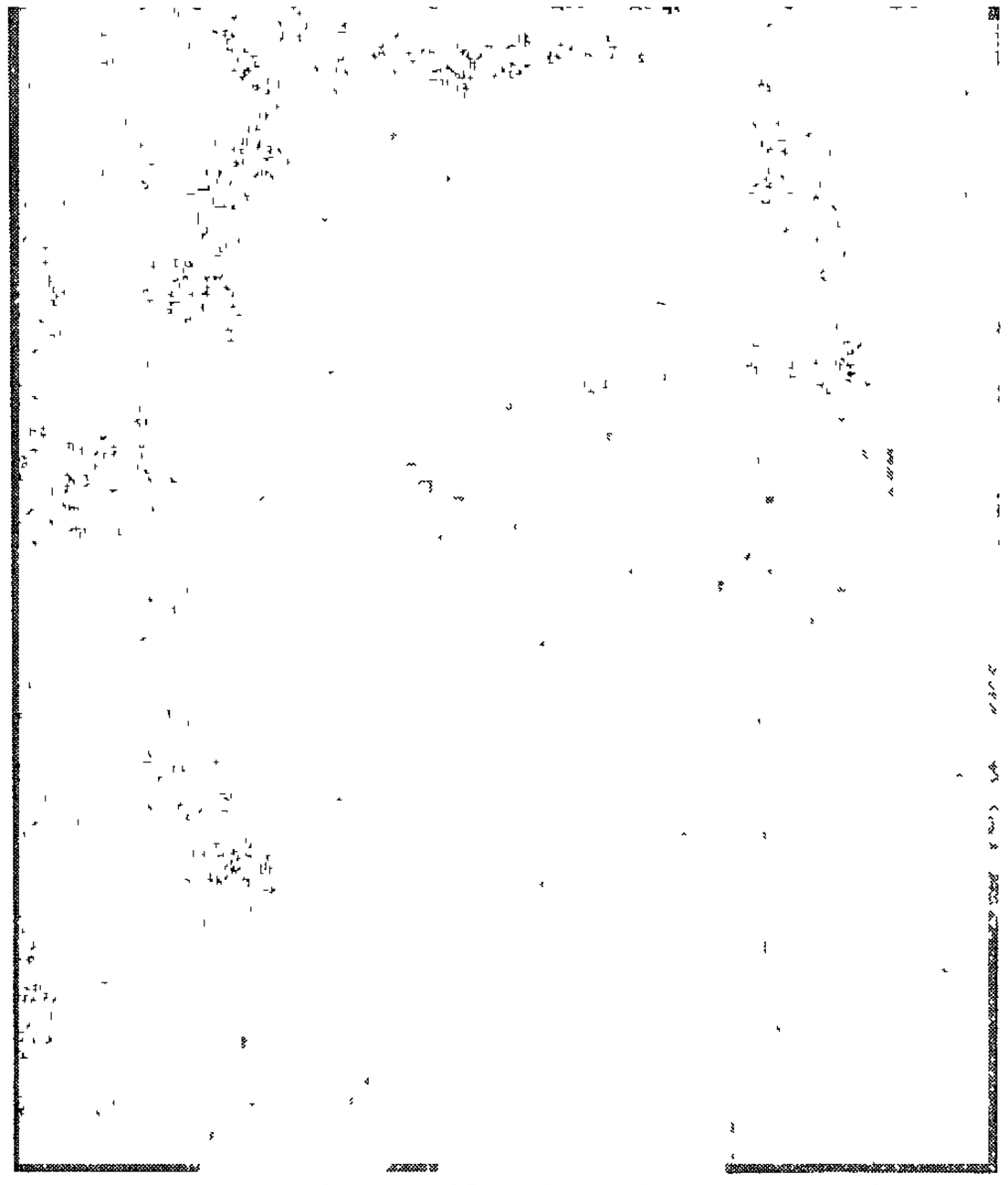
The Public Service Commission's recommendations for the operational reorganisation of the department in May 1978 called for the abolishment of Mr Waldeck's existing position and the creation of a more senior post of director Administrative Services

Mr Waldeck's retirement at the request of the department was recommended by the Public Service Commission with effect from June 1, 1978

Dr Rhoodie asked Mr Waldeck to retire on pension because of the reorganisation

His statement to Mr Waldeck that the reorganisation had nothing to do with irregularities was an "infamous lie" to get him out of the way At the same time Dr Rhoodie told the Public Service Commission that he could not freely recommend Mr Waldeck for the new post, and that his services were unnecessary

In the commission's view, the heads of the Department engineered Mr Waldeck's retirement "because he and he alone, fought against the irregularities



Former Info Deputy Secretary Mr J F Waldeck — fought a lone battle

'Spider' lurked in Info's web

Staff Reporter

AT THE heart of Dr Eschel Rhoodie's Info empire at the height of his power was a "Japanese spider" with which he was able to eavesdrop on the private conversations of his staff

This intriguing information was contained in the latest report of the Erasmus Commission tabled in Parliament yesterday

A "Japanese spider" is a variety of the American "bug" — a tiny transmitter/microphone which can be planted in a room, a briefcase or even under a telephone

Its signal can be picked up by a special radio receiver up to 50 m away and tape-recorded The model allegedly used by Dr Rhoodie is understood to retail at about R108

According to Mr J F "Wally" Waldeck, a senior official ousted by Dr Rhoodie during his heyday at Information, his former chief used the instrument to check up when he doubted any staff member's loyalty to him

Mr Waldeck testified that he himself started tape-recording conversations with his Info superiors when he was accused by Dr Rhoodie, in the presence of his brother, Dr Deneyes Rhoodie, of misconduct

According to the report, Dr Rhoodie had probably become "allergic" to Mr Waldeck's memos complaining about irregularities when he received one on September 6, 1977, stating that Dr Deneyes Rhoodie was not able to shoulder the burden placed on him by the internal staff reorganisation brought about by Dr Eschel Rhoodie

Dr Eschel Rhoodie had said that if Mr Waldeck stood by his memo he would do with him what he had done to Mr L E S de Villiers — and "you know what happened to him"

Mr Waldeck told the commission he knew Mr De Villiers had been told to resign and described the circumstances of the resignation

He alleged that his tape recordings of these conversations had been removed from his office without his permission

He had taped them because the heads of the Department had "attached considerable value" to informants, "of which there were many"

Whenever Dr Eschel Rhoodie doubted anybody's loyalty to him he would plant a "Japanese spider" in the person's office, tune a radio to the instrument and make recordings of its transmissions

A-G's refusal to prosecute Van den Bergh caused problems

THE ERASMUS Commission report accused General Hendrik van den Bergh of hitting the wrong target if, by his contemptuous utterances, his real aim was to shoot down the commission.

Gen Van den Bergh alleged the report released at the special session of Parliament late last year contained "lies" and branded the commission as a farce.

Yesterday's report states the refusal of the Attorney-General to prosecute Gen Van den Bergh for his "flagrant contempt of the commission" created problems and hindered the commission in the performance of its functions The report adds that, according to newspapers, he would not testify further before the commission.

"As the Commission sees it, Van den Bergh's attack may not have been aimed at the commissioners personally, but at destroying the commission so as to end the inquiry and keep matters dark· This would have been in direct conflict with its terms of reference," says the report, adding that despite "these hampering circumstances" the commission continued to establish the truth and to try to point out the irregularities of the department

Among other points made in the report was that Gen Van den Bergh's evidence could not be reconciled with that of the former Prime Minister, Mr Vorster In some respects their evidence was completely contradictory.

Examples of contradictory evidence included the Reynder's cover-up report and the meeting to establish The Citizen

The report states that although the commission could not accept Mr Vorster's evidence without qualification, it gave preference to his over that of Gen Van den Bergh for various reasons, including his own admission that he told several lies in his evidence.

Other weaknesses contained in Gen Van den Bergh's evidence included

- That he flatly branded as liars other reliable witnesses who had contradicted him, including Mr Louis Luyt, who made a good impression on the commission when he testified as to how he had come to take an interest in The Citizen
- While Mr Vorster had told him he was not to sell as much as an ashtray of the office furniture to Dr Rhoodie, he nevertheless sold furniture to the value of tens of thousands of rands to Dr Rhoodie
- His testimony on a single incident cast a further shadow on his credibility At some stage of his evidence he stated that when Dr Rhoodie invited him to the meeting, he said they were going to have discussions with Mr Luyt on the establishment of a newspaper He later denied he knew this He also denied Dr Rhoodie mentioned with whom they were going to discuss the establishment of a newspaper
- After having told the commission how he had sat in on the meeting and listened because he had to know everything, he became aware that he was being questioned in detail and he suddenly knew virtually nothing
- He said that at the meeting he had thought the department had a financial interest in the newspaper However, in reply to a question whether he had known all along that the department had a financial interest in the newspaper, he testified he had not known at that meeting, but it had become clear to him gradually

The report concedes that not everything Gen Van den Bergh said could be rejected, but points out that his evidence always had to be considered with caution

The report adds "After the report had been issued, greater support for some aspects of Van den Bergh's evidence was received from witnesses who have testified before the commission since December 1978 This fact, taken together with the accepted fact that he was Mr Vorster's right hand and his greatest talebearer, could make the wind blow from another quarter"

The report states that the first real problems with which the commission was faced in its further inquiry were unwarranted attacks and criticism of it

Among the examples the report gave of "improper, disparaging and hindering action in regard to the commission" were· Public statements made on matters being investigated by the commission, the publication of party-political propaganda stories in a section of the English-language Press, attempts by the Opposition to obtain "representation on or at the commission" and their further attempts to try to prescribe to the commission how it should perform its functions, suspicion-mongering by the propagation of naive ideas about the "legal character" of the commission, allegations of lack of "credibility" of the commission's report and a veiled unfounded charge of a cover-up by the commission regarding certain Cabinet Ministers

LOUIS LUYT
... good impression

DURBAN, TUESDAY, JUNE 5, 1979

Exit Vo

'It's a sad day' says General

Mercury Correspondent

JOHANNESBURG — General Hendrik van den Bergh described it as a sad day for South Africa when he was told of the resignation of the State President, Mr B J Vorster

Speaking from his farm in the Bapsfontein district, the man who once described the Erasmus Commission as a "farce" was surprisingly reticent yesterday when Pressmen converged on his property to get his reaction to the latest Erasmus report

"I don't know what to say — I'm just shocked," said the general, obviously bemused by the sudden turn of events

'If these are the thanks you get for offering your life for your country that's how South Africa is saying thank you to John Vorster "

General van den Bergh said he had seen the State President's resignation coming but it was still a bad day for South Africa

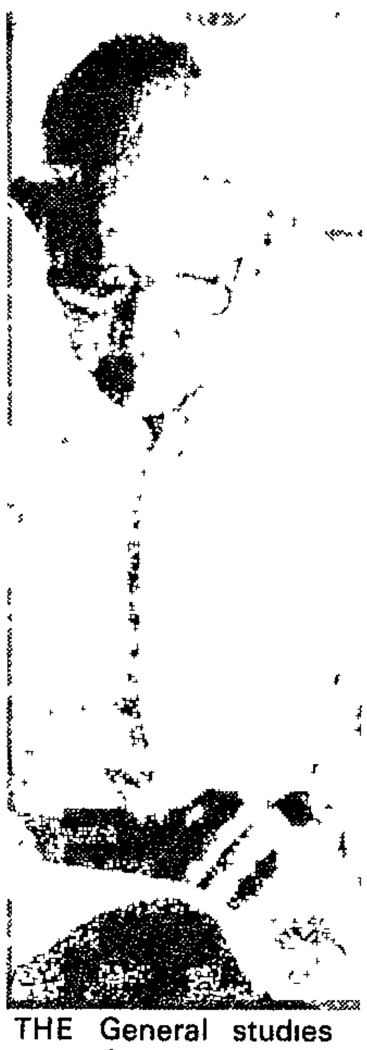
"It will still be some time before the dust will settle on the Information scandal and even then it will only be after the court cases And what will happen if the Courts were to find differently and the reject certain evidence — who will then repair the damage?" General van den Bergh said

General van den Bergh frequently referred to the commission as an "inquisition" and said he was pleased to note that in its [illegible] commission referred to him as General van den Bergh and not simply Van den Bergh

"South Africa can never thank John Vorster enough for what he did for South Africa

"If John Vorster is today being attacked by the Erasmus Commission — and I have not yet read the report — I think it would be the most undeserved accusation that could be thrown against the man

"Mr Vorster is suffering from the same type of evidence that was brought against him when he was interned



THE General studies the report

ORMANDE POLLOK
Political Correspondent

CAPE TOWN — The State President, Mr. Balthazar John Vorster, resigned yesterday after the Erasmus Commission found him guilty of covering up gross irregularities in the R64 million Information scandal.

As he quit the Information spotlight shifted to the Cabinet and the question of joint responsibility

Soon after the release of the damning Erasmus Commission report and the sombre announcement of Mr. Vorster's resignation to a hushed House of Assembly by the Prime Minister, Mr P. W Botha, opposition leaders rounded on the Government.

Opposition leader Colin Eglin, said "The political implications of the report are shattering First and foremost among them is the constitutional concept of Cabinet responsibility Those members of the Government who served in Mr Vorster's Cabinet will have to decide on their course of action "

Mr Vause Raw, leader of the New Republic Party, went further and said they should resign and that the Government should go to the country

"That this could all happen under the noses of a Cabinet with joint responsibility is one of the saddest aspects of the affair. It shows them unfit to govern

"All members of the Vorster Cabinet should resign "

The report, by far the most controversial so far, reverses its previous findings that Mr Vorster's integrity was unblemished and says he was just as much to blame for the irregularities as former Information Minister Connie Mulder

Cover-up

It finds he was instrumental in covering up the scandal, that he was consulted in advance about the funds needed for secret projects, that he did not inform the Cabinet and that he called a general election when he knew that the State was bankrolling the Citizen.

But Mr Botha said Mr Vorster had fulfilled his duties under very trying circumstances and under great pressure during his last year as Prime Minister "due to his state of health".

He revealed too that Mr Vorster had wanted to resign in 1977 but had been persuaded to stay on and added that "the Cabinet would like to state its appreciation for the sacrificial services rendered by Mr and Mrs. Vorster to the country at all times with honesty and without personal gain"

His statement, one of the most dramatic ever in Parliament — marked the sudden demise of probably the most revered and powerful Nationalist leader the country has ever known

The report — which opens with the words "Mr State President, May it please you ." was the final blow and deals in detail with Mr Vorster's involvement in the scandal At one stage, in referring to certain findings it says "Mr Vorster's evidence therefore does not tell the correct story "

Thousands

It also deals in detail with the highly complicated transfer of hundreds of thousands of rands to bank accounts held by former Information Secretary, Eschel Rhoodie and his wife, Katie

A separate chapter on Mr J van Zyl Alberts and his operations as a "front" for the former Department of Information, is headed "Van Zyl Alberts — trusted [illegible] who lined his pocket"

It is damning too of the other two Rhoodie brothers — Dr Denys Rhoodie and Professor Nic Rhoodie — and says that the "unanswered questions rouse the strong suspicion in the commission's mind that the hand of one Rhoodie had washed the hand of the other Rhoodie"

The report clears other Cabinet Ministers of prior knowledge in the Citizen affair and refers specifically to Mr P W Botha and the Minister of Finance, Senator Owen Horwood

They had been in the "pardonable position of a cyclist whom a bigger vehicle has bumped over the white line at an intersection where he is not allowed to be, and who, except perhaps a politician who wanted to make capital out of it, would blame him if he were to pick up his cycle and continue on his way"?

It is widely expected that Mr Louwrens Muller, Minister of Transport and Leader of the House, will become the country's new State President, leading to a far-reaching Cabinet reshuffle

See also Pages 9, 10, 11, 12

The wife

The PRO

MRS Erna de Villiers (top), whose husband, Mr Cas de Villiers — former head of the Foreign Affairs Association — had a "liking for women's company" which interfered with his official duties, according to the final report of the Erasmus Commission It adds that Mr de Villiers had a "relationship with his (female) public relations officer and that they "had spent hours of their working time together in the office, and he was not available " Miss Hester Lamprecht, Mr. de Villiers' PRO and friend

Cheers as Zulus hear the news

African Affairs Correspondent

ULUNDI — Loud cheers and shouts of "amen" in the Legislative Assembly yesterday greeted the announcement that Mr B J. Vorster had resigned his position as State President

Chief Gatsha Buthelezi told the House that Mr. Vorster had resigned and new frauds uncovered and added "they obviously did not have enough paper to paper the cracks".

Mr Simon Conco, the Chief Whip, whose speech the chief had interrupted to make the announcement, tried to switch topics in mid-stream but the speaker forbade him to discuss Mr Vorster.

Jubilation

Mr. Conco said the house had "expressed our jubilation because this is the man who has been responsible for so many of our problems"

Meanwhile the Mayor of Ladysmith, Councillor B J E Human, would still like to confer the freedom of Ladysmith on Mr Vorster in spite of yesterday's disclosures

Mr Human said he would wait to hear from Mr Vorster's office before bringing the matter up with Ladysmith councillors

Erasmus clears Waldeck

Mercury Correspondent

PRETORIA — A jubilant Mr. Johannes Waldeck, former head of the Administration branch of the Department of Information, said yesterday that he was grateful that his name had been cleared by the Erasmus Commission

Speaking from his Waterkloof home last night Mr Waldeck, who was prematurely retired last year by Dr Eschel Rhoodie, said "I'm grateful that all doubt about my role in the Information affair has been removed."

Mr Waldeck has for the past several months been working in the Transvaal Provincial Administration

Vorster knew everything

HOUSE OF ASSEMBLY — The Erasmus Commission says the former Prime Minister, Mr Vorster (now State President), must share with former Minister of Information, Dr Connie Mulder, responsibility for the latter's irregular actions in the now defunct Department of Information scandal It has changed its previous finding exonerating Mr Vorster

In its report, the Commission says.

Mr Vorster knew everything about the basic financial arrangements for the department's funds,

He was consulted about the secret funds as well as the projects themselves

Because he did not reveal irregularities that came to his attention, concealed them from the Cabinet and delayed, for a considerable period, taking purposeful steps to put an end to this wrong state of affairs, he is jointly responsible for the fact that the irregularities continued, including The Citizen

The Commission then amends its finding in its first report "in the light of the findings and conclusions" it has now reached.

This previous finding read "It must be stated clearly and unequivocably that Mr Vorster's attitude and actions throughout all the activities involving irregularities were, in the Commission's opinion, honest, bona fide and devoid of any trace of personal gain In the Commission's opinion, his integrity is unblemished "

The Commission says that since it issued its first report, Dr Mulder has been obliged to resign from his office as a Member of Parliament because of the irregularities in which he was involved

In his statement to the press on March 22, 1979, Mr Vorster reproached Dr Mulder for remaining silent when his colleagues in the Cabinet were accused by the Parliamentary opposition and certain newspapers of being implicated in these irregularities.

"In essence, however, a similar reproach can be addressed to Mr Vorster in the Commission's judgment For more than a year, Mr Vorster, together with Dr Mulder, kept his knowledge of irregularities in the administration of the country from his Cabinet colleagues, at a time when the Press and the Opposi-

doubt in its report, and found that he became aware of the implications of The Citizen only at the end of November

"The Commission was naturally mindful of the fact that much earlier knowledge could have serious implications for Mr Vorster, and in all fairness it was not prepared to make a speculative finding on such an important aspect

"This uncertainty has, however, now been cleared up for the Commission by Mr Vorster himself in a press statement released on March 22, 1979, which was submitted to the Commission In this statement Mr Vorster makes it clear he became aware of the matter as early as August 1977 "

On being questioned by the Commission on April 27 this year, Mr Vorster also testified he had been informed of the State's involvement in The Citizen by Mr L S van de V Reynders during September 1977

Several ministers who had served in Mr Vorster's Cabinet gave evidence during March this year that it was not until his last Cabinet meeting on September 27, 1978, that Mr Vorster informed the Cabinet about The Citizen for the first time, and then only after he had been confronted by some members of the Cabinet the previous evening with the facts that Mr Van Rooyen had given them

The Commission says it seems Mr Vorster feels resentment towards Mr Van Rooyen, blames him and regards him as a gossipmonger for ever having told him (Mr Vorster) the facts and for having revealed them to members of his Cabinet in September 1978.

"The Commission can

this Information affair They say you do not speak the truth

"They do not say you are lying in what you say, but they say you have knowledge which you are withholding And that is where they say you are not telling the truth I say, John, and this is the best of all, you know it is so And you know that I know it is so And you know that Connie Mulder knows that it is so

"He shrugged his shoulders and then said, 'Yes, it is so,' and I said, 'But John, it can't go on like that. This thing will destroy you, it's eating at you like a cancer We cannot go on like this And your health is no good '

"When this evidence was read to Mr Vorster, he replied, 'This is too stupid for words Such a conversation never took place It is as presumtuous as anything I've ever heard "

The Commission comments that General Van den Bergh is indeed presumptuous, but it is of the opinion that his version of the incident was free of fabrication or pretence

The Commission then finds that on Mr Vorster's own evidence in April this year, as well as the statement contained in his press release, that he knew of The Citizen pro-

have known everything about the basic financial arrangements in connection with the Department's funds and its main projects

Dealing with Mr Vorster's knowledge of the secret projects, the Commission refers to certain letters which it says make it clear that Mr Vorster was consulted in advance concerning the funds needed for the secret projects

"It therefore seems highly unlikely that the secret projects would not have been mentioned to him to support the requests in terms of Mr Vorster's letter of December 1973 .. the concluding paragraph of which reads as follows

"The Minister of Information consults the nature of the affair the Prime Minister on important information aspects and projects "

In dealing with its assertion that Mr Vorster kept the irregularities secret, the Commission refers to the certificate issued by Mr Reynders to Mr Vorster on September 19, 1978, after Mr Reynders had been appointed by Mr Vorster to investigate irregularities within the Department of Information

The Commission says it dealt with the certificate in its first report with reference to the actions of Dr Mulder and General Van den Bergh, and the pressure they exerted on Reynders to submit a false certificate to Mr Vorster

The Commission found then that Mr Vorster had not known in what circumstances the report had come to him, nor that it was a false report When questioned in April this year, however, Mr Vorster took the line he had been satisfied with the report and it had not been false,

then reported in writing to Mr Vorster that his investigation had revealed no cases of misappropriation

"The Commission believes that Mr Vorster's knowledge on the date of Reynders' report, Reynders had deliberately painted an incorrect picture of the true state of affairs, and there were in fact cases of gross misappropriation in the Department

"Mr Vorster explained this untenable situation to the Commission by saying that at the time when he received the report he had been concerned only about whether "someone had filled his pocket (ie mand sy sak gevul het) and whether there had been self-enrichment and embezzlement He gave this as the reason why he had accepted Reynders' report without a murmur

"The Commission can not accept this explanation of Mr Vorster's He knew at that stage that serious misappropriations, in terms of his own instructions to Reynders, had taken place in the Department and he therefore knew that Reynders' report was concealing those irregularities

By accepting it and publishing it to the Cabinet, still without revealing his knowledge of all the true facts to the Cabinet, he was not only doing members of his Cabinet an injustice, but was in fact participating in action which in itself was a serious irregularity, viz the covering up of gross irregularities

"To this extent Mr Vorster must share responsibility with Dr Mulder for the latter's irregular actions

"On April 27, 1979, however, Mr Vorster gave evidence that when he

matter

If it is now accepted as beyond all doubt that Mr Vorster was informed of the facts about The Citizen as early as August or September 1977, it meant he had kept the facts from the Cabinet for more than a year

"The fact that in the Commission's judgment, he was virtually compelled by Advocate Van Rooyen's actions to inform the Cabinet at the eleventh hour, before he retired as Prime Minister, casts a shadow over Mr Vorster's committedness at the time to open administration of the country and the sharing of responsibility

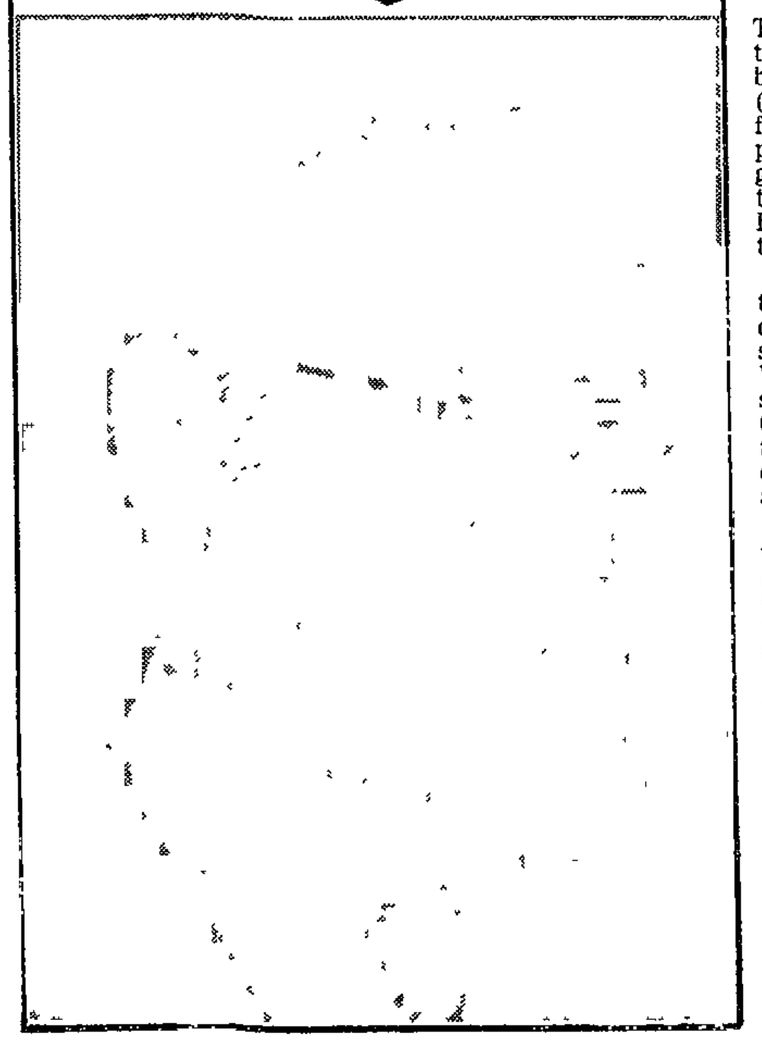
"The Cabinet is after all the highest executive authority and has a right, because of all the tremendous burden of collective responsibilty, to know all the facts that might have a bearing on that responsibility

"The Commission has reason to believe that, had it not been for Advocate Van Rooyen and the subsequent firm action taken by Ministers P W Botha, R F Botha, Schlebusch and Heunis, the serious irregularities that took place in the Department while Mr Vorster was Prime Minister would have remained hidden from the next Prime Minister, and he would have had to find out about them for himself

"If Dr Mulder had, perhaps precisely by reason of such concealment, become the new Prime Minister, the concealment could, in our opinion, logically have been continued to protect Dr Mulder, who had after all fathered The Citizen

"If the irregularities had remained concealed from Mr P W Botha until after he had become Prime Minister, he could

THE FINAL ERASMUS REPORT



Share deal was not irregular

HOUSE OF ASSEMBLY — The former Department of Information's purchase of shares in Morgan Grampian "was a bona fide effort to gain a foothold in foreign media with the ob-

Fearless Waldeck was the watchdog

THE ASSEMBLY — How the rot can set in when brothers or "boeties" (literally and figuratively) are appointed to high posts in government administration was shown in Mr J F Waldeck's evidence to the commission

The Commission says that in a department doomed to failure by the shortcomings of its heads, Waldeck, a former deputy secretary, strikes the Commission as a conscientious officer who had the courage of his convictions and a clear conscience

"In the Commission's view, the heads of the department engineered his retirement because he, and he alone, fought against irregularities

"May he recover from the injustice done to him "

It recommends that the State consider granting relief to Waldeck as one of the innocent men who lost their employment through the dissolution of the Department of Information

The Commission says the administration of the secret fund would not and could not have ended up in such a fiasco if the running of the department had been entrusted to reliable and experienced persons who had a thorough knowledge of administrative matters and the value of money

Because of this lack of knowledge on the part of imaginative amateurs at the head of affairs, some disappointing examples were set to their subordinates and some of them were influenced to the detriment of their own duties

Waldeck was a restraining element in the department where he was formerly a deputy secretary and head of the administration branch.

"He could not be influenced in this way He

MR WALDECK . . . "may he recover from the injustice done to him."

purchased by Dr Connie Mulder, then Minister of Information, since it was not the Minister's function to buy paintings, nor was it the department's function to buy paintings for ministers

He had also refused to pay a bill of about R1 000 for photographs Dr Mulder had had taken of himself by the Queen's photographer, P Argent, who was then on a visit to South Africa

The Commission says it was felt that Dr Deneys Rhoodie would never have attained the rank of senior deputy secretary if Dr Rhoodie had not recommended him to the Public Service Commission and that he was incapable of doing his work properly

"Indeed, Waldeck told him and Dr Rhoodie su

The Rhoodies had profitable partnership

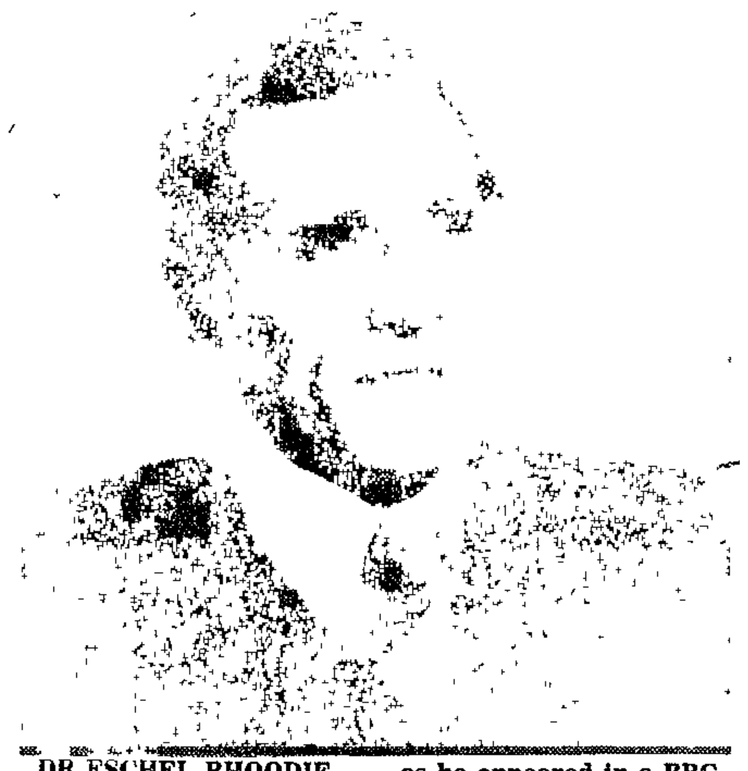
HOUSE OF ASSMBLY — The Erasmus Commission says unanswered questions in connection with the Rhoodie banking accounts arouse a strong suspicion that the hand of the one Rhoodie had washed the hand of the other Rhoodie

Certain transactions involving the three Rhoodie brothers also give rise to the suspicion that a most profitable partnership had been set up

The Commission finds it reprehensible in principle that brothers in charge of a government department should be instrumental in channelling a large income to a brother of theirs, especially where there is so great a temptation to do so in an improper manner

The Commission reports on its inquiries into the financial position of Dr Eschel Rhoodie, his wife Mrs C Rhoodie, and his two brothers, Dr D Rhoodie and Prof N Rhoodie, and lists some of the accounts it looked into

These include Dr E Rhoodie's cheque accounts with Nedbank, and Standard Bank, a savings account with Nedbank and two with the Standard Bank, Mrs Rhoodie's cheque account with the Trust Bank, a savings account with Nedbank, and



DR ESCHEL RHOODIE . . . as he appeared in a BBC television interview earlier this year.

Institute for the Study of Plural Societies) was deposited in his Nedbank cheque account between November 13, 1974, and March 10, 1978, and R7 500 in his Nedbank savings account between November 11, 1975, and September 28, 1977 The total was R214 279

"The above summary of the deposits made by Dr and Mrs Rhoodie shows

Volkskas in favour of Trust Bank, and dated January 21, 1976, it says that on January 15, 1976, Dr Rhoodie instructed Braam Fourie to draw the cheque on the secret fund for payment of anonymous collaborators The cheque was handed to Dr Rhoodie, and on January 23, it was deposited to Mrs Rhoodie's Trust Bank che-

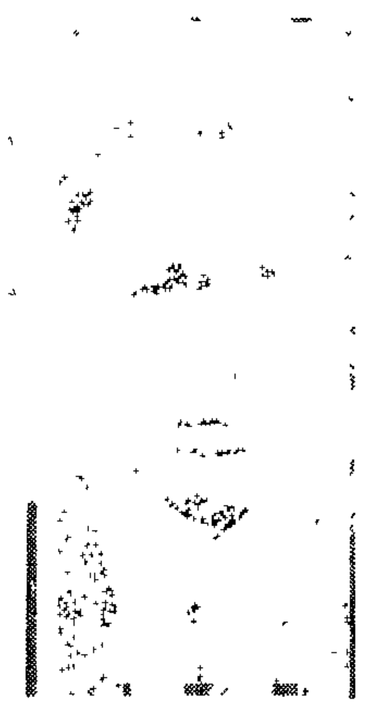
payment of anonymous collaborators on a film project

"After it had been pointed out to him that hundreds of thousands of rands that were on investment at that stage were available for the film project, Dr D Rhoodie explained that this was for possible future anonymous collaborators The amount in question was the only amount channelled to Alberts through his banking account

"Alberts testified that he had entered his money in his books as an investment for Dr D Rhoodie At no time was money ever transferred to him for the purpose mentioned by Dr D Rhoodie, and Truter confirmed there was more than sufficient money available to pay R10 000 to anonymous collaborators on the film project, if necessary

"Dr D Rhoodie's explanation of the incident is not acceptable to the Commission The transaction in question points to a possible misappropriation of State funds"

After referring to various cash deposits totalling R22 000 made to Dr D Rhoodie's accounts, including one of R10 000, two of R3 000 and three of R2 000, during the period o' January 1, 1975, to July



DR DENEYS RHOODIE . . . report says he was the "poorest witness" to appear before the commission.

immense task and would not serve much purpose But examples of such transfers are

On October 17, 1975, R10 000 was transferred from Dr Rhoodie's Nedbank savings account to his Nedbank cheque ac-

R9 359 on his accounts on May 14, 1976, when the amount of R2 442 was transferred from Prof Rhoodie

"As far as the Commission is concerned, the foregoing remarks do not apply to the amount transferred from Dr Rhoodie to Dr D Rhoodie on January 20, 1978 (this was R16 519), since this amount was required by the latter to repay the Department

"The Commission is struck by the fact, that, during the years in question, Prof Rhoodie owed a very large part of his income to work given to him either by direction of the Department in which his brothers were in charge or by publishers who were largely dependent upon the Department for the purchase of the publications concerned

"As far as could be ascertained, in all, Prof Rhoodie received the enormous amount of at least R115 879 during the period in question for work he was commissioned to do by these parties

"For all this work and for the income derived from it he was dependent upon the benevolence of his brothers in the Department The Commission does not doubt Prof Rhoodie's professional ability to do this work

THE FINAL ERASMUS REPORT

V.d. Bergh created problems

THE ASSEMBLY — The refusal by the Attorney-General of the Transvaal to prosecute General Van den Bergh for his flagrant contempt of the Erasmus Commission created

General Van Den Bergh's evidence contained serious weaknesses He admitted that he sometimes lied and he made out other reliable witnesses to be liars

Alberts lined his own pockets

HOUSE OF ASSEMBLY — The Erasmus Commission has found that prima facie there was extensive misappropriation by Mr J van Zyl Alberts of State funds under his control

It is of the opinion that the misappropriations point to theft and fraud

He is the former managing director of To The Point magazine

The Commission makes this finding in a chapter headed "J van Zyl Alberts — trusted associate who lined his pockets"

During the period March 1974 to November 30, 1978, Alberts acted as a front for the Department of Information in handling a large number of secret projects and transactions

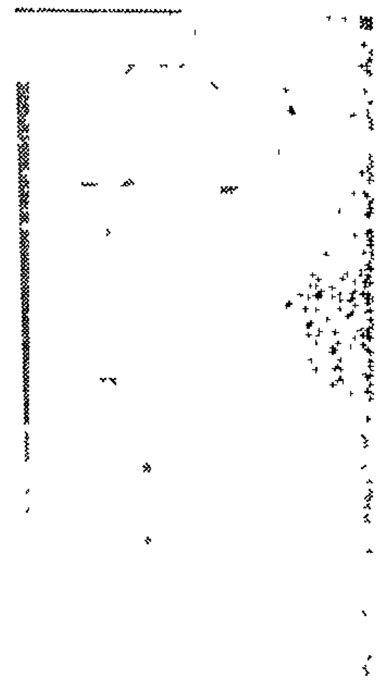
"During this period Alberts received a total of R16 million from the secret fund to utilise on behalf of the State"

Alberts confirmed to Mr B O Truter, an accountant and auditor the Commission appointed to investigate Alberts and companies in which he has an interest, that there had been deliberate merging of funds with the object of maintaining secrecy

The financial records were not kept in such a way that it was possible at all to distinguish with certainty between State funds and personal funds

"Alberts admits it may have happened that funds belonging to the State were used for personal purposes, but also points out that he himself did have surplus funds available from time to time"

In its finding on Alberts, the Commission says "In many of the cases where Alberts used State moneys



MR VAN ZYL ALBERTS, born in Alliwal North 65 years ago this month and brought up in Transkei. He was executive producer of Tigers Don't Cry, the film based on the book by East London author Jon Burmeister.

Barclays Bank, Church Square

On April 28, 1974, Alberts paid R26 000 to Mr Thys Heyns to buy 20 000 shares in Heyns Films en Televisie Beperk.

"Alberts confirmed to Truter that he took the difference of R24 000 i.e R1,20 per share, for himself as profit," the Commission says

This profit of R24 000 was not disclosed in his financial statements for the years 1975, 1976, or 1977, nor in the draft statements for 1978 made available to Truter during November 1979

Waldeck set forth many of his complaints about the irregularities in the department in written memoranda to Dr Denys Rhoodie

"The Commission is convinced of the truth of these memoranda first because the writer fearlessly put them in writing, secondly because the facts subsequently proved the individual incidents, and thirdly because the impression of confusion and maladministration conveyed by all the incidents collectively is confirmed by Barrie's findings." (Mr Barrie was Auditor-General at the time)

The position in the department deteriorated to such an extent that a Treasury committee was appointed to inquire into the financial and administrative control of the department

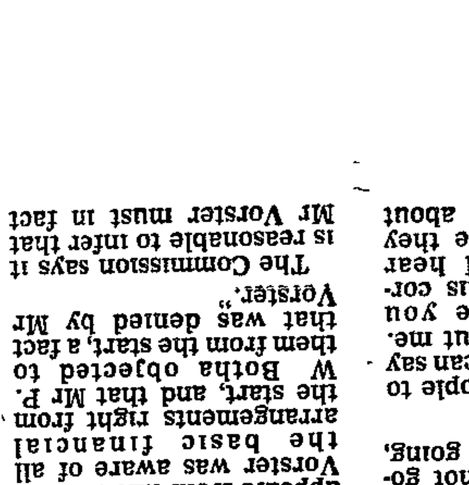
Because the Select Committee on Public Accounts was alarmed about the position in the department, the Public Service Commission recommended certain provisional adjustments in the department on May 3, 1978

One was that Waldeck's existing post be abolished and that a higher post — chief director. administrative service — be created in its place. The minister accepted these recommendations and announced them in Parliament the same day. In this way Waldeck became redundant in the department at the request of the department." was recommended by the Public Service Commission with effect from June 1, 1978.

Waldeck himself was not attacked on opportunity, as were the brothers Rhoodie and Braam Fourie (an accountant in the then planning section of the department) to state his case before the Parliamentary Select Committee, nor to state in detail his case to the chief Inspector from the Public Service Commission.

On the question of unfair dismissal, the Erasmus Commission felt that Waldeck would not shield Fourie, the two Rhoodie brothers and even the minister if their actions were in conflict with his duties.

There was nothing in the evidence to show that Waldeck had been guilty of dereliction of his duties or of irregularities in his work. — SAPA.



MR STUART PEGG

Erasmus Commission gas found that the spending of State funds in this way and for this purpose cannot be considered irregular, exept in so far as Dr Eschel Rhoodie used the profits for The Citizen

The Commission also found that the spending of State funds in this way and for this purpose cannot be considered irregular, exept in so far as Dr Eschel Rhoodie used the profits for The Citizen without warning into a storm, the consequences of which could hardly have been foreseen

"Although Mr Vorster found that the spending of State funds in this way and for this purpose cannot be considered irregular, exept in so far as Dr Eschel Rhoodie used the profits for The Citizen

The Commission says it has also found that Mr Vorster did nothing of the kind, and, according to his own evidence, merely discussed the proprietry of financing The Citizen with Dr Rhoodie discussed earlier in 1976 the possibility of acquiring a block of shares in Morgan Grampian, a British publishing company

Dr Rhoodie was keen to acquire any interest for the Department so that it could use the company's publications to advance South Africa's interests

"On the contrary, he called an election in the full knowledge of all the irregularities, without sharing the facts either with his Cabinet or with his caucus and without calling Dr Muider to account

"It seems to the Commission that he began to look for a solution only after the election Even then he did nothing effective, to sever the State's connection with the newspaper, except to "defaulter." (debtor) the morality of the matter repeatedly with Dr Muider

Abramson had undertaken to buy ordinary shares on behalf of Thesaurus The remaining 58,6 per cent of Horors shares were rendered serious irregularities in regard to an account submitted by the Film Board for authority to pay Heyns Films sixty fees they were alleged to have rendered to the department. It appeared these services had largely been rendered by Mr David Oosthuizen as employed in and remunerated by the department.

On another occasion Waldeck had refused to pay an account for R400 of irregularities in the purchase of R500 for a painting

Brasmus Commission aas found that the consequences of which could hardly have been foreseen

"Although Mr Vorster found that the spending of State funds in this way and for this purpose cannot be considered irregular, exept in so far as Dr Eschel Rhoodie used the profits for The Citizen

The Commission says this was not a transaction purely for personal gain

Similarly, the take-over of Horors (Pty) Ltd can not be considered an irregularity, the Commission says, except in so far as it may amount to cover State competition in the private enterpreneurs

"The Commission finds it significant that he instructed General Van den Bergh not to involve himself with the newspaper Whatever other conclusions may be drawn from this, one thing is clear Mr Vorster unequivocally showed the proper approval of State involvement in the newspaper

"For this reason it must have come as a shock to Mr Vorster when, in August or September 1977, he found out that the Department was involved

"One would reasonably have expected that Mr Vorster would then immediatey have called in Dr Muider or Dr Rhoodie of both and would have compelled them to stop the State financing of The Citizen without delay

"In fact, Mr Vorster did nothing of the kind, and, irregular, exept in so far as Dr Rhoodie discussed earlier the impression by General Van den Bergh that the Department was involved in the establishment of a newspaper, it seems strange to the Commission that he did not have a close investigation undertaken after he had report that the head of security had been present well and the Department well represented at the foundation meeting

"Despite the view he expressed outspokenly to Dr Muider, he accepted Reynders' statement in his report that there was "geen wanbesteding (misappropriation) of State funds by the Department

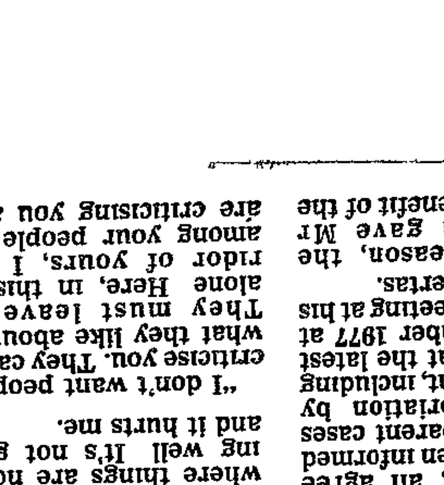
"Mr Vorster wanted to explain his obvious contradiction by inimating that such wrong spending was not necessarily morally wrong In the Commission's judgement, however, Mr Vorster has only two alternatives either spending on The Citizen was wrong, and, therefore, as a misappropriation morally unacceptable to him, or it was morally acceptable to him and therefore no misappropriation

"If the latter alternative is his view, that may explain, among other things, why for more than a year he took on those to stop the State spending on The Citizen

"Apart from the fact that Mr Vorster himself was also, inter alia, responsible for arrangement to channel secret funds to the Department

"The Commission says it is in doubt as to what the truth is, and is not prepared to make a specific finding on this

"Despite this, Reynders



MR VORSTER . . . asked if there was not an element of blackmail.

Evidence given by Mr Vorster before December 1978 about irregularity

"Evidence given by Mr Vorster before December 1978 about the irregularities consisted mainly of denials, and the Commission accepted his denials rather than the evidence of witnesses such as General Van den Bergh, Dr Muider and Dr Rhoodie that contradicted the denials The Commission did not want to make findings against him on uncertain evidence

"One piece of evidence given by General Van den Bergh, (former head of the Bureau of State Security), however, impressed the Commission as being the truth, because it was given spontaneously and as coming from an old friend of Mr Vorster's, who was moved by the recollection of a painful moment The Commission finds Mr Vorster's reaction to this information only about May 8, 1978

But Senator Owen Horwood's evidence paints a completely different picture

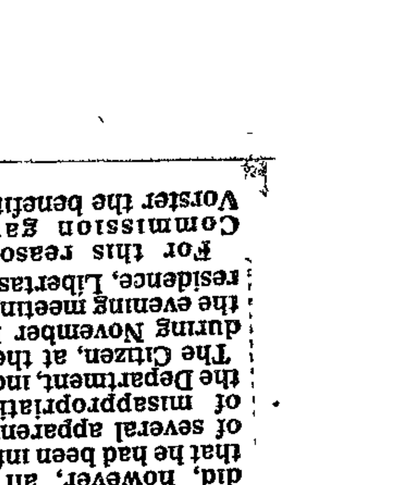
"It said that on February 21, 1978, shortly after he had become Minister of Finance, Dr Diedrichs had told him that this arrangement had been agreed upon by Mr Vorster, himself and Dr Muider, Senator Horwood's evidence continues as follows

" and I would like to add to that, Mr Chairman, that I did some time later, talk to the Prime Minister (Mr Vorster) about this Said it is correct there was this decision which was felt to be in the national interest, very strongly, and it was felt this was the best way to do concerned "

In this sense, surely, the massive spending of State funds on The Citizen and the loan of R825 000 by Dr Rhoodie to Pieterse for making of a film for his personal gain, for example, would have been serious irregularities committed by the Department.

"When Mr Vorster received Reynders' report, he had already been informed in detail by Reynders over the preceding period of almost a year of a large number of irregularities, including the two cases of gross misappropriation of State funds mentioned above

"The Commission says it is reasonable to infer that Mr Vorster must in fact



Joyen's action in revealing the facts about The Citizen to members of the Government

"During this period every innocent member of the Cabinet, therefore had, because of the collective responsibility of the Cabinet, to bear the stigma of public accusations without knowing all the facts

"The Commission does, however, in all fairness to Mr Vorster, have to point out again that he did have the affairs of the Department investigated, for example by the Public Service Commission and administration of witnesses such as General Van den Bergh, Dr Muider and Dr Rhoodie that contradicted the denials The Commission did not want to make findings against him on uncertain evidence

Asking why Mr Vorster did not reveal the facts, the Commission says it does not want to speculate about this but would like to quote a passage from Advocate P R van Rooyen's evidence The evidence reads

"At this stage I asked Mr Vorster if there was not an element of blackmail, because I had heard, which I wanted to discuss with him, that Dr Eschel Rhoodie threatened to bring the government down if action was taken against him

"This was hearsay, but I discussed with the Prime Minister, and I then asked him if an element of blackmail was involved in concerned with the whole affair, and the Prime Minister's reply to me was, 'A thousand per cent He holds my Ministers' political life in the hollow of his hand ' This was for me disturbing

"Even this piece of evidence given by Advocate Van Rooyen later proved to be true," the Commission commented

The Commission says when its first report was prepared, the Commission had no absolute certainty as to when Mr Vorster first became aware of the State financing of The Citizen

All the witnesses who gave evidence on this matter (except Drs Muider and Rhoodie, who were found to be unreliable in this connection) agreed that it was during Mr Vorster's term of office that the Department first could not pinpoint a specific time. They did, however, all agree that he had been informed of several apparent cases of misappropriation by the Department, including The Citizen, at the latest during November 1977 at the evening meeting at his residence, Libertas.

For this reason, the Commission gave Mr Vorster the benefit of the

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Giving the history of the transactions, the Commission says Abramson and Dr Rhoodie discussed earlier the purchase of Morgan Grampian

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"When State funds are, however, used to promote sectional interests, such as those of a political party, it is a horse of a different colour," the report says

The Commission says it has found that Alpane still owes the State a little more than 305 000 dollars

The Commission has vestigated whether Abramson and Pegg had permission from the Reserve Bank to take the profit out of South Africa

It finds that on the evidence no blame attaches to Abramson and Pegg

The Commission also finds that Abramson's expertise and abilities were essential to this effort

The tremendous rise in the Morgan Grampian shares and the resulting profits could not have been foreseen and were not foreseen by Dr Rhoodie as Abramson

On November 10, 1977, Trafalgar House Ltd bought Alpane's entire shareholding in Morgan Grampian for 137 424 dollars, leaving Alpane with a net profit of 4 356 267 dollars The profit was shared between Alpane and the Department on a 50-50 basis

The Commission says it does not consider the fact per se that secret funds are spent on publications an an irregularity

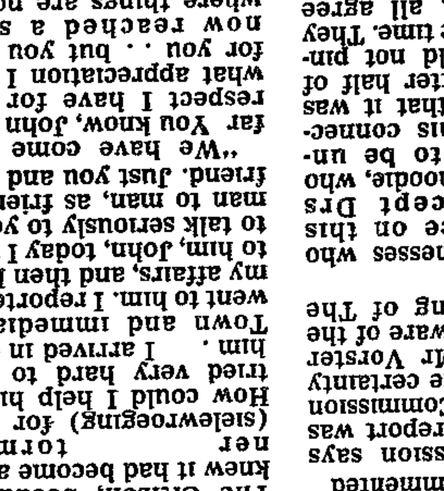
But differences emerged over interpretation of interest clauses in the contract and it would seem that Alpane still owes the State a little more than 305 000 dollars

The Commission has found that Abramson had undertaken to buy ordinary shares on behalf of Thesaurus

The remaining 58,6 per cent of Horors shares were rendered serious irregularities in regard to an account submitted by the Film Board for authority to pay Heyns Films sixty fees they were alleged to have rendered to the department. It appeared these services had largely been rendered by Mr David Oosthuizen as employed in and remunerated by the department.

On another occasion Waldeck had refused to pay an account for R400 of irregularities in the purchase of R500 for a painting

Waldeck had been guilty of dereliction of his duties or of irregularities in his work. — SAPA.



MR STUART PEGG

Waldeck set forth many of his complaints about the irregularities in the department in written memoranda to Dr Denys Rhoodie

"The Commission is convinced of the truth of these memoranda first because the writer fearlessly put them in writing, secondly because the facts subsequently proved the individual incidents, and thirdly because the impression of confusion and maladministration conveyed by all the incidents collectively is confirmed by Barrie's findings " (Mr Barrie was Auditor-General at the time)

The position in the department deteriorated to such an extent that a Treasury committee was appointed to inquire into the financial and administrative control of the department

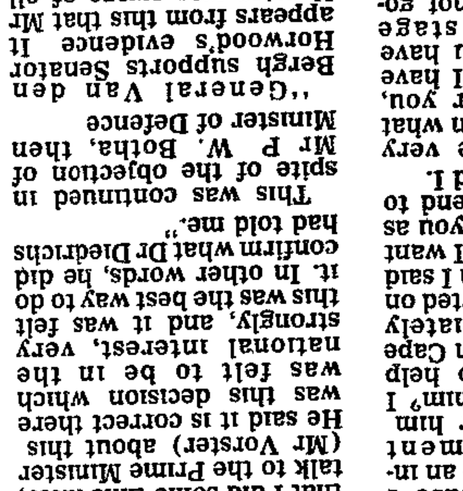
Because the Select Committee on Public Accounts was alarmed about the position in the department, the Public Service Commission recommended certain provisional adjustments in the department on May 3, 1978

One was that Waldeck's existing post be abolished and that a higher post — chief director. administrative service — be created in its place. The minister accepted these recommendations and announced them in Parliament the same day. In this way Waldeck became redundant in the department at the request of the department." was recommended by the Public Service Commission with effect from June 1, 1978.

Waldeck himself was not attacked on opportunity, as were the brothers Rhoodie and Braam Fourie (an accountant in the then planning section of the department) to state his case before the Parliamentary Select Committee, nor to state in detail his case to the chief Inspector from the Public Service Commission.

On the question of unfair dismissal, the Erasmus Commission felt that Waldeck would not shield Fourie, the two Rhoodie brothers and even the minister if their actions were in conflict with his duties.

There was nothing in the evidence to show that Waldeck had been guilty of dereliction of his duties or of irregularities in his work. — SAPA.



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the Standard Bank, JP Rhoodie's cheque account with Barclays Bank, and a savings account with Barclays Bank and one with the United Building Society, and Prof Rhoodie's cheque account with the Nedbank and a savings account with Nedbank

It says that from its inquiry it emerged that large sums of money were deposited in these accounts Particularly striking was the fact that R1 000 Furthermore, R123 700 of this total amount flowed into these accounts in the form of cash or per bank cheque

Large amounts were transferred backwards and forwards between the respective accounts of Dr Rhoodie and Mrs Rhoodie Large sums of money were paid over between the Rhoodie brothers, especially from Prof Rhoodie to Dr Rhoodie and Dr E Rhoodie

The Commission examined only deposits to these accounts exceeding R1 000, and did not take into account deposits originating from other accounts of the same person, and in the case of Dr and Mrs Rhoodie, from each other's accounts

In Dr Rhoodie's case, a total of R185 898, was deposited in his Nedbank cheque account between January 13, 1975 and May 29, 1978, R23 000 in his Standard Bank cheque account between 17, 1975 and July 1, 1977, R54 550, received by Mrs Rhoodie as a legacy and an amount of R44 928 realised on the sale of a flat at Plettenberg Bay

Also, payments made to Dr Rhoodie by the Department of Social Welfare and Pensions have not been included.

The Commission says special attention was given to cash deposits made to the accounts of Dr and Mrs Rhoodie

Notwithstanding this fact, the deposits made to the accounts of these two persons total R416 265, which amount does not include deposits of less than R1 000 Furthermore, R123 700 of this total amount flowed into these accounts in the form of cash

"The possibility that this high deposit figure is attributable to Dr Rhoodie's practice of using these accounts as conduits for money destined for departmental purposes is ruled out by the following

(1) According to Rhoodie's testimony, he might have used his accounts once, but not more than twice, for departmental purposes,

(2) In most cases, no corresponding disbursements to unknown payees, which can be reconciled with the deposits can be traced "

The Commission points out that among the fairly large amounts included in the summary 'is one of R54 550, received by Mrs Standard Bank cheque account January 13, 1975 and May 29, 1978, R23 000 in his Standard Bank cheque account between December 17, 1975 and July 1, 1977, R78 352 in his Barclays Bank savings account on January 24, 1976, and R7 500 in his UBS savings account between 3, 1975, and February 16, 1976 The total was R99 784.

In the case of Prof N. Rhoodie, R197 779, (which included a deposit of R60 000 in favour of the Standard Bank, JP Rhoodie's cheque account with Barclays Bank, and a savings account with the Nedbank Society, and Prof Rhoodie's cheque account with the United Building Society, and Prof Rhoodie's savings account between 29, 1978, R23 000 in his Standard Bank cheque account between January 13, 1975 and May 29, 1978, R23 000 in his Standard Bank cheque account between December 17, 1975 and July 1, 1977, R54 550, received by Mrs Rhoodie as a legacy and an amount of R44 928 realised on the sale of a flat at Plettenberg Bay

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Dr Mulder's meddling on tenders

The Erasmus Commission considers that Dr Connie Mulder, when Minister of Information, improperly attempted to interfere with the proper performance by the State Tender Board, with the intention of helping Perskor, of which company he was a director

The Commission says Dr Mulder elected not to answer the Commission's questions about this matter on April 26 this year

The matter arose over the award of the contract to print SA Panorama at the end of 1977

SA Panorama had been printed for 16 years by Perskor, using the letterpress process The contract had been repeatedly awarded to Perskor on a tender basis

"The contract for the printing of SA Panorama was worth a great deal to any printer, and at that stage (1974) already amounted to several million rand," the Commission says

Perskor printed SA Panorama on a letterpress machine which, according to Mr J H O Adendorff, then head of publications for the department, was virtually kept and used specially for this purpose

In 1974, when the contract had to be awarded anew for three years, Adendorff advised Dr Rhoodie that it would be desirable to invite tenders for lithographic as well as letterpress printing, which in some cases could be up to 50 per cent more expensive than modern methods.

Dr Rhoodie asked him to request the Government Printer to invite new tenders, but to put it to the Government Printer at the same time that simply extending

Several printers tendered, including Nasionale Koerante (gravure), SA Litho (lithography) and Perskor (letterpress, gravure and lithography)

The tender from Nasionale Koerante was R260 000 cheaper over the period of three years than any of the other tenders The next lowest tender was SA Litho's and the third was Perskor's lithographic tender

The letterpress tender from Perskor was considerably higher than any of the three others mentioned

The contract was awarded to SA Litho at the end of 1977 The directors of Nasionale Pers were not satisfied and on March 9, 1978, they wrote to Dr Mulder asking for an explanation

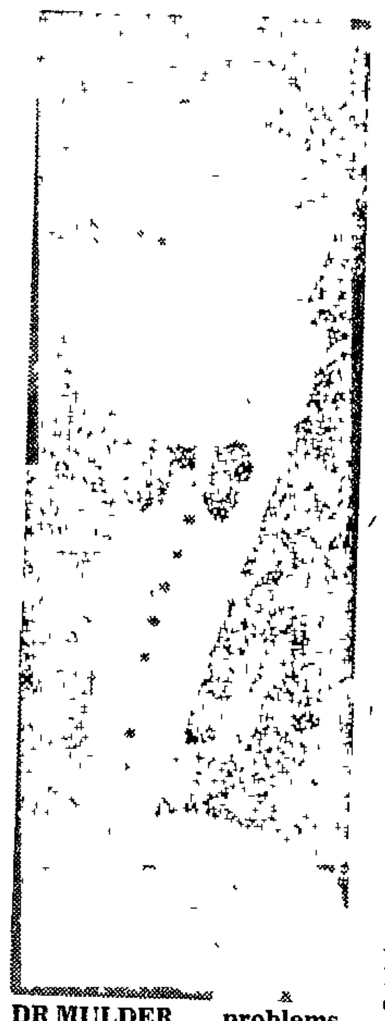
Van der Spuy testified that he insisted on lithographic printing for SA Panorama as his technical adviser in the department, Mr A G Driessen, had advised him it was superior to all other processes

But neither he nor Van der Spuy had ascertained the quality of gravure printing done by Nasionale Koerante

"It is clear to the Commission that Van der Spuy decided overhastily in favour of SA Litho's tender"

Dr Mulder, in his reply to Nasionale Pers, relied on trivialities and absurdities which all witnesses agreed would not be valid reasons for not awarding the contract to Nasionale Koerante

The Commission finds that in the circumstances, Van der Spuy played a suspicious role in awarding the Panorama contract to SA Litho that shows prima facie favour-



DR MULDER .. problems with Panorama and Perskor.

fair hearing by not giving him access to files Later, after he had refused to give evidence, he stated, according to newspaper reports, that the Commission had shifted its position by saying that it would make the documents available to him after he had taken the oath

"Both statements are untrue, and a true record of the events is given below," the Commission says.

Before the Commission began its session on the [illegible]

weersprekende getuies nie en is by nie eers van die streeking of bestaan van weersprekende getuies verwittig nie"

"This is a lie," the Commission says "The evidence of Reynders, Mr Vorster's press statement, etc, for example, were put to him in detail

"Later Senator Horwood gave evidence against Dr Mulder and on November 27, 1978, Dr Mulder was recalled and Sen Horwood's evidence was put to him in detail

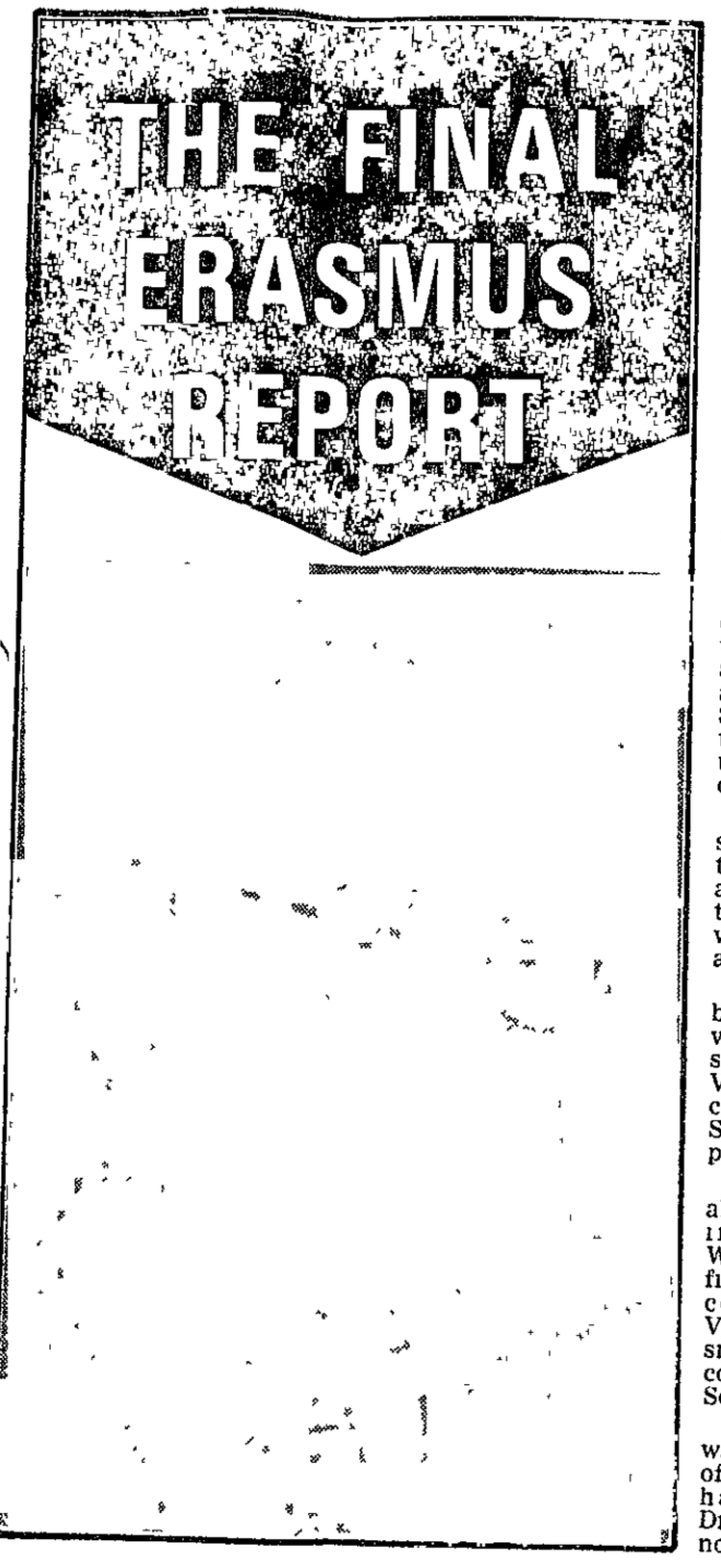
"In this regard, Dr Mulder was treated just like all the other witnesses, and after he had given evidence before the Commission the first time he said, perfectly satisfied, Thank you, Mr Commissioner, thank you gentlemen, and thank you for the good spirit in which it can take place."

In exhibit 60, Dr Mulder also alleged that the Commission did not give him the opportunity to rebut its findings in the interim report. In a press statement dated March 22, 1979, the Commission invited all persons and bodies who could give evidence on matters covered in its terms of reference for the interim report to come forward

Dr Mulder ignored this invitation The Commission assumed that he could give no further evidence on the matters covered by these terms of reference than he had already given before

"Whatever the case may be, on the morning of April 26, 1979, in the conference room, before Dr Mulder was called to take the oath, the chairman explained the whole position to him in detail.

"The Commission wished to hear Dr Mulder on the findings it had arrived at about which he (Dr



Six million dollars disappears

HOUSE OF ASSEMBLY — The former Department of Information lost 6 350 000 dollars on its attempt to buy the Washington Star newspaper through American publisher Mr John McGoff, the Erasmus Commission reports

The Commission says it finds it incredible that no one knows what happened to the 6 350 000 dollars that were lost

It also finds it incredible that officials of the Department could leave 10 million dollars in the hands of McGoff without themselves keeping proper and effective control over the spending of the money,

That Dr Eschel Rhoodie could agree with McGoff verbally, without the approval of a higher authority, to purchase the Sacramento Union — a transaction involving upwards of six million dollars,

That McGoff as a shareholder is sitting with the Sacramento Union and the UPITV, while there is no clarity as to whether South Africa has any right to these assets.

The McGoff story begins in 1968 when he visited South Africa at the suggestion of Mr L de Villiers, when he discovered an affinity with South Africa and her people

This is how it came about that in 1974 McGoff indicated that the Washington Star was in financial difficulties and could be bought De Villiers told the Commission such a newspaper could do a great deal for South Africa

Mr Vorster testified he was aware of the transfer of 10 million dollars He had promised Dr Diederichs and Dr Mulder not to stand in the way of the project, but said they were not to involve him

McGoff told De Villiers he needed about 25 million dollars to buy the Washington Star He could put up 15 million and South Africa should put up ten million dollars

It was decided that the ten million dollars would provisionally come from the special defence account of the Department of Defence

The money was transferred to the Union Bank of Switzerland in Zurich and then to Thesaurus Continental Securities, a subsidiary of the bank, and through Thesaurus to the Star Newspaper Company, Wilmington, Delaware

Because the project was so sensitive, the idea was to channel the funds from Thesaurus to McGoff in such a way that it would appear to be a legal foreign loan

McGoff therefore obtained what may be described as an "interest free" loan of ten million dollars so that, if it should be required of him, he could furnish proof that he had obtained the "loan" in Switzerland and not from South Africa

"Whatever the case may be, one would assume in the absence of certainty about the matter that if the purchase of the newspaper were to fall through (as it in fact did) this amount, less the costs incurred in the attempt to purchase it, would have had to be returned to South Africa", the Commission says

But a banker from Texas, Joe Aubritton, was also interested in the newspaper and the owners favoured selling to him McGoff tried but failed to get an interdict against Aubritton from the Federal Communications Commission, and the banker bought the paper

While McGoff was awaiting the outcome of his application for an interdict, he visited Dr Rhoodie in the Republic and mooted the possibility of using the interest on the ten million dollars and part of the capital to buy another newspaper, the Commission, the 1 350 000 dollars was added to the 10 million dollars so that McGoff received 11 350 000 from South Africa

According to De Villiers, McGoff's actions did not meet with the approval of Dr Mulder and Dr Rhoodie and at the Montreal meeting it was said he should sell the Sacramento Union and repay the money. McGoff argued that it could not be done immediately and asked for time

It was then agreed among them verbally that McGoff should pay over the entire profit of the newspaper to Thesaurus on a monthly basis, i e, about 240 000 dollars a year. According to Reynders' report to General Van den Bergh, there were no profits.

A total of 380 000 dollars was at any rate repaid to Thesaurus and there was 10 970 000 dollars still owing

McGoff in turn was involved in a lawsuit which required him to give a full statement of his assets and liabilities. The ex-

The Citizen: gross irregularity

HOUSE OF ASSEMBLY — The Erasmus Commission has found that the founding and establishment of the newspaper The Citizen with State funds in competition with other newspapers in the newspaper market to be a gross irregularity.

It adds that it gave careful consideration to the sale of The Citizen to Perskor, but since this took place long after the dissolution of the Department of Information, the

The Commission says it seems that the Department paid an exorbitant price for the publication South Africa — a Visual History, and the fact that use was made unnecessarily of an intermediary also gives rise to suspicion

The publication issued in 1976 was printed and published by Perskor on behalf of the Department at a price of R13,63 per copy

The contract was concluded with Perskor by Mr Rhoodie was to receive 15 per cent as author's fee

Of another publication, S. A Mosiac, printed by International Publishing Co, Mr R. Hepers had stated that 80 000 copies were destroyed because the publication was worthless. According to him, this entailed a loss of R240 000 to the State

In connection with the Year Book 1974, an additional payment of R556 had been made to Prof Rhoodie for his con-

because, according to Van Rensburg, Dr Rhoodie was satisfied that "die berekening van die verlies baie konserwatief was" (the estimate of the loss was very conservative)".

Dr Rhoodie told him that Dr Mulder had approved the payment, and that no tax would be payable on the last-mentioned amount He was on no account to mention the matter to anyone. Van Rensburg issued a receipt for this amount.

JOHANNESBURG — Mr Eric van Ees, Johannesburg representative of United Press International, issued the following statement yesterday:

"The Erasmus Commission supplementary report refers to Mr John McGoff buying a 50 per cent interest in 'United Press International and Television Network' or 'UPITV'."

There is in fact no such organisation. The organisation in which John McGoff has an interest is called "UPITN Corp". His interest in UPITN Corp is 50 per cent, not the controlling interest the report refers to.

The other shareholders are United Press International, with 25 per cent and Independent Television News, the British television company. UPITN Corp's byelaws lay down that UPI, ITN and McGoff have an equal say on the organisation's editorial committee and any decision of McGoff's could be vetoed by the other two stockholders voting together." — SAPA.

be to the State's advantage

This the Government Printer refused to do

With Dr Rhoodie's approval, Adendorff then wrote to the Government Printer requesting him to invite tenders for lithographic printing as well as letterpress

Soon after, Adendorff testified, he was approached by Mr J M Buitendag, Perskor's printing manager, with the request that only tenders for letterpress printing should be considered

Adendorff said the matter rested with the Government Printer and Buitendag said he would therefore have to discuss the matter with his "baas" Dr Mulder was then both Minister of Information and a director of Perskor

Buitendag explained that, if he had used the words, they were a reference to Mr Marius Jooste, chairman of Perskor

About nine days later, Adendorff was instructed by Dr Rhoodie to write a second letter to the Government Printer directing him to consider only tenders for letterpress printing. The contract was again awarded to Perskor for three years

In 1976 Mr D C van der Spuy became head of publications for the department In 1977, when new tenders had again to be invited for printing SA Panorama, Van der Spuy recommended to the Government Printer that tenders be thrown open to all printing processes He was already in favour of using the lithographic process.

dubious reasons

After the tender board had awarded the contract to SA Litho, according to Van der Spuy's evidence, Dr Rhoodie informed them that Dr Mulder felt very unhappy about it

Dr Mulder gave Van der Spuy instructions, through Dr Rhoodie, to convene a meeting with the State buyer, the Government Printer and the Tender Board He was instructed to request the meeting to make absolutely sure SA Litho could handle the work and was not on the brink of bankruptcy

Van der Spuy said the purport of Dr Mulder's instructions was to investigate the possibility of changing the decision taken by the Tender Board

After setting out passages of evidence, the Commission finds that Dr Mulder had this meeting convened because he hoped that the Tender Board might reconsider its award of the contract to SA Litho in favour of Perskor

In another reference to Dr Mulder, the Commission says he was subpoenaed to give evidence before the Commission in connection with the Washington Star project and the printing of Panorama

"He refused to give evidence and the Commission has referred him to the Attorney-General of the Transvaal for prosecution on a charge of contempt of the Commission," the report said

According to newspaper reports, Dr Mulder contended that he had refused to give evidence because the Commission had refused to give him a

to have given evidence, his legal representatives submitted a document (exhibit 60) setting out the reasons why he would not give evidence This document was not true to the facts

Dr Mulder had already given evidence to the Commission on two occasions and he knew that all documents available to the Commission, which is hearing evidence in camera, had been made available to him as soon as the oath had been administered If at any time he had asked for time to consider his replies in connection with such documents, the Commission would even have given him the chance to do so. He would then, however, have had to give an undertaking of secrecy

In the case under discussion the Commission, by way of exception, made certain documents that had been handed in on which substantial evidence had not yet been given, available to Dr Mulder before he was asked to take the oath

He was not, however, allowed to remove them from the building in which the Commission was sitting

The Commission's procedure as described was in no way changed and there could be no question of the Commission's changing its position in the matter of making documents available to Dr Mulder, since documents and evidence given before the Commission are kept secret

In exhibit 60 it is alleged that Dr Mulder "geen geleentheid gehad het om to reageer op

py, since the Commission's activities had not yet been completed

"The Commission wanted to hear his evidence on the Star project, including the Sacramento Union, and the loss sustained by the Star in this matter, as well as about his alleged interference in the awarding of the SA Panorama printing contract by the Tender Board.

"The Commission explained the whole procedure regarding the making available of documents to him and also pointed out that his allegations in exhibit 60 were incorrect, and then adjourned so that he could reconsider his decision not to give evidence

"Despite all this, Dr Mulder's advocate informed the Commissions that Dr Mulder was standing by the objections in exhibit 60, and Dr Mulder added to this "I have had one experience which I do not wish to repeat Thank you very much "

"The Commission is convinced that Dr Mulder, as a key witness, could have shed light on both matters, but was deliberately refusing to do so, and the Commission is satisfied that it did not commit any procedural irregularity " — SAPA

to be a matter falling outside its terms of reference and will comment no further on it

In the section of its report dealing with publications that the former Department of Information either published or bought and distributed and with which irregularities are said to have taken place, the Commission says it could find no irregularities in connection with the periodical To the Point

It says Mr H. Jussen testified he had established To the Point in 1971 and To the Point International in 1973 He was and is publisher of both The State bought a certain number of copies every year and was merely a subscriber There were other paying subscribers as well

But Mr Braam Fourie (an accountant with the former department) testified that money paid for To the Point was for its finance He admitted he had never discussed the matter with Mr Jussen

A statement handed in by Mr Fourie of payments made in favour of To the Point shows that total expenditure incurred by Information up to March 31 this year totalled R14 150 000

the intermediary of Visual Publications (Pty) Ltd) in the name of the Department The compiler (nominally, Visual Publications) was to receive 15 per cent of the publisher's price The cost to the Department came to R102 000 for roughly 7 500 copies

The Department's head of publications, Van der Spuy, was not satisfied with this particular edition both as regards its contents and its price

Van der Spuy also did not think the price should have been more than R6, but Dr D Rhoodie, who, by his own testimony, exercised quality control, did not consider the price to be too high

Metrowich, on the other hand, said other printers would have charged less than R5 per copy

The Commission says Prof Rhoodie was probably to have received 15 per cent of the publisher's price of the edition in question.

"Dr D Rhoodie's testimony in this regard is most unsatisfactory Metrowich stated that Dr D. Rhoodie had told him that Prof Rhoodie had compiled Visual History, that Visual Publications were to act as the "front", that it was being printed by Perskor and that Prof

known as a double payment in the Department

"Dr D Rhoodie considered this payment had in fact resulted from an error in calculation His explanation of this payment is highly unsatisfactory and unacceptable to the Commission The ternal control Commission accepts Van der Spuy's evidence that this amount was paid on the instructions of Dr D Rhoodie However, the amount has been refunded "

A book, Republic of the Transkei, was published by Van Rensburg Publications (Pty) Ltd, whose owner, Van Rensburg, had suggested its publication The Department undertook to buy 10 000 ordinary and 20 de luxe copies

Van Rensburg ran into trouble with the printing and publication of the book and allegedly sustained a loss of more than R29 000. He approached Dr Rhoodie to explain his problems and was told by Dr Rhoodie it would not be possible to do anything under the open budget but that he would be paid from the secret fund

"Although his actual loss came to only R29 120, Dr Rhoodie agreed to pay him R30 000 in cash

ng into the future, published by Erudita Publications (Pty) Ltd, for whom Van Rensburg acted as adviser, the Commission says Van Rensburg wrote to the Department on March 24, 1975, indicating that 8 000 copies of the book were ready, which was not actually the case because materials had not been delivered

"This letter was apparently the result of collusion between the Department and Van Rensburg to have payment for the book made before the end of the relative financial year, and thus to avoid having to redeposit the Department's available funds in the State Revenue Fund

"Van Rensburg contended that neither he nor his company stood to benefit from this

"A final payment of R238 560 (after an advance payment of R35 000 on December 9, 1974) was made on March 25, 1975, on the authority of the secretary, although the book was still not ready at that date.

The payment of this higher amount was contrary to the usual financial regulations The secretary (Dr Rhoodie) acknowledged receipt of the book although it had not yet been received " — SAPA

capital of California. The purchase price was six million dollars

"When Dr Rhoodie learned during McGoff's later visit that McGoff had put six million of the ten million dollars into the Sacramento Union he was upset and said he would have to obtain Dr Mulder's sanction"

In the meantime a further amount of 1 350 000 dollars had also been made available to McGoff through Thesaurus to buy a controlling share in United Press International and Television Network (UPITV)

United Press International held a 25 per cent share, Independent Television Network in London a 25 per cent share and Paramount Films a 50 per cent share in UPITV which serves about 110 countries in the world with news items

McGoff bought Paramount Films' 50 per cent share of UPITV on behalf of South Africa, but acquired it for himself

In connection with the amount of 1 350 000 dollars owed to South Africa, he is reported to have said to De Villiers "Man, but I see of course that I represent you in that company "

At any rate, says the

such as the one with Thesaurus would destroy him politically if it became known He therefore wanted to sever his financial ties with South Africa.

McGoff and Dr Rhoodie then agreed that the former would repay a further 4 590 000 dollars in cash at that stage

A total of 4 970 000 dollars was therefore repaid and Dr Rhoodie and McGoff further agreed, without Treasury approval, to reduce the balance of the loan to one million dollars, that is, according to De Villiers, 5 380 000 dollars of the debt was written off.

In March, 1978, this debt of one million dollars was sold to McGoff's partner, Leipprandt, for 30 000 dollars under a further agreement.

"The outcome of the Star project," the Commission says, "was that the Department showed a loss of 6 350 000 dollars on an investment of 11 350 000 dollars, to which must be added —

(a) A further R400 000 paid over to McGoff for the purchase of UPITV which was not included in the Thesaurus loan agreement,

(b) Costs incurred in the process of purchasing or attempting to sell the Washington Star and UPITV

(c) Administrative expenses charged by Thesaurus which according to calculations amounted to 25 000 dollars per annum "

The two advocates who led the evidence for the Commission attempted to obtain evidence on the Star project in Zurich from Thesaurus and the Union Bank of Switzerland, but their efforts were fruitless since neither Thesaurus nor the bank made any information available to them.

"The Commission wishes to place on record that proper arrangements were made by the Commission through its legal advisers for Dr Rhoodie to give evidence abroad, without having to return to South Africa and run the risk of being arrested. He elected, however, not to avail himself of the opportunity

"A proper invitation was also extended to McGoff by Advocates Klem and Van Zyl during their visit abroad to give evidence in connection with the Washington Star and the Sacramento Union. Although McGoff was invited to choose a venue abroad for this purpose himself, he also did not avail himself of the opportunity to give evidence." — SAPA

Recover losses

HOUSE OF ASSEMBLY — Losses of State money in certain Information Department secret projects should be recovered from Dr Connie Mulder and Dr Eschel Rhoodie, if they are legally liable, the Erasmus Commission recommends in its final report

The secret projects named are The Citizen, the Washington Star, Sacramento Union and UPITV.

Dr Mulder said nothing in his evidence about the Washington Star and Sacramento Union and refused to answer questions on them, the Commission says.

The Commission also adds the names of Professor N J Rhoodie, the third Rhoodie brother, and of Mr J van Zyl Alberts to the list of those whose handling of secret funds should be referred to the Attorney-General

In regard to Mr Alberts, the Commission finds that "the facts indicate prima facie that there was extensive misappropriation by Alberts of State funds under his control" and adds

"The Commission is of the opinion that the misappropriations point to theft and fraud."

Another recommendation by the Commission is aimed at prosecution of anyone who has disclosed official secrets abroad since June 1 last year.

The Commission recommends that the State consider granting relief to innocent persons who have lost their employment through the dissolution of the Department of Information or any of its front organisations

It refers to the cases of Mr Francois de Villiers, secretary of the former Foreign Affairs Association, who lost his post, Mr Red Metrowich, Mr R W. Hepers, who was forced to resign from the department, and Mr J F Waldeck, former head of the department's administration branch who was compulsorily retired prematurely. — SAPA

De Villiers gadded about Europe

HOUSE OF ASSEMBLY — The disestablishment of the Foreign Affairs Association, a Department of Information Front, was a very wise step and a happy decision, the Erasmus Commission comments

"To Mr Cas de Villiers (the director), Miss Hester Lamprecht (public relations officer) and their friends, FAA was an unexpected source of income and unearned pleasure," the Commission says in its report

"But to hard-working and conscientious men like Drs Jan du Plessis and D S Prinsloo and Mr Francois de Villiers it must indeed have been a millstone about their necks and a source of vexation "

FAA was established on April 6, 1975, and disestablished on November 21, 1978 It fell directly under Mr Les de Villiers, the department's chief director of planning

The main idea was to represent itself as an academic body doing research, which was to be financially independent of the State and the department The normal annual budget was R100 000 but the department voted additional funds so that FAA cost the department about R200 000 a year.

Cas de Villiers, the director, started off in a grand manner He bought a house for R90 000 for office purposes with State funds but it was registered in the name of a private company Improvements were made costing R20 000 He bought with FAA funds a circular dining room suite which could seat 14 people and which he kept in the house on his farm

The Commission comments scathingly on Mr Cas de Villiers

"As director of FAA, Cas de Villiers reminds one in many respects of Dr (Eschel) Rhoodie, the Secretary of the Department and, like the department, FAA soon headed for a fiasco

"In outlook, Cas de Villiers is like a young, inexperienced, wealthy man with a glib tongue, tending to mendacity He has a quick temper and is a ladies' man And because he knew little about administrative work and was no match for the strong personalities of Drs Prinsloo and Du Plessis, he avoided or disregarded them This gave rise to clashes and unpleasantness in FAA, which led inevitably to its early dissolution."

It adds "It almost goes without saying that a man like Cas de Villiers is not equal to the post of head of an organisation such as FAA "

Again "He had a fancy for flashy and good motor cars When he began with FAA in 1975, a new red Mercedes Benz 280 was bought for him for about R14 000 Eight months later, a new three-litre BMW was purchased for about R15 000, and he got rid of the Mercedes About two years later, a Mercedes Benz 230 was bought for guests In addition, a combi was hired for guests

"He lived on the farm and had the use of FAA's cars to travel backwards and forwards between his work and the farm on a road that was 'not too good' He had his own chauffeur His staff considered all this ostentation unnecessary At present he drives a private car, a Mercedes Benz 450 SLC, like the one used by Dr Rhoodie a while ago "

The Commission says that although married, he soon struck up a relationship with his public relations officer, Miss Hester Lamprecht, which developed to the point where the staff looked upon her as the "deputy director" of FAA, and were afraid of going to see Cas de Villiers in his office "because he and she spent hours of their working time together in the office and He was not available "

"The excuse put forward for every telephone call at state expense and for every visit to another country was some trivial official appointment, which came to nothing in many instances because it had not been properly arranged beforehand If one reads the evidence one finds a good example of two people playing a cat-and-mouse game in Europe with State money "

The story of Cas de Villiers is more reprehensible, the Commission says

He had to conduct a party of 12 parliamentarians from South Africa through Germany on an exchange programme They were there for 12 days and he had to accompany them for 10 days

"After a day and a half with this group, he broke away and gadded about Europe with a woman "

His story on return to South Africa was that he had been with the group for four days

The circumstances were such that Drs Prinsloo and Du Plessis and Mr Francois de Villiers requested members of the Cabinet to dissolve FAA

According to Miss Lamprecht, Cas de Villiers was extremely quick tempered If his official car would not start, he would rush at it and kick it, and on another occasion he threw a tape recorder to smithereens against the panelled wall of his office When he was in these moods he would use strong language.

Commenting on Miss Lamprecht, the Commission says "as a public relations officer the Commission found her quite pathetic"

Yet she was sent to Washington for six weeks to arrange a conference there for FAA This was a waste of money

Cas de Villiers obstructed his researchers On one occasion Drs Du Plessis and Prinsloo had planned an overseas tour and had made all arrangements and appointments with important personalities

Cas de Villiers ordered the tour cancelled at the last minute because he had heard that an American politician was to visit South Africa and that a senior FAA officer was to show him around

The Commission says Cas de Villiers committed plagiarism, putting his own name on work done by Drs Du Plessis and Prinsloo

He used State funds to pay his personal accounts

"No losses or embezzlement of large sums of money came to the Commission's notice in connection with FAA, but the evidence leaves no room for doubt that Cas de Villiers was dishonest and personally spent FAA's money liberally as a result of injudicious arrangements and undertakings "

The Commission says Cas de Villiers failed to consult his researchers On one occasion he personally commissioned Dr Totemeyer to write a book on South West Africa Dr Totemeyer was favourably disposed towards Swapo. The

CAS DE VILLIERS . . flashy cars and quick temper.

manuscript was rejected by Drs Du Plessis and Prinsloo Dr Totemeyer was paid R4 000, although about R2 000 was later recovered

The Commission gained the impression that there was hardly any proper administrative check on subsistence and travel expense and claims The main reason for this was that Cas de Villiers had scant regard for FAA's regulations — SAPA

ERASMUS: The Final Report

The brothers suspicious

Commission thinks 'hand of one Rhoodie washed the hand of the other Rhoodie'

THE Erasmus Commission says unanswered questions in connection with the Rhoodie banking accounts arouse a strong suspicion that "the hand of the one Rhoodie had washed the hand of the other Rhoodie."

Certain transactions involving the three Rhoodie brothers also give rise to the suspicion that a most profitable partnership had been set up

The commission finds it reprehensible in principle that brothers in charge of a Government department should be instrumental in channelling a large income to a brother of theirs, "especially where there is so great a temptation to do so in an improper manner"

The commission reports on its inquiries into the financial position of Dr Eschel Rhoodie, his wife, Mrs C E H Rhoodie, and his two brothers, Dr D O Rhoodie and Prof N Rhoodie, and lists some of the accounts it looked into

These include Dr E Rhoodie's cheque accounts with Nedbank, and Standard Bank, a savings account with Nedbank and two with the Standard Bank, Mrs Rhoodie's cheque account with the Trust Bank, a savings account with Nedbank, and two savings accounts with the Standard Bank, Dr D O Rhoodie's cheque account with Barclays Bank, and a savings account with Barclays Bank and one with the United Building Society, and Prof Rhoodie's cheque account with Nedbank and a savings account with Nedbank

It says that from its inquiry it emerged that large sums of money were deposited in these accounts. Particularly strikingly from Prof Rhoodie to Dr D O Rhoodie and Dr E Rhoodie

The commission examined only deposits to these accounts exceeding R1 000, and did not take into account deposits originating from other accounts of the same person, and in the case of Dr and Mrs Rhoodie, from each other's accounts

In Dr Rhoodie's case, a total of R185 898,38 was deposited in his Nedbank cheque account between January 13, 1975, and May 29, 1978, R23 000 in his Standard Bank cheque account between December 17, 1975, and July 1, 1977, R73 014,82 in his Nedbank savings account between April 5, 1974, and May 19, 1978, and R10 000 in his Standard Bank savings accounts between December 17, 1974, and May 29, 1978

The total deposited in these accounts between April 5, 1974, and May 29, 1978, was R291 913,20

In the case of Mrs Rhoodie, R66 106,50 was paid in to her Trust Bank cheque account between January 14, 1975, and May 12, 1978, and R58 246 into her Nedbank savings account between July 30, 1974, and May 19, 1978 The total amount was R124 352,50

Dr D O Rhoodie's Barclays Bank cheque account had R90 284,70 deposited in it between December 9, 1974, and May 15, 1978, while R2 000 was deposited in his Barclays Bank savings account on January 24 1976 and cheque account between November 13, 1974 and March 10, 1978, and R7 500 in his Nedbank savings account between November 11, 1975, and September 28, 1977 The total was R214 279,07

"That summary of the deposits made by Dr and Mrs Rhoodie shows receipts of such exceptionally large sums as to call for further discussion In this regard, it should be borne in mind that Dr Rhoodie, as his family's only breadwinner, was earning a net salary of not more than R1 146 a month at any time material to these events, Notwithstanding this fact, the deposits made to the accounts of these two persons total R416 265,70 which amount does not include deposits of less than R1 000 Furthermore, R123 700 of this total amount flowed into these accounts in the form of cash

"The possibility that this high deposit figure is attributable to Dr Rhoodie's practice of using these accounts as conduits for money destined for departmental purposes is ruled out by the following

"(1) According to Dr Rhoodie's testimoney, he might have used his accounts once, but not more than twice, for departmental purposes and,

"(2) In most cases, no corresponding disbursements to unknown payees, which can be reconciled with the deposits can be traced"

The commission points out that in

The commission says special attention was given to cash deposits made to the accounts of Dr and Mrs Rhoodie

A summary shows that between March 11, 1975 and May 19, 1978, a total of R30 400 in cash was paid into Dr Rhoodie's Nedbank cheque account, R3 000 into his Standard Bank cheque account, R37 800 into his Nedbank savings accounts and R10 000 into her Standard Bank savings accounts — a grand total of R81 200

In Mrs Rhoodie's case, R6 000 was paid into her Trust Bank cheque account and R36 500 into her Nedbank savings account between November 11, 1974 and May 19, 1978 — a grand total of R42 500

"In the absence of an explanation by the Rhoodie couple, the source of this cash remains a mystery Although Braam Fourie — an accountant in the planning branch of the former Department of Information — testified that considerable amounts of cash were paid to Dr Rhoodie from the secret fund for payment of so-called anonymous collaborators, and although such payments were made at the time as some of the cash deposits in the accounts concerned, there is not sufficient evidence for a finding that the cash deposits originated from such payments This is, however, a possibility"

The commission then deals with the deposit of bank cheques, for which, it

The cheque was handed to Dr Rhoodie, and on January 23, it was deposited to Mrs Rhoodie's Trust Bank cheque account

"As far as the commission could establish, no similar amount was withdrawn from any of the banking accounts concerned The credit which this built up in Mrs Rhoodie's cheque account was gradually reduced by payments made in the normal use of her personal cheque account Prima facie it therefore appears that in this instance R5 000 was paid from State funds for Mrs Rhoodie's personal use"

Another cheque for R5 000 was drawn on Volkskas in favour of Nedbank and dated January 21, 1976 Fourie said he was instructed by Dr Rhoodie on January 15 to draw the cheque for payment of so-called anonymous collaborators. Dr. Rhoodie deposited the cheque in his savings account with Nedbank on January 23.

"No similar account was withdrawn from any of Dr. Rhoodie's banking accounts during the ensuing period"

Another cheque for R10 000 drawn on Volkskas in favour of Standard Bank and dated January 21, 1976, for a similar purpose, was, after being handed to Dr. Rhoodie, deposited to his cheque account with Standard Bank on January 23. On February 6, 1976, an amount of R10 000 was withdrawn from his Standard Bank cheque account January 18, 1977, was given to Dr Rhoodie the following day However, he returned it to Braam Fourie with the request that Fourie should draw a bank cheque for the same amount made out to cash Fourie drew a bank cheque for R10 000 in cash on February 4, 1977, and handed it to Dr. Rhoodie, who paid it into his cheque account with Nedbank on February 11 On the same day, Dr D O Rhoodie paid a cheque, drawn against this account for R10 000, into his cheque account with Barclays Bank.

"Dr. D O Rhoodie testified that this amount of R10 000 represented a personal loan from his brother to him.

"No other withdrawal during the ensuing period could be reconciled with this deposit of R10 000 to Dr. Rhoodie's cheque account

"The above transactions point to misappropriation of State funds by Dr. Rhoodie"

The commission then says in the case of Dr. D O Rhoodie, it was ascertained that a bank cheque for R10 000, which was drawn on Volkskas on January 21, 1976, was paid into his cheque account with Barclays Bank on January 24. This cheque represents an amount which had been requested by Dr. Rhoodie for payment of anonymous collaborators. A corresponding amount was withdrawn from Dr. D. O. Rhoodie's cheque account payment of anonymous collaborators on a film project

"After it had been pointed out to him that hundreds of thousands of rands that were on investment at that stage were available for the film project, Dr D O Rhoodie explained that this was for possible future anonymous collaborators The amount in question was the only amount channelled to Alberts through his banking account

"Alberts testified that he had entered this money in his books as an investment for Dr. D O Rhoodie. At no time was money ever transferred to him for the purpose mentioned by Dr D. O. Rhoodie, and Truter confirmed that there was more than sufficient money available to pay R10 000 to anonymous collaborators on the film project, if necessary

"Dr D O. Rhoodie's explanation of the incident is not acceptable to the commission The transaction in question points to a possible misappropriation of State funds"

After referring to various cash deposits totalling R22 000 made to Dr. D O Rhoodie's accounts, including one of R10 000, two of R3 000 and three of R2 000, during the period January 1, 1975, to July 15, 1977, the commission says that according to his testimony, his net monthly income after deductions, came to R636 in 1977. However, he said in evidence that, with the ex-

ESCHEL Rhoodie and his wife, Katie

commission does not accept this explanation by Dr D O Rhoodie either, and a big question mark continues to hang over these deposits"

The commission says that to give a complete summary of all the amounts that were transferred backwards and forwards between the accounts of Dr Rhoodie and his wife would be an immense task and would not serve much purpose

But examples of such transfers were

On October 17, 1975, R10 000 was transferred from Dr Rhoodie's Nedbank savings account to his Nedbank cheque account, on November 3, 1975, there was a transfer of R2 000 from Mrs Rhoodie's Nedbank savings account to Dr Rhoodie's cheque account, on December 1, 1975, R8 000 was transferred from Mrs Rhoodie's Nedbank savings account to Dr Rhoodie's cheque account, a transfer of R10 000 was made on October 7, 1976, from Dr Rhoodie's cheque account to Mrs Rhoodie's Standard Bank savings account, on February 16, 1978, R14 000 was transferred from Mrs.

these accounts were used as a unit and that no separation of funds took place Naturally, the use of so many accounts, to and from which money was deposited and withdrawn to and fro, makes it extremely difficult to follow transactions properly The commission also finds it difficult to understand why such large amounts should so frequently be transferred backwards and forwards between spouses"

The commission then deals with transfers totalling R17 753 during 1974, 1975 and 1976 by Prof Rhoodie to Dr. Eschel Rhoodie, transfers totalling R19 446 during 1975 and 1976 by Prof Rhoodie to Dr. D. O Rhoodie, and transfers totalling R32 519 in 1975, 1977 and 1978 by Dr E Rhoodie to Dr D O Rhoodie

Prof Rhoodie testified that his transfers to Dr E Rhoodie and Dr D O. Rhoodie represented personal interest-free loans to his brothers

"However, it was notable that, according to the stat of the

allegedly interest free loans of such large sums of money, which have not been repaid to date, to Drs Rhoodie and D O Rhoodie gives rise to the suspicion in the commission's mind that a most profitable partnership had in fact been set up here This suspicion is strengthened by Prof Rhoodie's explanation to the commission of the purpose for which this money was allegedly lent to his brothers

"He accounted for the amount of R9 730, which he lent to each of his brothers on April 21, 1975, by saying that his two brothers wanted to have a swimming bath built at their own expense on the small Lowveld farm, Reenberg, which was owned by a company in which the three Rhoodie brothers were shareholders with a number of other persons

"Prof Rhoodie stated that he had personally calculated the cost at R19 460 He then made each of Drs Rhoodie and D O Rhoodie an interest free loan of half this amount on April 21, 1975, without specifying any period for its redemption.

oney was frequently posited in the form of h or per bank cheque

Large amounts were nsferred backwards and wards between the pective accounts of Dr oodie and Mrs. Rhoodie ge sums of money were id over between the oodie brothers, es-

account between September 3, 1975 and February 16, 1976 The total was R99 784,70

In the case of Prof N Rhoodie, R197 779,07 — which included a deposit of R60 000 in favour of the Institute for the Study of Plural Societies — was deposited in his Nedbank

amounts mentioned in the summary is one of R54 550,93 received by Mrs Rhoodie as a legacy and an amount of R44 928,18 realised on the sale of a flat at Plettenberg Bay Also, payments made to Dr Rhoodie by the Department of Social Welfare and Pensions have not been included

can be used to trace these cases properly

Referring to a cheque for R5 000 drawn on Volkskas in favour of Trust Bank, and dated January 21, 1976, it says that on January 15, 1976, Dr. Rhoodie instructed Braam Fourie to draw the cheque on the secret fund for payment of anonymous collaborators

ings accounts with the Standard Bank

"No corresponding withdrawal from any of the accounts in question can be traced for the ensuing period"

A cheque for R10 000 for payment of anonymous collaborators, drawn on Volkskas in favour of Barclays Bank and dated

Alfesko Trust. Alberts placed this amount to Dr Rhoodie's personal credit in an investment account relating to the three Rhoodie brothers, Prof N. J Rhoodie, Dr D O. Rhoodie and Dr. E M. Rhoodie

Dr D. O. Rhoodie said he had received this money for transfer to Alberts for

had borrowed from his brother, Dr. Eschel Rhoodie, and which formed part of the deposit of R10 000 on January 16, 1975, the other cash deposits had been made from cash he had on hand at home and that had been built up by him from time to time for contingencies

"Viewed in the light of all the circumstances, the

savings account to Dr. Rhoodie's Standard Bank cheque account, on May 12, 1978, R10 000 was transferred from Mrs Rhoodie's Trust Bank cheque account to Dr Rhoodie's Nedbank cheque account

"From the overall picture formed from these transfers, it was clear to the commission that all

transfers in question, not one of the recipients was in financial straits In fact, it sometimes happened that the transferred amounts ended up in savings accounts, where they lay unused for long periods Thus, for instance, the total credit balance on the accounts of Dr Rhoodie and his wife on May 13, 1976, when the amount of R4 988 was transferred, was R20 333,51. As a further example, Dr D O Rhoodie had a credit balance of R9 359,87 on his accounts on May 14, 1976, when the amount of R2 442 was transferred from Prof Rhoodie

"As far as the commission is concerned, the foregoing remarks do not apply to the amount transferred from Dr Rhoodie to Dr D O Rhoodie on January 20, 1978 — this was R16 519 since this amount was required by the latter to repay the department

"The commission is struck by the fact that, during the years in question Prof Rhoodie owed a very large part of his income to work given to him either by direction of the department in which his brothers were in charge, or by publishers who were largely dependent on the department for the purchase of the publications concerned As far as could be ascertained, in all, Prof. Rhoodie received the enormous amount of at least R115 879,29 during the period in question for work he was commissioned to do by these parties

to complete this bath within the next few months after April 21, 1975 As a matter of fact, this bath was never built, and Drs Rhoodie and D O Rhoodie are still sitting with the money In point of fact, before this loan was made and for some considerable time afterwards, the banking accounts of both of the lastnamed Drs Rhoodie were so much in credit that they could easily have paid for the bath between them without negotiating a loan

"No satisfactory answer to the following questions put by the commission were forthcoming

"First, why was it necessary at all to borrow money for the construction of the bath"

"Second, why did they borrow money for the construction of a swimming bath which was then to become property of all the shareholders and for which they were not to be compensated and had not taken precautions to be compensated for, either?

● Third, why was the money borrowed long before the construction, and why not only as and when the money was required?

● Fourth, why the exact, unlikely amount of R19 460, an amount allegedly calculated by a self-acknowledged layman to the nearest R60, and not a round figure calculated to the nearest R1 000, as one would expect?

●"And, in the fifth instance, why an interest-free loan without conditions concerning repayment, only a few days after Prof Rhoodie had received an amount of R32 000 for his part in the book, Stepping into the Future, which had been written at the request of the department?

"The commission does not accept this explanation, and the circumstances of all Prof Rhoodie's transfers to his brothers and the unanswered questions arouse the strong suspicion in the commission's mind that the hand of the one Rhoodie had washed the hand of the other Rhoodie" — (Sapa)

"For all this work and for the income derived from it he was dependent on the benevolence of his brothers in the department The commission does not doubt Prof Rhoodie's professional ability to do this work. However, the commission finds it reprehensible in principle that brothers in charge of a Government department should be instrumental in channelling such a large income to a brother of theirs, especially where there is so great a temptation to do so in an improper manner

"The fact that, on top of it all, Prof Rhoodie made

In the middle of the mess, a man with a clear conscience

OW the rot can set in hen brothers or oeties" — literally d figuratively — are pointed to high posts Government administration was shown Mr J. F. Waldeck's idence to the asmus Commission.

he commission says t in a department ned to failure by the t comings of its heads, deck, a former Deputy retary, strikes the com- sion as a conscientious cer who had the age of his convictions a clear conscience

In the commission's the heads of the rtment engineered his rement because he, and alone, fought against gularities

May he recover from injustice done to him" recommends that the e consider granting to Waldeck as one of innocent men who lost employment through dissolution of the

department

The commission says the administration of the secret fund would not and could not have ended up in such a fiasco if the running of the department had been entrusted to reliable and experienced persons who had a thorough knowledge of administrative matters and the value of money

Because of this lack of knowledge on the part of imaginative amateurs at the head of affairs, some disappointing examples were set to their subordinates and some of them were influenced to the detriment of their own duties

Waldeck was a restraining element "He could not be influenced in this way He did not die a pupa in its cocoon and so, to change the metaphor, became a fly in the ointment to his chiefs.

"He became persona non grata and had to be got rid of and ousted from the department simply because he applied the brakes This had to be done, even if the department had to be restructured and Waldeck's post done away with"

The commission says he was well qualified in his work and difficult though it may have been in the circumstances, he was "not a show-off or one to cover things up, nor a spendthrift and a dishonest accomplice, like some of his chiefs, and he did not covet their popularity"

Discussing Waldeck's removal, the commission says that in May, 1978, Dr Eschel Rhoodie wrote to the Public Service Commission saying Waldeck was redundant and recommended that he be retired if he could not be found a post elsewhere in the public service

"The Public Service Commission acted in accordance with Dr Rhoodie's request, but at the time that commission probably still thought Dr Rhoodie to be the wonderful man to whom a monument should be erected, according to General van den Bergh

"Not six months later, the bitter discovery was made that it was this selfsame gentleman who was at the centre of the corruption in the department," the commission says

The commission notes that the Public Service Commission acted against Waldeck on the strength of what Dr Rhoodie said without giving Waldeck, who had no influence, a hearing

Examples of how Waldeck kept a watchful eye on the finances of the department are legion

In July, 1977 he discovered serious irregularities in regard to an account submitted by the film board for authority to Ray Heyns Films for services they were alleged to have rendered to the department It appeared that these services had largely been rendered by Mr Dawid Oosthuizen as cameraman, but he was employed in and remunerated by the department

On another occasion Waldeck had refused to pay an account for R400 or R500 for a painting purchased by Dr. Connie Mulder, since it was not the minister's function to buy paintings, nor was it the department's function to buy paintings for ministers.

He had also refused to pay a bill of about R1 000 for photographs Dr Mulder had had taken of himself by the Queen's photographer, P Argent, who was then on a visit to South Africa

The commission says it was felt that Dr. D O. Rhoodie would never have attained the rank of Senior Deputy Secretary if Dr Rhoodie had not recommended him to the Public Service Commission, and that he was incapable of doing his work properly

"Indeed, Waldeck told him and Dr Rhoodie so straight out, as a result of which they accused Waldeck of misconduct"

Waldeck set forth many of his complaints about the irregularities in the department in written memoranda to Dr D O Rhoodie or Dr. Rhoodie.

"The commission is convicted of the truth of these memoranda, First because the writer fearlessly put them in writing, second, because the facts subsequently proved the individual incidents, and third because the impression of confusion and maladministration conveyed by all the incidents collectively is confirmed by Mr F. G Barrie's findings"

Dr Rhoodie had probably become allergic to Waldeck's memoranda and when he received one on September 6, 1977 stating, among other things, that Dr. D. O. Rhoodie was unable to shoulder the burden placed on him by domestic changes in the department, "the fat was in the fire"

Dr. Rhoodie allegedly accused him of misconduct in that he had failed to submit the memorandum to Dr D. O Rhoodie first. But Waldeck testified to the commission that Dr Rhoodie had told the Select Committee on Public Accounts that Waldeck could work directly through him and did not have to go through his brother.

The position in the department deteriorated to such an extent that a Treasury Committee was appointed to inquire into the financial and administrative control of the department.

Because the Select Committee on Public Accounts was alarmed about the position in the department, the Public Service Commission recommended certain provisional adjustments in the department on May 3, 1978

One was that Waldeck's existing post be abolished

MR J F Waldeck

and that a higher post of Chief Director Administrative Service be created in its place The minister accepted these recommendations and announced them in Parliament the same day In this way Waldeck became redundant in the department and his "retirement at the request of the department" was recommended by the Public Service Commission with effect from June 1, 1978

Waldeck himself was not afforded an opportunity, as were the brothers Rhoodie and Braam Fourie — an accountant in the planning section of the department — to state his case before the Parliamentary Select Committee, nor to state in detail his case to the chief inspector from the Public Service Commission

On the question of unfair dismissal the Erasmus Commission felt that Waldeck would not shield Fourie, the two Rhoodie Brothers and even the minister if their actions were in conflict with his duties

There was nothing in the evidence to show that Waldeck had been guilty of dereliction of his duties or of irregularities in his work — (Sapa)

Van den Bergh hit wrong target

refusal by the rney-General of the svaal to prosecute ral van den Bergh his flagrant con- t of the Erasmus mission created ems and hindered ommission in the rmance of its func-

y in December, 1978, tic reports appeared ewspapers that l van den Bergh, head of the Bureau ate Security, had the commission's port a farce

The Attorney-General of the Transvaal, Mr J E Nothling, submitted a memorandum dated January 15, 1979, in which he said there was no doubt that General van den Bergh had insulted, disparaged and belitted the commission

But he had decided not to charge the general because if he were prosecuted, evidence given to the commission which should not be published in the national interest, might have to be published He therefore considered it not in the national interest to prosecute

According to the General's allegations, the commission's report contained "lies" The commission was branded a farce and, so far as General van den Bergh personally was concerned, the report was described as "the biggest character assassination in the history of South Africa"

The commission says that as it sees it, General van den Bergh's attack may not have been aimed at the commissioners personally, but at destroying the commission so as to end the inquiry and keep matters dark

"If his real aim was, figuratively speaking, to shoot down the commission as such, his utterances, whether true or partially true, hit the wrong target"

His evidence could not be reconciled with that of Mr Vorster In some aspects, their evidence was completely contradictory

Although the commission could not accept Mr Vorster's evidence without qualifications in its first report, it gave preference to his over General van den Bergh's evidence in some important respects because General van den Bergh's evidence contained serious weaknesses He admitted that he sometimes lied and he made out other reliable witnesses to be liars.

"Not everything that he says can be rejected, but General van den Bergh's evidence always has to be considered with caution," the commission says

"After the first report had been issued, greater support for some aspects of General van den Bergh's evidence was received from witnesses who have testified before the commission since December, 1978 This fact, taken together with the accepted fact that he was Mr Vorster's right hand and his greatest tale-bearer, could make the wind blow from another quarter."

In an appendix, the commission says it feels called on in the public interest to refer in detail to the General's own evidence in connection with its findings in its 'first' report.

In support of its finding that "if he wanted to do something, nobody would stop him and he would stop at nothing," the commission quotes him as testifying:

"Mr Commissioner, I want to say to you really, that I with my department, am able to do the impossible. That is not big talk. I have good men, I do not have weak men, I have also a few weak ones, but I have truly good men I can say to you here today, not for your records, but I can say to you, I have enough men to commit murder if I say to them. Kill I do not care who is the prey That is the type of men I have . . ." — Sapa

ERASMUS: The Final Report

Vorster 'knew everything'

The incredible story of the missing $6 350 000 that Rhoodie gave McGoff

THE Erasmus Commission says the former Prime Minister, Mr. John Vorster — now State President — must share with the former Minister of Information, Dr. Connie Mulder, responsibility for the latter's irregular actions in the now defunct Department of Information scandal.

It has changed its previous finding exonerating him

The Commission says.

Mr Vorster knew everything about the basic financial arrangements for the department's funds;

He was consulted about the secret funds as well as the projects themselves, and

Because he did not reveal irregularities that came to his attention, concealed them from the Cabinet and delayed, for a considerable period, taking purposeful steps to put an end to this wrong state of affairs, he is jointly responsible for the fact that the irregularities continued, including The Citizen

L E S DE VILLIERS
the start of the story

THE former Department of Information lost 6 350 000 dollars on its attempt to buy the WAshington Star through American publisher John McGoff, the Erasmus Commission reports

The commission says it finds it incredible that no one knows what happened to the lost 6 350 000 dollars.

It also finds it incredible that·

Officials of the department could leave 10 million dollars in the hands of McGoff without themselves keeping proper and effective control over the spending of the money;

That Dr. Eschel Rhoodie could agree with McGoff verbally, without the approval of a higher authority, to purchase the Sacramento Union — a transaction involving upwards of 6 000 000 dollars;

That the arrangements between the parties were made in such a lax and negligent way that there is no proper documentation describing the transactions in legally correct terms, or clearly showing the circumstances in which it was decided to write off funds; and

That McGoff as a shareholder is sitting with the Sacramento Union and the UPITV, while there is no clarity as to whether South Africa has any right to these assets.

The McGoff story began in 1968 when he visited South Africa at the suggestion of Mr. L E. S de Villiers, when he discovered an affinity with South Africa and her people

In May, 1971 Dr. Connie Mulder and Mr. F G. Barrie, then the Secretary of Information, visited the U.S McGoff was said to have arranged numerous interviews and meetings with important Americans for them without receiving any remuneration

De Villiers told the commission that the Arabs had offered McGoff money to buy them a newspaper in the U.S. but he did not accept it because he did not share their ideologies

This was how it came about that in 1974 McGoff indicated that the Washington Star was in financial difficulties and that it could be bought De Villiers told the commission such a newspaper could do a great deal for South Africa

De Villiers told Dr Rhoodie of the circumstances Dr Rhoodie was then said to have discussed the matter with Dr Mulder. De Villiers was told that Dr. Mulder, in his turn, had discussed it with Mr. Vorster and Dr Diederichs

Mr Gerald Browne, then Secretary for Finance, testified that Dr. Diederichs had told him that Mr Vorster and Dr. Mulder had initiated the project

Mr Vorster testified that he was aware of the transfer of 10 million dollars He had promised Dr. Diederichs and Dr. Mulder not to stand in the way of the project but said that they were not to involve him.

McGoff told De Villiers he needed about 25 million dollars to buy the Washing Star. He could put up 15 million and South Africa should put up 10 million dollars

It was decided that the 10 million dollars would provisionally come from the Special Defence Account of the Department of Defence

The money was transferred to the Union Bank of Switzerland in Zurich and then to Thesaurus Continental Securities, a subsidiary of the bank, and through Thesarus to the Star Newspaper Company, Wilmington, Delaware

Because the project was so sensitive, the idea was to channel the funds from Thesaurus to McGoff in such a way that it would appear to be a legal foreign loan.

McGoff therefore obtained what may be described as an "interest-free" loan of 10 million dollars so that, if it should be required of him, he could furnish proof that he had obtained the "loan" in Switzerland and not from South Africa.

The commission said it received no irrefutable evidence as to whether this was a repayable loan or not

"Whatever the case may be, one would assume in the absence of certainty about the matter that if the purchase of the newspaper were to fall through — as it in fact did — this amount, less the costs incurred in the attempt to purchase it, would have had to be returned to the RSA," the commission says.

But a banker from Texas, Joe Aubritton, was also interested in the newspaper and the owners favoured selling to him. McGoff tried but failed to get an interdict against Aubritton from the Federal Communications Commission, and the banker bought the paper.

While McGoff was awaiting the outcome of a passage from Advocate P.R van Rooyen's evidence.

The evidence reads

"At this stage I asked Mr Vorster if there was not an element of blackmail, because I had heard, which I wanted to discuss with him, that Dr Eschel Rhoodie threatened to bring the Government down if action was taken against him.

"This was hearsay, but I discussed it with the Prime Minister, and I then asked him if an element of blackmail was not concerned in the whole affair, and the Prime Minister's reply to me was: "A thousand percent He holds my [illegible] political life in [illegible]

The commission then amends its finding in its first report "in the light of the findings and conclusions" it has now reached

This previous finding read "It must be stated clearly and unequivocably that Mr Vorster's attitude and actions throughout all the activities involving irregularities were, in the commssion's opinion, honest, bona fide and devoid of any trace of personal gain In the commission's opinion, his integrity is unblemished."

The commission says that since it issued its first report, Dr. Mulder had been obliged to resign as a [illegible]

> **'He concealed irregularities from the Cabinet, regardless of the consequences'**

up for the commission by Mr Vorster himself in a Press statement released on March 22, 1979, which was submitted to the commission. In this statement Mr. Vorster makes it clear that he became aware of the matter as early as August, 1977."

On being questioned by the commission on April 27 this year, Mr. Vorster also testified that he had been informed of the State's involvement in the Citizen by Mr. L S van de V Reynders during September, 1977

Several ministers who had served in Mr. Vorster's Cabinet gave

sed the commission as being the truth, because it was given spontaneously and as coming from an old friend of Mr. Vorster's, who was moved by the recollection of a painful moment

"The commission finds Mr Vorster's reaction to this strange and unacceptable

"The evidence deals with General van den Bergh's visit to Cape Town to say goodbye to Mr. Vorster. While he was in the aircraft, General van den Bergh stated, he sat there turning over in his mind what he had to go and say to Mr. Vorster in Cape Town.

But, John, it can't go on like that This thing will destroy you, it's eating at you like a cancer. We cannot go on like this And your health is not good.

"When this evidence was read to Mr Vorster, he replied 'This is too stupid for words Such a conversation never took place It is as presumptuous as anything I've ever heard'."

The commission comments that General van den Bergh is indeed presumptuous, but it is of the opinion that his version of the incident was free of fabrication or pretence.

The commission then finds that on Mr. Vorster's own evidence in April this

This was continued in spite of the objection of Mr P W Botha, then Minister of Defence

"General van den Bergh supports Senator Horwood's evidence It appears from this that Mr Vorster was aware of all the basic financial arrangements right from the start, and that Mr P W Botha objected to them from the start, a fact that was denied by Mr Vorster"

The commission says it is reasonable to infer that Mr Vorster must in fact have known everything about the basic financial

1978, after Mr Reynders had been appointed by Mr Vorster to investigate irregularities in the Department of Information

The commission says it dealt with the certificate in its first report with reference to the actions of Dr Mulder and General van den Bergh, and the pressure they exerted on Reynders to submit a false certificate to Mr Vorster

The commission found then that Mr Vorster had not known in what circumstances the report had come to him, nor that it

adviser, a Mr Jones, later had discussions on the matter in Montreal on September 30, 1976 Dr Rhoodie again said he had never given McGoff approval for any part of the capital amount of 10 million dollars to be used for the purchase of the Sacramento Union McGoff thereupon revealed that he had already bought that newspaper and that the entire balance of the 10 million dollars had then been invested in the running of it

In the meantime a further amount of 1 350 000 dollars had also been made available to McGoff through Thesaurus to buy a controlling share in the United Press International and Television network — (UPITV)

United Press International held a 25 percent share, Independent Television network in London a 25 percent share and Paramount Films a 50 percent share in UPITV which serves about 110 countries in the world with news items

McGoff brought Paramount Films' 50 percent share of UPITV on behalf of South Africa, but acquired it for himself

In connection with the amount of 1 350 000 dollars owed to South Africa, he is reported to have said to De Villiers "Man, but I see of course that I represent you in that company."

At any rate, says the commission, the 1 350 000 dollars was added to the 10 million dollars so that McGoff received 11 350 000 from South Africa

According to De Villiers, [illegible]

required him to give a full statement of his assets and liabilities The existence of a foreign loan such as the one with Thesaurus would destroy him politically if it became known. He therefore wanted to sever his financial ties with South Africa.

McGoff and Dr. Rhoodie then agreed that the former would repay a further 4 590 000 dollars in cash at that stage.

A total of 4 970 000 dollars was therefore repaid and Dr Rhoodie and McGoff further agreed, without Treasury approval, to reduce the balance of the loan to 1 000 000 dollars, that is, according to De Villiers, 5 380 000 dollars of the debt was written off

In March, 1978, this debt of 1 000 000 dollars was sold to McGoff's partner, one Leipprandt, for 30 000 dollars under a further agreement.

"The outcome of the Star project," the commission says, "was that the department showed a loss of 6 350 000 dollars on an investment of 11 350 000 dollars, to which must be added —

"(a) A further R400 000 paid over to McGoff for the purchase of UPITV which was not included in the Thesaurus loan agreement,

"(b) Costs incurred in the process of purchasing or attempting to sell the Washington Star and UPITV; and

"(c) Administrative expenses charged by Thesaurus which according to calculations amounted to 25 000 dollars per annum."

The two adv[illegible]

The Mercury and Dr. Koornhof

Erasmus Commis-
s final report corrects
in parts of its first
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Mercury, the com-
on says that from the
ng of its first report
ght be inferred that
aurence Morgan, a
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, and Dr Piet
hof collaborated in
mpt to purchase The Natal Mercury secretly with State funds to serve as an instrument for the department.

Further evidence after December, 1978, however, made it quite clear that Mr Morgan merely dropped a hint privately to Dr. Koornhof that the news paper might be for sale.

Neither Mr Morgan nor Dr Koornhof ever had in mind that it should be taken over with State or party political funds Their idea was merely to get acceptable private persons with the necessary capital to buy control of the newspaper.

The transaction would in no way have had an official connection with the Government or the State

The first report had also stated that Mr Louis Luyt had suffered a loss of interest "because the Standard Bank had raised their rate of interest on a foreign loan to Luyt from 3 percent to 12 percent when Luyt's involvement with the Citizen became known to them "

The commission has since received evidence that Luyt's liability in connection with this loan was increased because a foreign loan of 17 375 000 Swiss francs was granted to him in June, 1971, which was equivalent to R3 006 055 at that time

When the loan was repaid by Luyt on June 15, 1976, he had to pay R6 098 631 as a result of the devaluation of the Rand against the Swiss franc, which meant that he lost R3 092 576 The Standard Bank received no interest on the loan and was involved in the loan only as a guarantor — (Sapa).

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regularities in which he
as involved In his state-
ent to the Press on
arch 22, 1979, Mr
orster reproached Dr
ulder for remaining
lent when his colleagues
the Cabinet were ac-
used by the parliamen-
ry opposition and certain
wspapers of being im-
licated in these
regularities

In essence, however, a
milar reproach can be
dressed to Mr Vorster in
e commission's judg-
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ar, Mr Vorster, together
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the administration of the
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lleagues, at a time when
e Press and the opposi-
n were already making
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During this period
ery innocent member of
e Cabinet therefore had,
cause of the collective
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nt to point out again that
did have the affairs of
e department in-
tigated, for example by
Public Service Com-
sion and others during
period "

king why Mr Vorster
not reveal the facts, the
mission says it does
want to speculate about
but would like to quote

This was for me disturbing

"Even this piece of evidence given by Advocate van Rooyen later proved to be true," the commission commented

The commission says when its first report was prepared, the commission had no absolute certainty as to when Mr Vorster first became aware of the State financing of the Citizen.

All the witnesses who gave evidence on this matter — except Drs Mulder and Rhoodie, who were found to be unreliable in this connection — agreed that it was during the latter half of 1977, but could not pinpoint a specific time They did, however, all agree that he had been informed of several apparent cases of misappropriation by the department, including the Citizen, at the latest during November, 1977, at the evening meeting at his residence, Libertas

For this reason, the commission gave Mr Vorster the benefit of the doubt in its report, and found that he became aware of the implications of the Citizen only at the end of November

"The commission was naturally mindful of the fact that much earlier knowledge could have serious implications for Mr Vorster, and in all fairness it was not prepared to make a speculative finding on such an important aspect "

"This uncertainty has, however, now been cleared year that it was not until his last Cabinet meeting on September 27, 1978, that Mr Vorster informed the Cabinet about the Citizen for the first time, and then only after he had been confronted by some members of the Cabinet the previous evening with the facts that Mr van Rooyen had given them

The commission says it seems Mr Vorster feels resentment towards Mr van Rooyen, blames him and regards him as a gossip-monger for ever having told him (Mr Vorster) the facts and for having revealed them to members of his Cabinet in September, 1978

"The commission can find no fault with Van Rooyen's action in revealing the facts about the Citizen to members of the Cabinet on the eve of the election of a new Prime Minister in 1978, especially if it is remembered that he knew that Dr Mulder, one of the candidates, had had a hand in this gross irregularity

"Evidence given by Mr Vorster before December, 1978, about the irregularities consisted mainly of denials, and the commission accepted his denials rather than the evidence of witnesses such as General van den Bergh, Dr Mulder and Dr Rhoodie that contradicted the denials. The commission did not want to make findings against him on uncertain evidence

"One piece of evidence given by General van den Bergh, however, impresses follows

"And then my thoughts turned to this frightful problem that the poor man was struggling with, the Citizen, because I knew it had become an inner torment — sielewroeging — for him. How could I help him? I tried very hard to help him . . . I arrived in Cape Town and immediately went to him

"I reported on my affairs, and then I said to him

John, today I want to talk seriously to you as man to man, as friend to friend. Just you and I We have come very far You know, John, what respect I have for you, what appreciation I have for you . But you have now reached a stage where things are not going well. It's not going, and it hurts me. I don't want people to criticise you. They can say what they like about me. They must leave you alone

Here, in this corridor of yours, I hear among your people that they are criticising you about this Information affair. They say you do not speak the truth They do not say you are lying in what you say, but they say you have knowledge which you are withholding. And that is where they say you are not telling the truth. I say, John, and this is the best of all, you know it is so. And you know that I know it is so And you know that Connie Mulder knows that it is so.

He shrugged his shoulders and then said "Yes, it is so, and I said

ment contained in his Press release, that he knew of the Citizen project as early as August or September, 1977, and the implications of this finding are

Mr. Vorster's evidence therefore does not tell the correct story.

That he kept the irregularities secret;

That he concealed the irregularities from the Cabinet, regardless of the consequences.

REFERRING to Mr Vorster's knowledge of financial arrangements, the commission says Mr Vorster intimated he had become aware of Defence secret funds going to the Department of Information only about May 8, 1978

But Senator Owen Horwood's evidence paints a completely different picture

"He said that on February 21, 1975, shortly after he had become Minister of Finance, Dr Diederichs had told him that this arrangement had been agreed on by Mr Vorster, himself and Dr Mulder Senator Horwood's evidence continues as follows

" and I would like to add to that, Mr Chairman, that I did some time later, talk to the Prime Minister (Mr Vorster) about this He said it is correct that there was this decision which was felt to be in the national interest, very strongly, and it was felt that this was the best way to do it In other words, he did confirm what Dr Diederichs had told me "

ion with the department's funds and its main projects

Dealing with Mr Vorster's knowledge of the secret projects, the commission refers to certain letters which it says make it clear that Mr Vorster was consulted in advance concerning the funds needed for the secret projects

"It therefore seems highly unlikely that the secret projects would not have been mentioned to him to support the requests in terms of Mr Vorster's letter of December, 1973 the concluding paragraph of which reads as follows

" 'The Minister of Information consults in the nature of the affair the Prime Minister on important Information aspects and projects ' "

Dealing with its assertion that Mr Vorster kept the irregularities secret, the commission refers to the certificate issued by Mr Reynders to Mr Vorster on September 19, questioned in April this year, however, Mr Vorster took the line that he had been satisfied with the report and that it had not been false, even after the nature of the irregularities then existing had been pointed out to him

"The commission finds this unacceptable In the light of this the commission has to reconsider its original view on Mr Vorster's involvement in the false version of the real situation in that report '

General van den Bergh had maintained in his evidence that Reynders had to investigate all irregularities, whatever their nature This was also the opinion of several members of the Cabinet

Mr Vorster tried to defend the certificate and would have accepted it as being quite in order and in accordance with his instructions to Reynders According to him it had not been necessary for Dr Mulder or General van den

To Page 10

c c , ie v s.ted Dr Rhoodie in the Republic and mooted the possibility of using the interest on the 10 million dollars and part of the capital to buy another newspaper, the Sacramento Union in the capital of California. The purchase price was 6 000 000 dollars

According to De Villiers, Dr. Rhoodie agreed to this proposal, but later, during a further visit to South Africa by McGoff, denied that he had given McGoff the right to use part of the capital But he did not deny the agreement to buy the Sacramento Union using interest on the capital which amounted to about 500 000 dollars a year

"When Dr Rhoodie learned during McGoff's later visit that McGoff had put 6 000 000 of the 10 million dollars into the Sacramento Union he was upset and said that he would have to obtain Dr Mulder's sanction "

De Villiers testified that he, Dr Mulder, Dr Rhoodie, McGoff and his

Dr Mulder and Dr Rhoodie and at the Montreal meeting it was said he should sell the Sacramento Union and repay the money McGoff argued that it could not be done immediately and asked for time

It was then agreed among them verbally that McGoff should pay over the entire profit of the newspaper to Thesaurus on a monthly basis — about 240 000 dollars a year According to Reynders's report to General van den Bergh, there were no profits

A total of 380 000 dollars was at any rate repaid to Thesausus and there was 10 970 000 dollars still owing

Several months after the agreement of September 30, 1976, it was felt that the money was being repaid too slowly. Dr Rhoodie needed the money for other projects, for example Annemarie to set up the Citizen

McGoff in turn was involved in a lawsuit which commission attempted to obtain evidence on the Star project in Zurich from Thesaurus and the Union Bank of Switzerland, but their efforts were fruitless since neither Thesaurus nor the bank made any information available to them

"The commission wishes to place on record that proper arrangements were made by the commission through its legal advisers for Dr Rhoodie to give evidence abroad, without having to return and run the risk of being arrested He elected, however, not to avail himself of the opportunity.

"A proper invitation was also extended to McGoff by Advocates Klem and Van Zyl during their visit abroad to give evidence on commission in connection with the Washington Star and the Sacramento Union. Although McGoff was invited to choose a venue abroad for this purpose himself, he also did not avail himself of the opportunity to give evidence " — (Sapa)

ERASMUS: The Final Report

Cabinet did not know

THE Erasmus Commission confirmed its finding that no present members of the Cabinet had any knowledge of the Citizen project

In its final report, the commission says that some parts and passages of the Progressive Federal Party's documentary evidence "point to circumstances that may arouse the suspicion that Senator Horwood and other members of the present Cabinet were aware of irregularities, but they fall far short of de facto proof."

The commission says that it emerges from the documents that the PFP's attitude was that almost all projects launched and financed with moneys from the department's secret fund should be regarded as irregular because of the irregularity of the fund itself in the department, the irregularity being aggravated by the fact that projects were conducted in secrecy.

The commission considers this view of the PFP does not hold water The commission reiterates that there is nothing wrong with secret funds.

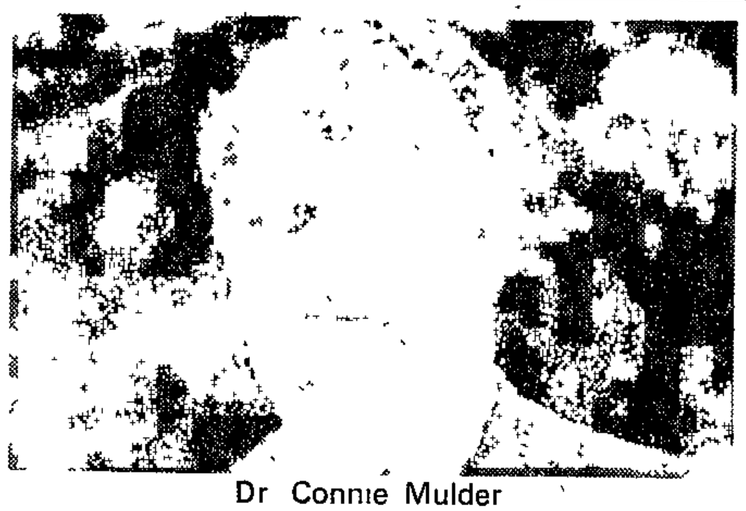
"The question is whether they were spent in an irregular manner, and this depends, in turn, on the circumstances of the case

"Let us for instance suppose , that all parties in South Africa agreed to the purchase and funding of a newspaper in South africa by the Government then that could not be called irregular, even though the project was conducted in secret.

"Similarly, there could be no objection if a Government, which represented the people under a

Mulder and the Perskor link

THE Erasmus Commission considers that Dr. Connie Mulder, when Minister of Information, improperly attempted to interfere with the proper performance by the State Tender Board of its function, with the intention of helping Perskor, of which company he was a director.



Dr Connie Mulder

The commission says Dr Mulder elected not to answer the commission's questions about this matter on April 26 this year

The matter arose over the award of the contract to print S A Panorama at the end of 1977

S A Panorama had been printed for 16 years by Perskor, using the letterpress process The contract had been repeatedly awarded to Perskor on a tender basis

"The contract for the printing of S A Panorama was worth a great deal to any printer, and at the stage — 1974 — already amounted to several million rand," the commission says

Perskor printed S A Panorama on a machine which, according to Mr J H O Adendorff, then head of publications for the department, was virtually kept and used specially for this purpose

In 1974, when the contract had to be awarded anew for three years, Adendorff advised Dr Rhoodie that it would be desirable to invite tenders for lithographic as well as letterpress printing which in some cases could be up to 50 percent more expensive than modern methods

Dr Rhoodie asked him to request the Government Printer to invite new tenders, but to put it to the Government Printer at the same time that simply extending Perskor's contract would be to the State's advantage

This the Government Printer refused to do

With Dr Rhoodie's approval, Adendorff then wrote to the Government Printer requesting him to invite tenders for lithographic printing as well as letterpress

Soon after, Adendorff testified, he was approached by Mr J M. Buitendag, Perskor's printing manager, with the request that only tenders for letterpress printing should be considered

Adendorff said the matter rested with the Government Printer and Buitendag said he would therefore have to discuss the matter with his "baas" Dr Mulder was then both Minister of Information and a director of Perskor

Buitendag explained that, if he had used the words, they were a reference to Mr Marius Jooste, chairman of Perskor

About nine days later, Adendorff was instructed by Dr Rhoodie to write a second letter to the Government Printer directing him to consider only tenders for letterpress printing The contract was again awarded to Perskor for three years

In 1976 Mr D C van der Spuy became head of publications for the department In 1977, when new tenders had again to be invited for printing S A Panorama, Van der Spuy recommended to the Government Printer that tenders be thrown open to all printing processes He was already in favour of using the lithographic process

Several printers tendered, including Nasionale Koerante (gravure), S A Litho (lithography) and Perskor (letterpress, gravure and lithography)

The tender from Nasionale Koerante was far and away the lowest, being about R260 000 cheaper over the period of three years than any of the other tenders The next lowest tender was S A. Litho's and the third was Perskor's lithographic tender.

The letterpress tender from Perskor was considerably higher than any of the three others mentioned

The contract was awarded to S A Litho at the end of 1977 The directors of Nasionale Pers were not satisfied and on March 9, 1978, they wrote to Dr Mulder asking for an explanation

Van der Spuy testified that he insisted on lithographic printing for S A Panorama as his technical adviser in the department, Mr. A G Driessen, had advised him it was superior to all other processes

But neither he nor Van der Spuy had ever ascertained the quality of gravure printing done by Nasionale Koerante

"It is clear to the commission that Van der Spuy decided overhastily in favour of S.A Litho's tender "

Dr Mulder in his reply to Nasionale Pers, relied on trivialities and absurdities which all witnesses agreed would not be valid reasons for not awarding the contract to Nasionale Koerante

The commission finds that in the circumstances, Van der Spuy played a suspicious role in awarding the Panorama contract to S A Litho that shows prima facie favouring of S A Litho for dubious reasons.

After the Tender Board had awarded the contract to S A. Litho, according to Van Der Spuy's evidence, Dr Rhoodie informed them that Dr Mulder felt very unhappy about it Dr Mulder gave Van der Spuy instructions, through Dr Rhoodie, to convene a meeting with the State Buyer, the Government Printer and the Tender Board He was instructed to request the meeting to make absolutely sure S A Litho could handle the work and was not on the brink of bankruptcy

Van der Spuy said the purport of Dr Mulder's instructions was to investigate the possibility of changing the decision by the Tender Board

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After setting out passages of evidence, the commission finds that Dr Mulder had this meeting convened because he hoped that the Tender Board might reconsider its award of the contract to S.A Litho in favour of Perskor

In another reference to Dr Mulder, the commission says he was subpoenaed to give evidence before the commission in connection with the Washington Star project and the printing of Panorama

"He refused to give evidence and the commission has referred him to the Attorney-General of the Transvaal for prosecution on a charge of contempt of the commission "

According to newspaper reports, Dr Mulder contended that he had refused to give evidence because the commission had refused to give him a fair hearing by not giving him access to files Later, after he had refused to give evidence, he stated, according to newspaper reports, that the commission had shifted its position by saying that it would make the documents available to him after he had taken the oath

"Both statements are untrue, and a true record of the events is given below," the commission says

Before the commission began its session on the morning of April 26 this year, when Dr Mulder was to have given evidence, his legal representatives submitted a document setting out the reasons why he would not give evidence This document was not true to the facts

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Dr Mulder had already given evidence to the commission on two occasions and he knew that all documents available to the commission, which was hearing evidence in camera, had been made available to him as soon as the oath had been administered If at any time he had asked for time to consider his replies in connection with such documents, the commission would even have given him the chance to do so He would then, however, have had to give an undertaking of secrecy.

In the case under discussion the commission, by way of exception, made certain documents that had been handed in on which substantial evidence had not yet been given, available to Dr Mulder before he was asked to take the oath

He was not, however, allowed to remove them from the building in which the commission was sitting.

The commission's procedure was in no way changed and there could be no question of the commission's changing its position in the matter of making documents available to Dr. Mulder, since documents and evidence given before the commission were kept secret

In the document it was alleged Dr Mulder "geen geleentheid gehad het om te reageer op weersprekende getuies nie en is hy nie eers van die streeking of bestaan van weersprekende getuies verwittig nie "

"This is a lie," the commission says "The evidence of Reynders, Mr. Vorster's Press statement, etc, for example, were put to him in detail.

"Later Senator Horwood gave evidence against Dr. Mulder and on November 27, 1978, Dr Mulder was recalled and Senator Horwood's evidence was put to him in detail

"In this regard Dr Mulder was treated just like all the other witnesses, and after he had given evidence before the commission the first time he said, perfectly satisfied, "Thank you, Mr. Commissioner, thank you gentlemen, and thank you for the good spirit in which it can take place'."

In the document, Dr Mulder [illegible]

Pointers to theft and fraud

THE Erasmus Commission has found that prima facie there was extensive misappropriation by Mr. J. van Zyl Alberts of State funds under his control. It is of the opinion that the misappropriations point to

funds with the object of maintaining secrecy

The financial records were not kept in such a way that it was possible at all times to distinguish with certainty between State funds and personal funds.

"Alberts admits that it gain

"It should be noted, because of the covert nature of Alberts's role on behalf of the department, the entries reflecting expenditure of funds could never to the best of Alberts's knowledge, be audited

R20 000 a year

"He said nothing about commission on transactions, agent's fees, option fees, etc , that he had negotiated with Dr Rhoodie Now, however, he has come along afterwards and used these forms of remuneration [illegible]

amount of R50 000 was made available to Alberts by the State under the project "Bantu films"

This was paid in by Alberts to the credit of his personal account at Barclays Bank, Church Square

On April 28, 1974 Alberts

financial statements for the years 1975, 1976, or 1977, nor in the draft statements for 1978 made available to Mr Truter during November, 1978.

Another transaction was the buying and selling of shares in SAAN (South African Associated Newspaper [illegible]

sion could not confirm that

Alberts also received R10 000 for travelling expenses in connection with SAAN shares and another amount of R14 992,67 as a consultation fee

Referring to the com-

It did not include a total of R130 537 made up of R55 445 as share of interest earned on investment, R38 137 interest on personal funds possibly overcredited, R10 750 for a car supplied to Alberts that may have been donated to him R2 20[illegible] paid to Alberts

Government, subsidised a newspaper with State funds in another country, with the consent of that country, if such paper advanced and promoted the interest of the country as a whole This would be the position in the commission's view, irrespective of what others might say about it

"Consider To the Point According to the evidence before the commission, it is a periodical which benefits South Africa as a whole."

The financial arrangement under which the department's secret funds came from the Special Defence Account had already been dealt with by the commission, but was nevertheless persistently raked up by certain bodies

Dealing only with irregularities and misspending of State funds as found in the department, the commission says "In this regard, both Mr P W Botha and Senator Owen Horwood find themselves bumped over the white line at an intersection where he is not allowed to be

"And who, except perhaps a politician who wanted to make capital out of it, would blame him if he were to pick up his cycle and continue on his way?

"These two ministers had to accept the position nolens volens as they had virtually inherited it. Mr Vorster, the then Prime Minister, had assumed full responsibility for this arrangement. That was how he wanted it, and according to him, there were no objections from anyone in Parliament." — (Sapa)

The Commission makes this finding in a chapter headed "J van Zyl Alberts — trusted associate who lined his pockets "

During the period March, 1974 to November 30, 1978, Alberts acted as a front for the Department of Information in handling a large number of secret projects and transactions

"During this period Alberts received a total of R16 026 220,23 from the secret fund to utilise on behalf of the State "

Alberts confirmed to Mr B O Truter, an accountant and auditor the commission appointed to investigate Alberts and companies in which he had an interest, that there had been deliberate merging of funds belonging to the State were used for personal purposes but also points out that he himself did have surplus funds available from time to time "

The Commission says "In many of the cases where Alberts used State money for his own gain, his explanations to excuse himself seem unacceptable to the commission

"The commission is of the opinion that Alberts's merging of State funds with his own was done not only to conceal his role as a front for the department, but also deliberately to create such a chaotic tangle that nobody would notice without a thorough audit when Alberts used State funds for his own

"The commission is therefore forced to this conclusion not only ex facie the chaos itself, but also because it is almost inconceivable that a man who describes himself as an auditor and experienced businessman could make such incredible mistakes in his bookkeeping and then try to give such naive explanations afterwards

"When he first appeared before the commission, Alberts was specifically asked to mention all the remuneration, of any nature whatsoever, that he had received from the department for his work On that occasion he stated that he had only received the tax-free honorarium, which was R15 000 a year at first and later became

that money due to the State has been appropriated by him

"The entries recording these transactions are of such a nature that they do not even support him, and the commission rejects these explanations he has now given

"The commission is of the opinion that the misappropriations point to theft and fraud "

The report goes into detail on the investigations by Mr Truter

Under the heading, "Application of State funds for personal purposes and/or from which personal gain was derived," it deals first with the purchase of shares in Heyns Films en Televisie Beperk

On March 26, 1974, an

deyns to buy 20 000 shares in Heyns Films en Televisie Beperk

Alberts confirmed to Mr Truter that he took the difference of R24 000, i e R1,20 per share, for himself as profit," the commission says

Alberts told the commission he had taken a written option on March 24, 1974, on the 20 000 shares and took the R24 000 as a fee from the State in exchange for the option

But it was clear to the commission that Alberts actually obtained the option on behalf of and as an agent for the State Nevertheless he "sold" the option to the State for R24 000

This profit of R24 000 was not disclosed in his

1975, to September 9, 1976, 60 000 SAAN shares were bought at a total price of R128 744,09

Of this, R100 000 was State funds intended for the Annemarie Project — The Citizen — and the rest was made available by Alberts

The profit from dividends and sale of the shares was R20 983,85 of which R8 000 was credited to the Annemarie Project and R12 983,85 to Alberts This meant that Alberts was allocated an excess amount of R8 299, calculated pro rata on the investment

Alberts told the commission Dr Rhoodie had given his approval for Alberts to take the larger share of the profits, but the commis-

on February 28, 1977, Alberts received a credit of R10 000 that was written-off as publicity expenses for the film, Tigers Don't Cry, made for the State's film project

At the date of the report Alberts had not yet been able to give convincing reasons why he was entitled to a credit of R10 000

Over the period from March, 1974 to November, 1978, the total remuneration paid to Alberts and Mrs Alberts was R338 465 He paid no income tax on R222 300 of this because he did not declare it as income to the Receiver

This total included R90 000 honorarium, and R114 125 remuneration from To The Point

house and R24 000 contributed by the State to compensate for a farming loss

The commission says Alberts confirmed that an amount of R67 825 paid to his credit on July 10, 1978, was an advance on his pension from To The Point and that he would submit a certificate to this effect To date this has not been done.

The amount was withdrawn from funds belonging to Dr H G Jussen, the publisher of To The Point, that were under the control of Alberts Mr Jussen denied he gave permission and requested Alberts to repay it This amount had since been repaid — (Sapa)

gve m le opportunity o rebut its findings in the interim report In a Press statement dated March 22, 1979, the commission invited all persons and bodies who could give evidence on matters covered in its terms of reference for the interim report to come forward Dr Mulder ignored this invitation The commission assumed that he could give no further evidence on the matters covered by these terms of reference than he had already given before

"Whatever the case may be, on the morning of April 26, 1979, in the conference room, before Dr Mulder was called to take the oath, the chairman explained the whole position to him in detail

"The commission wished to hear Dr Mulder on the findings it had arrived at about which he (Dr Mulder) might feel unhappy, since the commission's activities had not yet been completed

"The commission wanted to hear his evidence on the Star project, including the Sacramento Union, and the loss sustained by the State in this matter, as well as about his alleged interference in the awarding of the S A Panorama printing contract by the Tender Board

"The commission explained the whole procedure regarding making documents available to him and also pointed out that his allegations were incorrect, and then adjourned so he could reconsider his decision not to give evidence

"In spite of all this, Dr Mulder's advocate informed the commission that Dr Mulder was standing by the objections in the document, and Dr Mulder added to this: "I have had one experience which I do not wish to repeat Thank you very much

"The commission is convinced that Dr Mulder, a key witness, could have shed light on both matters but was deliberately refusing to do so, and the commission is satisfied that he did not commit any procedural irregularity — (Sapa)

The recommendations

LOSSES of State money in certain Information Department secret projects should be recovered from Dr Connie Mulder and Dr Eschel Rhoodie, if they are legally liable, the Erasmus Commission recommends

Legal advice should be sought to determine their possible liability.

The secret projects named are the Citizen, the Washington Star, Sacramento Union and UPITV

Dr. Mulder, former Minister of Information, said nothing in his evidence about the Washington Star and Sacramento Union and refused to answer questions on them, the commission says

Dr. Rhoodie, the former Secretary for Information, was named in an earlier commission recommendation which said the irregularities committed by Dr Rhoodie and his brother, Dr D O Rhoodie, former Deputy Secretary, with moneys from the secret fund be referred to the Attorney-General for investigation and evaluation with a view to possible criminal proceedings.

In the final report the commission repeats this recommendation on the strength of its latest findings It also adds the names of Professor N J Rhoodie, the third Rhoodie brother, and of Mr J. van Zyl Alberts to the list of those whose handling of secret funds should be referred to the Attorney-General

In regard to Mr Alberts, the commission finds that "the facts indicate prima facie that there was extensive misappropriation by Alberts of State funds under his control," and adds.

"The commission is of the opinion that the misappropriations point to theft and fraud "

Another recommendation by the commission is aimed at prosecution of anyone who has disclosed official secrets abroad since June 1 last year

It reads "That it be provided with retrospective effect from June 1, 1978, that any person who commits any act outside the republic which would constitute a contravention of the Official Secrets Act, 1956 (Act 15 of 1956), if committed within the republic, shall be deemed to have committed such an act in the republic."

The commission also recommends changes in legal procedure to enable the State to charge and to prosecute any person entrusted with Government administration in any capacity for his acts of maladministration and misappropriation of funds without there being any danger that such person

(a) Will be able to apply duress to the State by threatening disclosure of "official secrets",

(b) Will be entitled, either in person or by calling other witnesses, to disclose "official secrets" in the course of the trial,

(c) Will be entitled to apply to a Court for the disclosure of any evidence which was given in some other lawsuit or inquiry and which may involve "official secrets".

The commission, which refers in its report to "unwarranted criticisms of, and attacks on it," recommends that it be provided in regard to all judicial commissions of inquiry that the presiding officer shall himself have the right to sentence any person there and then for any contempt of the commission, whether by ignoring the commission's subpoena to appear or refusing to testify or by wilfully hindering or insulting the commission in the performance of its functions, provided however, that he may at his discretion refer such a case to the Attorney-General for prosecution.

The commission says that from a legal point of view, it has no objection to the disclosure of the evidence, except such parts of it, including exhibits, as may be prejudicial to the security of the State

But it suggests that in deciding whether to release the evidence, the executive should have regard to a number of factors

First, disclosure may easily create the impression of breach of faith towards witnesses

Throughout, evidence was taken in camera and witnesses were given the impression that the proceedings were secret Consequently they gave evidence which they would probably otherwise never have given

Second, there was the possibility of prejudice to innocent persons against whom accusations were made, which eventually proved irrelevant, and who did not have the opportunity of defending themselves

"Because the witnesses spoke freely, a very large part of the minutes consists of material that is not relevant to the matters investigated, and the disclosure of such material cannot serve any purpose and can only satisfy curiosity and may cause the persons concerned embarrassment and possible prejudice "

Allegations were sometimes made against persons who were not called on to state their side of the case, and such allegations were inevitably one-sided and inconclusive. Disclosure of these allegations would not be fair and could only lead to the defamation of persons.

Third, the evidence comprised 57 volumes, plus exhibits running to several thousand pages There was a possibility therefore that snatches of evidence would be quoted in the news media without regard to the context, which might result in a distorted picture being given of the true state of affairs

Fourth, it was clear from the reports that criminal proceedings might result against more than one of the alleged parties to irregularities

If the evidence were released, such persons would be largely prejudiced at their trials since they would already have been condemned in advance by public opinion on the evidence

The commission recommends that the State consider granting relief to innocent persons who have lost their employment through the dissolution of the Department of Information or any of its front organisations — (Sapa)

The witnesses 'who sang their own praises unasked'

THE biggest problem the Erasmus Commission had in its investigations was the tendency of witnesses to cover up and spin a web of unpalatable facts, the commission says

Not a single one of the witnesses from the defunct Department of Information who gave evidence was prepared to say that he had been at fault in any way. Here and there something was let slip inadvertently

"Out of these crumbs, the gossip of fellow officials in the department, newspaper reports and contradictory evidence of individual witnesses the commission had to try to establish a platform from which it could sometimes launch an 'attack' in the interest of the truth."

The commission says witnesses sang their own and their acquaintances praises unasked

"Golden threads shone everywhere and the commission continually had to be on its guard against the tendency of witnesses to spin a cocoon."

Mr Vorster praised General van den Bergh, unasked, and the commission comments "If General van den Bergh was to be regarded as credible, his evidence would be irreconcilable with Mr Vorster's "

Mr Vorster also described Dr Rhoodie as "the most fantastic man I have ever met in my life, there will not again be such a person" The commission comments that it found Dr Rhoodie had committed irregularities which pointed to fraud and theft

General van den Bergh praised Dr Rhoodie, concluding with the words "If they knew what Dr Rhoodie has done for South Africa instead of crucifying him they would build a monument to him "

The commission said witnesses did not mention unlawful activities except under questioning Mr Vorster gave evidence twice before December, 1978, but the commission heard nothing from him then about the transfer of 10 million dollars to the U S to buy the Washington Star, or about his alleged consternation at the purchase of the Sacramento Union He also tried to conceal certain facts from the Cabinet.

Dr Mulder attempted to dissociate himself from all unlawful activities in the department by testifying, as a form of defence, that he was the political head of the department and regarded administrative matters and projects largely as detail.

In the commission's opinion this is also a form of covering up. He did not say a single word about the Washington Star and the Sacramento Union and refused to answer questions about them.

Of Dr. D O Rhoodie the commission says "Of all the witnesses who gave evidence before the commission he was one of the poorest, if not the poorest, and the reason for this was obviously that he was not able to give a proper account of the events at issue in the department"

His evidence was mendacious and the commission could not rely on it at all.

Mr L E. S. de Villiers, head of the planning division of the department, gave disappointing evidence "He is a great talker about everything, but never really came to the point "

As soon as a question was put to him that indirectly or directly implicated him according to other witnesses, he was negative or knew little about the matter

De Villiers himself testified that the department was "a cocoon" He could not complain to Dr Mulder, because Dr Mulder would immediately have gone to Dr Rhoodie who would then have said he would handle the matter himself If he had gone to General van den Bergh, the same thing would have happened — (Sapa.)

ERASMUS: The Final Report

The Info man who liked ladies . . . and fast cars

THE disestablishment of the Foreign Affairs Association, a Department of information front, was a very wise step and a happy decision, the Erasmus commission comments

To Mr Cas de Villiers, the director, Miss Hester Lamprecht, public relations officer, and their friends, FAA was an unexpected source of income and unearned pleasure," the commission says

FAA was established on April 6, 1975, and disestablished on November 1, 1978 It fell directly under Mr L E S de Villiers the department's chief director of planning

The main idea was to represent itself as an academic body doing research, which was to be financially independent of the State and the department The normal annual budget was about R100,000 but the department voted additional funds so that FAA cost the department about R200 000 a year

Cas de Villiers, the director, started off in a grand manner He bought a house for R90 000 for office purposes with State funds but it was registered in the name of a private company Improvements were made costing R20 000 He bought with FAA funds a circular dining room suite which could seat 14 people and which he kept in the house on his farm

The commission comments scathingly on Mr Cas de Villiers

"As director of FAA, Cas de Villiers reminds one in many respects of Dr Eschel Rhoodie, the secretary of the department and, like the department, FAA soon headed for a fiasco

"In outlook, Cas de Villiers is like a young, inexperienced, wealthy man with a glib tongue, tending to mendacity He has a quick temper and is a ladies' man "

It adds "It almost goes without saying that a man like Cas de Villiers is not equal to the post of head of an organisation such as FAA "

Again 'He had a fancy for flashy and good cars When he began with FAA in 1975, a new red Mercedes Benz 280 was bought for him for about R14 000 Eight months later, a new three-litre BMW was purchased for about R15 000, and he got rid of the Mercedes About two years later, a Mercedes Benz 230 was bought for guests In addition a kombi was hired for guests

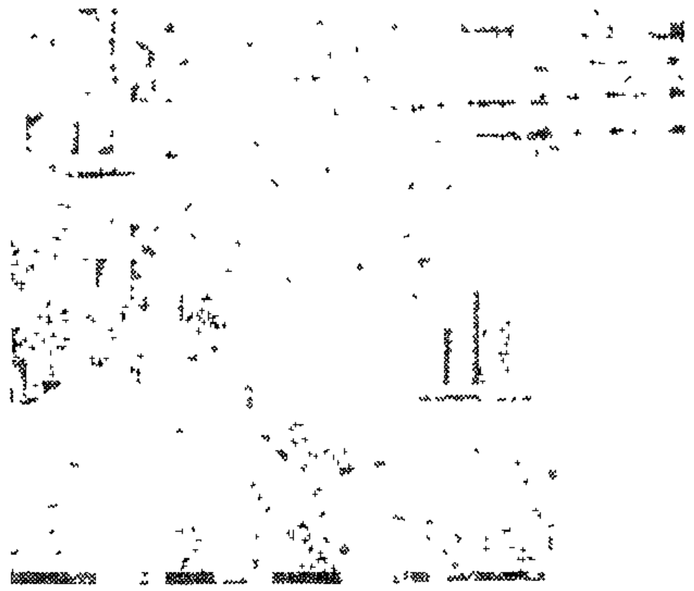
"He lived on the farm and had the use of FAA's cars to travel backwards and forwards between his work and the farm on a road that was 'not too good ' He had his own chauffeur His staff considered all this ostentation unnecessary At present he drives a private car, a Mercedes Benz 450 SLC, like the one used by Dr Rhoodie a while ago "

The commission says that although married, he soon struck up a relationship with his public relations officer, Miss Hester Lamprecht which developed to the point where the staff looked on her as the "deputy director" of FAA, and were afraid of going to see Cas de Villiers in his office "because he and she spent hours of their working time together in the office and he was not available"

On one occasion he broke away from an official touring party in Europe to go holidaying with a woman Miss Lamprecht was upset on hearing about the other woman and then seemed to be in a hurry to leave for Europe herself

She visited London and New York

"The excuse put forward for every telephone call at State expense and for every visit to another country was some trivial official appointment, which came to nothing in many instances because it had not been properly arranged beforehand If one reads the evidence one finds a good example of two people playing a cat-and-mouse game in Europe with State money '



Cas de Villiers

The story of Cas de Villiers is more reprehensible, the commission says

He had to conduct a party of 12 parliamentarians from South Africa through Germany on an exchange programme They were there for 12 days and he had to accompany them for 10 days

"After a day and a half with this group, he broke away and gadded about Europe with a woman "

His story on his return to South Africa was that he had been with the group for four days

According to Miss Lamprecht, Cas de Villiers was extremely quick-tempered If his official car would not start, he would rush at it and kick it, and on another occasion he threw a tape recorder against the panelled wall of his office When he was in these moods he would use strong language

He failed to apply in writing for leave as required

Commenting on Miss Lamprecht, the commission says 'as a public relations officer the commission found her quite pathetic '

Yet she was sent to Washington for six weeks to arrange a conference there for FAA This was a waste of money

The commission says Cas de Villiers used State funds to pay his personal accounts

'No losses or embezzlement of large sums of money came to the commission's notice in connection with FAA, but the evidence leaves no room for doubt that Cas de Villiers was dishonest and personally spent FAA's money liberally as a result of injudicious arrangements and undertakings " — (Sapa)

"The reason I save is in uniform and puts kisses at the bottom of his letters."

From Page 9

Vorster 'knew everything'

Bergh to exert any pressure on Reynders

Mr Vorster said in evidence that when he had instructed Reynders to investigate the alleged irregularities, he had had in mind only cases of self-enrichment and embezzlement — (selfverryking en geldverduistering)

"Reynders was adamant that he would not have issued such a certificate had it not been for the pressure exerted on him He therefore probably understood the instruction as being different from what Mr Vorster now says the intention was

"The commission finds it difficult to understand why Mr Vorster did not give Reynders the instruction concerning the investigation that he says was his intention Mr Vorster has issued a Press statement, stating exactly what his instruction to Reynders was — 'To carry out a full and thorough investigation about all alleged irregularities, allegations, stories and rumours so far as the misuse of funds is concerned ' In this sense, surely, the massive spending of State funds on the Citizen and the loan of R825 000 by Dr Rhoodie to Pieterse for the making of a film for his personal gain, for example, would have been serious irregularities committed in the department

"When Mr Vorster received Reynders's report, he had already been informed in detail by Reynders over the preceding period of almost a year of a large number of irregularities, including the two cases of gross misappropriation of State funds mentioned above In spite of this, Reynders then reported in writing to Mr Vorster that his investigation had revealed no cases of misappropriation

"The commission believes that to Mr Vorster's knowledge on the date of Reynders's report, Reynders had deliberately painted an incorrect picture of the state of affairs

action which in itself was a serious irregularity — the covering up of gross irregularities To this extent Mr Vorster must share responsibility with Dr Mulder for the latter's irregular actions

"On April 27, 1979, however, Mr Vorster gave evidence that when he first confronted Dr Mulder about the Citizen, he put it to him unequivocally that it was 'verkeerde besteding' — wrongful spending — of the State funds The commission can see no difference between 'verkeerde besteding' and 'wanbesteding' — misappropriation — of State funds

"In spite of the view he expressed outspokenly to Dr Mulder he accepted Reynders's statement in his report that there was 'geen wanbesteding' — misappropriation — of State funds by the department

"Mr Vorster wanted to explain his obvious contradiction by intimating that such wrong spending was not necessarily morally wrong In the commission's judgment, however, Mr Vorster has only two alternatives

"Either the spending on the Citizen was wrong and therefore, as a misappropriation morally unacceptable to him, or it was morally acceptable to him and therefore no misappropriation If the latter is his view, that may explain, among other things, why for more than a year he took no steps to stop the State spending on the Citizen

sembly when Dr Mulder replied

The commission says it is in doubt as to what the truth is, and is not prepared to make a specific finding on this matter

If it was now accepted as beyond all doubt that Mr Vorster was informed of the facts about the Citizen as early as August or September, 1977, it meant he had kept the facts from the Cabinet for more than a year

"The fact that in the commission's judgment, he was virtually compelled by Advocate van Rooyen's actions to inform the Cabinet at the eleventh hour, before he retired as Prime Minister, casts a shadow over Mr Vorster's committedness at the time to open administration of the country and the sharing of responsibility

"The Cabinet is after all the highest executive authority and has a right, because of the tremendous burden of collective responsibility, to know all the facts that might have a bearing on that responsibility

"The commission has reason to believe that, had it not been for Advocate van Rooyen and the subsequent firm action taken by Ministers P W. Botha, R F Botha, Schlebusch and Heunis, the serious irregularities that took place in the department while Mr Vorster was Prime Minister would have remained hidden from the next Prime Minister, and he would have had to find

places a different complexion on his actions," the commission comments

As early as December, 1975, General van den Bergh informed Mr Vorster about the presence of executive officers of the department at the foundation meeting of a newspaper at the home of De Villiers on December 4, 1975

"Although Mr Vorster contends that he was not given the impression by General van den Bergh that the department was involved in the establishment of a newspaper, it seems strange to the commission that he did not have a closer investigation undertaken after he had heard that his head of security had been present and the department well represented at the foundation meeting

"The commission finds it significant that he instructed General van den Bergh not to involve himself with the newspaper Whatever other conclusions may be drawn from this, one thing is clear Mr Vorster unequivocally showed his disapproval of State involvement in the newspaper

"For this reason it must have come as a shock to Mr Vorster when, in August or September 1977, he found out that the department was involved

"One would reasonably have expected that Mr Vorster would then immediately have called in Dr Mulder or Dr Rhoodie or both, and would have compelled them to stop State financing of the Citizen without delay

ERASMUS: The Final Report

The Info man who liked ladies . . . and fast cars

THE disestablishment of the Foreign Affairs Association, a Department of Information front, was a very wise step and a happy decision, the Erasmus commission comments

To Mr Cas de Villiers, the director, Miss Hester Lamprecht, public relations officer, and their friends, FAA was an unexpected source of income and unearned pleasure," the commission says

FAA was established on April 6, 1975, and disestablished on November 1 1978 It fell directly under Mr L E S de Villiers the department's chief director of planning

The main idea was to represent itself as an academic body doing research, which was to be financially independent of the State and the department The normal annual budget was about R100,000 but the department voted additional funds so that FAA cost the department about R200 000 a year

Cas de Villiers, the director, started off in a grand manner He bought a house for R90 000 for office purposes with State funds but it was registered in the name of a private company Improvements were made costing R20 000 He bought with FAA funds a circular dining room suite which could seat 14 people and which he kept in the house on his farm

The commission comments scathingly on Mr Cas de Villiers

"As director of FAA, Cas de Villiers reminds one in many respects of Dr Eschel Rhoodie, the secretary of the department and, like the department, FAA soon headed for a fiasco

"In outlook, Cas de Villiers is like a young, inexperienced, wealthy man with a glib tongue, tending to mendacity He has a quick temper and is a ladies' man "

It adds "It almost goes without saying that a man like Cas de Villiers is not equal to the post of head of an organisation such as FAA "

Again "He had a fancy for flashy and good cars When he began with FAA in 1975, a new red Mercedes Benz 280 was bought for him for about R14 000 Eight months later, a new three-litre BMW was purchased for about R15 000, and he got rid of the Mercedes About two years later, a Mercedes Benz 230 was bought for guests In addition a kombi was hired for guests

"He lived on the farm and had the use of FAA's cars to travel backwards and forwards between his work and the farm on a road that was 'not too good' He had his own chauffeur His staff considered all this ostentation unnecessary At present he drives a private car, a Mercedes Benz 450 SLC, like the one used by Dr Rhoodie a while ago "

The commission says that although married, he soon struck up a relationship with his public relations officer, Miss Hester Lamprecht which developed to the point where the staff looked on her as the "deputy director' of FAA, and were afraid of going to see Cas de Villiers in his office "because he and she spent hours of their working time together in the office and he was not available"

On one occasion he broke away from an official touring party in Europe to go holidaying with a woman Miss Lamprecht was upset on hearing about the other woman and then seemed to be in a hurry to leave for Europe herself

She visited London and New York

"The excuse put forward for every telephone call at State expense and for every visit to another country was some trivial official appointment, which came to nothing in many instances because it had not been properly arranged beforehand If one reads the evidence one finds a good example of two people playing a cat-and-mouse game in Europe with State money '

Cas de Villiers

The story of Cas de Villiers is more reprehensible, the commission says

He had to conduct a party of 12 parliamentarians from South Africa through Germany on an exchange programme They were there for 12 days and he had to accompany them for 10 days

"After a day and a half with this group, he broke away and gadded about Europe with a woman "

His story on his return to South Africa was that he had been with the group for four days

According to Miss Lamprecht, Cas de Villiers was extremely quick-tempered If his official car would not start, he would rush at it and kick it, and on another occasion he threw a tape recorder against the panelled wall of his office When he was in these moods he would use strong language

He failed to apply in writing for leave as required

Commenting on Miss Lamprecht, the commission says 'as a public relations officer the commission found her quite pathetic '

Yet she was sent to Washington for six weeks to arrange a conference there for FAA This was a waste of money

The commission says Cas de Villiers used State funds to pay his personal accounts

"No losses or embezzlement of large sums of money came to the commission's notice in connection with FAA, but the evidence leaves no room for doubt that Cas de Villiers was dishonest and personally spent FAA's money liberally as a result of injudicious arrangements and undertakings " — (Sapa)

"The reason I save is in uniform and puts kisses at the bottom of his letters."

From Page 9

Vorster 'knew everything'

Bergh to exert any pressure on Reynders

Mr Vorster said in evidence that when he had instructed Reynders to investigate the alleged irregularities, he had had in mind only cases of self-enrichment and embezzlement — (selfverryking en geldverduistering)

"Reynders was adamant that he would not have issued such a certificate had it not been for the pressure exerted on him He therefore probably understood the instruction as being different from what Mr Vorster now says the intention was

"The commission finds it difficult to understand why Mr. Vorster did not give Reynders the instruction concerning the investigation that he says was his intention Mr Vorster has issued a Press statement, stating exactly what his instruction to Reynders was — 'To carry out a full and thorough investigation about all alleged irregularities, allegations, stories and rumours so far as the misuse of funds is concerned ' In this sense, surely, the massive spending of State funds on the Citizen and the loan of R825 000 by Dr Rhoodie to Pieterse for the making of a film for his personal gain, for example, would have been serious irregularities committed in the department

"When Mr Vorster received Reynders's report, he had already been informed in detail by Reynders over the preceding period of almost a year of a large number of irregularities, including the two cases of gross misappropriation of State funds mentioned above In spite of this, Reynders then reported in writing to Mr Vorster that his investigation had revealed no cases of misappropriation

"The commission believes that to Mr Vorster's knowledge on the date of Reynders's report, Reynders had deliberately painted an incorrect picture of the

action which in itself was a serious irregularity — the covering up of gross irregularities To this extent Mr Vorster must share responsibility with Dr Mulder for the latter's irregular actions

"On April 27, 1979, however, Mr Vorster gave evidence that when he first confronted Dr Mulder about the Citizen, he put it to him unequivocally that it was 'verkeerde besteding' — wrongful spending — of the State funds The commission can see no difference between 'verkeerde besteding' and 'wanbesteding' — misappropriation — of State funds

"In spite of the view he expressed outspokenly to Dr Mulder he accepted Reynders's statement in his report that there was 'geen wanbesteding' — misappropriation — of State funds by the department

"Mr. Vorster wanted to explain his obvious contradiction by intimating that such wrong spending was not necessarily morally wrong In the commission's judgment, however, Mr Vorster has only two alternatives

"Either the spending on the Citizen was wrong and therefore, as a misappropriation morally unacceptable to him, or it was morally acceptable to him and therefore no misappropriation. If the latter is his view, that may explain, among other things, why for more than a year he took no steps to stop the State spending on the

sembly when Dr Mulder replied

The commission says it is in doubt as to what the truth is, and is not prepared to make a specific finding on this matter

If it was now accepted as beyond all doubt that Mr Vorster was informed of the facts about the Citizen as early as August or September, 1977, it meant he had kept the facts from the Cabinet for more than a year

"The fact that in the commission's judgment, he was virtually compelled by Advocate van Rooyen's actions to inform the Cabinet at the eleventh hour, before he retired as Prime Minister, casts a shadow over Mr Vorster's committedness at the time to open administration of the country and the sharing of responsibility

"The Cabinet is after all the highest executive authority and has a right, because of the tremendous burden of collective responsibility, to know all the facts that might have a bearing on that responsibility

"The commission has reason to believe that, had it not been for Advocate van Rooyen and the subsequent firm action taken by Ministers P W Botha, R F Botha, Schlebusch and Heunis, the serious irregularities that took place in the department while Mr Vorster was Prime Minister would have remained hidden from the next Prime Minister, and he would have had to find them for himself

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in fact cases of gross misappropriation in the department

"Mr Vorster explained this untenable situation to the commission by saying that at the time when he received the report he had been concerned only about whether 'someone had filled his pocket' — iemand sy sak gevul het — and whether there had been self-enrichment and embezzlement. He gave this as the reason why he had accepted Reynders's report without a murmur.

"The commission cannot accept this explanation of Mr Vorster's. He knew at that stage that serious misappropriations, in terms of his own instruction to Reynders, had taken place in the department and he therefore knew that Reynders's report was concealing those irregularities. By accepting it and publishing it to the Cabinet, still without revealing his knowledge of all the true facts to the Cabinet, he was not only doing members of his Cabinet an injustice, but was in fact participating in

"Apart from the fact that Mr Vorster himself was also, inter alia, responsible for the arrangement to channel the secret funds to the department and did not stop certain projects as soon as possible after they had come to his knowledge, the commission also holds Mr Vorster to blame for concealing his knowledge of the irregularities."

Referring to Dr Mulder's allegation that Mr Vorster had given him a note during the 1978 parliamentary session telling him to say in reply to a question by Mr J D du P Basson that the Government "does not own or control a newspaper,' the commission says Mr Vorster denied this in evidence before the commission in November, 1978.

Though Dr Mulder's private secretary, Mr I W van den Heever, had given evidence that he had seen a note to this effect in Mr Vorster's handwriting among Dr Mulder's documents after the debate, Mr Vorster denied he was present in the House of As-

per lap

reason of such concealment, become the new Prime Minister, the concealment could, in our opinion, logically have been continued to protect Dr Mulder, who had after all fathered the Citizen.

"If the irregularities had remained concealed from Mr P W Botha until after he had become the Prime Minister, he could have found himself plunged without warning into a storm, the consequences of which could hardly have been foreseen."

The commission said nobody could be reproached for mere knowledge of irregularities unless he was in a position where it could reasonably be expected of him to take positive action to rectify matters.

"If it is accepted that Mr Vorster became aware of the Citizen — and other irregularities — as early as August-September, 1977, and that he as Prime Minister was in a position where he could have intervened drastically to put a stop to the mischief, his earlier knowledge from August to November 1977

according to his own evidence, merely discussed the propriety of financing the Citizen with Dr Mulder. He was also shocked. He did not, however, take any firm action to rectify matters.

"On the contrary, he called an election in the full knowledge of all the irregularities, without sharing the facts either with his Cabinet or with his caucus and without calling Dr Mulder to account.

"It seems to the commission that he began to look for a solution only after the election. Even then he did nothing effective to sever the State's connections with the newspaper, except to 'debatteer' — debate — the morality of the matter repeatedly with Dr Mulder.

"The commission finds this behaviour on the part of Mr Vorster from August, 1977, onwards unacceptable, in spite of his state of health, for somebody in his position with the views that, according to what he says himself, he held about State financing of a newspaper." — (Sapa)

Commission lists some of its problems

Cover-up charge unfounded, they say

THE Erasmus Commission says the first real problems it faced in its further inquiry were unwarranted criticism of, and attacks on it.

The commission says that as the secret activities of the Department of Information were of a most unusual nature, it was to be expected that their disclosure would have a traumatic effect, that the public would be eager for more information, and that the activities of the commission would attract wide interest.

"In these circumstances, and also because of the involvement of politicians in the matter, there was bound to be improper, disparaging and hindering action in regard to the commission," it says.

Among examples were attempts by leaders of a political party to obtain "representation on or at the commission" on grounds that, because they represented the official Opposition, they were entitled to this, and further attempts on their part to try to prescribe to the commission how it should perform its functions.

Another example was public statements made on matters being investigated by the commission.

There was also the questioning, in a public restaurant, of one of the commissioners by a Member of Parliament of the commission's decision not to disclose evidence given before the commission at that stage.

There were attempts to cast doubt on the commision's findings by urging the publication of evidence ostensibly so that such findings might be checked, on the assumption of course, that "any Dick, Tom and Harry is better able to judge than the commission."

There was a suspicion mongering, according to newspaper reports, by the propagation of naive ideas about the "legal character" of the commission, allegations of lack of "credibility" of the commission's report because "sitting in judgment in one's own case was involved, whatever that may mean," and a veiled unfounded charge of a cover up by the commission regarding certain members of the Cabinet.

There were further attempts, revealed in newspapers, to gain access to the commission's inquiry.

Finally there was hindering of the commission's activities by the publication of party political propaganda stories in section of the English language Press instead placing information of importance at the disposal the commission. — (Sapa)

PRICE 12 cents

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Vorster

·ster

A GESTURE that marks the end of a political trail a sombre Mr John Vorster dons his hat as he leaves Tuynhuys yesterday afternoon Minutes earlier he had resigned as State President

CT. 6/6/79 (259)

'Distasteful' posters on Mr Vorster

By NEVILLE FRANSMAN
Staff Reporter

[illegible]UDELY-SCRAWLED posters ques[illegible]g the position of the former [illegible] President, Mr B J Vorster, as [illegible] of the University of Stel[illegible] were described by university [illegible] yesterday as "distasteful"

[illegible]wo posters, one reading "What is [illegible]'s idea with the present [illegible]" appeared mysteriously [illegible] the administration building on Mon[illegible]night

[illegible], university authorities see little chance of finding the authors of what they consider offensive scrawlings

Professor M J de Vries, the vice-rector, said yesterday "I heard this morning that these two sheets of paper used for computers had been pasted up There was scribbling on them, but that is about all I know of the issue All I can say is that this must have originated with some or other person who does not feel too well"

Asked whether an investigation would be launched to find the culprits, Professor De Vries said "Where do you start? We are so used to writing appearing on the walls of residences Wilgenhof, Eendrag, Simonsberg — and this is something similar, only it is in very bad taste"

He emphasized that there could be no question of an anti-Vorster campaign on campus "I do not believe this On the contrary, I believe the students feel Mr Vorster is a great man who performed great and important work for South Africa"

This sentiment was echoed by a Students' Representative Council spokesman He said a snap survey yesterday had shown that students were loyal to Mr Vorster and had no intention of questioning his continued chancellorship

"We find the posters distasteful," he said

The Stellenbosch SRC will in fact meet Mr Vorster tonight in Cape Town for dinner and on this occasion renewed loyalty to the former State President will be expressed

Hospital report on Vorster's son

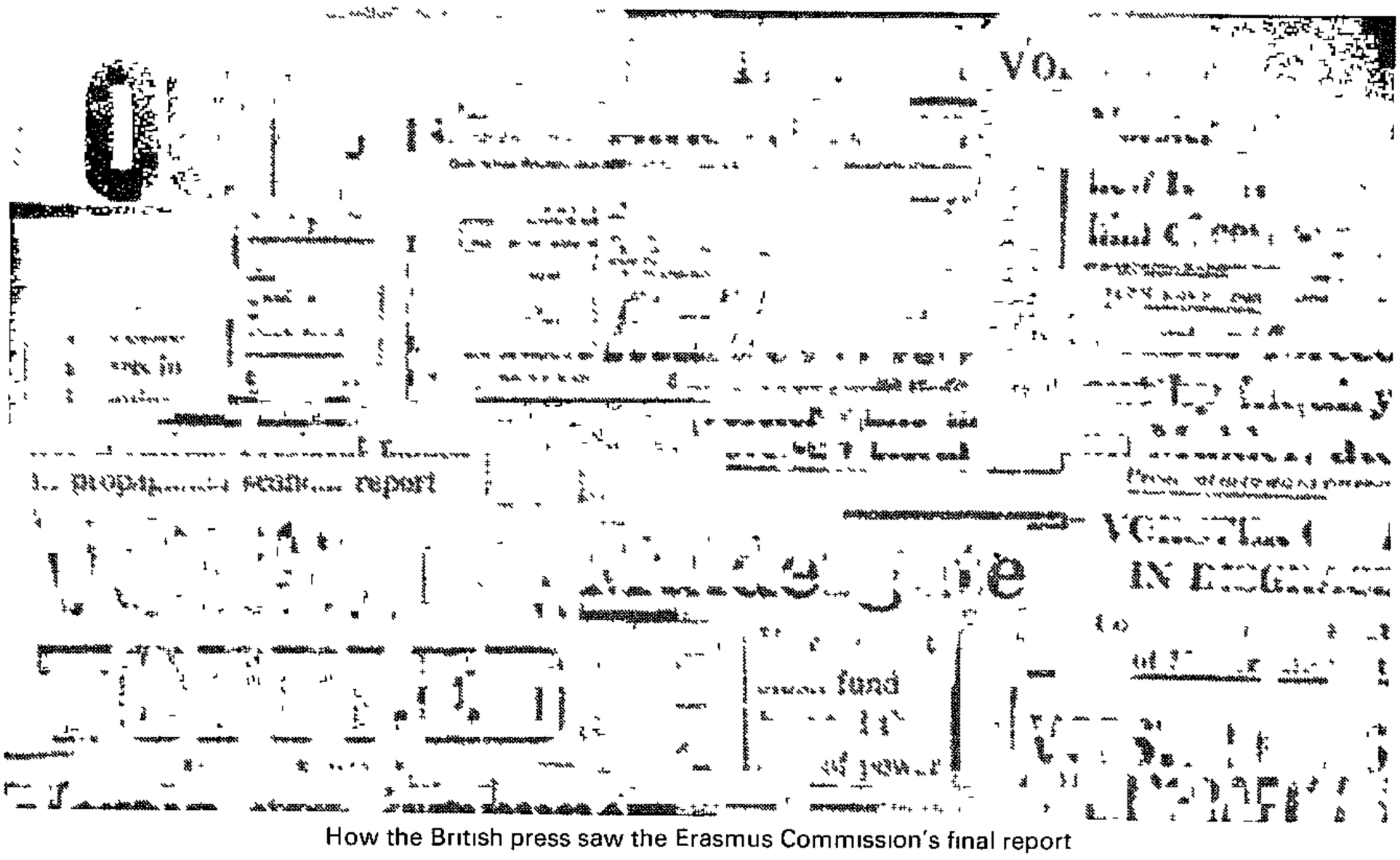
Staff Reporter

[illegible] VIP status enjoyed by Mr [illegible]lem Carel Vorster (son of former State President B J Vorster) who had his [illegible] removed in the Volk[illegible]tal at the weekend has [illegible]ly fallen away

[illegible] hospital spokesman yes[illegible]day declined to comment on [illegible] condition and referred all [illegible]ies to the State Presi[illegible]'s office

[illegible]en the spokesman was in[illegible]ed that the patient's fa[illegible] was no longer State [illegible]ent and the office could [illegible]fore not be expected to [illegible] such a report a bulletin [illegible] issued after a few sec[illegible]s' silence

[illegible]e spokesman said "Mr W [illegible]orster is in a satisfactory [illegible]ion He is comfortable [illegible] got out of bed for a while [illegible] morning"



How the British press saw the Erasmus Commission's final report

'Vorster quits' the main item on UK front pages

From STANLEY UYS
London Editor

LONDON — Headlines declaring "Vorster quits in disgrace" were blazoned across the front pages of most British national newspapers yesterday, and editorial writers commented caustically that the "white tribe" of Southern Africa was "not quite so puritanically upright and plain-dealing as it would like thought"

Monday's report of the Erasmus Commission has resurrected the Muldergate scandal just when British readers were beginning to forget it Mr Vorster's resignation was the main item on many television and radio programmes on Monday evening, and reports on the political situation in South Africa were still running strongly yesterday

The Erasmus Commission's findings were the "splash" report on the front pages of the Financial Times Daily Telegraph, Guardian, Daily Mail and International Herald Tribune yesterday

On Monday night BBC television screened satellite interviews with the editor of the Rand Daily Mail, Mr Allister Sparks, and the political journalist, Mr Hennie Serfontein The interviewer said the Rand Daily Mail and Sunday Express had exposed Muldergate in the way the Washington Post exposed Watergate

Mr Sparks told British viewers that if the Advocate-General Bill had been in operation "very little of the Muldergate scandal would have come out," and Mr Vorster, Dr Mulder and Dr Rhoodie would still be in office

Mr Sparks admitted that some South Africans had grown weary of the scandal, but "thinking people" continued to be shocked by it Mr Sparks and Mr Serfontein agreed that Mr Vorster's resignation would be "traumatic" for the government's Afrikaner followers

In an editorial "Dr Vorster departs in ignominy," the Guardian said that "at a time when white South Africa deeply needs self-confidence its morale is being shattered"

The Guardian describes the press as one of South Africa's "great redeeming institutions" (the other redeeming institution, it says, is the judiciary, and it comments "There is much more that needs to be known, not only in South Africa but in Britain and the United States What does not emerge in South Africa, will eventually emerge overseas

"The South African parliament can stifle its own press (heaping immeasurable damage on itself in the process) but it cannot dictate how the international press shall treat an international sandal It would greatly increase South Africa's diminished stature if instead of suppressing one of its relatively free institutions, it acknowledge the great debt of gratitude it owes

"The president has fallen, and that, for any country, is a deep humiliation But it was his deeds, not those of the press, that brought humiliation about Watergate showed how a healthy society can cleanse itself The response so far to Muldergate is to perpetuate the disease"

A tragedy for Vorster, say commentators

Staff Reporter

A TRAGEDY for Mr B J Vorster — this was the view of academics, political scientists, businessmen and clergy who reacted yesterday to his resignation. And, in a moving tribute, Dr Koot Vorster described his former-head-of-state brother as a man of great integrity and morality.

Dr Vorster, a former moderator of the general synod of the Ned Geref Kerk, said "I do not really want to comment on the resignation of the State President He is my brother and I consider him a man of great integrity and morality, a man for whom one can have only the highest respect That s all"

Businessman Mr Raymond Ackerman called the stepping down of Mr Vorster and the Information scandal which led to it a "sad situation for the country We should now concentrate on the things which really matter like poverty, housing, our own social peace

"The resignation of Mr Vorster is a sad personal thing for the country and for himself It is a tragedy But, for goodness sake, let us now clear up the outstanding matters on the Info scandal."

Professor A R C de Crespigny, head of the Department of Political Science at UCT "Mr Vorster's resignation, though necessary and desirable, is a personal tragedy and will be rejoiced in only by those who are blinded by political ideology or ethnic hatred or moral priggishness

"His resignation at this time should be understood more in

Cape Times
6/6/79

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the light of the internal workings of Afrikanerdom than as a product of the pressures of the opposition parties and English-language newspapers."

Professor Julius Jeppe, head of the Department of Administration Development at the University of Stellenbosch "I hope that, following the State President's resignation, the thing (the Info scandal) will die down. I listened to Mr Eglin on television and came to the conclusion that he had got his way at last."

"I think it is an absolute tragedy that a man like Mr Vorster, who has done remarkable work for South Africa, should go out like this. He introduced a new era in this country by his willingness to recognize the dignity of the black man and by the contact he made with black African states. He is the victim of the deeds of other people — that's what it boils down to."

The assistant director of the Institute of International Affairs, Mr Dave Willers, in Johannesburg "The root cause of the Information scandal may lie in the essential injustice of South African society and not necessarily with the Rhoodies and Vorsters of this world.

"The rot set in years ago when the government started trying to sell an essentially questionable policy to the world — leading to more and more desperate measures when the sale did not go through.

"History will not relegate his achievements to a footnote, nor will his diplomatic ventures and their worth be obscured by the tragic nature of Mr Vorster's exit."

The Cape Times

WEDNESDAY, JUNE 6, 1979

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The indictment

THE SHOCKING PICTURE of lying, duplicity, corruption, fraud, bullying, incompetence and bad faith revealed in the three volumes of the Erasmus commission is an indictment of South African government and administration. The guilty range from eminent politicians, to senior and junior officials, to shady characters always to be found turning a fast buck on the fringes of smug and incompetent governments

The final instalment corroborates suspicions that have been expressed by newspapers and opposition politicians (and discounted by Nationalist apologists) for years The prime minister of the day, the man who as head of government personified the confidence of the people in our institutions, betrayed that trust Dr Connie Mulder, if Messrs Kruger and Koornhof and 76 Nationalist members of Parliament had had their way, would have been prime minister today He is not only shown to have been at the centre of the intrigue He not only lied to Parliament (certainly to the knowledge and possibly at the written instigation of the former prime minister) and to the commission At a more sordid level he improperly attempted to interfere with the proper performance by the State Tender Board of its function, with the intention of helping Perskor, a company of which he was a director

The three Rhoodie brothers operated a profitable combine The private banking accounts of these gentlemen ran to hundreds of thousands, many of the deposits in cash. Payments were made to fictitious persons Documents and records were destroyed Rhoodie drew large sums in cash to pay anonymous "collaborators" There were publishers whose main source of income (from over-charged publications) was the department Profitable printing contracts went to the right people

Mr Van Zyl Alberts handled R16 million of the public's money and confused these millions with his own money He and his wife received R338 000 in remuneration from the department A Foreign Affairs Association had R200 000 a year of public money to play with A good deal went on first-class Concorde flights for Mr Cas de Villiers and his girl-friend, upper-class motor-cars, handsome allowances In a transaction of singular ineptitude Mr John McGoff of the United States was lent (or given) $10 000 000 to buy the Washington Star, failed to do so and instead bought a paper called the Sacramento Union The net result seems to be that the South African taxpayer has lost $6 500 000 and doesn't even own the Sacramento Union, for what that is worth

The highlights from the earlier instalments remain — the sinister role of General Van den Bergh, gagging the auditor-general, bullying Mr Reynders to produce a false report, R32 million for the Citizen, R14 million for To the Point

The width and depth of the revelations are appalling The lesson must be obvious to the most smug and self-righteous of Nationalists It is to return to open government This means that finance ministers do not authorize expenditure of millions by coyly covering over the significant parts of documents When an MP as responsible as Mr Schwarz says there ought to be an inquiry into a department he must be listened to Above all this country dare not tolerate the built-in cover-up of an advocate-general The Erasmus commission says it established truth out of the gossip of officials, newspaper reports and contradictory evidence This broadly is how newspapers operate in drawing public attention to suspected maladministration and irregularity It is not an operation that can work by means of affidavits, disclosure of sources and permissions from a government-appointed official

I'm going to miss that Vorster smile — or am I?

That birthday smile

By Cape Times
Chief Photographer
RICHARD BELL

UNWITTINGLY John Vorster, whose disdain for photographers is legendary, has been very, very, good to me I, for one, will miss him

It's true that he could be infuriating, with his built-in mental timer that allowed photographers no more than 15 seconds before he'd glower and dismiss them with a curt "thank you, gentlemen" He actually seemed pained by the presence of a camera, regarding it as you or I would a dentist's drill

His natural smile, so rare in photographs as to be considered an endangered species, became for me a trophy as prized and unattainable as a yeti's pelt

The first breakthrough came in 1973 Mr Vorster was to present a prize to Gary Player, who at the last minute had to go into hospital An amplified telephone link-up to Gary's hospital bed was provided and the dinner went on as planned. I really believe Mr Vorster so much enjoyed hearing from his old pal that he forgot there were cameras there Anyway, the resulting picture showed a different John Vorster from the dour individual usually portrayed

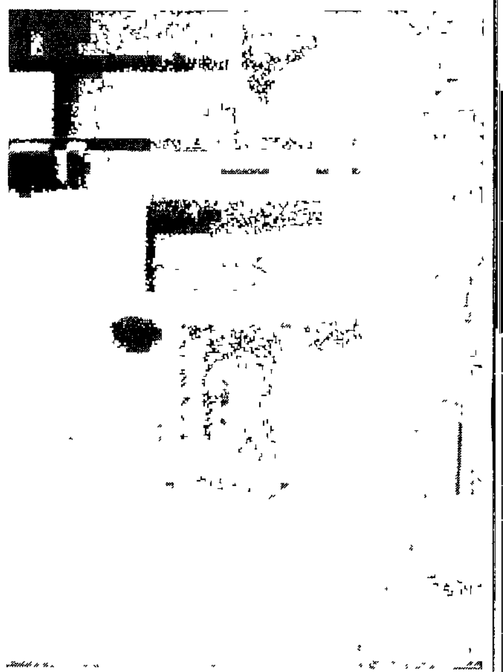
Again in 1975, during a 60th birthday interview, that elusive smile flashed for a second, producing a picture that Huisgenoot has referred to as the "mooiste" photo ever taken of John Vorster The story behind the picture is as unusual as the smile. Two-thirds of the way through an hour-long interview with political correspondents Tom Copeland and Ormonde Pollok, Mr Vorster related a Van der Merwe joke that he had heard at Victoria Falls from Kenneth Kaunda. He enjoyed the joke so much the second time around that his face lit up Then — wham — he was in the bag before he remembered me and that damned camera

But the biggest favour that John Vorster has done for me was when he, along with the Cabinet, climbed into a Ratel personnel carrier parked at Parliament for their inspection That stern profile loomed through a gun port, and once again — powie — a sitting duck That's the one that won the feature section of this year's Shell press picture competition

So, you can see why I'm not as happy as some to see John Vorster drop out of the limelight As I say, he's been good to me.

The first smile

He leaves the Tuynhuys for the last time



The Iron Man

Vorster's pension is equal to full salary

CT 6/6/71

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Own Correspondent

JOHANNESBURG — The former State President, Mr John Vorster, yesterday became eligible for a pension equal to his full salary as head of state — R44 460 a year

Mr Vorster retired on that salary, which was set in 1978 during the term of Dr Nico Diederichs and backdated to January 1.

The South African constitution, Act No 32 of 1961, sets out in Section 15 (1) (a) that a retiring state president shall receive "an annual pension equal to the annual salary which was payable to him on the day which he vacated office"

This, says the act, shall be paid with effect from the day following that upon which the state president vacated office

The pension will be paid out of the Consolidated Revenue Fund

2
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Secret fantasies of Dick, Tom . . .

CT. 11/6/79 (259)

LAST December, after publication of the first Erasmus report, I reported it was the best R64 million read in town and that if put out in paperback, its bestseller sales could recoup some of the millions of taxpayers' money lost on other less successful journals.

Well, the Return of Erasmus, priced at R3,80 a blue-covered copy, is even better value for money

It is just as thrilling, brings back most of the old baddies plus a couple of new ones (wow, who would've thought) and in addition introduces sex interest whose absence from the first report was, I always thought, its only weakness

Like Erasmus One, with its lanced boils, broken reeds, three loose links, germ-infested apples blind eyes and ears to the ground the Return is full of telling metaphors that in a flash illuminate even drier chapters such as The Rhoodie Banking Accounts

This is a confusing chapter with details of Eschel Rhoodie and his wife playing musical transfers She puts R8 000 from her Nedbank savings account into his cheque account he puts R10 000 from his cheque account into her Standard Bank savings account, she puts R14 000 from her Standard Bank savings account into his Standard Bank cheque account, she puts R10 000 from her Trust Bank cheque account into his Nedbank cheque account

Then Professor Nic Rhoodie starts dishing out interest free loans to his brothers Eschel and Denys for them to build a farm swimming bath, but they neither build the pool nor return the money

What does it all mean?

Erasmus tells you what it means It means "a strong suspicion in the commission's mind that the hand of the one Rhoodie had washed the hand of the other Rhoodie"

The family of mutual hand-washers

The chapter headings themselves read like something out of Frederick Forsyth or the Hardy Boys The Wrong Target, Mr Vorster's Involvement, The Cocoons

Some of the most graphic writing appears in The Cocoons It refers to the tendency of witnesses to cover up and to spin a web over unpalatable facts' And it contains this gem "Witnesses sang their own and their acquaintances' praises unasked — golden threads shone everywhere and the commission continually had to be on its guard against the tendency of witnesses to spin cocoons '

Like a golden thread the cocoon theme turns up again toward the end of the book when one of the goodies Johannes Frederick Waldeck (the baddies done him wrong) is described thus ' He did not die a pupa in its cocoon and so to change the metaphor became a fly in the ointment to his chiefs He became persona non grata and had to be got rid of and ousted from the department simply because (to change the metaphor again) he applied the brakes '

And talking of brakes it was obviously their failure that caused ' a bigger vehicle ' to bump those two well-known cyclists Mr P W Botha and Senator Horwood 'over the white line at an intersection '

In this pardonable position observes the narrator, who would blame him (them) if he (they) were to pick up his (their) cycle(s) and continue on his (their) way?"

The sub-sections listed in the contents are even more enticing than the chapter headings Did Mr Vorster know that General Van den Bergh had authorized money for the Citizen? Why General Van den Bergh s evidence was considered unreliable in the report as against Mr Vorster s (Both under The Wrong Target)

Under The Cocoons Mr Vorster brings praise General Van den Bergh pays tribute De Villiers protects his friend McGoff

But the best sub-sections appear in the sexy chapter, which I've been saving till last Expensive house as office Predilection for smart cars Director s liking for women s company interfered with his official duties Cas de Villiers commits plagiarism (That too!)

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He rushed at his cars, in turn a new red Mercedes 280 a new three-litre BMW a Mercedes 450 SLC when they would not start and kicked them He smashed tape recorders to smithereeens on his panelled office walls and used strong language

He completely overturned everybody s image of a public servant This chapter will probably start a rush to join the service

As you can see, the Return of Erasmus caters to every literary taste and proves that it is indeed better able to judge, in its own words ' than any Dick Tom and Harry'

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ed and management agrees to negotiate

F THE STRIKE?

The assertion of working class solidarity.
'Coloured' and African workers are striking together over a common
issue. For years the racist strategies of the state and management
have sought to divide workers and thus defuse the impact of a
united labour force organising behind common demands.

CT. 6/6/79

from the Burger

(259)

President Vorster

PRESIDENT John Vorster resigned from his high office under a cloud, but in the long run the lustre of his name will not be dimmed by this.

South Africa owes much to this man — and to the woman who stood by him in such an exceptionally fine way. And it would hardly be exaggeration to say that the country to a large extent owes its survival in the past two decades and its present existence to him.

He it was who, as Minister of Justice, acted severely and decisively when only severe and decisive action could save the country against the onslaughts of dark forces. In broad, uninformed and hostile circles he was bitterly blamed for this, and frequently held up as a kind of diabolical figure. Even in well-disposed circles the measures he took were not always popular. But John Vorster did not strive after popularity. He only kept in mind the welfare of his country and its people. Without him things could have been very different.

He it was who, as Prime Minister, unified Afrikaans and English-speakers as they had never been before, and gave the first push to investigations and other measures, calculated to place relations among the country's numerous population groups on a new, more hopeful basis.

He had the insight to realize that South Africa in her relations with Africa at one stage "read the books wrongly", had the courage to acknowledge this and the daring to try to break through the wall of hostility that arose round the country. That the attempts in his time were not crowned with greater success, is not his fault. But neither was it quite in vain. His footprints in Africa and elsewhere cannot be obliterated, others can follow in them.

And in everything he did, there was never the hint of a thought that he was doing it for personal credit or gain. This even his bitterest enemies must concede.

He was a leader whom South Africa could proudly place among the leaders of other countries.

The circumstances which led to his resignation, stemmed on the one hand from a frustration created by the conduct of people and institutions inside as well as outside South Africa who, in their embitterment, did not respect the highest interests of this country. On the other hand, it was nourished by one of Mr Vorster's finest characteristics, his willingness to trust people and to believe the best of them, and his absolute refusal to let down colleagues and friends.

From this grew a situation which had to be handled when developments abroad — the intensification of the onslaught against South Africa — made enormous demands on him, at the very time when his physical powers foresook him.

This is the tragedy of John Vorster, but it is a tragedy that is not draped in mourning. The bright colours cannot be concealed and will never fade.

Not for him, and also not for his wife. In Mrs Tienie Vorster South Africa had a Prime Minister's and President's wife of whom her people could be just as proud as of her husband. Together they lent a dignity to their offices which can serve as enduring encouragement to others.

May they be spared for many years for each other and for South Africa. And may the memories on both sides become more precious.

Balances before dissolution

ANSWER SHEET

NAME .

GT7

ASSETS						LIABILITIES		CAPITAL				
Bank	Land and Buildings	Furniture	Prov. Accum. Depreciation	Accounts Receivable	Prov. Doubtful Debts	Accounts Payable	+	A	B	C	D	
1 000	25 000	18 500	(-5 500)	6 400	(-1 400)	15 000		17 800	-2 000	+ 200	-3 000	-5 200
				-4 000							- 400	
						-9 500				+ 50	100	
								600	500			

Cape Times 6/6/79

259

The Info ghost was not laid — Mulder

Own Correspondent

JOHANNESBURG — A relaxed Dr Connie Mulder the former minister of Information celebrating his birthday among friends in his former Randfontein constituency yesterday, said that the roles played by other members of the Cabinet in the Information scandal would have to be publicy acknowledged before the Information ghost was laid

He said he did not feel vindicated by the final report of the Erasmus Commission

The minister whose roles still had to be ventilated fully included the Minister of Finance Senator Owen Horwood, and the present Prime Minister, Mr P W Botha

Dr Mulder said Mr Botha s claim that no funds voted for Defence purposes alloted to the former Department of Information had been exposed as incorrect If Mr Botha was not aware of the nature of the projects such money was spent on then he had been in breach of the requirements of the law

In this regard Dr Mulder quoted Section Two of the Special Defence Account Act The act states that moneys in the account shall with the approval of the minister of finance be used to defray expenditure in connection with such special Defence activities and purchases as the minister may from time to time approve

He confirmed the existence of, and identified to the Cape Times Correspondent a note shown to him which was initialled by Mr P W Botha

This note, in Afrikaans addressed to Connie' quotes Mr Botha as saying that he assumes that there will not again be a call on "my budget for "your secret projects '

According to Dr Mulder the note had been written early in 1977 and related to the 1977/78 secret expenditure

Speaking on the Erasmus Commission report Dr Mulder said it was his view that where Mr Vorster, as prime minister, had approved projects, the commission was not competent to find that expenditure on such projects was irregular

"It is my belief that in years to come this whole affair will be seen in perspective, and that we will be found to have been people who were 10 years ahead of our time" he said

"I am convinced that there was a carefully planned plot to get rid of me that built up a considerable time before I was ousted in the prime minister race"

● Commenting last night, Mr Pik Botha said 'All I can say is that as far as I am concerned, I reject his allegations

"I have only one wish to have as little to do with that man as possible," Mr Botha said

Vorsters may move to Oubosrand

By ROGER WILLIAMS
Chief Reporter

JOHN VORSTER, who resigned ite President on Monday, and his Tini will probably move soon Groote Schuur in Rondebosch to private seaside home at Oubos- near Humansdorp in the Eastern

pokesman for the Vorster house- said from Groote Schuur yester- hat nothing final had been decid- t about the Vorster's immediate e movements but that they would emaining at Groote Schuur till their private possessions could be moved

Mr Vorster owns only one home at present — the one at Oubosrand — so the likelihood is that he and his wife will move there, if not permanently at least until they can establish a home elsewhere

Mr Vorster's personal bodyguard when he was State President, Colonel J Joubert of the South African Police, is to remain with him for at least a month, and the Cabinet has also agreed that Mr and Mrs Vorster should be allowed to retain their private secretaries till they have completed their move and settled down in their own home

The Vorsters have been living at Groote Schuur for the past 13 years, when in Cape Town Although traditionally the official home of South Africa's prime ministers, the present Prime Minister, Mr P W Botha, and his wife are living at Westbrooke, which used to be the State President's residence

Future state presidents will live at the Tuynhuys off Government Avenue which till now has been used only as the president's office and for receptions and other formal occasions The Tuynhuys is however to have a private, enclosed forecourt built on to it before it is ready for occupation

Thanks largely to the efforts of Mrs Tini Vorster, who has in the past 13 years devoted much of her time to restoring the interior of Groote Schuur to what it was in Rhodes' time, this building will be turned into a Rhodes Museum to which public access will be by appointment only

ory view n Vorster

Own Correspondent

DON — Major Patrick , Conservative MP and g-time friend of South Af- said here yesterday that was very disappointed by Vorster's fall from grace xpressing what is probably ly widely-held Tory opin- on this matter Major Wall Mr Vorster had not han- the affair well

It is not so much that he w the government was us- secret funds but that he ered this up,' Major Wall

e put forward the theory Mr Vorster s illness had cted his judgement

I am very sympathetic to- ds South Africa It has n under pressure for many rs and this is the last sort thing it needs at the mo- nt," Major Wall said

Major Wall was Chancellor he Exchequer in 1958-9

A tiny bug similar to the 'Japanese spider" used by Dr Rhoodie to listen in on conversations of his Department of Information employees

Rhoodie 'bugs' widely used

By TED OLSEN

ELECTRONIC bugs such as the one used by Dr Eschel Rhoodie to monitor the loyal- of his Department of In- "doubted anyone's loyalty to him he would plant a Japanese spider' in the office to which a radio was tuned in to make recordings of the instru-

Another, known as the infinity transmitter, is powered by telephone current and can transmit conversations in a room 10 000km away when at- telephone receiver

cil were discouraged from using bugging devices such equipment is used extensively by the less scrupulous

He said he had frequently

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And talking of brakes, it was obviously their failure that caused "a bigger vehicle" to bump those two well-known cyclists, Mr P W Botha and Senator Horwood, "over the white line at an intersection"

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Schwarz demands explanation

CT 6/6/79 (259)

Prime Minister, Mr P W Botha, tell the people of South Africa ...ically whether there were men security services who would ...der on command, Mr Harry ... Progressive Federal Party ... on Information, said yes-

Schwarz made this call in a after the Erasmus Commis- disclosures on the evidence of ...l Hendrik van den Bergh, forhead of the Bureau for State

his evidence, General Van den told the commission "My department is capable of doing the impossible That's not big talk. I have good men, I don't have weak men, although I have isolated weak men

"I can tell you today, not for your records, but I can tell you that I have enough men to murder if I said 'kill'. I don't care who the victim is That is the kind of men that I have."

Mr Schwarz said General Van den Bergh's evidence was enough to send shivers down the spine of the average South African

"Either these allegations are true or we are witnessing some kind of sick James Bond spy thriller. What is the truth? The public will want to know"

Mr Schwarz said South Africa was fighting against Marxism and all it stood for in its worst sense

"Is South Africa sacrificing the very values that it is said to be defending?

"The people of South Africa will want to know how a man with these views came to be in charge of State security. How a man with these views came to exercise such powerful influence over South Africa's affairs"

The Prime Minister, who was responsible for State security, must tell the public whether General Van den Bergh's statements were correct and whether there were men who would murder on command

He said the public wanted to know whether Mr Botha had investigated the new Department of State Security in the light of the Van Den Bergh statements

"South Africa wants a sound security service. It needs an effective service in these times But it wants one that upholds the moral principles that form the backbone of civilization. This assurance is demanded from the Prime Minister"

...eport 'leak': Snap debate, page 4

Vorster to ...ight back sources

Political Staff

... JOHN VORSTER, the retired state president who resigned because of Erasmus Report, is to fight back.

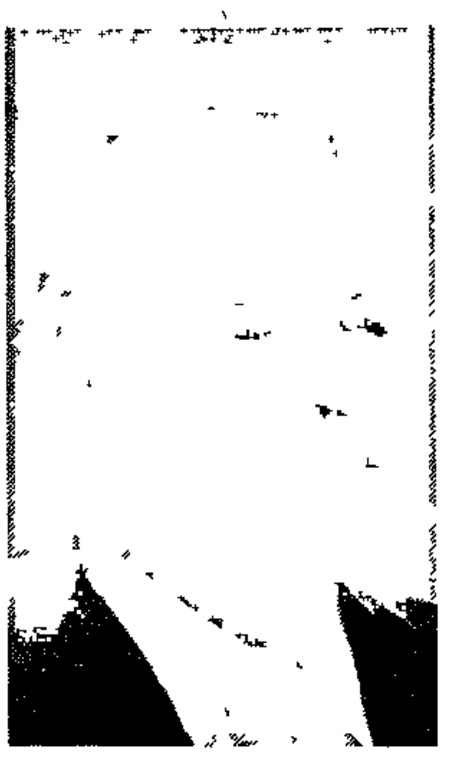
...n page 2

Secret fantasies of Dick, Tom . . .

...n page 3

A tragedy for Vorster

UK press on Vorster resignation



Mr Vorster

Friends close to the Vorster family now packing up in Groote Schuur where they have lived for 13 years, have indicated that while deeply distressed by the commission's findings, Mr Vorster is far from the broken man they might have expected and that he is determined not to sit back without trying to clear his name and restore his personal honour and integrity

They are elated that Mr P W Botha, the Prime Minister, has said that all the commission's evidence — except anything to do with the security of the state — will be released

They believe that the evidence could expose what they describe as "selective" and "incomplete" quotations in the report which inaccurately reflected Mr Vorster's position and attitudes towards certain matters

It is understood that whatever Mr Vorster does in his fight back will be based on the full evidence compared with the "evidence" as quoted in the report

Certain quotations in the report are felt to be so misleading that if attempted in a court of law they could lead to examination by the Bar Council

Snubbed?

It appears too that Mr Vorster, while still state president, might have been snubbed in the way the report which led to his resignation was prepared for release

It is believed that the normal procedure was not followed

The report was printed and translated before it came to Cape Town and Mr Justice Erasmus was photographed signing it at Bloemfontein Airport It was then flown to Cape Town for signing by the other two commissioners

It appears that everybody concerned received only the already printed version as distributed to parliamentarians and the press

Friends have said, however, that in fighting back Mr Vorster would not do anything which might harm the National Party and that he had acted with "dignity" throughout

'Note' taken

They have also pointed out that in his statement to Parliament the Prime Minister, Mr Botha, did not say that the government had accepted the report but that "in so far as chapters two and three deal with the honourable B J Vorster's involvement with the activities of the former Department of Information the Cabinet has taken 'note' thereof"

They pointed out that what was praised in the first report as a "rescue operation" by Mr Vorster on the Citizen affair was condemned in the final report on the same evidence

They said Mr Vorster was expected to leave Cape Town on Monday and that he would fly to Pretoria where the family would clear their personal possessions from the presidency in about a month

It was expected that Mr Vorster would settle in Port Elizabeth, where he married and first practiced as an attorney and from where he could travel to his seaside cottage at Oubosrand

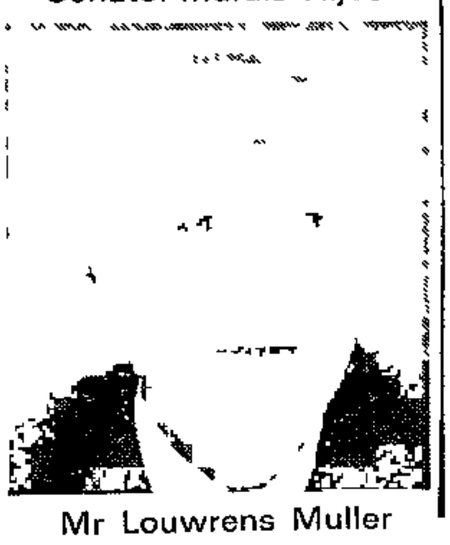
to ...cessor

... It is not yet known ... the former Leader of Opposition, Sir De Villiers ... will again be available ... NRP candidate

De Villiers stood against Vorster in the previous ... election last Sep- ... and many NRP members believe he would be ac- ... to a political cross- particularly after the ... events which led to Vorster's resignation

...e PFP will decide at a ... meeting today whether ... a candidate Last they nominated Professor Bozzoli of Witwatersrand ...sity, believing the State ... should preferably be ...son not connected direct- ... party politics

Senator Marais Viljoen



Mr Louwrens Muller

Leak — 'more than printer's error'

Political Staff

HOUSE OF ASSEMBLY — Mr Alwyn Schlebusch, Minister of the Interior, yesterday told Parliament that the premature leak of the sensational Erasmus report could not simply be ascribed to gross negligence on the part of an official at the government printer

He had ordered a high-level investigation into the matter and the official involved had been placed on immediate compulsory leave, Mr Schlebusch said

Mr Schlebusch was giving the first public explanation of the leak last week, which has led to a wave of speculation that it was deliberately engineered for political reasons.

The leak pressured the government into releasing the report on Monday — two days earlier than the date orginally planned, and in time for the crucial Randfontein by-election

Mr Schlebusch said he had summoned the government printer to Cape Town as soon as he heard of the leak

The official involved had been identified as a senior stores officer whom he did not wish to identify till the inquiry into the matter had been completed

Opposition members accused the government of attempting to withhold the report from the public This was a breach of the basic democratic right of the voters vote on the basis of the facts, they said

Mr Schlebusch rejected this accusation He also rejected accusations that the report had been circulated "selectively" It had been released to all those parties on the list of those entitled to free, media copies of any government report, he said

He deeply regretted the incident which amounted to "gross negligence" at the very least

"I am not so naive as to think there may not be more to it," Mr Schlebusch said. "Other high-level investigations have already been initiated As soon as I receive their reports, I will report their findings to this House," he said

Mr Schlebusch explained that the leak had occurred despite a verbal instruction by Mr Justice Erasmus, chairman of the commission, that his report could not be released to the media till it had been tabled in Parliament In future all such instructions would have to be issued in writing to the government printer, who would have to pass these on in writing to his staff

Mulder tells of the Info 'ghost'

TONY STIRLING

LAXED Dr Connie , the former Minister ırmation, celebrating thday among friends former Randfontein ıency yesterday, said les played by other rs of the Cabinet in ındal would have to ɔlicly acknowledged he Information ghost d.

aıd he did not feel ted, by the final re- the Erasmus Com- ı, the findings of caused the resigna- the State President, ı Vorster.

aıd the Ministers oles still had to be ed fully included the of Finance, Senator Horwood, and the present Prime Minister, Mr P W Botha.

Relating to Mr P W Botha, Dr Mulder said not only had Mr Botha's claim that no funds voted for Defence purposes had been allotted to the former Department of Information been exposed as incorrect, but that if Mr Botha was not aware of the nature of the projects such money was spent on, then he had been in breach of the requirements of the law.

In this regard Dr Mulder quoted Section 2 of the Special Defence Account Act.

The Act states that monies in the account shall, with the approval of the Minister of Finance, be used to defray expenditure in connection with such special defence activities and purchases as the Minister of Defence may from time to time approve.

Dr Mulder said the opinion of his legal advisers on the matter was to the effect that it was incumbent on the Minister of Defence to familiarise himself with the projects such money was being spent upon.

If Mr Botha had not done so, then he had not met the legal requirements of the Act in question.

He confirmed the existence of, and identified to the Rand Daily Mail, a note which was initialled by Mr P W Botha.

This note, in Afrikaans and addressed to "Connie", quotes Mr Botha as saying he assumes there will not again be a call on "my budget" for "your secret projects".

Dr Mulder said the note had been written early in 1977 and related to the 1977-78 secret expenditure.

On the report of the Erasmus Commission, Dr Mulder said it was now clear that the former State President, Mr Vorster, who resigned on Monday, knew the nature of, and approved many of, the secret projects of the former department.

He said it was his view that where Mr Vorster, as Prime Minister, had approved projects, the commission was not competent to find that expenditure on such projects was irregular.

He likened it to a decision taken by the Prime Minister in conjunction with, say, the Minister of Finance, to devalue the rand.

"Such a decision is regarded as a decision of the whole Cabinet and as such I cannot see that the commission is competent to find that a project so approved is irregular," he said.

"It is my belief that in years to come this whole affair will be seen in perspective and that we will be found to have been people who were 10 years ahead of our time," he said on the secret projects.

"We did make mistakes. There were things we could have done better. But don't forget nothing of this kind had ever been done here before. We were pioneers.

"I simply do not beleive that there was any deliberate misappropriation of funds by anyone connected with the secret projects and I have yet to see any actual evidence of this," said Dr Mulder.

On the role of Mr Johannes Van Zyl Alberts, former owner of The Citizen and the man described as the associate who "lined his pockets", Dr Mulder said he did not believe the allegations that Mr Alberts had indulged in massive misappropriation of secret funds.

"I do know that there were agreements in terms of which Mr Alberts was to receive fees for what he was doing and I think it will be found that he was entitled to the monies that he received in respect of these agreements. I think the

Now Vorster ights back

POLITICAL STAFF

CAPE TOWN.

ɔHN Vorster, who resigned as President because of the ing Erasmus report, will fight

ıds close to the Vorster family, now ı up in Groote Schuur where they ved for 13 years, have indicated ıile deeply distressed by the com- ı's findings, Mr Vorster is deter-

Mr VORSTER
. . . fightback?

The third woman in Cas's life

BY DON MARSHALL

THE third woman mentioned in the final Erasmus Commission report came into the open yesterday and spoke about her idyllic holiday in Europe last year with one of the key men in the Information scandal

Mrs Mari van Tonder, a vivacious 35-year-old for-

Viljoen tipped for Presidency

Political Correspondent

CAPE TOWN — South Africa's fifth State President will be elected on June 19 — and there is a strong possibility that he will be Mr Marais Viljoen, currently Acting State President

Until yesterday, the speculation was that Mr Louwrens Muller, Leader of the House, would become the new State President But Mr Muller's strongest disadvantage is the fact that he is a Cape Nationalist — and the Transvaal stronghold is growing increasingly suspicious of what is viewed as a P W Botha purge in the party

National Party sources have pointed out that a good move to counter this rowin suspicion would be destroyed all Mr Botha's major opponents in the party, in particular, Dr Connie Mulder, and General Hendrik van den Bergh, an arch-enemy of Mr Botha

The forced resignation of Mr Vorster is regarded in many Transvaal circles as a strong boost for Mr Botha — and a platform for his final assault against his Transvaal opponents, who have suffered a series of setbacks this Session

Breakfast Quip

6/6/79 DD

rster may fight back

ts on s leak

the government of trying to withhold the report from the public This was a breach of the basic democratic right of the voters to vote on the basis of the facts, it said

Mr Schlebusch rejected this accusation He also rejected accusations that the report had been circulated "selectively" The report had been released to all on the list of those entitled to free media copies of any government report, he said.

He deeply regretted the incident which amounted to "gross negligence" at the very least.

"I am not so naive as to think there may not be more to it," Mr Schlebusch said "Other high-level investigations have already been initiated As soon as I receive their reports, I will report their findings to this House "

Mr Schlebusch said the leak had occurred despite a verbal instruction by Mr Justice Erasmus, chairman of the commission, that the report could not be released to the media until it had been tabled in Parliament — PS

(News by H Zille, Press Gallery, House of Assembly, Cape Town)

CAPE TOWN — Mr Vorster, the retired State President who resigned because of the damning Erasmus report, may fight back.

From ORMANDE POLLOK

Friends of the Vorster family, now packing up in Groote Schuur where they have lived for 13 years, have indicated that while deeply distressed by the commission's findings, Mr Vorster is far from the broken man they might have expected

They say he is determined not to sit back without trying to clear his name and restore his personal honour and integrity

They are elated that Prime Minister P W Botha has said all the commisison's evidence — except anything to do with the security of the state — will be released

They believe the evidence could expose what they describe as "selective" and "incomplete" quotations in the report which inaccurately reflect Mr Vorster's position and attitudes toward certain matters

It is understood that whatever Mr Vorster does in his fight back will be based on the full evidence compared with the evidence as quoted in the report

Certain quotations in the report are felt to be so misleading that if attempted in a court of law they could lead to examination by the Bar Council

It appears, too, that Mr Vorster, while still State President, might have been snubbed in the way the report which led to his demise was prepared for release

It is believed that the normal procedure was not followed

In the case of the Erasmus report, it was printed and translated before it came to Cape Town and Mr Justice Erasmus was photographed signing it at Bloemfontein airport Then it was flown to Cape Town for signing by the other two commissioners

It appears that everybody concerned received only the already printed version as distributed to parliamentarians and the press

Friends have said that in fighting back Mr Vorster would not do anything which might harm the National Party and that he had acted with "dignity" throughout

They have pointed out also that in his statement to Parliament, the Prime Minister did not say the government had accepted the report but "in so far as chapters two and three deal with the Honourable B J Vorster's involvement with the activities of the former Department of Information, the Cabinet has taken note thereof".

They also point out that what was praised in the first report as a "rescue operation" by Mr Vorster on The Citizen affair was condemned in the final report on the same evidence

They said Mr Vorster was expected to leave Cape Town on Monday and that he would fly to Pretoria where the family would clear its personal possessions from the presidency in about a month

It was expected that Mr Vorster would settle in Port Elizabeth, where he married and first practiced as an attorney and from where he could travel to his seaside cottage at Oubosrand — PS

(News by O Pollok Press Gallery, House of Assembly, Cape Town)

Police probe cash dealings

JOHANNESBURG — The police will investigate the misappropriation of state funds by Mr Jan van zyl Alberts, former managing director of The Citizen, as well the handling of secret funds by the Rhoodie brothers

Mr J E Nothling, Attorney - General of the Transvaal, said yesterday "All these cases are receiving the necessary attention As soon as the police have completed their investigations, they will present dockets to me A decision to prosecute or not will be made in due course "

The final Erasmus report referred to Mr Van Zyl Alberts as the trusted associate who lined his pockets and added the name of Professor Nic Rhoodie to the list of those referred to the Attorney - General for misappropriation

But yesterday Beeld reported that detectives instructed to confiscate Professor Rhoodie's passport in Pretoria on Monday found he had left two weeks ago for overseas

The Rector of the University of Pretoria, Professor Eddie Hamman, told detectives Professor Rhoodie was only expected back in South Africa towards the end of next month

Professor Hamman said the university was also considering possible action against Professor Rhoodie as a result of nearly R116 000 he was paid for work for the former Department of Information while still employed by the university

The Minister of the Interior, Mr Alwyn Schlebusch yesterday declined to comment on whether he would withdraw the passports of Professor Nic Rhoodie and Mr Van Zyl Alberts

"I never comment on matters such as this," he said

A spokesman for the Secretary for Inland Revenue refused to comment on whether Mr Van Zyl Alberts would be charged for the R222 300 tax evasion

The Erasmus report disclosed he received this over a four-year period from 1974 to 1978 and did not declare it as income to the Receiver of Revenue

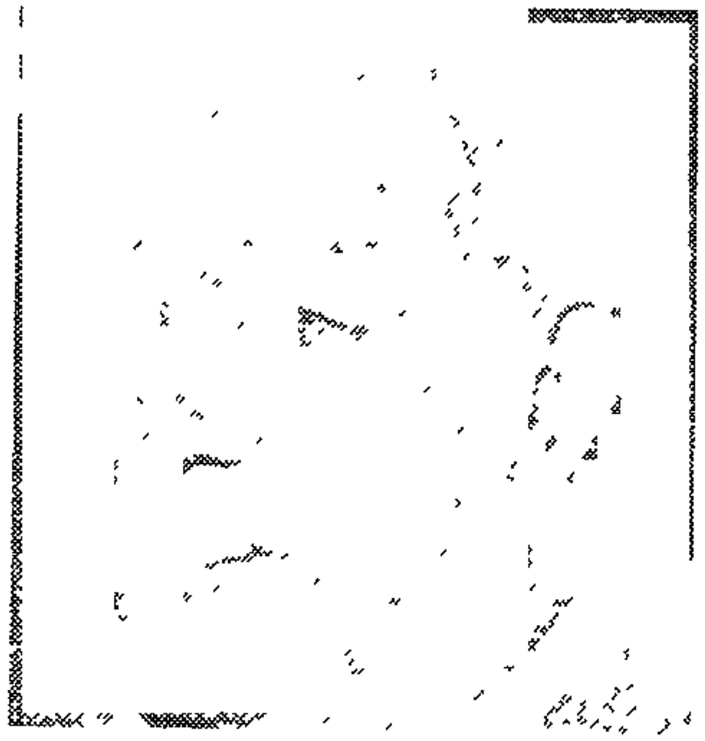
"There is a secrecy provision in the Income Tax Act which means we cannot talk about these things" the spokesman said — DDC

Erasmus: more on pages 2, 9

Vorster waived rules three times

Star 6/6/79 (259)

An illustrious career in politics has come to an ignominious end. JOHN D'OLIVEIRA, author of the biography, "Vorster the Man," highlights three occasions in Mr Vorster's long political progress.



On three occasions in his long political career Balthazar Johannes Vorster decided that he could not afford to play according to the then accepted rules of the game

The first almost brought his political career to a premature end, the second provided the basis for his later rise to power and the third clouded the end of an illustrious record in politics — and forced his resignation from the prestige position as State President

Like hundreds of thousands of other Afrikaner nationalists, Vorster was drawn into the Ossewa-Brandwag movement on the eve of the World War 2 However, when it seemed that the OB was moving into conflict with the National Party, many of these Nationalists left

But Vorster stayed on because he believed that the National Party, playing strictly according to the rules, would never obtain for the Afrikaner his cherished republic

One of his old friends, Senator Flip le Grange, who chose the NP instead of the OB, recalls a long argument in his Cape Town flat

"John and I argued for a whole night The argument centred on this John did not see how the Smuts Government could be toppled by democratic means I said there was only one way and that was through the ballot box John went away unshaken in his belief that there was no other way to serve the Afrikaner cause, to give Afrikaners control of South Africa We simply could not find each other that night Vorster argued at the time that he had no faith in democratic methods, that democratic methods would not get rid of the Smuts government and that 'other methods' should be used "

So Vorster chose the OB. He was expelled from the National Party Later he was imprisoned and interned by the Smuts Government The OB "revolution" never materialised and, when the first post-war general election took place in 1948, Vorster was rejected by the NP as a potential Afrikaner Party candidate in Brakpan

He fought as an independent and lost to Mr Alf Trollip (then a top man in the United Party, later to become a Nationalist cabinet minister) by two votes

Subsequently, Vorster worked hard for union between the Afrikaner Party, which had absorbed much of the OB's activist element, and the National Party The two parties merged in 1951 and this provided Vorster with his route back into active politics — but only because he had decided to play the game according to the rules again

By 1961 he was Minister of Justice in the Verwoerd administration — and his first task was to deal with the growing level of unrest in post-Sharpeville South Africa

In his first speech (in Bloemfontein on August 4 1961) he made it clear that he would not hesitate to change the rules when he felt the game was going against his perception of law and order in South Africa

And change the rules he certainly did with a vengeance One legislative sledgehammer after another went on to the statute books as he gave his policemen increased powers to deal with "subversives" Throughout the bitter controversy which followed each new step, Vorster remained adamant If it was a choice between the rules of the game (in this case, the rule of law) and the survival of White Civilisation, then it was the rules which would have to suffer

To his supporters, Vorster saved South Africa from communist revolution, to his opponents, he provided the basis for a system not far from that of a police state

But, when Dr Verwoerd was assassinated in 1966, the Nationalist Parliamentary caucus turned to the comparatively young Vorster to fill his shoes They were so conscious of the internal threat at the time and so aware of the success which strong-man Vorster had accumulated in dealing with that threat, that the choice was overwhelming

Ironically, one of the men active in the campaign to elect Vorster was the young MP for Randfontein, Dr Connie Mulder — the man whom Vorster made Minister of Information in 1968 and who played a key role in the events which led to Mr Vorster's resignation as State President

Confronted in the early seventies with the vicious propaganda campaign against South Africa, Vorster once again decided (this time in concert with Dr Mulder, who had, in turn, been greatly influenced by Dr Eschel Rhoodie) that the time had come to stop playing by the rules

And Information's "secret" operations started

But this time Mr Vorster did not have the tight, direct control he exercised over his policemen while he was Minister of Justice He no longer knew almost every detail of every important case, investigation, arrest or detention This control was in the hands of Dr Mulder, who was severely criticised by the Erasmus Commission

And, while there might have been excessive power to be abused in the Sixties, the new Information game tempted its players with almost unlimited funds and a minimum accounting procedure

The rest is on the record, much of it revealed in the pages of the final report of the Erasmus Commission

Tragically, in the final analysis, very litle was gained from Vorster's final attempt to play outside the rules Instead, the credibility of the Department of Information was destroyed and the central figures were all inexorably forced out of public office

And Balthazar Johannes Vorster, the man who had done so much to turn South Africa away from Verwoerd's hard-line, ideological approach to race, had to end his public career under a dark cloud

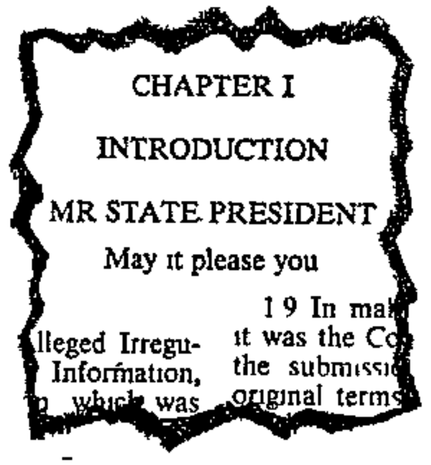
Friday: "Vorster's role in South African history," by Alan Paton.

The Star

Vorster goes

But he's willing to be State President if wanted.

Isn't this where we came in? The front page is not from The Star this week but that of September 20 1978 — the day the Prime Minister announced that "if a person in a position does not have the strength for the post then it is better to leave the post and give others the chance to give their full



CHAPTER I

INTRODUCTION

MR STATE PRESIDENT

May it please you

This is how the Erasmus Commissioners formally launched off their explosive document "Mr President, may it please you. ." At the end of the 72 pages which brought down a State President they signed off a little less coolly: "Mr State President, the undersigned Commissioners have

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6/6/79

Plot to get rid of me, says Mulder

From Page 1

"He approached Dr Eschel Rhoodie direct on this matter, stating that we were handling projects of a considerable size and that we had no legal man in our team at all He suggsted Mr Van Rooyen

"I am convinced that there was a carefully planned plot to get rid of me that built up a considerable time before I was ousted in the Prime Minister's race," said Dr Mulder

He regarded it as no coincidence that Mr Van Rooyen, the Minister of Foreign Affairs, Mr Pik Botha, and Judge Anton Mostert had all at one stage been members of the South African legal team at The Hague

"Why, for instance, did Pik Botha not call me to his home to discuss the allegations made against me by Mr Van Rooyen? I was at home that Saturday and surely as the Minister involved he had a duty to put the allegations to me first.

"Instead he called on Dr Schalk van der Merwe, not even one of the senior Transvaal Ministers like Jimmy Kruger, to discuss such a matter Then he sends Alwyn Schlebusch to see me at home on the Sunday night and he asks me to withdraw from the premiership without naming those who were making the accusations and without telling me directly of a single allegation against me," said Dr Mulder.

Commenting last night, Mr Pik Botha said, "All I can say is that as far as I'm concerned, I reject his allegations"

Mr Botha said he found it strange that Dr Mulder had not seen fit to give evidence before the Erasmus Commission to convince it of his point of view

"I have only one wish — as little to do with that man as possible"

Mr Botha said in principle he was disinclined to react to anything said by Dr Mulder "For the sake of the record, however, I reject his allegations I find it strange that he of all people can use the word 'plot' or 'plotting' against others"

POLITICAL comment in this issue by Benjamin Pogrund, Trevor Bisseker and Lin Menge newsbills by John Leask headlines and sub editing by Mike Stent, cartoons by Bob Connolly, all of 471 Main Street Johannesburg

commission has wronged him in this matter," he said.

"When Mr Alberts came into this he was already quite a successful businessman. You must not forget that he put himself at risk by coming in as a front and for this he was entitled to compensation," he said.

On the role played by Pretoria advocate, Mr Pieter Retief "Piet" van Rooyen in smashing his chances of becoming Prime Minister, Dr Mulder said he found it strange that it had been Mr Vorster who introduced Mr Van Rooyen into the secret operations as a front man.

To Page 2

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6/6/79

'leaked report'

Political Correspondent

THE ASSEMBLY. — Mr Alwyn Schlebusch, Minister of the Interior, yesterday told Parliament the premature leak of the sensational Erasmus Report could not simply be ascribed to gross negligence on the part of an official at the Government Printer.

He had ordered a high-level investigation into the matter and the official involved had been placed on immediate compulsory leave

Mr Schlebusch was giving the first public explanation of the leak which has led to a wave of speculation that it was deliberately engineered for political reasons

The official involved had been identified as a senior stores officer whom he did not wish to identify until the inquiry into the matter had been completed

Mr Schlebusch rejected accusations that the report had been circulated "selectively".

The report had been released to all parties on the list of those entitled to free, media copies of any Government report, he said

● See Page 11

Mr Vorster's position and attitudes towards certain matters

It is understood that whatever Mr Vorster does in his fightback will be based on the full evidence compared with the "evidence" as quoted in the report

Certain quotations in the report are felt to be so misleading that if attempted in a court of law they could lead to examination by the Bar Council

It appears, too, that Mr Vorster, while still State President, might have been snubbed in the way the report, which led to his demise, was prepared for release

It is believed that normal procedure was not followed

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Friends have said, however, that in fighting back Mr Vorster would not do anything which might harm the National Party and that he had acted with "dignity" throughout

They have pointed out that in his statement to Parliament, Mr Botha did not say that the Government had accepted the report, but that "in so far as chapters two and three deal with the honourable B J Vorster's involvement with the activities of the former Department of Information, the Cabinet has taken 'note' thereof "

They also point out that what was praised in the first report as a "rescue operation" by Mr Vorster on The Citizen affair was condemned in the final report on the same evidence

They said Mr Vorster was expected to leave Cape Town on Monday for Pretoria, where the family will clear out their personal possessions,

Mr Vorster is expected to settle in Port Elizabeth, where he married and first practised as an attorney From there he is expected to go to his seaside cottage at Oubosstrand

Erasmus Commission report as the "other woman" in the life of Mr Cas de Villiers, director of the defunct Foreign Affairs Association

Although the commission did not mention her by name, Mrs Van Tonder is the woman the commission was referring to in a chapter under the subtitle "His liking for women's company interfered with his official duties".

The other women who featured in Mr De Villiers' life while he was director of FAA were his wife, Erna Maria, and the Foreign Affairs Association's former public relations officer, 28-year-old Miss Hester Lamprecht

Miss Lamprecht said this week she had an affair with Mr De Villiers, which started two months after she joined the FAA in 1977 and lasted until about last October

MISS LAMPRECHT
. . an affair

Yesterday, Mrs Van Tonder said "That time I spent with Cas during my European holiday was the best I have ever experienced"

She said there was nothing sinister about her relationship with Mr De Villiers "There was nothing secretive about my overseas trip I was accompanied by a cousin Cas met us in London or some other European capital to show us the ropes As it turned out, he was able to stay with us far longer than we had planned, which was very nice for me"

Mrs Van Tonder said she had greeted the commission's revelations of the European trip with "relief"

"I am not angry that it has come out But had it not come into the open I would have been much happier, because I believe that it is of no concern of anyone other than Cas and I, and Erna and Jacque (their wife and husband, respectively)

"I am certain that our relationship did not affect Cas' work in any way If anything, it had a positive effect on his work" Their rendezvous had the blessing of Jacque van Tonder and Erna de Villiers, Mrs Van Tonder said

"I would say that my relationship with Cas has blossomed over this information scandal business You could say that Cas is my best friend At the same time, I have a wonderful husband and Cas has a marvellous wife We are all great friends"

The Star
Wednesday June 6 1979

(259)

What was the Cabinet doing?

AN odd feature of the Information scandal is that, except for the two principals named, the very men who should have been collectively responsible for projects involving many millions of taxpayers' rands were the ones who appeared to know **least** about it

There were probably cogent reasons for hiding the machinations of Mulder, Rhoodie and Co from the Cabinet which has been jointly cleared in the Erasmus report But it reflects on that body's commonsense, let alone sense of public duty, when it is considered that the Cabinet remained ignorant of matters that were being widely debated by civil servants, newspapermen and businessmen

Rumours were rife in 1976 and The Star referred to them in January 1977 Many people in many places knew pieces of information that began to fit together Newspapers began to sift the facts from the gossip and to publish the facts Still the Cabinet apparently asked no questions. If individual Ministers read nothing, and heard nothing of the murmuring, they must have been out of touch indeed with what their constituents were saying and thinking

What on earth was the Cabinet doing? A plea of ignorance is no excuse in law Deliberately seeking ignorance of highly questionable goings-on would be no better than the actions of some of those criticised by Judge Erasmus. Looked at coldly and cynically, it was only because of a struggle for power that the bubble burst within the Cabinet —not because of a collective Cabinet conscience

The commission itself raises some dubious principles It condones the buying of publications in secret provided this is not in the interests of party politics That is a nice point in South Africa where National Party interest is often confused with national interest In any case we believe the morality is debatable

A similar condonation is applied to the purchase of controlling interest in overseas media — provided the countries involved are aware of it This pronouncement hardly makes sense No country, made aware of secret purchase of news media by foreign governments, could—or would want to—keep that secret The principle is not only morally indefensible, it is also practically indefensible Dr Connie Mulder, in saying that there is little difference in principle in the **secret** funding of The Citizen and To The Point, happens to be right

Star 6/6/79

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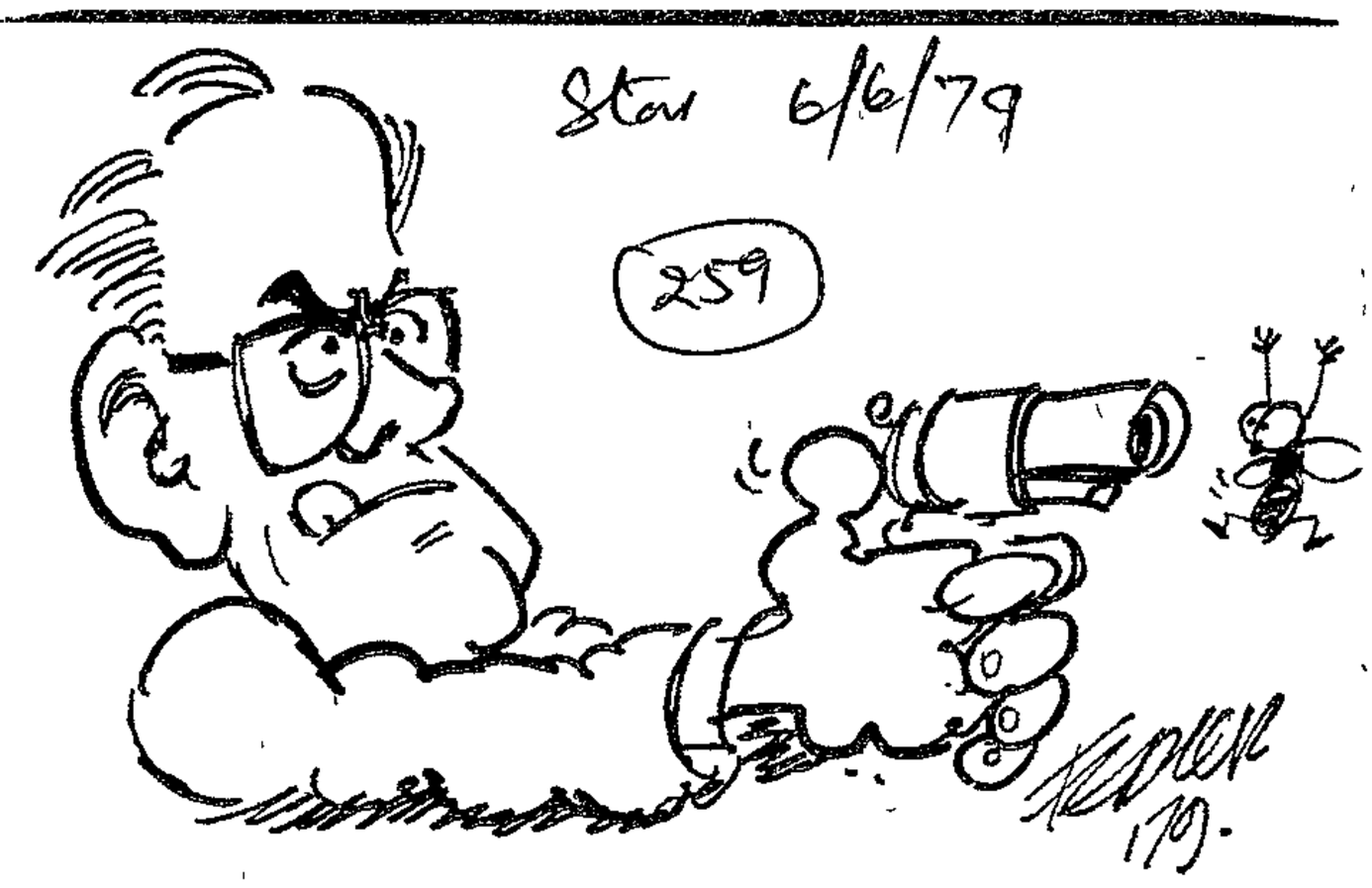
LANG HENDRIK is "really dashing, a born actor and good enough to play in cowboy films."



What they said about THAT scandal . . .

CONNIE MULDER, the fallen Tarzan, screaming from the top of a tree.

Bits of Information

The Great Information Scandal has triggered enough public comment to fill a book and brought considerable light relief – some of it unwitting. Here are some remarks from people high and low which have helped to put the affair in a different light.

"I'll donner you!" — **GENERAL HENDRIK VAN DEN BERGH, to reporters.**

"The Star is the Devil, and you represent him" — **DITTO to this Star reporter.**

"Beeld is the best Afrikaans communist paper" — **DITTO.**

"No picture for you Your paper is more liberal than the English Press" — **DITTO to Beeld cameraman.**

"John Vorster dropped me without warning I'll never forgive him for that" — **DITTO.**

"That windbag Mostert" — **DITTO on Judge Mostert**

"In my baboon mind I knew I didn't defame the commission" — **DITTO.**

"Eschel Rhoodie has saved the country billions and possibly trillions of rand" — **DITTO.**

"If summonsed I'll do bugger all They can't cut my throat" — **DITTO.**

"P W Botha can deny Info facts until he is blue in the face" — **DITTO**

"I've never killed anything only flies" — **DITTO.**

"It is beginning to look as if the whole nation must be cleansed in my husband's blood" — **MRS KOTIE VAN DEN BERGH.**

"There's no question at all of anybody being afraid of General van den Bergh" — **JIMMY KRUGER, on TV.**

"He's really dashing, a born actor, good enough to play in cowboy films" — **WOMAN FRIEND of Beeld columnist, on the General.**

"Is it juicy news to link my name to that of Dr Mulder?" — **Former MISS SA NORMA FOSTER.**

"I sometimes get so despondent I could happily climb a tree and scream" — **DR CONNIE MULDER.**

"My message to the Doctor Don't climb a tree use the Hertzog Tower" — **Piet Retief Nat rebel ROUVIERE RENS** in letter to Beeld

"Has South Africa gone completely mad, like the rest of the world?" — **Letter to Beeld.**

"This guy Rhoodie was a genius He and I are much the same" — **PROFESSOR CHRIS BARNARD.**

"My mother used to say you cannot fight City Hall The harder they deny, the harder they fall" — **ANNEMARIE RHOODIE, Eschel's daughter.**

"Why I'm still smiling? The answer is' I am a woman of steel but the hinges are a bit rusted" — **KATE RHOODIE, wife of Eschel.**

"My client's sign was a natural one, similar to that one used by Eschel Rhoodie on the tennis court" — **PRETORIA LAWYER defending crimen injuria accused.**

"The King is under no man but under God and the law" — **PIK BOTHA in letter to ESCHEL RHOODIE.**

"My officials cannot hare after Dr Rhoodie all over Europe They have other work to do" — **PIK BOTHA.**

MR E BERTELSMANN, founder of committee to seek prosecution of General van den Bergh.

"There would be no Info debacle but for the leftist Prog Press" — **BRAAM RAUBENHEIMER, Cabinet Minister.**

"I took great care to obliterate any items as I turned over the foot of each page, precisely so that I should not see anything in the document" — **OWEN HORWOOD, signwriter**

"Horwood has a very narrow field of vision" — **BRIAN PAGE, MP Umhlanga.**

"There's SOMEBODY lying But WHO? Please, can you help" — **Letter to Beeld.**

"The smearing has reached an intolerable level" — **Leader in Beeld.**

"Now the Afrikaner will have to come to terms with what he really is, a flawed human like any other" — **novelist ANDRÉ BRINK.**

"Who is this Eschel Rhoodie they keep talking about?" — **old lady's remark at leaving Pretoria performance of "Info Scandals"**

OWEN HORWOOD, man with "very narrow field of vision"

"If John Vorster didn't know about State financing of The Citizen he was victim of the biggest con trick ever played on anybody" — **LOUIS LUYT**

"We moved in circles where 'little adventures' were not rare After having his little enjoyment he would return to me" — **PATSY DE VILLIERS, ex-wife of LES**

"For a little platteland girl like me to sink away in the velvet cushions of a private jet, does not happen often Be honest if it doesn't make you feel good there's something wrong with you" — **PATSY DE VILLIERS.**

"I laid no charge, because if a man of high standing like Judge Erasmus may not prosecute General van den Bergh, who am I to go to the police?" — **GERHARDUS MINNIE, robbery trialist, alleging assault by police in court.**

"When a newspaper enters my house nowadays I see a big fat fish wife with a mouth as wide as a barbel blowing Info and Rhoodie all over not lekker for an old Nat"

The turnabout that damned Vorster

By HELEN ZILLE
Political Correspondent

APE TOWN — National Par- MP's are asking far reach- questions about the appar- reversal in the Erasmus 's attitude to the of the former State presi- Mr Vorster

The subject is expected to be of the major topics of dis- on at a caucus meeting in Town today

National Party MPs are ing out that the latest smus report has damned Vorster on virtually the evidence on which he was ed in the first report only new fact that emerges the second report is a defi- date — August 1977 — Mr Vorster was sure to known of The Citizen al

Mr Vorster was forced out of ce on Monday when the sion accused him of ing up gross irregularities six months after exonerating from blame in its first t

There is intense discussion the possible reasons for the al of attitude to Mr Vor- which, MPs say, is largely on identical evidence

They point to the following ples

● The Reynders Report, released shortly before the premiership elections last year, which found no misappropriation of funds in the former Department of Information

In its first report, the commission found Mr Vorster did not know the report was false and laid the blame on Mr Reynders, saying he was a "broken reed" on which Mr Vorster had to lean

In the second report, the commission rejects Mr Vorster's evidence and says, "Mr Vorster knew Reynders was concealing irregularities"

"By concealing his knowledge he was covering up gross irregularities, which in itself was a serious irregularity"

● The letter written by Mr Vorster in 1973 to senior Cabinet Ministers, informing them that the Minister of Information, Dr Connie Mulder, would consult him on the important Information projects

While the matter was passed over in the first report, it is used in the second as a basis for finding it was "highly unlikely" that Mr Vorster would not have known about secret Information projects

● Mr Vorster's failure to close The Citizen when he learnt it was being funded by the State

● In the first report, Judge Erasmus describes this as "the only criticism that can possibly be levelled at Mr Vorster", but says the situation cannot be viewed from the position of "armchair critics"

In the second report, the commission condemns Mr Vorster for failing to close The Citizen as soon as he learnt it was funded by the State

● Mr Vorster's statement in Parliament, accepting responsibility for the way funds were channelled to the Department of Information

In the first report, the commission found this was an "irregularity from a technical, constitutional and audit point of view", but glossed over the matter

In the second, Mr Vorster is condemned on the basis that he "knew everything about the basic financial arrangements for the department's funds"

● Mr Vorster's failure to inform the Cabinet of The Citizen scandal

The first report makes no finding against Mr Vorster on this aspect

In the second report, it is used as the basis for a scathing indictment, described as an "injustice" to the Cabinet which amounted to a cover-up

● Mr Vorster's state of health

In the first report, Mr Vorster's ill health emerges as a strong factor for finding that his integrity was "unblemished"

In the second report, the commission says Mr Vorster's behaviour was "unacceptable", despite his state of health

The indictment of Mr Vorster ends months of behind-the-scenes pressure on him to resign on the ground of "ill health" to prevent his being forced out of office Mr Vorster was unwilling to leave public office under a cloud and was adamant he would stay, unless he had no option

National Party MPs say this led to growing tension between Mr Vorster and the Prime Minister, Mr P W Botha, who was keen to put the Information scandal behind him Several MPs approached Mr Botha about the possibility of introducing a motion in the National Party caucus calling for Mr Vorster to step down — but Mr Botha apparently persuaded them to await the final Erasmus report

Mr Vorster's resignation has increased the power of the Prime Minister, but has laid the basis for further tension in the party between his followers and the Transvaal verkramptes rallying around Dr Andries Treurnicht

Info truth is 'painful, very painful'

"NOW that the final report of the Erasmus Commission has pronounced a cruel sentence on Mr Vorster, the truth is painful, very painful"

These were the words used yesterday by the Johannesburg Afrikaans morning daily newspaper, Die Beeld, in commenting on the resignation of the State President, Mr B J Vorster, on Monday

Die Beeld said the country had pre-warning "but Mr Vorster was a collosus in our public life, a Prime Minister for nearly 13 years and, until yesterday, State President He was felled by the weight of evidence that he was co-responsible for the country's most serious public scandal ever"

Die Beeld said that, in his term of office, the Prime Minister (as he was then) "never thought of himself, he exhausted himself for South Africa, for the unity of the political party which he led"

Pretoria's Afrikaans afternoon newspaper, Hoofstad, said. "It is a very high price that South Africa had to pay for the series of indiscretions and scheming unravelled by the Erasmus Commission.

"To lose a leader with the stature of an international statesman, like Mr Vorster, in these circumstances is, to say the least, saddening After his long and glorious career, during which he led South Africa through difficult times and for which he eventually had to pay with his health, we, like the vast majority of South Africans, would have preferred to see a different end to his public career"

Die Volksblad (Bloemfontein) commented "The resignation of Mr Vorster, painful and tragic as it is, because of his stature and long life and the way he was held in the heart of South Africans, was the biggest offering he made in the interest of his country"

The Pretoria News said "The resignation of the State President in the circumstances in which Mr Vorster has reisnged is humiliating for the man himself, but also humiliating for South Africa "In spite of the strong points of Mr Vorster's leadership, his resignation was unavoidable once it had been shown he was party to hijacking an area of government away from the tried system of open democracy," the paper went on

"The country has justification in being enraged at what was done behind its back, and though Mr Vorster had no part in the allegations of large-scale corruption, the very system of secret funding of 'dirty tricks' projects lent itself tragically to what happened

"Yesterday's pubication of the final report of the Erasmus Commission heralds the ultimate excision of a sore and sorry spot from our society

"From that, we can take heart that good can come out of this sordid mess, if the Government will only heed the lessons of the scandal," the News said — Sapa

Leftwing witch-hunt expected in France

Own Correspondent

PARIS — The resignation of South Africa's President Mr Vorster is expected to reveal "hidden secrets of the French Connection" with "Muldergate", the French claims

There is expected to be a witch-hunt now, launched by leftwing parties and media, of such businessmen and politicians who were involved with scandal, and questions are expected to be asked in the National Assembly why France is allowing Dr Eschel Rhoodie to live in the country.

'Humanité, the communist daily, said the resignation "splash mud on the Presidential Elysée Palace and said that trade envoys from Pretoria met the president's son, Henri Giscard d' Estaing, more than a dozen times

This was reported in the French Press and never denied the Elysée

The Leftist daily, Liberation, called Mr Vorster to disgraced friends such as Mr Richard and Prince Bernhard of the Netherlands, and the former German and Japanese premiers

The conservative daily, Figaro, described Mr Vorster the absolute master of South Africa for 12 years, while the Catholic daily, Matin, said his reign was a curious mixture of racistic repression coinciding with detente at any price policy

There has so far been no official reaction as Monday was a holiday in France

It was also widely noted that the "Muldergate scandal" could never have broken without the courageous investigation of it by the English language SA Press, with several articles expressing concern at the "Press Gag" Bill being introduced by the Government

'Do security services men kill on command?'

Political Staff

CAPE TOWN — The Prime Minister, Mr P W Botha, should state categorically whether there were men in the security services who would murder on command, Mr Harry Schwarz, Progressive Federal Party spokesman on information, said yesterday

Mr Schwarz made the demand in a statement after the Erasmus Commission's revelation of the evidence of General Hendrik van den Bergh, former head of the Bureau for State Security (Boss)

In his evidence Gen Van den Bergh told the commission "My department is capable of doing the impossible That's not big talk I have good men, I don't have weak men Although I have isolated weak men

"I can tell you today, not for your records. But I can tell you that I have enough men to murder if I said 'kill' I don't care who the victim is That is the kind of men that I have"

Mr Schwarz said the evidence was enough to send shivers down the spines of average South Africans

"Either these allegations are true or we are witnessing some kind of sick James Bond spy thriller What is the truth?"

Mr Schwarz said South Africa was fighting marxism and all it stood for in its worst sense He asked whether the country was sacrificing the very values it was said to be defending

People would want to know how a man with such views came to be in charge of state security and to exercise such a powerful influence

The Prime Minister, who was responsible for state security, had to tell the public whether General Van den Bergh's statements were correct and whether there were men who would murder on command

The public wanted to know whether Mr Botha had investigated the new Department of State Security in the light of Gen Van den Bergh's statements

South Africa needed an effective security service but it wanted one that upheld the moral principles which formed the backbone of civilisation "This assurance is demanded from the Prime Minister"

Police to take on Info fund cases

Staff Reporter

THE police will investigate the misappropriation of state funds by Mr Jan van Zyl Alberts, former managing director of The Citizen, as well the handling of secret funds by the Rhoodie brothers

The Transvaal Attorney-General, Mr J E Nothling, said yesterday "All these cases are receiving the necessary attention

"A decision to prosecute or not will be made in due course"

The final report of the Erasmus Commisssion of Inquiry into irregularities in the Department of Information found that Mr Van Zyl Alberts had misappropriated state funds, pointing to theft and fraud

The names of Mr Van Zyl Alberts and Professor Nic Rhoodie were added to the list of those whose handling of secret funds should be referred to the Attorney-General

The report repeated its recommendation that irregularities regarding secret fund money — involving Dr Eschel Rhoodie, former Secretary of the now-disbanded department, and his brother, Dr Deneys Rhoodie, former Deputy Secretary — be referred to the Attorney-General for investigation, with a view to possible criminal proceedings

The supplementary report disclosed that Mr Van Zyl Alberts paid no income tax on R222 300 received over a four-year period because he did not declare it as income to the Receiver of Revenue

A spokesman for Mr W J van der Walt, Secretary for Inland Revenue, said the department could not say if this disclosure would be investigated, because of a secrecy provision in the Income Tax Act

R44 460 pension

Staff Reporter

THE former State President, Mr John Vorster, yesterday became eligible for a pension equal to his full salary as Head of State — R44 460 a year

Mr Vorster, who resigned on Monday following shock disclosures by the Erasmus Commission of his involvement in the Information scandal, retired on that salary, which was set in 1978 and backdated to January 1

According to the South African Constitution, a retiring State President shall receive "an annual pension equal to the annual salary which was payable to him on the day on which he vacated office This shall be paid with effect from the day following that upon which the State President vacated office"

It will be paid out of the Consolidated Revenue Fund

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(259)

The lies of Vorster

OUT!

Vorster quits in disgrace — guilty of slush-fund cover-up

THE GU

Dr Vorster departs in ignominy

South Africa's Nixon

Mirror Comment

MulderGate

Vorster quits in cover-up storm

Vorster quits after new report accuses him of cover-up

Vorster forced out by inquiry on Muldergate

VORSTER QUITS IN DISGRACE

Commission clears Both of Muldergate taint

South African President named in propaganda scandal report

VORSTER TOPPLED

INTERNATIONAL Herald Tribune

From S. Africa Presidency

Vorster Steps Down in Scandal

Muldergate

VORSTER QUITS IN SLUSH FUND STORM

How a secret slush fund haunted the men of power

VORSTER QUITS OVER 'GRAFT'

Slush fund hushed up

How Muldergate caught up with Mr. Vorster

Mr Vorster's resignation and the latest report of the Erasmus Commission hit the headlines of most British newpapers He was described as "South Africa's Nixon" and "a liar who was found out"

British newspapers blazen the news

Own Correspondent

LONDON — Headlines declaring "Vorster quits in disgrace" were blazoned across the front pages of most British national newspapers yesterday, and editorial writers commented caustically that the "white tribe" of Southern Africa was "not quite so puritanically upright and plain-dealing as it would like thought"

The report of the Erasmus Commission has resurrected the Information scandal just when British readers were beginning to forget it This is the worst dose of unfavourable publicity South Africa has had for a long time

Mr Vorster's resignation was the main item on many television and radio programmes and reports on the political situation in South Africa ran strongly

The Erasmus Commission's findings were the "splash" report on the front pages of the Financial Times, Daily Telegraph, Guardian, Daily Mail and International Herald Tribune yesterday

On Monday night the BBC screened satellite interviews with the Editor of the Rand Daily Mail, Mr Allister Sparks, and political journalist, Hennie Serfontein

Mr Sparks told viewers that if the Advocate-General Bill had been in operation, "very little of the Muldergate scandal would have come out" and Mr Vorster, Dr Mulder and Dr Rhoodie would still be in office

Mr Sparks admitted that some South Africans had grown weary of the scandal, but "thinking people" continued to be shocked by it Mr Sparks and Mr Serfontein agreed that Mr Vorster's resignation would be "traumatic" for the Government's Afrikaner followers

In an editorial headed "Dr Vorster departs in ignominy," the Guardian said that "at a time when white South Africa deeply needs self-confidence its morale is being shattered"

It commented "There is much more that needs to be known, not only in South Africa, but in Britain and the United States What does not emerge in South Africa will eventually emerge overseas"

"Vorster quits in disgrace," said the Daily Telegraph, which is usually sympathetic to the South African Government

It said in its editorial "Mr Vorster's forced resignation puts a dent in the image of Afrikanerdom The 'white tribe' is shown to be not quite so puritanically upright and plain-dealing as it would like thought Apart from the personal tragedy for Mr Vorster, it is difficult to take the affair as earth-shaking — certainly not with the tones of doom-laden Schadenfreude which it will doubtless receive in certain quarters For a start, there was nothing very heinous — though plenty that was ridiculous and downright inefficient

"Mr Vorster's downfall — like former President Nixon's, only in a very different context — springs not so much from the original misdeeds as from the attempt to cover them up and deny complicity

"A robust 'so what?' right at the start might have saved much grief It is granted by all concerned that Mr Vorster indulged in no personal, as opposed to political, dishonesty and made no personal gain"

The Daily Express report was headed "Out! Vorster quits in disgrace — guilty of slush-fund cover-up"

The Daily Mirror's editorial is headed "South Africa's Nixon" and says bluntly "The South African President, John Vorster, was a liar who was found out Like Richard Nixon, he wriggled and twisted and blamed others for his misdeeds But, eventually, even in South Africa's whites-only democracy, he had to resign"

The Daily Mail says "The truth-seekers in South Africa have got their man" and "more than anything else this represents a triumph for the rest of South Africa and, in particular, for the Rand Daily Mail

"With courage and pertinacity, South African journalists have ferreted out and published the details of the massive misappropriation of taxpayers' money by Ministers of the Vorster administration to finance their private propaganda"

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Mr Vorster — a man of drama

There are various impressions I will retain forever about the former Prime Minister and, now, the former State President, Mr John Vorster.

But one stands out vividly

It was during a speech by then Minister of Information, Dr Connie Mulder, about a year ago in parliament

That was the time when the government's cover-up of the Information scandal was in full swing and Dr Mulder still exuded confidence in the apparent belief he would be able to trick South Africa by the retirement of the Rhoodie brothers

It was one of the speeches during which Dr Mulder blandly told parliament there was no government money in The Citizen newspaper — and, to his eternal shame, Mr Vorster did nothing to correct the lie when he himself knew it to be a lie

Naturally there were many heckles and interruptions as the scandal was beginning to burst open

Suddenly the Progressive Federal Party MP for Bryanston, Mr Horace van Rensburg, who is a persistent, often effective, heckler, shouted out "Remember Watergate"

And Mr Vorster, who was sitting calmly in his Prime Minister's bench listening to his Transvaal leader's platitudes, turned and glowed at Mr Van Rensburg His eyebrows seemed to swell up with his anger and irritation at what turned out to be a very apt interjection

The Prime Minister was obviously furious that someone had the audacity to even suggest there was a cover-up in South Africa on the scale that ex President Nixon had done in the United States.

It was a typical performance by Mr Vorster who, as a politician, has always had a perfect sense of the dramatic

Whether it was at a party conference, or in parliament, or at some high-powered summit meeting, Mr Vorster instinctively knew how to capture attention

Almost without exception, his speeches were masterful in their execution, frequently there would be the usual waffle about the success of the policies of separate development, coupled with attacks on the outside world, and attacks on the communists and agitators Then, he would build up to a carefully worded but significant statement about some pertinent issue that would hit the headlines.

Standing with one leg on his seat — a style some of the lesser Nationalist politicians have tried to copy — he would command the complete attention of the House and instil massive confidence within his own party in spite of the divisions

Political Correspondent BARRY STREEK reports

Mr Vorster could also change the whole emphasis of a debate through a clever but significant interjection It was tactic that often caught the former Leader of the Opposition, Sir De Villiers Graaff

In this way, Mr Vorster built himself to be the most powerful politician in South Africa's history and to be an election-winning leader of the party that has now been in power for 31 years

The biggest meeting I ever attended in the Eastern Cape was when Mr Vorster spoke at the Cape National Party congress in East London in 1975 The enthusiasm and interest of the crowd that packed into the Orient Theatre underlined his almost impregnable position at that stage

Indeed, during the 1977 election the opposition parties were careful not to attack him too much, simply because the white electorate regarded him with such esteem, and they focused their criticisms rather on the government, the party and the divisions

When he announced his resignation just over eight months ago, Mr Vorster was almost worshipped by his loyal supporters and respected by most voters

Now, he, like Dr Mulder and General Van den Bergh, is in disgrace and his image, uncritically painted in the earlier autobiographies, has been severely tainted.

What should have been a glorious public career — at least, in Nationalist terms — is dramatically and suddenly over.

For me, however, the situation as described by the final report of the Erasmus Commission has other horrifying implications

The report covers only the events surrounding the defunct Department of Information and nothing else

The central figures of Mr Vorster and General Van den Bergh were involved in a number of other activities

Before he became Prime Minister in 1966, Mr Vorster was Minister of Justice, Police and Prisons and the General was the head of the Security Police Both of them had portrayed the image of tough law and order figures who had successfully saved South Africa from the "communists" and their fellow-travellers

They built up an armoury of laws which effectively removed the power of the courts to decide whether people should be punished and restricted, even though they had not committed any offences

The 90 and the 180 days detention law, the house arrest, and the like became the forerunner of the all-embracing Terrorism Act which became law in 1967

They were the very people who moulded the secrecy and power which today characterises the role of the Security Police and the Department of National Security

Was the incompetence and, particularly in the case of General Van den Bergh, the arrogance which the Erasmus Commission found also there when these two men decided the fortunes of so many people?

That question cannot be answered now, and it may never be answered satisfactorily, but at the very least one can surely draw the conclusion, prima facie as the lawyers would say, that the very same "qualities" discovered by the Commission were likely to have been present in the 1960s

It is probably too late now to review all their activities, but surely there is a case, as the managing director of the Nasionale Pers, Mr Dawid de Villiers, argued recently, for a complete review of South Africa's security legislation.

If that occurred, then the call on Monday for positive reactions by the current Prime Minister could well have the desired response from the rest of South Africa

The world waited, and was disappointed

When John Vorster became South Africa's fourth President he told a massive crowd that would-be aggressors should think twice before deciding to fight this nation

"Please remember that in all situations there are limits beyond which no country or government can go," he said in his emotion-filled inauguration speech on October 10, 1978

They were words that summed up Mr Vorster's attitude during 12 years of Premiership ended by ill-health the month before he became President

For despite an unsuccessful attempt to move towards detente with black Africa and some easing of the restrictions of so-called "petty apartheid" inside the country, his term as Prime Minister is remembered chiefly for his blunt and uncompromising rejection of "foreign interference" in South Africa's affairs, especially its race policies

That was his rallying cry before the elections of 1977 And it brought his National Party its biggest victory since it began its rule in 1948.

But Mr Vorster's last year as Prime Minister saw the rest of the world more firmly arrayed against South Africa than ever

International protest was sparked by the death in detention of black leader Steve Biko in September 1977.

The following month, Mr Vorster's government purged opponents of its policy of apartheid. It banned 18 mainly-black organisations, closed two black newspapers and jailed or detained critics of apartheid.

Anger grew around the world, and soon after the crackdown the United Nations imposed an arms embargo on South Africa

Then, in December 1977, the Biko affair erupted again An inquest on the black leader produced evidence that he had been kept naked in a prison cell and manacled hand and foot during interrogation A verdict clearing Security Police of blame for his death from head injuries only exacerbated criticism of the presiding magistrate's refusal to give details of his findings

Undeterred, Mr Vorster pressed ahead with the National Party's "grand apartheid" strategy — to make black homelands separate nations from South Africa One Cabinet Minister said the eventual aim was that there would be no black citizens in South Africa

So far two homelands, Transkei and Bophuthatswana, have been declared independent countries, though no nation except South Africa recognises their sovereignty.

As Mr Vorster's final year in the premiership wore on, his problem mounted

He was plagued with bad health. He was reported to be suffering from low blood pressure and diabetes, and an annual check-up turned into an eight-day stay in hospital while he recovered from bronchitis and exhaustion.

Inside the country, the government came under heavy fire from the opposition and the English-language press as a political scandal grew over allegations that the Department of Information had misused funds

Across the northern border, the Rhodesian regime was in eclipse

And to the West, the long-simmering issue of South West Africa/Namibia took on more menacing aspects as black African countries increased calls for a total international economic boycott of South Africa

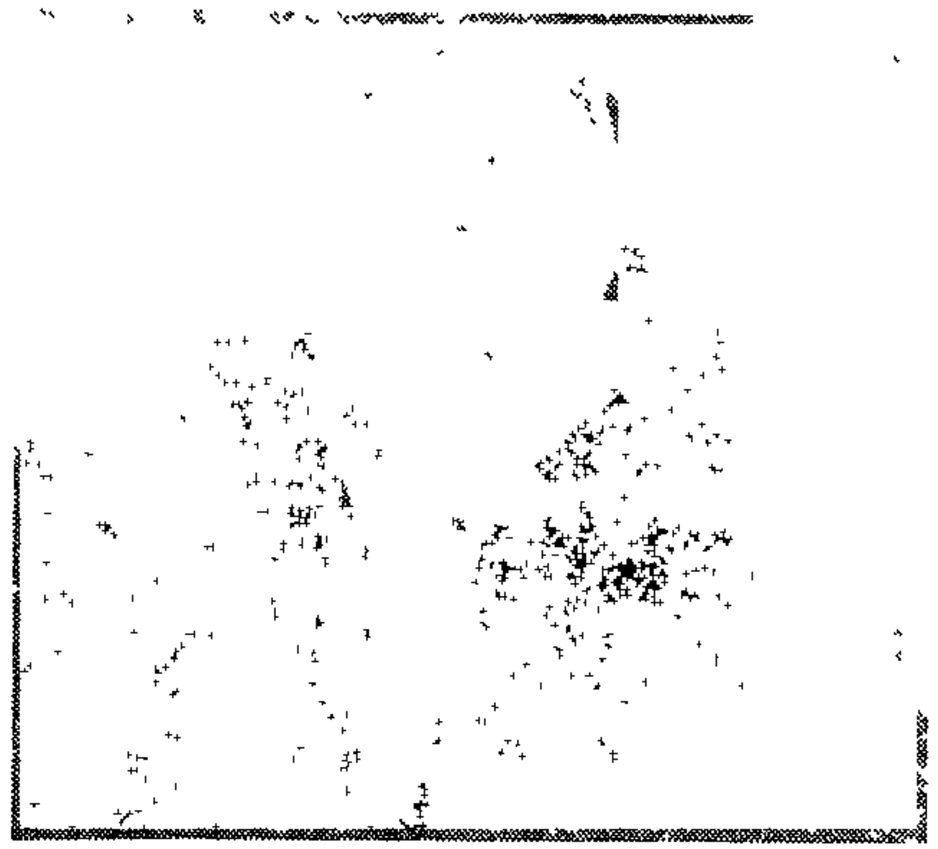
Mr Vorster accused the United Nations of deviating from proposals for the independence of the former German colony, while South Africa's foes countercharged that the Republic was pursuing a course that would leave it still in essential control of the new country

But despite his tough attitude Mr Vorster's premiership saw a number of changes Some of the "petty apartheid" regulations went — such as those which banned blacks and whites from using the same park bench

He also presided over the abolition of most of the remnants of job reservation laws, which barred blacks from certain occupations, although they were largely being eroded by shortages of white labour

But the biggest change planned by Mr Vorster was a new consitution with separate but equal parliaments for the disenfranchised Coloured and Asian communities along with whites

Under that scheme,



Mr Vorster . . . "This is no time to be sensitive about principles".

there would be an Executive President and a multiracial council for South Africa

But the plan excluded the urban blacks, whose townships have been torn by frequent and often bloody clashes

One of the biggest riots erupted in June 1976 and cost at least 176 lives The riots in Soweto began with a march by students protesting against the enforced use of the Afrikaans language in their school

The urban blacks pose the biggest race problem for South Africa, and so far the National Party has rejected any questions of one-man, one-vote for the country

However, just before the November 1977 election, Mr Vorster said he envisaged full self-government for urban blacks in local affairs

Some Cabinet Ministers in the National Party's verligte wing have talked privately of a "new deal" for urban blacks, which appeared to involve some form of regional self-government

There have also been some hints that there could be eventual representation for them at national level on similar lines to those planned for Coloureds and Asians

But the proponents of this would have not only to convince black leaders that such a plan would be genuine but to win over the right-wingers in their own National Party.

The burly, unsmiling Mr Vorster worked on the problem of his country's isolation with increasing fervour after taking over the premiership

He saw only too clearly that events were crowding in on South Africa The Portuguese coup in 1974 produced a sudden change in the map, bringing Left-wing black power to Angola and Mozambique

Rhodesia, with Soviet-armed guerillas increasing the tempo of their campaign day by day, looked less and less secure

But despite Mr Vorster's detente efforts, South Africa's world status was clearly shown when no one came to its assistance to install a Right-wing black government in Angola

He later conceded that South Africa's military involvement in Angola could have thrown a temporary "spanner in the works" regarding detente

The detente policy had been officially launched by Mr Vorster at the end of 1974, when he appealed to the world to "give us six to 12 months" to bring about change

The world waited and was disappointed

Mr Vorster came to power in dramatic circumstances — thrust forward as a strongman leader after Prime Minister Verwoerd was stabbed to death by a parliamentary messenger on the floor of the lower House of Assembly in September 1966

Mr Vorster was then known chiefly as a tough Justice Minister whose security laws were criticised by government opponents as "draconian"

Balthazar Johannes Vorster was born on December 13, 1915, at Jamestown, the son of a farmer of stout Afrikaner stock

He graduated in law from Stellenbosch University, and started his career as a lawyer in the Cape

During World War II he was a "General" in the Ossewa Brandwag, a paramilitary Afrikaans organisation which showed sympathy towards Nazi Germany

He was interned from September 1942 to February 1944 for his anti-British views. In 1945 he stood for the first time as candidate for parliament for the National Party but was unsuccessful Eventually he entered parliament in 1953 as a member for Nigel, a Transvaal constituency

From 1958 to 1961 he was Deputy Minister of Education Arts and Science.

In 1961 — the same year in which South Africa left the Commonwealth — he came into the Cabinet as Justice Minister. He was responsible for security measures like indefinite house arrest without trial and 90-day and 180-day detention without trial

His toughness won him a mass following among the rank and file of the ruling National Party, particularly in the Transvaal, traditional heartland of the hardliners.

Mr Vorster defended his security laws on the grounds that they were in the interests of the State, and said in a parliamentary debate "This is no time to be sensitive about principles "

A keen golfer, he once denied suggestions that he was hungry for power, saying "I cannot use it to play golf, and I cannot eat it "

On September 6, 1966, Prime Minister Verwoerd, architect of many apartheid theories, was assassinated

Almost inevitably, Mr Vorster, the Party strong man, emerged as the country's new leader — elected by the National Party a week later

As a Prime Minister he expanded the so-called "outward-going" policies started by his predecessor He improved relations with some black African States and made concessions to multi-racial sport at international level

In May, 1970, he made his first visit as Prime Minister to a foreign country — to the black central African State of Malawi for talks with President Kamuzu Banda. A month later he visited several European countries

This led to a split in the National Party between the verligtes and the verkramptes whose hard core later formed the extreme Herstigte Nationale Party

Mr Vorster, married in 1941, has two sons and a daughter He is a keen chess player His family and golfing friends describe him as a relaxed and affable man who never discusses politics in his private life. — SAPA-RNS.

Erasmus report vindicates

By ROGER WILLIAMS Chief Reporter

THE LATEST report of the Erasmus Commission is, in effect, a complete vindication of the substantial role of the South African press — particularly newspapers of the morning group — in drawing the public's attention to one of the most disgraceful episodes in this country's political history

Newspaper disclosures that began two years ago, of irregularities in the former Department of Information, have been confirmed by the findings of the Erasmus Commission in the wake of vehement denials, attempted cover-ups, evasions of the truth and anti-press vituperation on the part of some of the people concerned

In the report tabled in Parliament this week the Erasmus Commission said one of the problems with which it had to cope was that "not a single one of the witnessses from the department who gave evidence was prepared to say he had been at fault in any way

"Out of these crumbs, the gossip of fellow officials in the department, newspaper reports and contradictory evidence of individual witnesses the commission had to try to establish a platform from which it could sometimes launch an 'attack' in the interests of the truth "

The starting point in the process of blowing the Information scandal wide open was not, as has been suggested in some government quarters, the auditor-general's report tabled in Parliament in February 1978, which disclosed that Info funds had been used without Treasury authority over a period of three years This was merely the "official" starting point in the process of bringing out the truth

Newspaper reports had begun to appear as early as September 1977 indicating that a major storm was brewing in the Department of Information, after a tip-off that there was "more than meets the eye" to the resignation of Mr L E S de Villiers, Deputy Secretary for Information

The subsequent series of exposés, maintained in spite of threats against the press and even unsuccessful attempts through the courts to silence certain newspapers including the Cape Times, can now be seen as a triumph of investigative reporting

It was through the press that the South African public first learned

- That the then Prime Minister, Mr Vorster, knew as early as 1977 that the Citizen newspaper was being financed by the State,
- Of the manner in which huge sums of taxpayers' money had been used to finance unauthorized projects and to enable officials of the Department of Information to travel the world on dubious assignments and to become involved in unauthorized business and property ventures,
- That South Africa's former security chief, General Hendrik van den Bergh, the former Minister of Information, Dr Connie Mulder, and the former Secretary for Information, Dr Eschel Rhoodie, had played a major part in the founding of the Citizen, with the full knowledge of Mr Vorster,
- That the news magazine To the Point and the Foreign Affairs Association were being financed by the government,
- That the American millionaire publisher John McGoff and the South African business tycoon Jan van Zyl Alberts — said in the latest Erasmus Commission report to have "lined his pockets" in the process — were deeply involved in the Citizen and in other Info-linked affairs
- That the Department of Information had tried to buy the Washington Star and that some of the money allocated for this purpose had gone missing,
- That the film magnate Andre Pieterse had received an Info payment of R825 000 to enable him to make the film "Golden Rendezvous", based on an Alistair Maclean adventure yarn — which was a box-office flop

In November last year Mr Justice Anton Mostert, who had been appointed as a one-man commission to inquire into contraventions of the exchange control regulations decided to release the relevant evidence before him after the Rand Daily Mail had that millions of rands money had gone "mis private business ventu

The Prime Ministe W Botha, warned th against publishing the disclosures — but SABC heeded the warn Afrikaans as well as lish-language press we and published the evid

Mr Botha promptly ed the Mostert Com and then through Mr as State President, a the Erasmus Com which decided to he dence in secret

This commission, h almost point for poi

Nats in turmoil over report

DD 7/6/79 (259)

CAPE TOWN — The intention of the former State President, Mr Vorster, to dispute the Erasmus Commission findings about him means the Information scandal will not go away.

Obviously the government under Prime Minister P. W. Botha hoped the final Erasmus report this week would end the Information episode.

But with both Mr Vorster and former Information Minister Connie Mulder dissatisfied with the findings, this seems impossible.

Tensions in the National Party have increased since the report forced Mr Vorster to resign.

There is no large-scale desire to save Mr Vorster, who has been judged harshly for "dropping" Dr Mulder, but there is a wider suspicion of the intentions of the "pangaman", Mr P. W. Botha.

Transvaal verkramptes, in particular, are viewing the Information scandal as a political opportunity skilfully used by Mr Botha to destroy his political opponents and are waiting for his next move

Mr Botha's reputation of lashing out ruthlessly at opponents has earned him the nickname of Pangaman, and they say the Information scandal has shown him in his best form

There is also harsh criticism of the Erasmus Commission's change of attitude to Mr Vorster on the basis of near-identical evidence.

Critics say the commission's final condemnation of Mr Vorster follows months of intense pressure on him to resign on the grounds of "ill health" to avoid public disgrace

Nationalists are taking note of Mr Vorster's reported desire to fight back and are quoting a favourite opposition phrase. "It won't go away"

They are keenly awaiting the publication of the full evidence once it has been screened by a parliamentary select committee

Several people are questioning the failure of the commission to clear up the controversy over Finance Minister Owen Horwood who has given several contradictory statements on his rôle in authorising expenditure for secret Info projects

And there is a measure of sympathy for Dr Mulder's claim that the Prime Minister also has certain questions to answer

Dr Mulder has said Mr Botha's claim that no funds voted for Defence purposes had been allotted to the Information Department had been exposed as incorrect

Dr Mulder also said that, in terms of the law, Mr Botha was required to find out the nature of the projects on which such money was spent

Section 2 of the Special Defence Account Act says monies in the account shall, with the approval of the Finance Minister, be used to defray expenditure in connection with such special Defence activities and purchases as the Minister of Defence may approve

Dr Mulder has said the opinion of his legal advisers is that it was incumbent on the Minister of Defence to familiarise himself with the projects

Mr Botha had no comment on Dr Mulder's claim yesterday. — PS

(News by H Zille and M Acott, Press Gallery, House of Assembly, Cape Town)

Editorial opinion, page 10

No more Info scandals, says Govt

Political staff

THE ASSEMBLY — The Minister of Foreign Affairs, Mr Pik Botha, told the Assembly last night he was satisfied that steps now being taken would obviate another Information scandal

In the Budget debate on the Information Service Vote he outlined a series of checks which were carried out before any secret project was authorised

The accounts for such projects were checked by a full-time auditor from the auditor-general's office and, if necessary, the help of the auditor general was obtained

Secret projects were approved only when they were considered to be really in the national interest. Such approval had to be given by the Minister of Foreign Affairs and the Minister of Finance

Mr Botha said that while certain secret projects were generally considered necessary, the idea that "no rules applied" was unacceptable

Criticising the setup in the former Department of Information Mr Botha said one of the basic reasons for the former department "going off the rails" was that its planning, implementation and control functions had been vested in the same people

The auditor-general had not controlled the secret funds and what control measures there were had been sidestepped under the pretext of the "national interest"

The former department heads had spent millions on "airy fairy" activities while the department was poorly equipped with communication technology.

While thousands were spent on a trip to the Seychelles, for example, there was only one telex machine at the head office for communications with 22 overseas offices.

Mr Botha said the Information scandal had been a tremendous setback for South Africa and had given the country's enemies an advantage

Mr Botha called on the public to give the new Information Service a chance and to be thankful for what it had achieved in very difficult circumstances

Down but not out

(259) FM 8/6/79

Is the impossible happening? Are those fiery advocates of Nationalism who have run this country for so long – former State President John Vorster and Prime Minister P W Botha – about to close with each other in a fight to the political death?

On Monday the dejected and disgraced State President quit office over the damning revelations of the Botha appointed Erasmus Commission. It seemed as if SA's chess addict head of state had finally been checkmated.

Now, the *FM* learns from Gerrit Schuur, a freshly-determined Vorster is to use his new status as John Citizen to break the silence demanded of Vorster as SA's constitutional head and attempt to vindicate himself in the public eye. Vorster himself is reticent on the subject, responding to an *FM* query with a message that he is "not prepared to comment at the moment."

Nevertheless, it's no secret that Botha and Vorster never got on. Even the first Erasmus report contained evidence to this effect, though a working relationship appears to have been devised in the interests of party unity.

More significantly, though many of Vorster's supporters believe – along with deposed Info Minister Connie Mulder – that real honour will only be satisfied with the rolling of Botha's head, and that of Finance Minister Owen Horwood. Thus they rejoice in the hitherto private knowledge that their man has rejected the option of silent ignominy and is to return to the fray.

A helping hand

They are convinced it was impossible for the complicated manipulating of State funds to have been conducted in such isolation by Vorster and Mulder.

And though Vorster is reported to be reluctant to drag people down with him, the *FM* understands his campaign to restore his good name may have some unpleasant spin-off for the Prime Minister. Mulder's efforts to regain a place in politics will meet with little sympathy from the party bosses. But Vorster's residual influence, on the other hand, virtually guarantees him a helping hand from a number of senior NP people – particularly as he is not seeking a return to political power.

As one aspirant cabinet minister who may take his place when Botha reshuffles his team soon says: "One must understand that both PW and Vorster are deeply embittered and upset about everything. Connie is sunk and we will disregard anything he says. But there is enormous sympathy for Vorster. The question is whether he will risk losing this by doing something rash."

I happen to know the Vorster family well, and though he would like his name cleansed, he won't attempt this on political platforms or in slanging matches. His claim is that the evidence given to Erasmus, seen as a whole, doesn't back up the judge's findings – the Mr Big plans.

This view aside, others believe the embittered Vorster may well revert to the no holds barred, raunchy style that characterised his politicking in the past.

Whatever his strategy and hopes, Vorster can at best score a few points off Erasmus. He could knock Botha off his pedestal, the *FM* is told. And Horwood too. If, however, that doesn't bring back the somewhat misplaced credibility he once had, will anyone be worse off while from his point of view?

That depends, say his one time colleagues, on the depth of resentment he bears his successor as Premier. Had Mulder been made Prime Minister, the Info scandal would not have been allowed to see the light of day (legislation along the lines of, but tougher than, the Advocate-General Bill, would have been passed). And Vorster would have continued to hold down the Presidency – with the illusion of success. Certainly, many Nationalists still believe this would have been a wiser course to steer. However, Botha got the job. And Botha appointed Erasmus – Vorster's nemesis.

Clear indictment

Though the *FM* inclines to the view that the judge has done only part of the job assigned him, the Erasmus report contains the clearest indictment of corruption against some of the most influential men in the land. The pages of newsprint in recent days chronicle the appalling facts.

In few cases, however, do they examine the import of these facts.

Behind the stories of misappropriation of funds and jet-setting, SA's "super-patriots" evolved one of the most sinister machines that has ever come to light.

Vorster and Mulder's knowledge of things like *The Citizen* hardly compares with their joint responsibility as Ministers for the creation of this machine. For this alone, they deserve to pay the price they have – and their actions warrant permanent censure from the historians.

Take the case of General Hendrik van den Bergh, for example. As head of the Bureau of State Security, he was said by Erasmus to have ruled the Prime Ministerial roost in Vorster's time. And he appears to have been prepared to carry out some "duties" with the lack of feeling of a political Dr Crippen. As he told the Erasmus Commission arrogantly: "I can tell you here, not for your records, but I can tell you, I have enough men to commit murder if I tell them, kill. I don't care who the prey is. These are the type of men that I have."

The question needs to be asked – and answered: was his leader, Mr Vorster, the man who promoted him after internment days at Koffiefontein to his right hand, aware of the Frankenstein he had created? Certainly, enough happened to security prisoners during Vorster's tenure to give him reason to wonder about the machine which Van den Bergh had a hand in perfecting. And if Van den Bergh could boast about these chilling matters to the commission, what boasts were made in an effort to intimidate security prisoners?

Even given the unstable security situation, did no rules apply to the Van den Bergh security cabal? Not for one second is it conceivable that the former Prime Minister participated in the machinations of his fellow internee. But he must take the responsibility for having given him the awesome power which was so flagrantly abused in so many ways.

Then there is the question of the brothers Rhoodie – all three of them – and their wives.

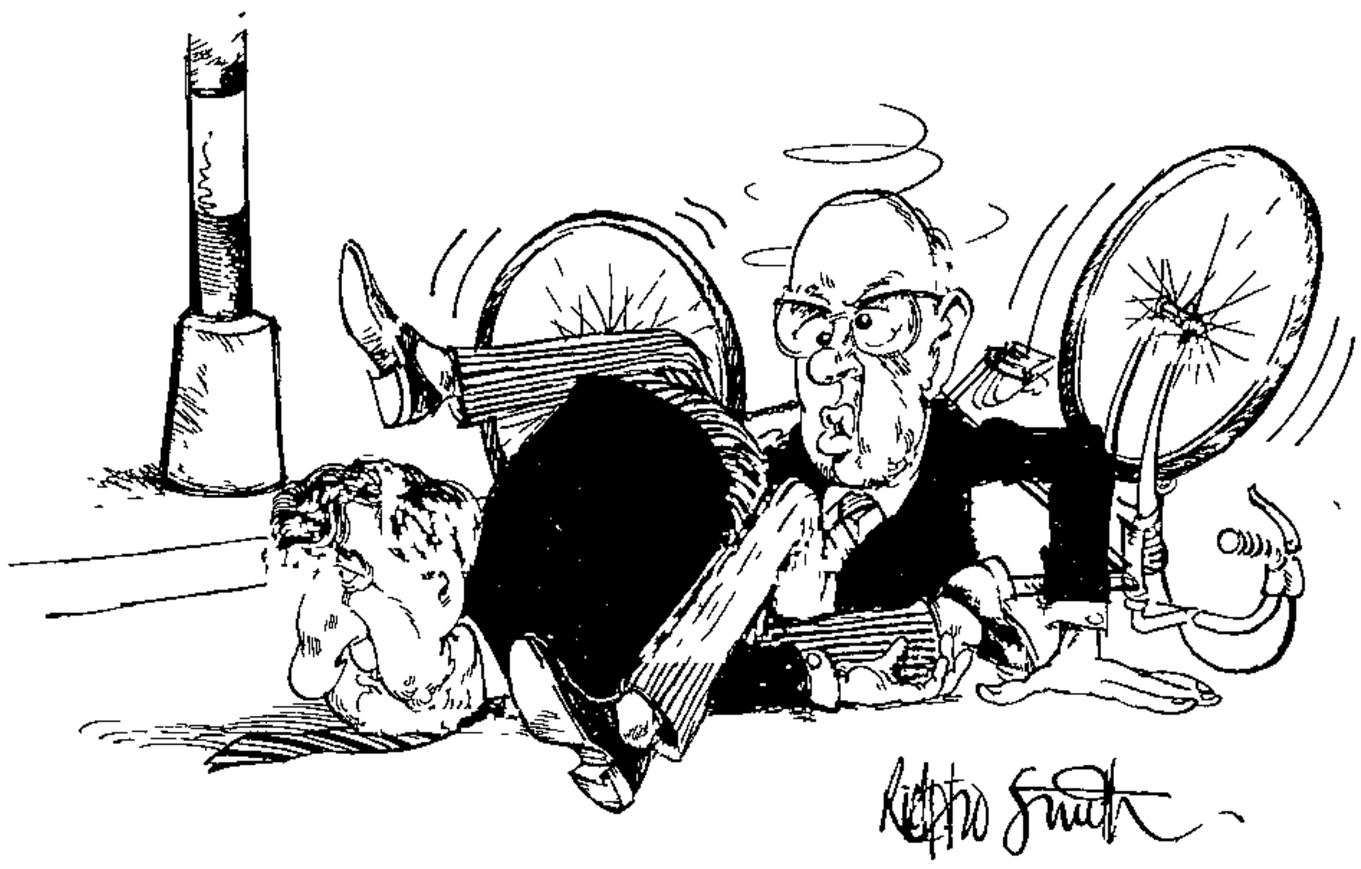
Former Information Secretary Eschel Rhoodie earned slightly more than R1 000 a month after deductions. His brother Deneys had a net monthly income of R636 in 1977. Professor Nic Rhoodie – not a civil servant – receives the norm for his academic post from Unisa. Yet the brothers were able to lend each other amounts running to tens of thousands of rands. In two years Eschel Rhoodie received R17 000 from Nic Rhoodie, while Deneys got R19 000. In addition Deneys got R32 000 from Eschel.

Over three years R291 000 found its way into Eschel's various bank accounts, R124 000 into the accounts run by his wife Katie, R99 000 into Deneys's account and R214 000 into Nic's.

Professor Rhoodie received at least R115 000 from work commissioned by his brothers over this period.

Not surprisingly, considering the detailed evidence, the commission has recommended that the Attorney-General investigate the manner in which the "hand of the one Rhoodie, washed the hand of the other."

The role of Jan van Zyl Alberts, however, appears to have been one of the most corrupt. He received a total of R16m from the secret fund. According to the commission, there was "extensive misappropriation by Alberts of state funds under his control." The misappropriations point to "theft and fraud," Erasmus says.



The world travels and amours of Foreign Affairs Association director Cas de Villiers – a man who rushed at his car and kicked it if it would not start, and who threw his tape recorder at his panelled office wall, smashing it to smithereens – are also covered in detail. And though no losses or embezzlement of large sums of money were recorded in the FAA, Erasmus found De Villiers to be dishonest and a person who spent the FAA's money liberally as a result of injudicious arrangements and undertakings. "It almost goes without saying that a man like Cas de Villiers is not equal to the post of head of an organisation such as the FAA," Erasmus says.

As the saga unfolds, laying bare the details of how *To the Point* was funded by secret funds, how various printers benefited financially by conniving with the now defunct Department of Info, how Rhoodie bought and attempted to buy newspapers for his American friend John McGoff, as well as how some of the Info men enriched themselves, the reader is left with a sense of unreality.

And perhaps this stems from the self-portrayal of the Mulder-Rhoodie-Vorster gang as super-patriots. Ironically, they were aided and abetted in this, in some cases, by the very publications that played a part in their downfall.

The adulation accorded Vorster by the press, even by newspapers supposedly in opposition to his policies, was often mind-boggling. One can only conclude that he performed the ultimate sleight of hand.

Up to a point, Eschel Rhoodie received similar treatment for a while.

But to conduct a relationship or business with either Vorster or Rhoodie, it was always necessary to subscribe – not to government views – but to their concept of patriotism. Failure to do so brought with it ostracism and even insults from the large Vorster camp. This influence pervaded the former Prime Minister's relationships and dealings with a large number of business and professional people.

They might be excused, at this point, an indifference to the fate of those who made a virtue of secrecy, even corruption, and rejected the standard meaning of the concept of love of country.

Vorster won't let Info scandal die

By MICHAEL ACOTT
Political Correspondent

THE decision by the former State President, Mr Vorster, to dispute the Erasmus Commission findings about him means the Information Scandal will not go away

The government is obviously hoping that the final Erasmus Report this week would put an end to the Information episode.

With both Mr Vorster and the former minister of Information, Dr Connie Mulder, dissatisfied with the findings, however, this seems impossible

Mr Vorster has the support of some Nationalists MPs, who note that the government has not yet accepted the commission's findings on Mr Vorster and hope it will not do so

Impeccable sources said yesterday, however, that Mr Vorster had no quarrel with the National Party and would do nothing to harm it His fight, they said, was with the commission

The commission has already been called a farce by the former head of the Bureau for State Security, General Hendrik van den Bergh, and Mr Vorster now seems determined to contest the basis on which he was virtually called a liar and accused of a cover-up of the Information scandal

Friends of Mr Vorster said he did not dispute the commission's right to criticize his political decisions or judgment as prime minister They said Mr Vorster was deeply aggrieved, however, at the reflections cast on his personal honour and integrity

He is relying on publication of the full evidence to clear his name in this respect Once the parliamentary select committee has cleared all evidence not prejudicial to state security, renewed controversy seems certain

A motion for the appointment of the committee will be approved today and all opposition parties are likely to serve on it

His friends say that Mr Vorster has been offered legal advice because they believe some of the commission's findings were justified by incomplete or out-of-context quotations

He is said to be particularly outraged by the quotation of his remark that the former secretary for Information, Dr Eschel Rhoodie, was "the most fantastic man I have ever known"

The commission notes immediately afterwards that Mr Vorster is referring to a man it found guilty of irregularities pointing to fraud and theft

Mr Vorster's associates say this will be shown to be a selective quotation, which continues sarcastically that Dr Rhoodie could arrange a R3 million bank overdraft without security or authority

They say he intends to demonstrate that other quotations are equally selective and that, in some cases, findings against him can be contested on the basis of evidence given by senior Cabinet ministers

Vorster report: Erasmus won't comment

Mr Justice Erasmus

Chief Reporter

MR JUSTICE RUDOLPH ERASMUS, chairman of the commission of inquiry into alleged irregularities in the former Department of Information, declined to comment yesterday on passages of a report in the Cape Times quoting sources close to the Vorster family that Mr John Vorster would "fight back" in an effort to clear his name

The judge is in Cape Town on a short visit

Mr Vorster resigned as State President on Monday, when a supplementary report of the Erasmus Commission was tabled in Parliament This stated, among other things, that Mr Vorster, as prime minister, concealed irregularities in the Department of Information from the Cabinet for more than a year, "regardless of the consequences", although he was aware of them as early as August or September 1977

Might have been snubbed

The sources quoted by the Cape Times yesterday said they believed that when the full evidence given before the Erasmus Commission was released, this could expose "selective" and "incomplete" quotations in the commission's report which, the sources claimed, reflected inaccurately Mr Vorster's position and attitudes towards certain matters

The sources said it appeared that Mr Vorster, while State President, might have been snubbed in the way the report which led to his resignation was prepared for release They believed the normal procedure was not followed

Mr Justice Erasmus said yesterday he had read the Cape Times report but would rather not comment on it

Asked if it was likely that the commission would hear further evidence, he replied "As I see things, our work is now complete We have submitted our final report and the matter is now out of our hands"

The judge said he had come to Cape Town to discuss certain matters with his colleagues on the commission before returning briefly to the Free State Bench

He would, on June 15, begin the six months of long leave due to him by going to his farm for a period "We then intend having a short family holiday by the sea and we hope also to go overseas for a short while"

Cas de Villiers intends taking legal advice

JOHANNESBURG. — The former director of the Foreign Affairs Association, Mr Cas de Villiers, intends seeking legal advice in the wake of the Erasmus Commission's findings concerning him, the Citizen newspaper reported yesterday.

Mr De Villiers, speaking about his alleged relationship with a former public relations officer at the FAA, Miss Hester Lamprecht, said he had received letters from several people in which Miss Lamprecht was praised for the excellent work she had done

"One of the letters came from the principal of a famous American college who was on tour with his wife in South Africa," he said

A similar letter was received from a deputy director of the Central Intelligence Agency

Mr De Villiers said Miss Lamprecht was appointed, "without me knowing her" She was appointed because her qualifications were the best of thos who applied

Miss Lamprecht worked under "the most difficult circumstances" in planning a congress in the United States, which took place under hazardous conditions for South Africa because of the Biko issue

Mr De Villiers said he was personally congratulated by the former US Secretary of State, Dr Henry Kissinger, for organizing the congress

"Dr Kissinger told me in a personal interview that this was the right strategy to follow in the US, and he referred specifically to what he termed a 'low-profile approach' in any sensitive circumstances

Mr De Villiers said he had made "quite a number of friends" overseas

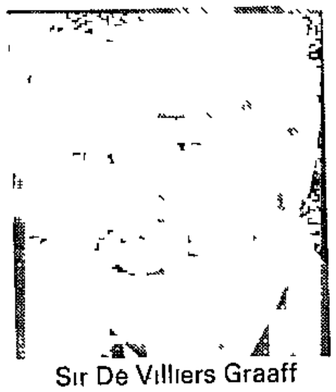
Among these people were Mr Richard Luce, who visitied South Africa recently, and a civil rights leader, Mr Bayard Rustin

Referring to the entertainment of important and influential overseas guests in South Africa, Mr De Villiers said "At a stage I was bound to entertain regularly at my house and I did not own a dining-room suite suitable to accommodate a fairly large number of people," he said, referring to the fact that he bought a dining-room suite with FAA funds

"At no stage did I try to hide the fact that the furniture was the association's property, even my children knew that and the auditors as well

"I was taken from a post to which, in my opinion, I had a bright future, and because of national interest was talked into a hazardous job

"I could, for example, have flown first-class on every occasion, which I never did"



Sir De Villiers Graaff

NRP wants Graaff for post

THE New Republic Party has nominated the former leader of the opposition, Sir De Villiers Graaff, as its candidate for State President

In a statement the party's Chief Whip, Mr Bill Sutton, said the decision was taken at a meeting of the NRP caucus this week

The statement said "The caucus of the NRP met yesterday to consider the implications of the momentous events of the past few days, including the resignation of the State President, Mr Vorster

"The caucus decided that the party should nominate a candidate and decided unanimously to invite Sir De Villiers Graaff to be the NRP's candidate as the man best suited to unify our people at this troubled time

"It is an honour to announce that Sir De Villiers has graciously accepted the invitation and will be the NRP's candidate in the election of the State President on June 19, 1979"

Sir De Villiers was the NRP's candidate in the last election of State President after Mr Vorter stepped down as prime minister and was elected as State President — Sapa

What Info people are doing now

By Elizabeth Wilson

The disclosures of the Erasmus Commission this week have brought big changes in the lives of many key figures involved in the Information scandal

For some the report has meant blame and shame, for others the lifting of a dark cloud of suspicion The future plans of the main figures are

● The former State President, Mr John Vorster, is expected to return to Pretoria on Monday to begin his move from the official residence to the Port Elizabeth area — within reach of his holiday home at Oubosstrand

● Former Cabinet Minister Dr Connie Mulder is in retirement in Randfontein and re-iterating his claim that the roles played by other Cabinet members in the scandal will still have to be publicly acknowledged before the Information ghost is laid

● Mr J F Waldeck, prematurely retired from the former Department of Information, was this week opening champagne to celebrate the clearing of his name But at this stage he will not discuss his future plans

Clerk

He is at present employed as a clerk in the Transvaal Provincial Administration

● Mr Red Metrowich, who resigned two months ago as director and chairman of the South African Freedom Foundation, said yesterday he had been waiting for the Erasmus report to be released before deciding on his future plans

'I had no fears that my name would not be cleared,' he said, 'but I was awaiting a public clearance before going ahead"

Mr Metrowich said he had been offered a few company directorships but had not yet made any decision

● Mr Jan van Zyl Albertts, accused in the report of misappropriation which "pointed to theft and fraud," is continuing his business activities

He told The Star he had many business interests which were not connected with this week's disclosures and he was occupied with these

Remain

He said he had no intention of leaving South Africa and would remain in the same house with the same people around him

● Mr Cas de Villiers, the Foreign Affairs Association Director, is considering a job in journalism He was reported to have used State money in playing a "cat-and-mouse" game across Europe with his former public relations officer, Miss Hester Lamprecht

He has sold his farm outside Pretoria and moved to a house in Waterkloof which is reported to have cost R80 000

He said the move had nothing to do with this week's disclosures "It is not practical to live out of town with current fuel restrictions It is also more convenient for the schooling of the children."

Political

Mr de Villiers said it might be some time before he decided what sort of work he was going to do He wanted to do something in "the writing line" and where he could perhaps make use of his political experience

Mr de Villiers' wife, Erna, is "standing by him, no matter what"

In spite of the latest allegations against her husband and the Erasmus report's revelation of his year-long affair with Miss Lamprecht, Mrs de Villiers says "I still have faith in my husband."

● Miss Lamprecht this week told a reporter there was no longer any relationship between her and Mr de Villiers

She is reported to have said that all she now cares about is her current b[illegible] Mr Pierre Viljoen, a Pretoria company director

She is said to be planning a six-week holiday with Mr Viljoen in Europe at the end of this month

● Mr Les de Villiers, the man described by the Erasmus Commission as "a great talker" who "never really came to the point," is now living in New York and working for the public relations firm Sydney Baron which had big Information contracts

● The Rhoodie brothers, key figures in the Information affair, remain elusive

The runaway former Information Chief, Dr Eschel Rhoodie, is still believed to be in Europe

He was seen this week in Switzerland and interviewed by a British journalist His wife Katie is with him and his son is at school in Britain His daughter has remained in South Africa

Money

Dr Rhoodie told the journalist that there were many ways civil servants could make money apart from their salaries

He said that he was prepared to testify before a judge of the South African Supreme Court on condition that he had legal protection

"But," he said, "I have good reason to believe that if I return home to the country I love, the Government will throw me in jail"

Professor Nic Rhoodie is also thought to be overseas — either in the United States or Britain

He applied for — and was granted — a study leave from the University of Pretoria from April 1 to June 30

Legally

The principal of the university, Professor Eddie Hamman, said this week that Professor Rhoodie could "quite legally" stay away until July 22 since the university was closed for the winter holidays until then

Professor Rhoodie's wife would not comment on her husband's whereabouts

Dr Deneys Rhoodie, a former Deputy Secretary for Information, is living in Pretoria.

His wife said yesterday that she had "strict instructions" not to discuss anything with the Press. She could not comment on whether he was working

● General Hendrik van den Bergh, the former head of BOSS, has expressed bitter disappointment at the resignation of Mr Vorster as State President

Farming

The man who told the commission he had "enough men to commit murder" is now farming near Bapsfontein

And the man whose disclosures this week rocked the country, Mr Justice Rudolph Erasmus, is to take a well-earned and extended holiday from June 15 until "towards the end of the year"

Speaking from Bloemfontein, the Judge said the tension of the past few weeks had now "disappeared" Although he was "used to hard work," this had been a different type of work.

Quietly

"In a court of law you sit quietly, you do your research and your work But in a matter of this nature one never knows what is coming

"The public is generally interested, the Houses of Parliament are interested, the outside world is interested This causes a lot of tension"

Judge Erasmus plans to spend some of his holiday on his farm He will also possibly visit Israel with his wife.

Erasmus too will take break

John Vorster's era of power

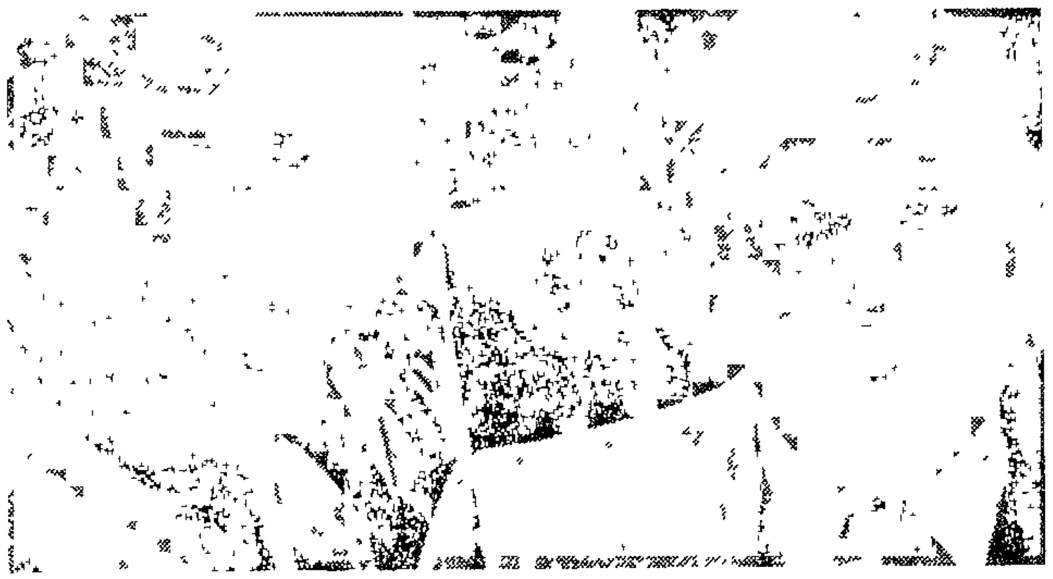
13 eventful years in SA's history

This week the State President, Mr John Vorster, resigned His domination of southern African politics started 13 years ago when he was swept into the Prime Minister's office as a "strong man" after the murder of Dr Verwoerd

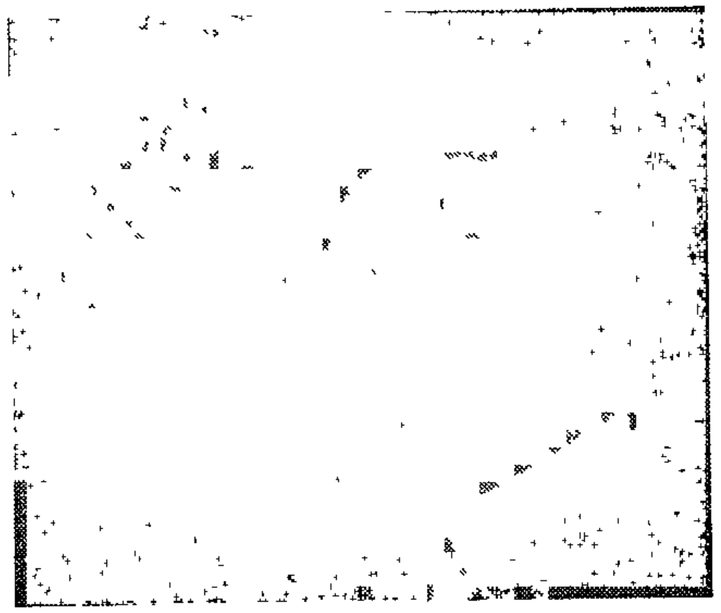
He resigned as Prime Minister last year, an immensely popular man among whites and in terms of election results, the most successful politician South Africa ever had

Then he became State President And it was from the country's highest office he resigned this week He was in disgrace after the final report of the Erasmus Commission.

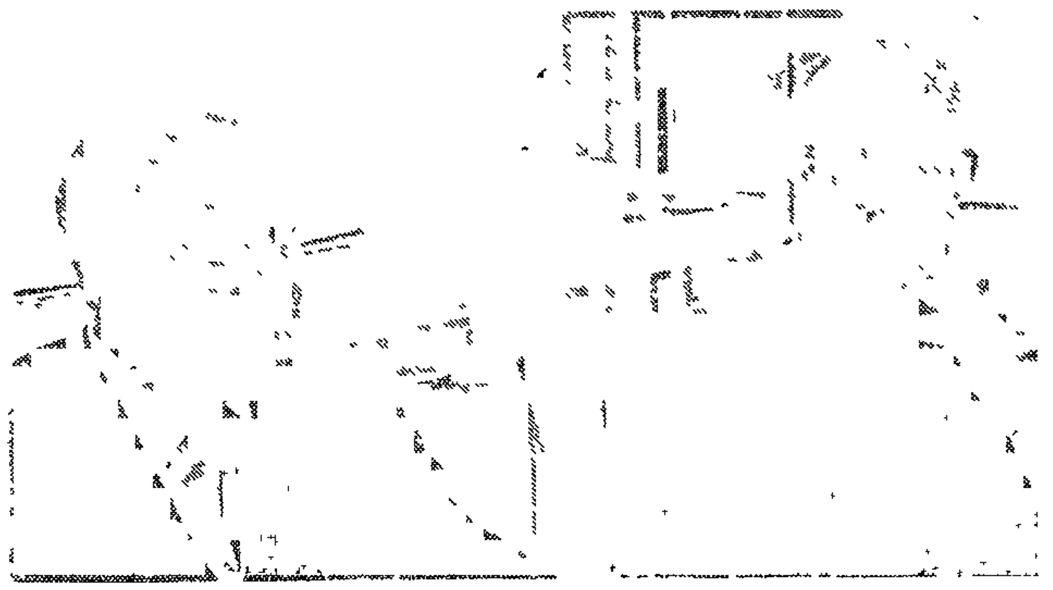
These pictures show some highlights of his career



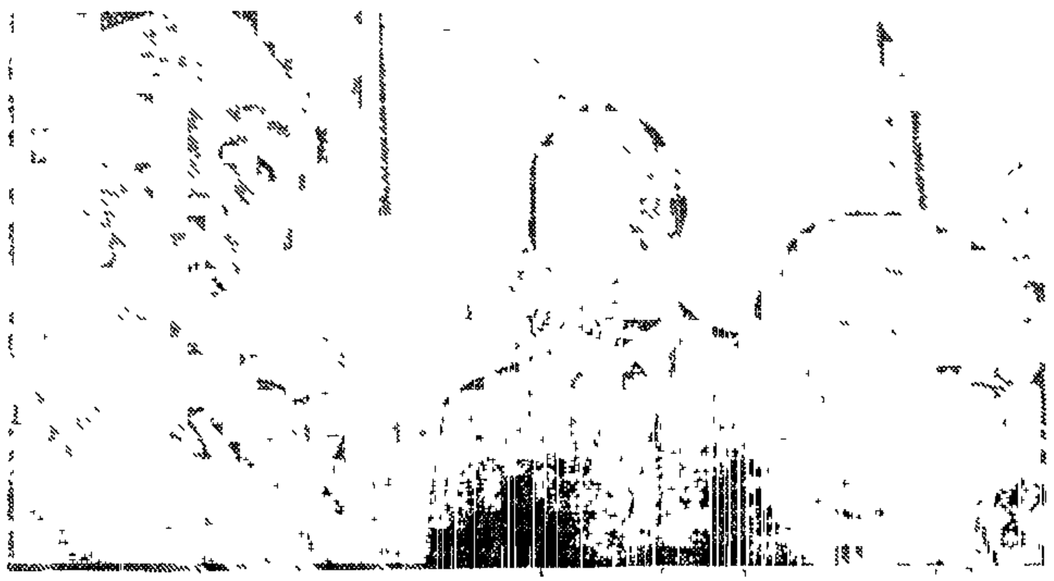
With President Kenneth Kaunda of Zambia



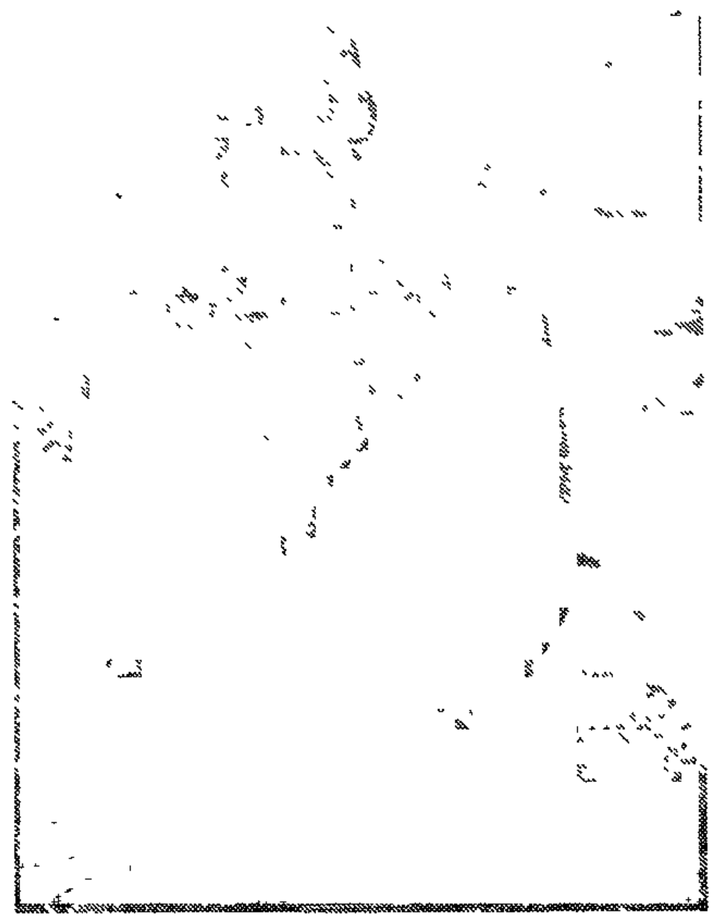
The new Prime Minister at his inauguration in 1966.



With "Sunny Jim" Callaghan.

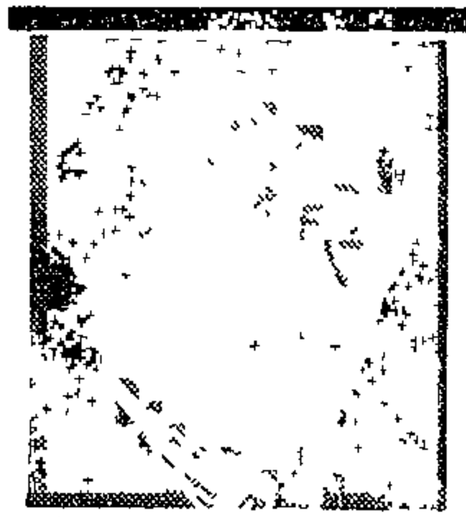


Familiar figure — new job. Mr Vorster as State



The end of the road . . . Mr Vorster at his holiday home at Oubosstrand, where he will be spending

A serious revolt is threatening on the National Party backbench out of sympathy for Mr John Vorster.



By

BILL KRIGE

Political Correspondent

This development comes amid widesperad gloom at the outcome of the Randfontein parliamentary by-election which has underscored the fact that continued loyalty to the NP is largely dependent on the protection of white priveleges.

It is precisely this ground which the party leadership seeks to abandon in its efforts to update its response to the challenges of government.

Riled

But while the revival in the fortunes in the ultra-Right-wing Herstige Nasionale Party has given rise to concern, it is the manner in which Mr Vorster was bundled out of office without being given theh opportunity for a face-saving exit which has riled MPs.

It has resulted in an ambiguous approach to the final report of the Erasmus Commission and there is increasing pressure within the Nationalist caucus for it not to be accepted without reservation.

Some MPs believe the commission has undermined its own credibility with what they believe to be an extraordinary interpretation of Mr Vorster's evidence — one which some believe must have coloured its finding on Mr Vorster's complicity in concealing facts about Information from his Cabinet.

They refer to a passage selected by Judge Erasmus from the mass of evidence and published under the report's chapter, The Cocoons, under the subheading, Unsolicited Praise for Acquaintances.

Fantastic

In it Mr Vorster is quoted as saying: "No, what I am aware of and I want to repeat it to you, is that Dr Eschel Rhoodie is the most fantastic person I have ever met in my life and there will never be another like him. Because he got things right which a normal person would not be able to get right".

Supporters of Mr Vorster say that anyone who had an inkling of his personality and manner of speech would never have mistaken the heavy sarcasm for unsolicited praise.

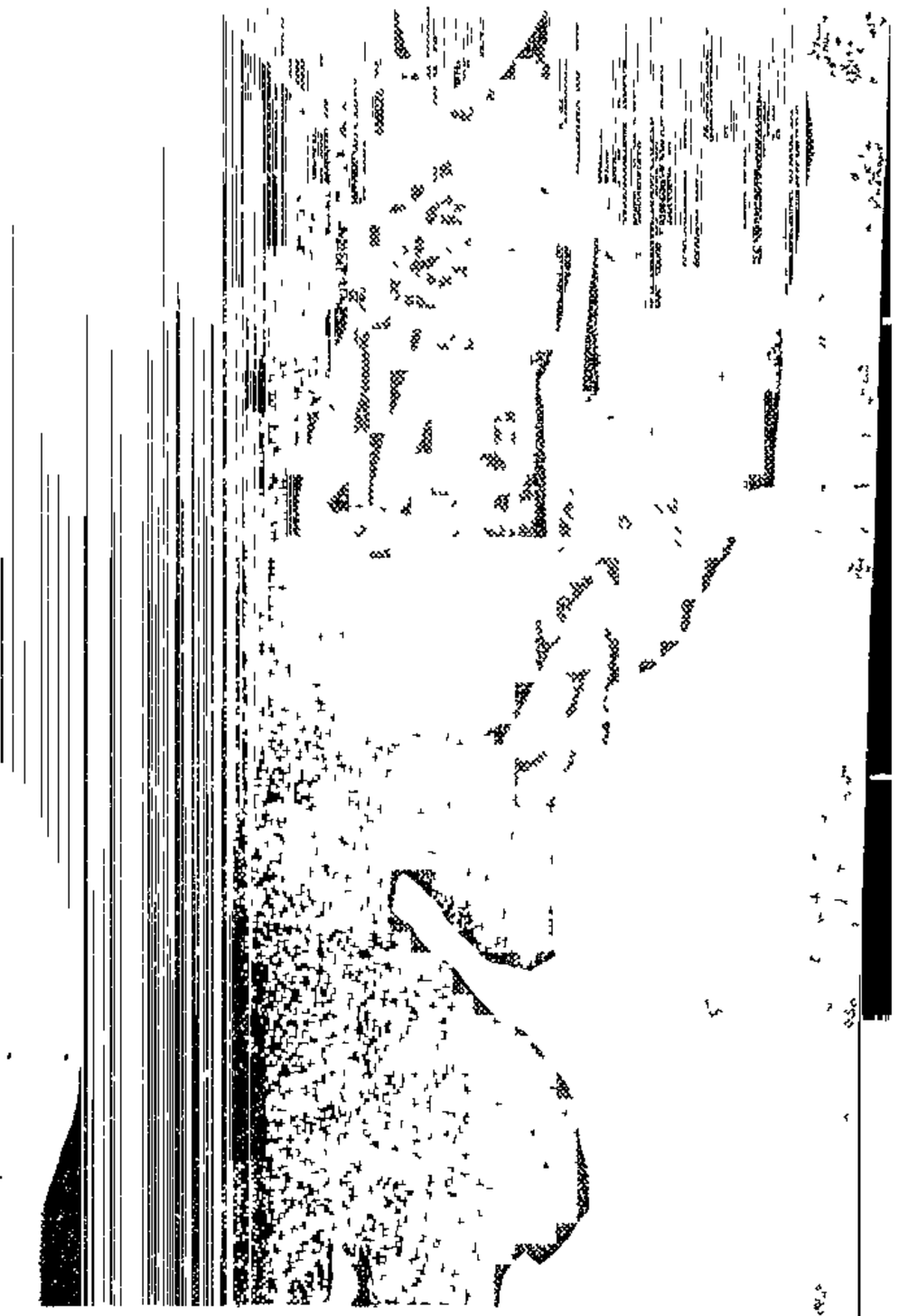
Credence

It is also pointed out that the credibility strained by that particular quote has given credence to the complaints of Dr Connie Mulder, General Hendrik van den Bergh and even Dr Eschel Rhoodie from his hideout somewhere in Europe, that the release of the full evidence they gave before the Commission would reveal intentions completely different from the interpretation put on them by the judge.

The strain which Mr Vorster's resignation has placed on the party is expected to surface during a special debate tentatively scheduled for next Wednesday in the House of Assembly.

Mr Vorster, in an interview with Die Burger, has promised not to act in a manner which could harm the NP but his evident desire to "put the record straight" by legal means if necessary, could aggravate the tensions which have long been evident.

It has been suggested, not altogether frivolously, that the former State President might be the Advocate - General's first customer when the Bill is pushed through and becomes law within a few weeks.



IT'S TOTSIENS BUT

SUPPLEMENTARY

REPORT

of the

COMMISSION OF INQUIRY

into

ALLEGED IRREGULARITIES IN THE FORMER DEPARTMENT OF INFORMATION

This publication will be officially released when laid on the table of either House of Parliament or in the Legislature concerned.

No information contained therein or in

. . . but Nat MPs are riled at the way in which the State President was bungled out of office

Will he become the Advocate General's first customer?

ERASMUS III

(259)

GENERAL VAN'S DOUBLE-CROSS

He gave R2-million to The Citizen as he probed the Info affair

By PETER MANN

GENERAL Hendrik van den Bergh, the man appointed by former Prime Minister John Vorster to investigate the Department of Information, transferred R2,1 million to the Citizen while he was meant to be investigating it

This is one of the incredible examples of double-dealing revealed in the final report of the Erasmus Commission. It means that the very person appointed by the Prime Minister to investigate irregularities was actively taking part in them.

QUOTE

JOHN VORSTER:
I want to tell you this again. Eschel Rhoodie was the most fantastic person I have known in my life. There will never be another like him. Because he got things right that a normal person would not have been able to.

Tender Board unlikely to stop suspect Info deal

IT APPEARS unlikely that the Tender Board will cancel a R1,2 million contract to print the magazine SA Panorama — although the Erasmus Commission says it was awarded in suspicious circumstances and for dubious reasons.

The man who was instrumental in securing the contract for the firm, SA Litho, is Mr David van der Spuy, then head of publications for the Department of Information

This photograph of Dr Connie Mulder was taken by British photograph Godfrey Argent

Bergh insisted to the Commission that Mr Vorster knew about the money. He said· "Yes, he knew it well. And he wished me luck with it"

But Mr Vorster denied he knew about the money. He was asked if he was aware that after General van den Bergh had been appointed to investigate the affairs of the Department of Information, he authorised an amount of R2,1 million for Mr van Zyl Alberts to use to finance the continuing losses of The Citizen.

Mr Vorster said· "No, what I was aware of, and I want to tell you this again, was that Eschel Rhoodie was the most fantastic person I have known in my life There will never be another like him Because he got things right that a normal person would not have been able to"

Immediately after this quote of Mr Vorster's the Commission says "The Commission found, among other things, that Dr Rhoodie had committed irregularities which pointed to fraud and theft"

Photographer denies 'fee' allegations

Tribune Bureau

LONDON: Top British society photographer Godfrey Argent has dismissed as ridiculous the Erasmus Commission allegations that he was refused — or ever demanded — a fee of R1 000 for pictures of Dr Connie Mulder

For proofs and three mounted 20 cm x 25 cm prints, he asked his normal fee of R250, plus R8 expenses "and that I received only after a lot of time and aggro"

Argent, who first visited South Africa in 1977 to photograph 46 prominent South Africans (including the then Prime Minister Mr B J. Vorster, General Hendrik van den Bergh and Dr N. Diederichs) was asked by another client, Dr Eschel Rhoodie, to photograph Dr Mulder

"This was normal procedure with a commission," Argent said here on Thursday. "The proofs went out and after a while I was asked to provide the three prints in terms of my agreement

"After that, I ran into a brick wall I simply couldn't get paid — so, when I went to Pretoria, I popped into the department and asked for my money.

"Their reaction was astounding How dare I take these photographs? How dare I ask to be paid when they could get prints done around the corner? Who asked me to take the pictures in the first place?

Aggro

"After a lot of aggro, I eventually got my money — the invoice showed· R250 for the fee and R8 for postage

"I approached Vorster and asked to take his photograph," Argent explained. 'I often do this with people I want to photograph as I imagine other photographers do

"Dr Rhoodie commissioned me to photograph him and his wife and I was paid the normal way for that"

Mr Argent said he couldn't care less about the implications of the Erasmus Commission report "I have absolutely nothing to hide," he said "I enjoyed working in South Africa and I sincerely hope I shall be able to go back there again. All I have to say about getting R258 out of Dr Mulder is. 'big deal'."

He admitted to the Erasmus Commission that he had "put out feelers concerning directorships" and had made use, free of charge, of SA Litho and Maskew Miller cars — and that this had compromised him as a civil servant.

The Erasmus Commission also heard that Mr van der Spuy had hinted that he would like to receive a farm for his services for the Trio Rand group — which includes Maskew Miller and SA Litho.

This week Mr van der Spuy was in the offices of Maskew Miller in Cape Town, but company officials denied that he was now working for them. "The intention is that he is not going to come to us," said Mr Tertius Myburgh, the managing director.

Mr Myburgh rejected what the Erasmus Commission said about his company, saying it was "completely one-sided".

He said: "The bloke (Mr G. J Kruger, managing director of Maskew Miller) who said all this is a bloke who was well I shouldn't perhaps say fired, but he was asked to sign a letter that he resigned. This must obviously be the reason why he said all this. This never came out at the commission. It's a very one-sided story — this whole thing"

Mr S F van Zyl, Deputy Director of State Purchases, said of the contract "I can't see any justification for any review because as far as we are concerned it didn't play any role

"At this stage we are investigating all possibilities That's all I can say," Mr van Zyl said

Mr Dawid de Villiers, head of Nasionale Koerante — the company which put in the lowest tender for the contract — said his company might consider the possibility of having the tender award set aside

Vorster cut from Tattoo programme

ALL reference to the former State President, Mr B. J Vorster, has been obliterated from the programmes of Durban's first-ever Military Tattoo, due to open on July 4.

Mr Vorster was invited to be guest of honour at the prestige event and an address by him headed the printed programmes.

"Fortunately the printers were not too advanced with the programmes and we were able to pull out the State President's address," said Mr Terry Toohey, Director of the Durban Publicity Association and instigator of the military showpiece.

"There is now no mention whatever of Mr Vorster in the programme and his invitation has now been extended to his successor. We have had a verbal indication from the State President's office that either the acting or the new State President will be our new guest of honour."

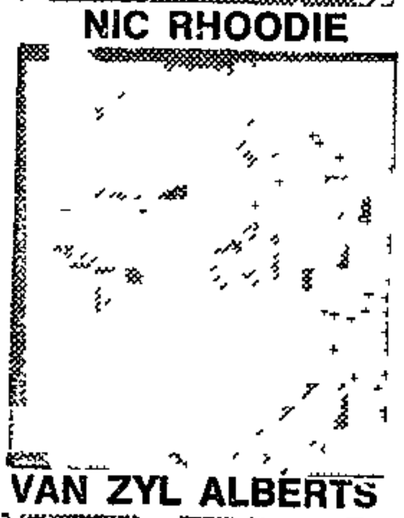
Preparations are well advanced to accommodate the hundreds of servicemen and women who will be taking part in the Tattoo and, according to Mr Toohey, tickets for the nine-day event are selling well.

THE FINAL ANALYSIS

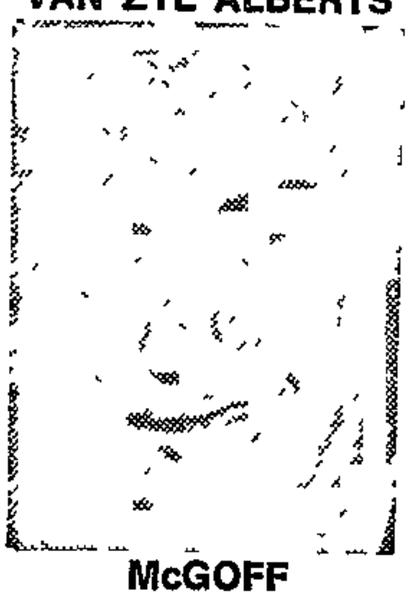
THE INFO FARM THEY FORGOT

And the men who ran it

NIC RHOODIE



VAN ZYL ALBERTS



McGOFF

By MARIAN SHINN

REENBERG, the Eastern Transvaal mountain retreat of the Info men, seemed to have been missed by the Erasmus Commission.

In its reports, the commission does not mention any probe of the company which owns a farm with a view near Hoedspruit No farming was done there but it has a beautiful home perched on a mountainside.

It's not over, yet!

By PETER MANN

VAST areas of operation of the former Department of Information have not been investigated and serious undiscovered irregularities in the department's affairs may exist.

This emerged this week when the Erasmus Commission published its final report and said it had depended for the scope and results of its investigation on people "having the goodwill to come forward and to give evidence about irregularities, if any.

"Where people did not come forward and the commission did not learn of any further irregularities whatsoever from any other source, it would have been futile and unnecessarily costly to undertake an investigation into each of the 160 or so projects and to subpoena all the persons concerned in them," the Commission report says.

But Mr Harry Schwarz, the PFP chief spokesman on the Information scandal, pointed out that this meant the scandal was not over.

"What they are really saying here is that the thing is not over, because they don't know whether there are any other irregularities.

"The problem is that unless there is a proper investigation by somebody who goes through all the projects you will never actually know what the irregularities are."

Mr Schwarz said the Erasmus Commission itself should have called evidence on all the projects.

"Quite obviously you can't just wait for people to come forward and give you evidence about irregularities. You've got to look at the projects and see if there is anything wrong with them.

"If you're going to wait for people to come forward you run into the problem that the people who have the knowledge are, in the ordinary course of irregularities, normally the people who have perpetrated them.

"They are not going to come forward and give evidence. So it is only if the cover-up hasn't been successful that other people will know about it. So unless you actually go into the projects you can't find out for yourself whether there is anything wrong with them.

"The commission should have looked at all the projects. Part of the problem in the commission was that it was always working against time and it had time limits assigned to it. Therefore one can understand there was a limit to what they could do

HARRY SCHWARZ . . . Unless there is a proper investigation you will never know what the irregularities are

Schwarz says the probe's not finished as the judge tells of the operations he didn't check

"But we were hoping that this thing would now be over and that we could get on with other problems in South Africa.

Vorster cleared, then nailed

By MARIAN SHINN

SIX MONTHS ago the Erasmus Commission cleared former Prime Minister John Vorster on virtually the same evidence on which it has now condemned him.

The two main witnesses on whom the Commission found that Mr Vorster was aware of what was going on in the former Department of Information, and hid it from his Cabinet colleagues, were Advocate Retief van Rooyen — a director of Thor Communicators — and Mr Lood Reynders, the investigator Mr Vorster appointed to look into the department's affairs

These men gave evidence to the commission last December and according to the list of witnesses called to give further evidence, they were not called again Mr van Rooyen confirmed this.

What made the commission change its mind?

Chairman Mr Justice Rudolph Erasmus said this week that "... could not quickly come to any conclusion unless one has a bird's eye view of the whole situation. The difficulty for this commission was that it had to bring out a report quickly — in a month."

In the final report the commission said it was not prepared to make a speculative finding on when Mr Vorster first knew of The Citizen, as it was an "important aspect".

Yet the three people who told the commission when Mr Vorster knew of The Citizen were Mr Reynders, Mr van Rooyen and Mr Vorster. Of these, only Mr Vorster was recalled to give evidence

In the latest report the commission said Mr Vorster's evidence before it last year was mainly denials of the accusations against him.

In its first report the commission found that Mr Vorster had lied about the origins of the secret fund, yet cleared him of irregularities.

Sunday Tribune 10/6/79

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Access by road was almost impossible and it was revealed that this was to be the "Camp David" of former Information Minister Dr Connie Mulder when he became Prime Minister.

All the shareholders of the company have been revealed as being involved in the department's irregularities and misappropriation of secret funds — except for Mr L. E. S. de Villiers, who was head of the planning division and now works for the American public relations firm, Sydney S. Baron.

The commission gave no indication that it looked into how the company acquired the farm despite its connections with these men.

It only goes into detail about how former Information Secretary, Dr Eschel Rhoodie, and his family, used aircraft at State expense to ferry themselves and furniture to the farm.

The company's directors are: Professor Nic Rhoodie who received thousands of rands for work commissioned by the department — some of which he dished out to his two brothers employed by the department; Mr Johannes van Zyl Alberts, who was managing director of Government publications To The Point and The Citizen's holding company, and Mr John McGoff, to whom the department lent 10 million dollars — of which more than six million dollars is still missing.

The shareholders are Mr L. E. S. de Villiers; Dr Denys Rhoodie, deputy secretary of the department; Mr McGoff; Dr Connie Mulder; Dr Eschel Rhoodie, former Sercetary of the Department, Mr van Zyl Alberts and Prof Rhoodie.

Protea Land Trust, which has an address on the Cayman Islands — a tax haven — holds one share in trust for Richard Jones, a director of Panax which is one of Mr McGoff's companies, and a share for Robert Leipprandt.

SUNDAY TRIBUNE, JUNE 10, 1979

Now U.S. begins its own Info probe

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From
HUGH ROBERTON
in WASHINGTON

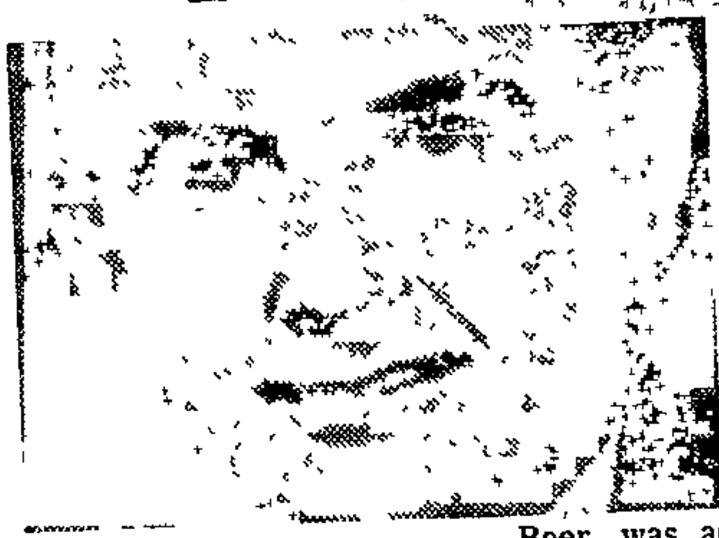
AN investigation into the American end of South Africa's Information scandal began this week on a scale which could soon eclipse the work of the Erasmus Commission.

The investigation is expected to lead to the appointment of a grand jury — a body with the power to subpoena witnesses, documents and bank records — and it already involves at least seven different official and unofficial probes across the United States.

The new American development is almost certain to make is impossible — or at least vastly absurd — for the South African Government to implement its Bill to censor Press reports on Government wrongdoing, since details of the scandal could be widely and freely reported in the US and elsewhere

Indeed, the Press Gag Bill has given impetus to a large number of newspaper, television and radio investigations in the US, since the Bill is seen here as an attempt to stifle reports on the American, Western European and African ramifications of the scandal.

On the official side of the latest US moves, the FBI has expanded its month-long probe of the scandal and has ordered top agents in the field to question several important figures



JOHN McGOFF: Secret loan of R14m

Among them, it is believed is Mr L. E. S. de Villiers, the former Deputy Secretary for Information who now lives in New York and of whom the Erasmus Commission's report said this week, had "a tendency in his evidence to talk smoothly and cover things up."

By far the most vigorous investigation, however, has been launched by newspapers, television networks and radio stations across the US, which sense not only a story of potentially great political significance, but which also have been spurred by the South African Press Gag Bill.

In one dramatic incident this week, newspaper publisher Mr John McGoff, who has failed to repay 6,3 million dollars (about R8 million) of the 11,5 million dollars (about R14-million) he was secretly loaned by the former Department of Information, issued a 1 million dollar suit against a freelance reporter now investigating part of the scandal.

The reporter Mr Matt Beer, was accused by Mr McGoff of eavesdropping on a confidential director's meeting of his Panax Corporation

In another development the Sacramento Bee has disclosed that two other directors of the Panax Corporation have extensive connections with the central figures in the Information scandal.

15/6/79 Sunday Express

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Findings of Erasmus set off rush for legal advice

REPORT LEAVES TRAIL OF HURT IMAGES

THE Erasmus Commission's final report has now opened up a pandora's box of criticisms and challenges — with many of those it criticised taking legal advice about it.

It is expected that it will be challenged by almost all the people adversely affected by it

And it has led to a call for another commission to deal with matters which it considered fell outside its terms of reference

Top of the list of matters for which there will now be calls to deal with is the sale of The Citizen to Perskor

Mr Harry Schwarz, Progfed MP for Yeoville, has called for an immediate full-scale inquiry into the sale of The Citizen to Perskor — after the Erasmus report declared it was outside its terms of reference to investigate the sale

The Government gave shares in the company which owned The Citizen to Mr Van Zyl Alberts, whom the commission described as a "trusted associate who lined his pockets"

The Citizen — the biggest secret project of the defunct Department of Information — was sold by Mr Alberts to Perskor after the Erasmus Commission had been set up

The announcement of the deal was made at midnight on the night of the special debate on the Info scandal, which was held in Parliament in December last year

Mr Brian Bamford asked the Prime Minister, Mr P W Botha, across the floor of the House of Assembly, to comment on the deal But Mr Botha did not refer to it in his speech which closed the special debate well after midnight

The final report has already come under attack from several sides

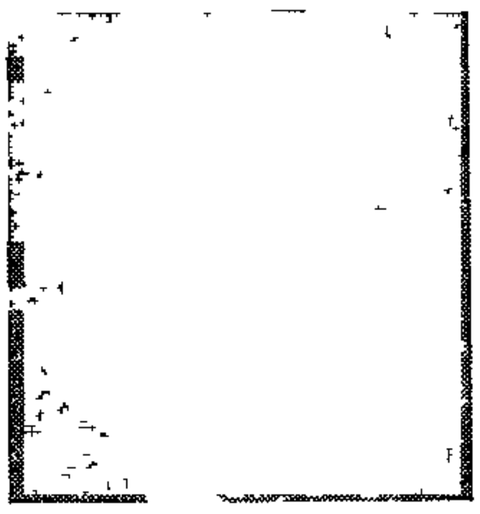
Mr Vorster, who resigned as State President this week when the Erasmus report was made public, is considering his position It is understood he plans to respond to it publicly

Mr Cas de Villiers, former head of the disbanded Info front, the Foreign Affairs Association, is taking legal advice

Mr Alberts is taking legal advice, and General Hendrik van den Bergh, Mr Vorster's former righthand man, has challenged the findings.

"The public must bear in mind that all these people have got legal rights," Mr Schwarz said yesterday

"A commission is not a court of law and everybody in South Africa, big or small, is entitled to a trial in accordance with the accepted principles of the courts before any final judgment is made on those individuals



● Mr Harry Schwarz ... 'interferes with our rights'

By JOHN MATISONN Political Correspondent

"The findings of this commission are merely their opinion on the facts as they see them"

The Progressive Federal Party does not accept what was said about it by the Erasmus Commission

The impression was created in the report, and reported extensively on television, that the official Opposition is against secret funds

"That has never been our attitude," Mr Schwarz commented "Our attitude is that we are against irregularities in regard to secret funds, and we have accepted the concept that provided there is proper statutory authority, and the matter is regularly dealt with, it is permissible to have secret funds"

Mr Schwarz challenged the statement by the commission that the attempts by leaders of political parties to obtain representation on or at the commission was an "improper, disparaging or hindering action in regard to the commission"

"We don't accept that," he said

"We made representations to ask questions or to be present at the commission That is perfectly normal and proper To call that improper, disparaging or hindering, we do not accept at all

"Whatever we did was in writing, documents which are available They are part of the evidence and still confidential, but I presume they will be disclosed when the evidence is made available"

Mr Schwarz attacked another example given by the commission of "improper, disparaging and hindering action with regard to the commission."

The commission gave as one instance of this "attempts, evident from newspapers, to cast doubt on the commission's findings by urging the publication of evidence ostensibly so that such findings might be checked, on the assumption, of course, that every Dick, Tom and Harry is better able to judge than the commission"

Mr Schwarz commented

"This is interfering with our rights as parliamentarians to call for publication of evidence on perfectly proper grounds In fact we've been proved correct, because they are going to be published"

Reacting to another example provided by the commission of improper, disparaging and hindering action, that there were "further attempts to gain access to the commission's inquiry", Mr Schwarz said

"If parliamentarians want to be present, I see nothing wrong with it We've never been in favour of closed sessions except where the national interest is involved I don't believe anything we've done can be described as improper, disparaging or hindering"

He also failed to understand how some of the actions of Mr Cas de Villiers, for example his dispute with Dr D S Prinsloo, of the FAA staff, that he allegedly plagiarised him could have a bearing on the terms of reference of the commission

These terms of reference were to investigate irregularities in the Department of Information

The report has also led to questions in political circles about the reference to a "blackmail element" in the relationship between Dr Eschel Rhoodie, exiled former Secretary for Information, and Cabinet Ministers

The report quotes Mr Retief van Rooyen, whose evidence was accepted by the commission, as asking Mr Vorster at one stage, while he was still Prime Minister, whether an element of blackmail was involved.

Mr Vorster replied "A thousand percent He holds my Ministers' political life in the palm of his hand"

Mr Van Rooyen commented that he found this disturbing

Observers are wondering who this referred to, especially because the reference is to "Ministers" — more than one minister

● See Pages 22, 23, 24, 25

DO IT YOURSELF

SHOWS THE SUNDAY EXPRESS WAS . . .

cent right!

an attempt to blunt and confuse the issues of the reports

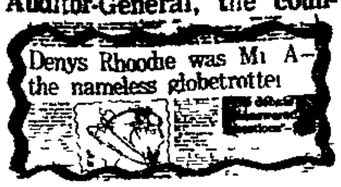
By doing that, he gave Katzin's seven reports — the result of months of work — to every newspaper in the country. The reports included details of the secret information fund which Parliament had not approved or been told about

● May 5, 1978:

Dr Rhoodie blustered and lied in a desperate attempt to paint himself as an honest, martyred hero of South Africa's secret battles for international influence.

Unconsciously, he revealed for the first time to what extent the Information Department, under Dr Mulder, had attempted to supplant the professionalism of the Department of Foreign Affairs.

Dr Rhoodie attacked the Auditor-General, the country's most senior civil servant, and falsely accused him of initiating the Sunday Express disclosures.



● May 7, 1978

INFORMATION BOMBSHELL — HERE IT IS

The Sunday Express pinned the Information Department to the wall.

First details of the lawless secret information funds were released

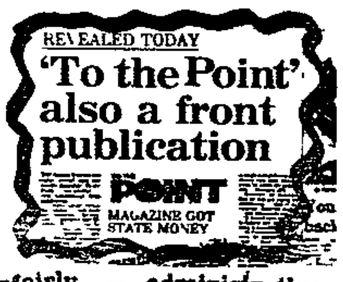
Dr Mulder's 'misinformation' to Parliament on the Seychelles trips was defined.

Thor Communicators was exposed as an Information Department front

Dr Rhoodie's destruction of official vouchers and other details of expenditure over three years was revealed.

The attempts to hide State payment for Dr Denys Rhoodie's wife on trips abroad were detailed.

Dr Mulder's decision to throw the Rhoodie brothers to the wolves and dismiss —



unfairly — administrative chief Mr J F Waldeck, who had fought against the Mulder/Rhoodie regime's excesses and drawn the Auditor-General's attention to the misuse of funds, was revealed.

The first proof that To The Point magazine was linked to the department — with evidence that two books bought by Info were commissioned by Dr Rhoodie while he was ostensibly working for the magazine — was published.

The lies and the cover up: Dr Mulder said he was satisfied no corruption had taken place. "Not a cent of State money was wasted," he said.

Dr Rhoodie called for a police investigation into the sources of the Sunday Express reports.

Dr Mulder said the Official Secrets Act was to be reviewed because it had been found inadequate to prevent the Sunday Express disclosure of the Auditor-General's secret report to the Prime Minister.

He told Parliament his department neither owned nor ran any newspaper or magazine.

The Citizen began an intensive editorial campaign to discredit the Sunday Express disclosures and to identify Katzin's informants

Mr Vorster confirmed that secret funds had been made available to the department since 1972. He said he took full responsibility for the use of the money.

Later, he appointed Gen Van Den Bergh to investigate affairs and irregularities of the department

● October 29, 1978

THE CITIZEN: SECRET REVEALED

This marked the beginning of the end. The Citizen was revealed to be a Government front newspaper paid for by the taxpayers, who had been milked of millions of rand for its birth and highly expensive life.

The lies and the cover up: Dr Mulder, who had already lost his Information porfolio, refused to comment on the report.

He had already lied to Parliament when he denied any Government funding of The Citizen and *To The Point*.

The next week Judge Anton Mostert refused to agree with the new Prime Minister's views on secrecy and released evidence which substantiated the Sunday Express report — and many more.

● January 14, 1979

REVEALED TODAY: 'TO THE POINT' ALSO A FRONT PUBLICATION

The magazine, always regarded as a government propaganda medium, last firmly tied to Government funds — but only months after Dr Eschel Rhoodie perjured himself after summoning the Sunday Express and, subsequently, Die Beeld and Rapport, before the Press Council and denying the first reports of links between the magazine and the Department of Information or Government funding of the magazine.

● May 27, 1979

VORSTER TO QUIT

The State President's resignation was imminent, warned Katzin. Eight days later, after the Erasmus report indicted Mr Vorster for his personal knowledge — silence over the Information scandal, he resigned

AFTER ALL THE DENIALS AND ATTACKS, THE RECORD

100 per

By DEREK TAYLOR

IN THE war of words waged by the "Super-patriots" — the men of the former Department of Information — as they fought to stop exposure of their malpractices, irregularities, corruption and waste of millions of rand of public money; the first casualties were the truth and those newspapers which revealed it.

The Sunday Express — which lead the search for the truth and was the most successful in getting at it — was the newspaper most regularly and viciously attacked

The newspaper was slated as being communist-orientated, a liar, a muckraker and a mischief-maker

The Advocate-General Bill may make the Information scandal the last occasion on which South African newspapers were able to nail the lies of politicians, officials and businessmen who were making too free with taxpayers' money.

Here is a record of some of the exposes, the denials that followed — and the final proof of malpractice

Under the A-G Bill, as proposed, the cover-up could have been complete and you would not have read about any of them

● April 2, 1978.

DR RHOODIE'S REMARKABLE JAUNT

Kitt Katzin discloses that Dr Eschel Rhoodie led a party of 10 on a 1977 five day spree in the Seychelles — on the excuse that he wanted to talk to the then President about landing rights for South African Airways

The lies and the cover up: Dr Rhoodie claimed it was a private holiday at the invitation of a company which was considering buying Mr Louis Luyt's BAC-111 executive jet

He said he paid his own expenses and those of two others He denied discussing landing rights, but later

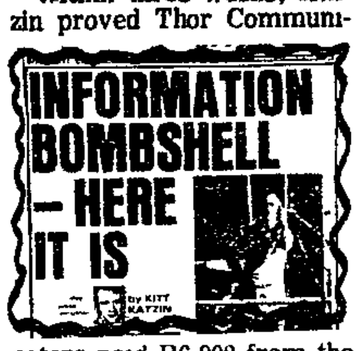
said it was partly a business trip

Dr Rhoodie called the Sunday Express report an outrageous intrusion into his private affairs.

The facts Every word of Katzin's report was substantiated by later events Mr Luyt was the front-man for the former Department of Information's payment for The Citizen

The "private company" Dr Rhoodie said was contemplating buying the R4,5 million jet was Thor Communicators, another Information front handling millions of rand of secret government funds.

Within three weeks, Katzin proved Thor Communi-



cators paid R6 900 from the secret funds to cover the trip

Then ex-Seychelloise President Jimmy Mancham revealed another of Dr Rhoodie's trips to the Seychelles, this one in 1976 and with a party including then deputy-Secretary of Information Mr Les de Villiers and departmental accountant A J J (Braam) Fourie

Both trips were official, said President Mancham And on both trips Dr Rhoodie took his wife and children

Two deliberate attempts were made by Dr Rhoodie and his brother Denys to cover up that they had taken their wives on trips at Government expense.

The lies and the cover up Dr Mulder continued to insist the 1977 trip was private. Dr Rhoodie stuck to his story Mr De Villiers said, from the United States, both trips were official

Dr Rhoodie talked to laywers and a State Prosecutor to try to start a police investigation into Katzin's sources Mr Vorster, then Prime Minister, called in General Hendrik Van Den Bergh, then head of the Bureau for State Security, and asked him to investigate the disclosures.

As more details were disclosed, Dr Mulder, still Minister of Information, called Katzin to his office and, in a series of unquotable interviews, tried to convince him that the incidents of improper spending were isolated and that he would see they were stopped

If he could find one scrap of evidence of corruption within his department, heads would roll, Dr Mulder told Parliament

● April 30, 1978

HIGH DRAMA OVER EXPRESS BOMBSHELL

Katzin confronted Dr Mulder with evidence that the Department of Information was operating a secret fund which exceeded R14-million for the current year and which Parliament did not know about

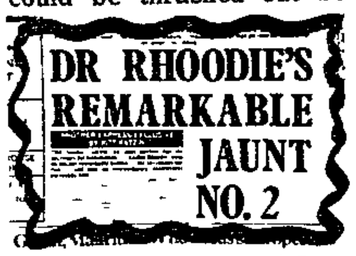
The lies and the cover up Gen Van Den Bergh phoned Sunday Express Editor Rex

Gibson and demanded to know how Katzin got certain documents Gen Van Den Bergh was told Katzin's information was independent and he had no such documents.

At 8 am the following Saturday — only hours before publication deadlines — Katzin again confronted Dr Mulder in Pretoria. The gloves were off

Dr Mulder threatened Katzin with prosecution under two sections of the Official Secrets Act — for being in possession of classified documents and publishing information against the interests of the State

The Attorney-General of the Transvaal had already been briefed to bring an urgent interdict against the Sunday Express to stop publication of the reports The Auditor-General was called in and suggested a week's delay so that legal questions could be thrashed out be-



tween Government and Sunday Express lawyers

On Thursday, Katzin again confronted Dr Mulder, in Cape Town, for his comments on seven proposed Sunday Express reports Dr Mulder pledged himself and Gen Van Den Bergh to keep the reports confidential "I give you my word — you've been fair to me and now it is my turn to play the game with you," Dr Mulder told Katzin

As he and Katzin went through the reports, each one was telexed to Gen Van Den Bergh in Pretoria for his scrutiny in terms of the Official Secrets Act

But it was later found the reports had been passed on to Dr Eschel Rhoodie About 24 hours later, after studying the reports overnight, Dr Rhoodie issued an 11-page Press statement in

Info stories that have not been told

THE Erasmus Commission's final report into alleged malpractices and irregularities in the former Department of Information was tabled this week — but it left unexplored a number of projects and operations, some alleged and some confirmed, that the Sunday Express and other newspapers have come across in their investigations.

Several of these projects ae being probed at top-level by State officials in other countries

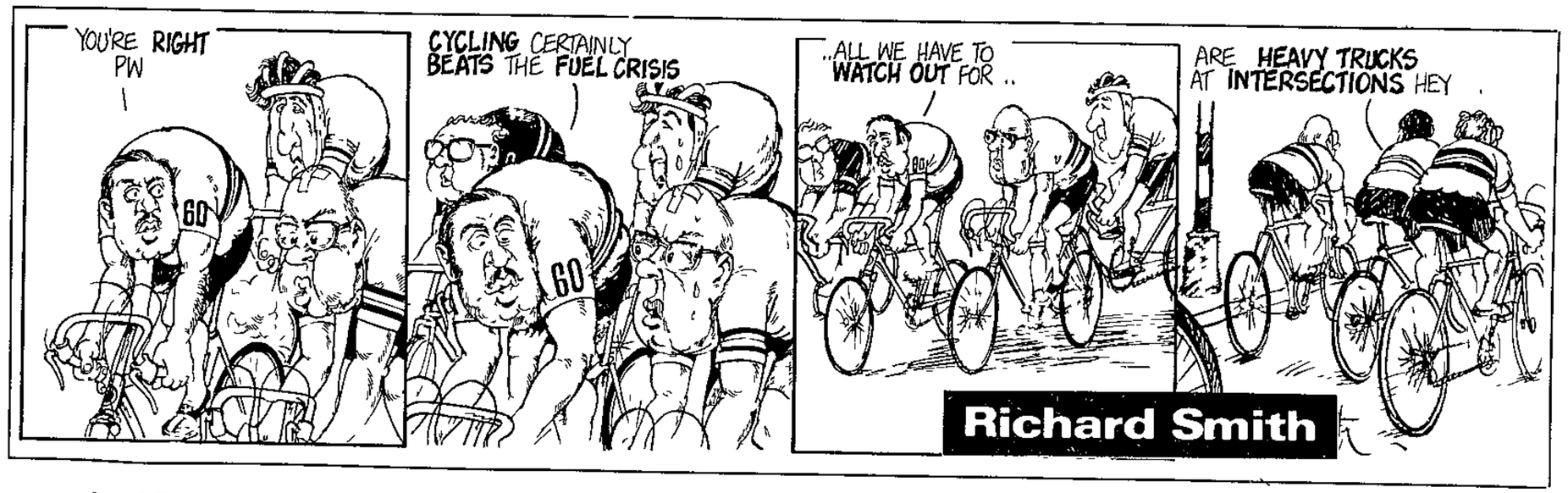
The Sunday Express today publishes a list of Department of Information activities that have not been dealt with in the Commission's reports

When the Advocate-General Bill becomes law, newspapers will be prohibited from reporting, without the A-G's approval, on such operations if there is any possibility that State funds were misused

This could mean that, from as early as next week, South African newspapers will be effectively stopped from publishing any details on the Untold Chapters of the Information Scandal

So far probes by the Sunday Express and other local and overseas papers show that Info's tentacles reached into at least 13 countries on five continents

Reports being probed range from allegations of payments to foreign MPs, trade union leaders, and Black African politicians, a network of front organisations involving the manipulation and movement of millions of rands, the purchase of trade and travel magazines, and foreign land purchases



By KITT KATZIN

Dr Connie Mulder, as former Minister of Information, has been one of the main figures in the Info Affair He was forced to quit public life last year

This week, after the Erasmus report was tabled, he said

"The full truth has not yet come out — and until it does, South Africa will not be set free"

Mr Joe van Zyl, the Johannesburg businessman who spent 19 hours in Paris studying Dr Eschel Rhoodie's documents and tapes, described the latest Erasmus Commission revelations as "just the tip of the iceberg"

And their statements come in the wake of reports, allegations, and "rumours and whispers" that have even been mentioned in Parliament

The NRP leader, Mr Vause Raw, referred to such rumours in a speech and mentioned millions stashed away in steel army trunks numbered bank accounts and farms in Paraguay

"These rumours and whispers," said Mr Raw, "are going up and down the corridors of power in Pretoria and are discussed in every restaurant and cafe"

The Erasmus Commission, by its own admission, conceded it was unable, because of pressure of time, to cover all areas in which allegations of untapped corruption exist

The Sunday Express list published today has been compiled from its own investigations and from some reports published in newspapers abroad There is no proof that this list is by any means comprehensive, but on it are

● "Operation Chicken" This secret venture, administered by Dr Mulder and Dr Rhoodie, involved the payment of at least R400 000 to two Black Nationalist leaders in Africa last year

It was engineered without the knowledge of the then Prime Minister, Mr Vorster, who was told only later of the payment by General Hendrik van den Bergh, then chief of BOSS, after he investigated

The General warned Dr Mulder and Dr Rhoodie that the Prime Minister would "go through the roof" when he came to hear about it

● The Department of Information is alleged to have been involved in a loss of over $1 000 000 in a publishing venture in France The Pretorius Committee has investigated the circumstances, but its final decision is not known

● Dr Rhoodie was in the throes of establishing a West Africa "Time" magazine in conjunction with General Mobuto of Zaire But the plans were dashed shortly before the the civil war — and the venture was postponed

No money, as such, had changed hands at that stage, though Dr Rhoodie had flown at least twice to visit the Zairean leader He flew from Pretoria to Kinshasa in fertiliser magnate Mr Louis Luyt's R7-million "detente" BAC 111 jet

● Personal payments were made to Mr Jimmy Mancham, deposed, in 1976 as President of Seychelles, to monitor OAU meetings, and to agree to landing rights for SAA on the Indian Ocean Island (One trip by Dr Rhoodie to the island, taking along 10 guests, including his wife and children, cost taxpayers at least R7 000)

● The Ivory Coast, Gabon and Liberia, according to sources corroborating earlier reports, are three countries in which Dr Rhoodie and his agents were most active in Africa Substantial sums of money were handed over to leaders there for guarantees that they would co-operate with South Africa on diplomatic, trade and economic fronts Dr Rhoodie often visited these countries' leaders

● According to a report by investigative Johannesburg journalist, Mr Hennie Serfontein, in the London-based "Africa" magazine, nearly R1-million (believed to have been unauthorised) was given to pro-South African groups in SWA/Namibia

"It is also certain", writes Serfontein in the article, "that so-called German finances used to buy the two independent Namibian newspapers were channelled from South Africa in the same manner as the Government used to launch The Citizen "

● The $1-million "weekend retreat" Miami Beach house in Florida, United States, bought for cash by the Information Department, was used often for lavish parties and glittering social functions not connected with Info or Government business but paid for out of State funds

Independent sources have also made claims to the Sunday Express of payments to political figures and trade union leaders in Europe and America

● Payments were made to influential British political personalities active on the Info-created Foreign Affairs Institute, I was told But they were described to me as "legitimate" and for "services rendered"

● In Germany, Info spent at least R1-million on propaganda activities, including the establishment of a German-South Africa Association (It pays R500 000 annually to just one public relations company in Bonn)

In the United States, informed government officials were reported this week as saying there was growing evidence that "some of the millions that disappeared in the Info scandal" may have been used to buy farms and other fixed properties in the country

A report to be submitted to Congress later this year will allegedly identify all non-Americans who own or even partly own agricultural land in the US

Meanwhile, preliminary registration checks show that several South Africans have directly or indirectly been involved in property transactions

Now McGoff faces the crunch

THE American Justice Department probe into the Info scandal will become a State investigation within the next few weeks — and it is certain to spell the end of Mr John McGoff as a newspaper and magazine proprietor.

Mr McGoff, who steadfastly denied that he had purchased the Sacramento Union with South African Government money, has already been questioned by the FBI, which is to submit its report to the Treasury and the Internal Revenue Service next week.

Claims by the Sunday Express last week that Mr McGoff bought the Union for $7-million (out of a loan of $10-million intended for a takeover bid of the Washington Star) without the knowledge of Dr Connie Mulder or Dr Eschel Rhoodie, were confirmed the next day by the Erasmus Commission.

Dr Rhoodie had, in fact, loaned Mr McGoff $11,5-million, of which more than $5-million has not yet been repaid — a direct loss to South African taxpayers

Yesterday Congressman Stephen Solarz, chairman of the powerful House of Representatives' sub-committee on Africa, told me from Washington he hoped to hold public hearings soon about Mr McGoff's involvement

Mr Solarz, who visited South Africa earlier this year and sent two investigators to Cape Town and Johannesburg to probe the American connection, said this was a serious issue and Mr McGoff "would have no option but to tell all"

Mr McGoff has spent the week negotiating with his attorneys and in Sacramento journalists believe the future of the "Union" is in the balance

Under American law, Mr McGoff will be found to have contravened foreign exchange regulations by buying control of an American publication with undisclosed foreign loans.

"At long last," said Mr Solarz, "we are on the verge of unravelling the McGoff connection "

According to informed Washington sources, the probe of the Info scandal's American ramifications could lead to the appointment of a Federal Grand Jury, which has the right to subpoena witnesses, documents and bank records — an American version of the Erasmus Commission.

Zaire war ended Eschel's plan for an African 'Time'

THE remnants of yet another of Dr Eschel Rhoodie's ambitious propaganda ploys lies buried in the smouldering debris of the civil war in Zaire the establishment of a $3-million South African-devised front magazine to offset existing leftist publications in French-speaking West Africa

Today the Sunday Express can reveal that

● Dr Rhoodie flew at least three times to Kinshasa in fertiliser magnate Mr Louis Luyt's BAC-111 jet for talks with General Mobuto

● They agreed that the Zaire Government would provide a base capital of $3-million, and that the Department of Information would publish and distribute the magazine — the "Time" of West Africa — from Paris

● The weekly magazine would circulate in Zaire, Chad, Gabon, Ivory Coast, Cameroon and Senegal

● Feasibility reports were drawn up and studied by independent publishing outlets in South Africa.

"This was a big number," an informed source told me this week, "and it was a terrible disappointment to both sides when the deal [illegible] through "

● Dr Rhoodie three Kinshasa trips

● President Mobuto . . . approved plan

At that stage Dr Rhoodie was also negotiating with the Ivory Coast for landing [illegible] or SAA, which the

(259) 10/6/79 Sunday

PW VORSTER

FORCED RSTER OUT

By FLEUR DE VILLIERS

THE PRIME Minister, Mr P W Botha, this week forced an unwilling Mr John Vorster to resign as State President.

Contrary to the widespread impression that Mr Vorster left office willingly, this exclusive account of the dramatic three-hour meeting between the old ruler and the new, shows that he was compelled to leave office by an obdurate Mr Botha who would accept nothing less than his immediate resignation.

Inside story of an amazing struggle

In an extraordinary meeting at Groote Schuur last Sunday afternoon, Cabinet Ministers witnessed a monumental clash of wills between the man who has dominated the South African political scene for the past 13 years and his estranged successor, who finally toppled him from the highest political office in the land.

For three hours, from 4 pm to 7 pm on Sunday, Mr Vorster disputed the Erasmus commission's amazing reversal of its earlier finding on his involvement in the Information scandal.

Witnesses of the dramatic confrontation, which not only spelled the end of an era in South African politics, but also could sow havoc in a deeply divided National Party, said that Mr Vorster:

- First asked that the findings be referred to a judge for review. Mr Botha refused.
- Then asked that they be referred to a Parliamentary select committee. Mr Botha refused.
- Finally asked that his resignation be postponed until July or August. Mr Botha refused, thus setting the stage for an unprecedented power struggle between the disgraced ex-President and Mr Botha, which could spell trouble for Mr Botha within the Party.

comfirmed this week, that the meeting was not the first clash of wills between Mr Vorster and his successor.

Relations between the two men, never excessively cordial, cooled dramatically in the first months of Mr Vorster's Presidency, after he complained that Mr Botha failed to keep him politically informed.

The new Premier, anxious to be "his own man", bridled at this and a bitter estrangement resulted.

Although the ex-State President has gone on record that he will do nothing to harm the National Party to which he has devoted his life, Nationalist sources have reason to believe that that promise does not extend to the man who he believes forced him out of office

e Vorster family

SO HAPPY TOGETHER . . . Mrs Cas de Villiers, wife of the head of the disbanded Foreign Affairs Association, and her friend, Mrs Mari van Tonder (left), who was also very happy with Mr De Villiers. Miss Hester Lamprecht, former public relations officer to Mr De Villiers, used to be very happy with him, but isn't now. To learn about Life with Casanova, turn to Page 3

Picture: SELWYN TAIT

Horwood told of secret project

By EUGENE HUGO

DR CONNIE Mulder consulted Senator Owen Horwood in 1974 about a secret Information Department project to "establish and control" a black film industry, according to a document obtained by the Sunday Times this week.

The document — a letter from Sen Horwood, who was then Minister of Economic Affairs, to Dr Mulder, then Minister of Information — is marked "secret".

It discusses a memorandum handed to Sen Horwood by Dr Mulder in which the secret project was outlined

Key men in the implementation of this project were Information front men Mr Andre Pieterse and Mr Jan van Zyl Alberts — both of whom were found by the Erasmus commission to have been involved in irregularities concerning State funds

The Erasmus commission found that the Information Department's efforts to establish and control a black film industry resulted in the "gross irregularity" of Dr Eschel Rhoodie's loan of R825 000 of State funds to Mr Pieterse, and in other irregularities

The Horwood letter is dated May 12 1974 and is signed by Sen Horwood himself

Interest

In it, Sen Horwood says he read the memorandum with great interest, particularly the aspect dealing with subsidies "for this type of film"

He then gives the background to the idea for a black film industry, indicating that it originated even before the launching

Mulder consulted him about black film plan in 1974

SEN OWEN HORWOOD
"Secret" document

14 5 of the recommendations

"It would seem advisable to set a maximum subsidy per film to act as a brake on State expenditure and to discourage producers from making too expensive films A maximum of R45 000 per film is recommended"

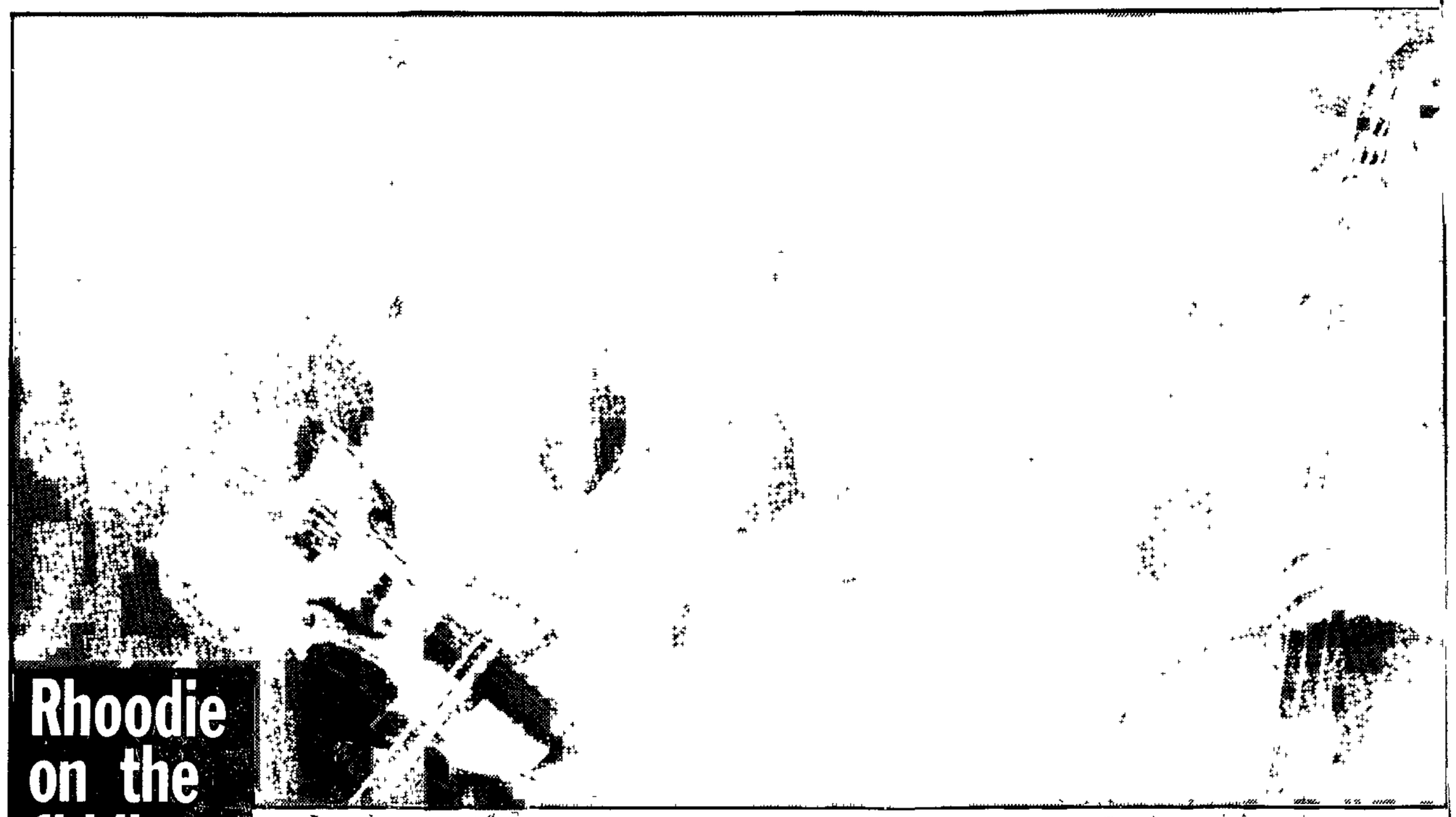
He said, however, that because mainly Treasury considerations were involved in the restriction it would be necessary to get Treasury approval for such an amendment and that either he (Sen Horwood) or Dr Mulder could consult Dr Nico Diederichs (the then Minister of Finance) about the matter

"It would even be advisable to so change the ruling that the subsidy could only be exceeded if the producer, on the basis of expected high costs, got approval from the Minister of Economic Affairs to qualify for a subsidy of more than R45 000"

In the Erasmus commission reports there are two main references to the establishment of a black film industry

Loan

These relate to irregularities involving the R825 000 loan from the Information Department secret fund to film producer Andre Pieterse and the [illegible]



Rhoodie on the fiddle

Master fiddler Eschel Rhoodie gives some rapt pupils an informal lesson in how to call the tune. The picture was taken some years ago in jollier times

Picture: MICHAEL HERBERT

cluded the erection of theatres and the establishment of two companies — all negotiations with officials came to an end because the Government wanted to go into the matter further

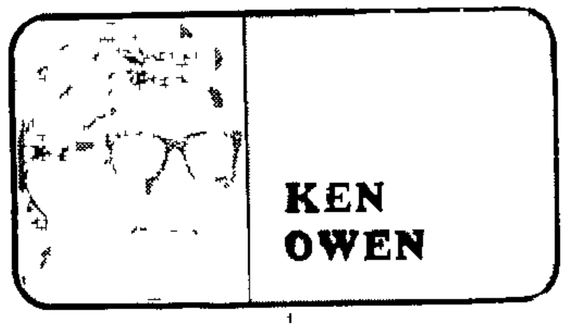
This led to Mr Pieterse's involvement [illegible]

As sales are always gr

Now the Supreme Court must get at THE TRUTH

THE moment of truth in the Information scandal will arrive when the issue comes before the Supreme Court — as it surely will — so that the truth can be pursued according to the time-honoured processes of the law.

That is the moment the Government has feared from the start, twisting and turning to avoid the risk of public cross-examination of the Info conspirators



KEN OWEN

The Erasmus commission, which was to have disposed of the matter, has not done so

Its conclusions have been disputed by General Hendrik van den Bergh, former commander of the kind of men who will kill to order, by the fugitive "patriot", Dr Eschel Rhoodie, and by Dr Connie Mulder

The Opposition in Parliament declined to accept the first reports in full, for which it was taunted by the Government, but the Government itself has so far baulked at embracing the final report The Cabinet this week sourly "noted" its contents

And in the long grass, like a wounded buffalo, the former State

pronounced above the law for fear of the secrets they may reveal, and not all of them — surely? — can vanish overseas like Dr Eschel Rhoodie

It is unfair, the Transvaler quoted Mr Justice Erasmus as saying, to criticise the commission for the deficiencies of its report That is true I had to work

hardly surprising, since many were accomplices

But the result is nevertheless unfortunate there are unanswered questions everywhere The Erasmus inquiry has fallen to the same fate as its predecessors — the Barrie inquiry, the Reynders inquiry, the select committee inquiry, the

Cabinet on May 26, 1978, Mr Vorster's last

The Erasmus report says that by then Mr Vorster had already been informed in detail by his special investigator, Mr Louw Reynders, of "a large number of irregularities, including two cases of gross misappropriation of State funds" — the Citizen project and the loan of R825 000 to filmmaker Andre Pieterse

And at its emergency session last Monday, Mr P W Botha's Cabinet affirmed that Mr Vorster had on May 26 last year informed his Cabinet on "all irregularities which were then known", without withholding any available details Mr P W Botha repeated that statement on television on Monday night

That was a fascinating admission For it means that the entire Cabinet knew, when it voted Mr Vorster into the Presidency, of the Citizen affair, of the Pieterse loan, and of "a large number of irregularities

knew, did it permit him to put out the Reynders report which, according to Mr Justice Erasmus, he knew to be false?

Doesn't that make every member of the Cabinet equally guilty then of the charge which the Erasmus report flings at Mr Vorster — "covering up gross irregularities?"

Anomaly

Something, in short, is wrong somewhere And it will require either a court action or a new commission of inquiry to clear up that mess

● Another anomaly In its first report the commission found Mr Vorster to be innocent, his integrity unblemished, and on that basis it accepted his assurance that there was no such thing as an informal three-man Cabinet committee which oversaw the secret projects

But in its final report it reversed its finding on Mr

denial that there was a Cabinet committee

Indeed, Senator Horwood told the commission that his predecessor as Minister of Finance, Dr Nico Diederichs (later State President) had told him of the financial arrangements "by Mr Vorster, himself (Diederichs), and Dr Mulder"

Only cross-examination could possibly clear up the matter now

● Nor do the questions stop with the main players

· Mr J F Waldeck, the honest accountant who was forced into retirement because he questioned the Rhoodies' wrong-doing, was a victim of the Public Service Commission, acting on Dr Rhoodie's recommendation — after Dr Rhoodie had himself been so discredited that his department was on the point of abolition

Is that how the Public Service Commission works? Is it that reckless with the careers and fortunes of honourable men? And in the many months since then,

citizenship, who faithfully provided material for another Info agent — Heinz Behrens in Germany — to use, and who was bullied out of Government service when he fell from favour

The Sunday Times took up his case at one stage (the Government's organ, the Citizen, was savaging the poor man at the time) but all his other appeals for justice failed That case, too, deserves a commission of inquiry into the way the Public Service is run

Destruction

● Another field of inquiry The Auditor-General, Mr Gerald Barrie, began his inquiries into the Information Department in late 1976 and by November of that year Dr Rhoodie was ordering the destruction of documents

On December 28 Mr Barrie sent Dr Rhoodie his first written queries Four days later, on January 1, 1977, three secretaries began

got R88 a month, a Mrs Atterbury got R40 a month, and Mrs S de Klerk got R145 a month

What were they doing?

None of the three was called to testify before the Erasmus commission, but they surely know whether Dr Rhoodie was covering up, and how The Erasmus commission did not, of course, have time to call all witnesses — but it is a pity that it missed these ladies

● A subject that the commission seems to have abandoned with reluctance was the sale of the Citizen to Perskor, the company which Dr Connie Mulder tried improperly to favour while he was Minister of Information

"The commission also gave careful consideration to the sale of the Citizen to Perskor," the report says, "but since this took place long after the dissolution of the department, the commission considers it to be a matter falling outside its terms of reference and will comment no further"

Quite so

deserves a commission of his own He told the commission that his job as the head of the Bureau of State Security was "just a sideline" He did many other things

What things? Regular or irregular? Here was a man whom the commission found to be sinister, the power behind the throne, a man who commmanded a derring-do squad of men who would kill on orders, but its report sheds no light on his use of these powers

In his role as head of Boss he operated under legislation and funding provided by Parliament, under the supervision and responsibility of the Prime Minister, but in his other, unknown roles?

So the questions multiply, as they were bound to do when the Government raised suspicion of its motives by terminating the commission of Mr Justice Mostert

Those suspicions were compounded when it turned out that retribution came

deck, the newspapers, that poor official at the Government Printer's Office who was summarily suspended last week — who threatened the secrecy, but so tardily for Dr Eschel Rhoodie that he could vanish

Likewise, condemnation was swift and savage for those men — General Van den Bergh, Dr Eschel Rhoodie, Dr Connie Mulder — who were finally forced to turn to their old enemies in the English Press to obtain a public hearing because they could find no other forum, but from the Government's supporters comes no pressure for prosecution of the guilty

So the Government has contrived to give the impression that it fears public exposure as a witch fears water

But the courts lie in wait, they cannot be avoided The moment of truth will come when an eminent barrister rises before a judge of the Supreme Court and, murmering "May it please the court ", begins to ask the questions that still wait

Vorster won't take this lying down

HANS STRYDOM

IT IS far too early to consign Balthazar Johannes Vorster permanently to the Information rubbish heap

He may be down now, but it would be strange if this combative man did not try to clear his name

His chief problem is how to act without, at the same time, dividing the National Party even further

The Cabinet has dropped him like a hot potato, the man that hardly a year ago stood stronger than any other Nationalist Prime Minister before him

But perfidious as Mr Vorster doubtless regards the action of his former colleagues, he must move warily if he is to avoid being blamed for harming the National Party

What are his alternatives?

He is not the kind of man to resign himself to acceptance of his predicament Silence on his part would indicate acceptance of guilt — a terrible thing for a leader who not long ago was hero-worshipped by hundreds of thousands of white South Africans, Afrikaans and English

Already a degree of sympathy for him is surfacing He will feel that he owes his supporters an explanation "to put the matter in perspective"

It is true that John Vorster has committed a number of cardinal mistakes that cannot be argued away But it is equally true that the Erasmus commission has done a complete turnabout on his role

In the first report he was totally cleared, in the second report he was firmly nailed on scant evidence

Dr Connie Mulder recently told a friend "Let me put it this way When the smoke came out of my office they (the Cabinet) saw it but did not want to do anything

"When I could control it no longer and had to run outside, they decided to put out the fire But what they found was that the flames were out of control and threatened to burn down the building"

Volksheld

Mr Vorster was in very much the same position When he ran out of his office, they put him in the safe sanctuary of the State Presidency, hoping the fire would die But it did not And it will not — not even after Mr Vorster, the volksheld himself, had been sacrificed

Dr Connie Mulder said emphatically this week "The full story has not yet been told"

He still has a lot to tell So has Mr Vorster And although they will be defending themselves from different trenches, their targets will be the same — those who they feel have left them in the lurch

The story of the rise and fall of John Vorster is unprecedented in South African history

A political firebrand all his life, he became a general in the militant Ossewa-Brandwag at the age of 25 He was interned for two years

And his rejection of parliamentary democracy was so strong that in 1948 Ben Schoeman and Dr H F Verwoerd, then Nationalist leaders on the Witwatersrand, refused to endorse his candidature for the Afrikaner Party, with whom they had an election pact

He stood as an independent in Brakpan and lost by two votes to Mr Alf Trollip, who later served in his Cabinet

He was subsequently accepted as a candidate by the National Party in 1953, and won the Nigel seat

At the first opportunity, Vorster got up in Parliament and denounced his former views on the democratic political system He pledged himself to uphold the parliamentary system

His promotion was swift Five years later, he became a deputy Minister and in 1961 Minister of Justice, Police and Prisons

It was in this position — at a time of riots and sabotage — that Vorster gained his "jackboot" image for placing the most severe legislation, overriding the rule of law, on the statute books

But this tough, uncompromising image stood him in good stead when Afrikanerdom was looking for a leader after Dr Verwoerd's assassination in Parliament in September 1966 Vorster was the unanimous choice

Unbendable

The first people he disillusioned were his most ardent hard-liner supporters They had only known the one side of Vorster — his unbendable stand on the maintenance of law and order

But in many other matters he was really a pragmatist and it soon became clear that he was moving away from Dr Verwoerd's granite-like line

Where Verwoerd closed the door firmly on mixed sport, Vorster opened it slightly so that today, the trend can never be reversed again

Verwoerd sought refuge in isolation, Vorster became the most widely travelled Nationalist leader, trying to build bridges and gain friends

His admission, finally, that colour discrimination had to go, changed the face of his rigid party and South Africa as a whole.

The pressure he put on Rhodesia and South West Africa to accept multi-racial governments, while refusing to do the same in the Republic, the disastrous military intervention in Angola while at the same time accepting a Marxist regime in Angola, points at a weakness in ideological direction

But after crushing the HNP revolt after a strange period of indecision, he took his people with him and he grew in stature

Eventually his position was virtually unassailable in the party and the Cabinet and he led them to the biggest Nationalist election victory ever in November 1977

By that time, he was already living under the shadow of Information — a scandal which would topple him from his pinnacle of power and make him the first State President to resign in disgrace

How did it happen?

Elsewhere, potential victims of criminal prosecution cower and scuttle as the processes of justice — unavoidable even under this foot-dragging regime — begin to call the guilty to account Not many will, like General Van den Bergh, be the goodwill of the people who knew of irregularities It depended (as it graciously admits) on the newspapers to do the spadework

The commission, clearly, was not to be blamed if those who had knowledge of wrong-doing failed to come forward, though it was

Like all of these, the Erasmus inquiry has taken matters forward a few steps, but it fell far short of reaching the end Loose ends protrude everywhere from the tangle

● One of these loose ends concerns the meeting of the my Kruger knew of those two "gross misappropriations of State funds" when they put Dr Connie Mulder's name into nomination for the premiership on September 28

And why, if the Cabinet knew what Mr Vorster of unblemished integrity Instead, it found that the evidence he gave was not correct

In short, it rejected his credibility as a witness, saying bluntly that his version of what happened was "not correct" This casts quite a new light on his

Surely another commission of inquiry is called for to look into the running of the Public Service Commission itself

And what of poor Mr Hepers, the man whose strange devotion to South Africa was so great that he was given special access to

The answer probably lies in two areas His burning ambition to make a breakthrough internationally, and his bad choice of adjudants whom he would stick to loyally as long as they professed loyalty to him

It was in this climate that the glib-tongued Eschel Rhoodie and Connie Mulder and Vorster's right-hand man, Hendrik van den Bergh, linked up

They talked and dreamt of "the new diplomacy", an aggressive way of tackling international politics which would break South Africa's isolation

Covert

The direct approach was dead, they argued Everything South Africa did openly, doomed to failure The attack had to be covert, through front organisations, financed with secret funds

Vorster was persuaded — and his downfall was sealed On the one hand he approved the principle, but on the other he did not want to know too many details

He reached the most dangerous stage — he concealed and hid facts from his caucus and the country which he called to the polls in the full knowledge of the scandal

And the Cabinet, after hearing his full story of the Information Scandal, elected him unanimously to the highest office in the land

And then they dropped him

History may not be as harsh on Mr Vorster as the majority of the public now John Vorster is certain to fight for his image Like the Information scandal itself, he will not go away that easily

STRAIN AMONG NATS — AND TRUTH FROM V D BERGH

PW attack was just first salvo in party purge

THE Prime Minister's attack on Dr Mulder in the Nationalist caucus this week means all-out war between Mr P W Botha and Dr Mulder's successor as Transvaal leader, Dr Andries Treurnicht.

● Dr Andries Treunicht . . no place in the Cabinet?

By JOHN MATISONN
Political Correspondent

The National Party is in its most serious state since the split in the party in 1969 Arising out of this week's dramatic political developments — the resignation of John Vorster as State President and the Nationalist caucus meeting at which the Prime Minister launched an attack on Dr Connie Mulder — is an apparent attempt to break Dr Treurnicht.

Dr Mulder is definitely making plans for a comeback to politics — and he can only come back if there is a split in the National Party

Nationalist MPs are deeply troubled, divided and angry over the findings of the Erasmus Commission report, the way it was handled, the fact that it forced Mr Vorster out, and the pressure which has been put on the Transvaal faction by Mr Botha

Mr Botha asked MPs and Senators in the caucus meeting this week if any supported Dr Mulder None admitted to backing the fallen former Transvaal leader

He then received expressions of confidence from the provincial leaders

But Dr Treurnicht was not there His place was filled by his arch-opponent in the Transvaal, Mr Fanie Botha, Minister of Labour

Political observers ask Why the attack on Dr Mulder, who is out of the Cabinet and out of the party?

Mr Botha wants to destroy a residual influence which Dr Mulder still has — but politicians say he is even more seriously bent on destroying the Transvaal leader himself, Dr Treurnicht

Coupled with the unrest in the party over Mr Vorster's treatment, the situation inside the party has rarely been so tense

A decision will have to be taken at next Wednesday's caucus meeting about how the party will deal with the Erasmus report

The party is on record as accepting the findings of the report unequivocally That acceptance includes the statement in the first report that Mr Vorster's integrity is unblemished

How can the National Party still accept the findings, when they reverse the previous judgment on Mr Vorster?

Mr Botha's statement when the report came out was careful not to accept the specific section dealing with the former State President He merely "noted" the contents of that section

Dr Treurnicht is under pressure now as never before, after the disastrous drop in support for the National Party in the Randfontein by-election This comes after Mr Botha, as Cape leader, clocked up a very impressive victory in the Swellendam by-election

Coupled with the drop in Nationalist support in Randfontein was a massive rise for the Herstigte Nasionale Party, which is now expected to field its more "heavyweight" candidates in forthcoming Transvaal by-elections in Koedoespoort and Rustenburg

Party sources consider it possible that Mr Botha now may not appoint Dr Treurnicht to his long-overdue Cabinet post But if that should happen, the pressure on Dr Treurnicht to fight back after such an insult to him and his supporters will be almost irresistible

The Nationalists now face a series of minefields in the next few months — or even days — with Mr Vorster planning to release a statement, possibly before the Advocate-General Bill is made law, and Dr Mulder and others considering speaking out soon

Mr Vorster will not come back to politics But he will try to restore his name which, in a matter of months, has slid under a cloud of suspicion from the pinnacle of an Afrikaner folk hero

Mr Vorster, the man who dominated South African public life for a generation, has gone into isolation, leaving behind him a desperately confused and conflict-ridden National Party

Hendrik agrees Express report right

GENERAL Hendrik van den Bergh, former head of BOSS, this week conceded that he told the Erasmus Commission his men would "commit murder" for him — and so confirmed the February 4 Sunday Express report which he had called "a load of rubbish" at the time

He now says his statement to the Erasmus Commission was not really what he had meant to say

"It was a misunderstanding and an unfortunate choice of words," he said

But in Cape Town Mr Harry Schwarz, PFP spokesman on Information, asked the Prime Minister, Mr P W Botha, to state categorically whether there were men in the security services who would murder on command

Mr Schwarz said General Van den Bergh's testimony was enough to send shivers down the spines of all South Africans, and called on Mr Botha to say if he had investigated the new State Security Department as a result

When the Sunday Express published the sentence, which was missing from the then Erasmus Commission report four months ago, General Van den Bergh threatened to have the newspaper charged with incitement to murder

But the final report of the Erasmus Commission this week totally vindicated the Sunday Express by publishing the General's missing testimony

It says precisely what the Sunday Express had attributed to General Van den Bergh at the time — that the General, after talking of why nobody would stop him getting what he wanted, had said he had "enough men to commit murder if I told them to kill, irrespective of who the victim is"

The Sunday Express report caused an uproar at the time — and led to an immediate police investigation

Police demanded to know the identity of my sources, and I submitted an affidavit which gave my reasons for refusing to reveal them

General Van den Bergh, meanwhile, denied he had ever used the word 'murder' in his testimony to the Erasmus Commission

Then he added "I say that if you were not a communist-controlled paper you would not, you could not, have published what you have done You must have got it from a communist"

But the Sunday Express was satisfied with the accuracy of its information and believed it was acting in the national interest by publishing it

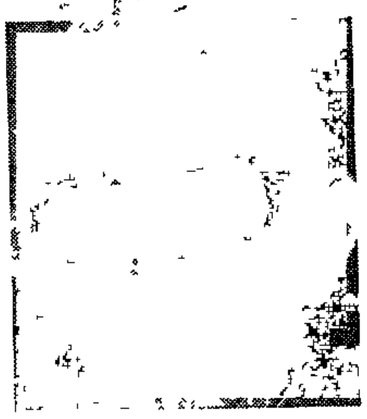
The Erasmus Commission, too, was perturbed at the apparent leak and made inquiries about how the Sunday Express got the information

This week, however, the commission finally published General Van den Bergh's evidence

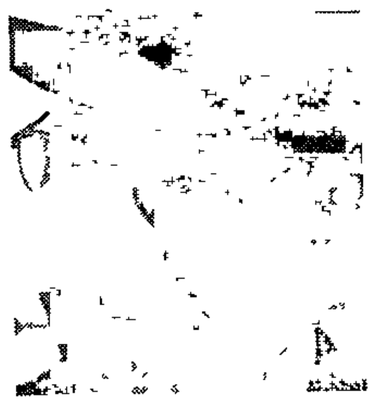
Here is the relevant extract from General Van den Bergh's evidence published by the Commission

"Mr Commissioner, I really want to tell you that my department and I are able to do the impossible That is not big talk — I have good men

"I can tell you here today, but not for your records, but I can tell you, I have enough men to commit murder if I tell them to kill I do not care who the prey is Those are the kind of men I have "



● Gen Van den Bergh " men will kill"



● Judge Erasmus . checked leaks

By KITT KATZIN

After the sentence was published, General Van den Bergh told me he had chosen the wrong words to make his point

"I would have destroyed myself if I had given 'illegal' commands to my men to kill people And if I had, they would have had every right to disobey the orders

"What I was trying to convey to the commission was that I had wonderful men under my command They were intelligent, responsible and loyal and, meaning to speak figuratively, I told Judge Erasmus they would do anything for me even kill

"In any event, all commands to the men in the field were given by my deputies, not me, and it would not be correct to read the wrong meaning into the words I used"

● Pages 24, 25

New committee rules

JOHN MATISONN
Political Correspondent

THE Government intends bringing in legislation this week to enable parliamentary select committees to continue their work after Parliament rises.

A select committee was appointed this week to see how much of the Erasmus Commission evidence can be published without damaging national interest

The job will not be completed by the time the parliamentary session ends later this month Normally, the committee would then have to become a commission of inquiry, but with the proposed change it could work on

More worms may yet creep from the Info can

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10/4/75

By HARRY SCHWARZ, MP

A COMMISSION of inquiry is not a court of law Its findings are binding on no one Yet, in the case of the Erasmus commission, its findings resulted in a giant falling from office.

The State President in Office — a former Minister of Justice, leader of the governing party and Prime Minister — in an action unprecedented in South African history, resigned this week on the day the commission tabled its supplementary report

The commission has no power of punishment, its findings cannot be equated to judgments, its recommendations have no mechanism for enforcement But, for a man in public office, a commission's finding can be as devastating as a unanimous judgment of the Appeal Court

Though normally it is the underprivileged that are in need of protection — are not those who hold high office entitled to similar rights?

Historic development of justice has caused to be evolved a system which, while not incapable of mistake, is the most effective means yet known to man to ascertain the truth

Our courts are open to the public so that all can see how justice is done Only in very exceptional circumstances are the courts closed to the public and may the proceedings not be reported in the Press.

In the case of the Erasmus commission, the evidence was heard in camera and could not be reported in the Press

When an offence is alleged, the accused, when brought before the court, is given a detailed charge He may even ask for more particulars Not so in the case of a commission

In the case of this and other commissions, no one is charged, there are terms of reference and the accused knows that there is an investigation No one is said to be convicted — there are no prescribed penalties For those in public office, however, the price paid may be greater than the sentence of a court

Evidence

In a court of law the accused's counsel or attorney can cross-examine those who give evidence against him In the case of a commission this is not normally allowed The accused has no right even to be present when evidence affecting him is given

Cross-examination is one of the major defences of an accused Only with skilful cross-examination can those who seek to deceive be exposed Only the members of the commission or the counsel appointed by them ask the questions

In a court an accused, or a party to a civil action, has a right to call witnesses who will support his case Before a commission an affected party can suggest to a commission that witnesses be called, he cannot insist

And if they are called, he has no right to be present, and does not know whether the questions he wished to be put were asked until, perhaps, the evidence is disclosed — as in the present case — some time after the report is made public All the witnesses the Opposition wanted to be examined on the interim report were certainly not called

Before a court an accused may address argument to seek to persuade the judge or magistrate of the probabilities, submit arguments on credibility issues and, generally, on the justice of the cause.

There is no right to this before a commission The Erasmus commission cited as examples of "improper, disparaging and hindering actions" 'attempts, evident from newspapers, to cast doubt on the commission's findings by urging the publication of evidence ostensibly so that such findings might be checked, on the assumption, of course, that any Dick, Tom and Harry is better able to judge than the commission' "

Against a judgment, whether it be civil or criminal, there is almost always an appeal Against the findings of a commission, there is no appeal — except to public opinion

Public figures stand adjudged by commissions

That is the reality of the situation

The limits were imposed on the commission by the Executive The field, which had to be covered was vast. In my view, at least, the time was short The final report had to be in the State President's hands by May 31

Gossip

The commission, itself, says that it had difficulty in obtaining evidence —"Out of these crumbs (things let slip inadvertently) the gossip of fellow officials in the Department, newspaper reports and contradictory evidence of individuals the commission had to try to establish a platform "

The mandate of the commission related, broadly speaking, to irregularities or unlawful gaining of advantage and misappropriation of public funds, relating to the former Department of Information and persons connected with it

To the public, however, it was not only irregularity and participation in it which was in issue — the knowledge of it without action and the political responsibility for the events had to be determined

The commission, in its first report, raised the issue of Cabinet responsibility — the interim report dealt specifically with the question whether Cabinet Ministers had knowledge

Can it be said that the commission finally disposed of questions of political responsibility?

I doubt it

The wounds of the information scandal are deep

The scars will remain and the major participants, who have paid heavy penalties, are unlikely to be silent

Disclosure

The public will, itself, debate the correctness of the findings for many a day Perhaps, more so, because the Cabinet has itself not accepted all the findings of the final report This is significant because it had no hesitation in accepting the findings in the first two reports.

To my mind, this is not surprising

The public is asking some pertinent questions

Bearing in mind the mandate of the commission, what has the alleged plagiarism of Cas de Villiers, or the potential litigation between him and Dr Prinsloo, got to do with irregularity in the Department of Information? If he was a ladies' man, this fact was relevant to this enquiry only to the extent that it involved proper use of State funds

No doubt, the disclosure of the evidence of what the commission calls "a cat and mouse game" will be awaited with salacious interest by sections of the public

There are other colourful phrases — "wrong targets", "cocoons" and "bicycle stories" This latter story is fascinating and worth quoting "In this regard, both Mr P W Botha and Senator Horwood find themselves in the pardonable position of a cyclist whom a bigger vehicle has bumped over the white line at an intersection where he is not allowed to be And who, except perhaps a politician who wanted to make capital out of it, would blame him if he were to pick up his cycle and continue on his way?"

One might have expected the commission to continue to tell us whether, having picked up their bicycles, the riders immediately returned to continue their journeys on the correct side of the road — or whether they continued on the wrong side of the line

What is not in the report gives rise to most problems For example, only the evidence of Mr Jussen is referred to on the connection between the State and "To the Point"

Was there no evidence from the side of the Department, other than on the actual expenditure? R4 350 000 for copies of "To The Point" in one year (1974/5) is an awful number, bearing in mind that today you buy the magazine for 60 cents

The report does not indicate whether crucial questions were asked To give some examples

The commission, referring to the knowledge of Mr Vorster and Dr Mulder, says "During this period every innocent member of the Cabinet therefore had, because of the collective responsibility of the Cabinet, to bear the stigma of public accusations without knowing the facts " The commission does not say whether the innocent members of the Cabinet asked their colleagues what was the truth

Proposals

If they did — why not say so?

If they did not — is this not a vital issue?

The commission quotes Senator Horwood as saying that he would have nothing to with a proposal to buy a newspaper in Europe The commission makes the following comment "The commission has no evidence to the effect that the Government wanted to buy a newspaper in Europe in 1975, as intimated by Senator Horwood The purchase of the Washington Star is dealt with in Chapter X "

But did it enquire?

Perhaps the key lies in paragraph 4 50 of the report The commission says, "Where people did not come forward and the commission did not learn of further irregularities whatsoever from any other source, it would have been futile and unnecessarily costly to investigate into each of 160 or so projects and to subpoena all the persons concerned in them "

Normally only the perpetrators of dishonesty know about their acts The guilty are unlikely to come forward voluntarily Only where someone else has found out can there be disclosure It needs examination of all the projects to finally close the can of worms

One hoped this would be done That the Information Saga would become a closed book with the final report of the commission and we could get on with the real problems confronting South Africa

It seems this is not to be There are too many unanswered questions, and more worms may creep out from time to time to South Africa's detriment

Rit van Rooyen oor sy rol in ‚Griekse tragedie'

Hy was ‚Trojaanse perd' vir Rhoodie

DIS ironies dat dit dr. Eschel Rhoodie self was wat adv. Rit van Rooyen in die binnewerke van die ou Departement van Inligting ingebring het; dieselfde advokaat wat later sake oopgeruk het.

In 'n onderhoud met RAPPORT het adv. Van Rooyen interessante nuwe lig op die geskiedenis gewerp

Dr. Rhoodie het adv. Van Rooyen gevra om direkteur te word van Thor Communicators, die frontorganisasie waardeur geld vir The Citizen o.m. gekanaliseer is.

Mev Rhoodie en adv. Van Rooyen se vrou het saam gestudeer, en toe die Rhoodies hulle in dieselfde buurt vestig — ná Eschel se aanstelling as Sekretaris van Inligting — het die twee gesinne ou vriendskapsbande hernieu.

Dr. Rhoodie het nogal gesê hoe aangenaam dit is om ou vriende weer raak te loop, en dat hy versigtig moes wees met nuwes wat sy geselskap opsoek, vanwee sy posisie, vertel adv. Van Rooyen.

Op 'n dag loop dr. Rhoodie sy vriend tromp-op, en waarsku dat wat hy te vertel het, ingevolge die Wet op Amptelike Geheime moet bly: Inligting het frontorganisasies en -maatskappye. Mense word genader om hul name aan die maatskappye te „leen". Die lys van die direkteure lees soos 'n Suid-Afrikaanse Who's Who

En die Inligtingsekretaris vrá die advokaat om direkteur van Thor Communicators te word. Adv. Van Rooyen het ingewillig nadat hy aan dr. Rhoodie gesê het hy sien die noodsaaklikheid van dié dinge in.

Later het hy agtergekom dat dinge nie pluis is nie Sy optrede het gemaak dat dr. Rhoodie se baas, dr. Connie Mulder, nie tot Eerste Minister verkies is nie, en dat die hele Inligting-debakel oopgeruk is.

Ministers in sy hand gehad het"

Na die '77-verkiesing, toe die NP en mnr. Vorster sterker as ooit tevore staan, het adv. Van Rooyen voorgestel dat dr. Mulder uit die Kabinet gelaat word.

Mnr. Vorster het, volgens adv. Van Rooyen se getuienis

Mulder kon saamstel nie. Net die volgende week sou die nuwe Minister van Inligting by hom op kantoor wees vir 'n verduideliking omtrent die debakel wat hy van sy voorganger sou erf.

Mnr. Vorster se gesondheid was nie goed nie, en toe hy as Eerste Minister bedank, het adv. Van Rooyen gevoel sy beskerming is daarmee heen.

„Maar die teerling was gewerp. Ek het geweet my nek is dun gerek oor die kapblok," sê adv. Van Rooyen.

Deur FRIK BADENHORST

voor die Mostert-kommissie, gesê sy oorweging was dat hy nie 'n Kabinet sonder dr.

MNR. JOHN McGOFF, die

Hy was bewus van die planne om dr. Connie Mulder in die plek van mnr. Vorster verkies te kry, en dat daar selfs voor die tyd ongeduld was dat mnr. Vorster moes aftree.

Magsposisies

„Ek het die onmeetlike nadeel en implikasies vir ons land en volk gesien, indien 'n nuwe Eerste Minister die volgende Donderdag gekies sou word wat direk betrokke sou wees by die skandaal, met die mede-betrokkenes in magsposisies," sê hy.

Sy pligsgevoel het hom geen ander keuse gelaat nie as om eers min. Pik Botha in te lig, en daarna min. Alwyn Schlebusch en ook mnr. P. W. Botha en dr. Schalk van der Merwe.

Hulle het hulle dadelik vereenselwig met die gedagte dat landsadministrasie silwer-

ADV RETIEF VAN ROOYEN — hy het die Inligting-skandaal oopgeruk

PATSY DE VILLIERS — sy sê genl Van den Bergh se makkers het mev Rhoodie lughawe toe gebring Dié foto van mev. De Villiers is deur haar man, mnr Les de Villiers, gewese beplanningshoof van die departement, geneem toe hulle nog getroud was.

DIS ONSINNIGHEDE, SÊ PREMIER

OOP

lementêre gekose komitee verwys word.

Dat sy bedanking tot Julie of Augustus uitgestel word.

* Lees ook berigte op bl. 6 en 12.

Katie sò stil die land uit

Van JOHAN STRYDOM

GENL. HENDRIK VAN DEN BERGH se makkers het mev. Katie Rhoodie, Eschel se vrou, gehelp om ongesiens van die lughawe Jan Smuts na die buiteland te vertrek.

Só sê Patsy de Villiers, gewese vrou van die gewese beplanningshoof van Inligting, mnr. Les de Villiers. Sy het Katie lughawe toe gebring en saam met die mans gesorg dat sy sonder agtervolging koers kry na haar man.

En op Jan Smuts het Patsy belowe dat sy geruime tyd nie sal praat oor hoe Katie Rhoodie gehelp is nie. Die name van die manne wat by was, sal sy nooit bekend maak nie.

Was dit nie vir hulle nie, sou Katie Rhoodie nie maklik so kon vertrek sonder dat andere haar spoor volg nie.

Dit was kort nadat mev. Rhoodie haar paspoort van die owerheid teruggekry het dat Patsy de Villiers haar op Vrydagmiddag, 2 Februarie, van Pretoria na Jan Smuts gebring het. Mev. Rhoodie het die oggend eers haar banksake afgehandel en toe drie tasse gepak.

Op Jan Smuts, voor die internasionale vertreksaal, het twee mans vir hulle gewag.

„Laat alles in ons hande en doen net wat ons sê. „Ons sal sorg dat alles reg loop. Selfs as daar agterna 'n parkeerkaartjie van die lughawepolisie is, sal ons help," het die mans gesê.

Hul opdrag was dat Patsy die drie tasse moes laat inweeg, en die dokumentasie by die doeane sover moontlik moes afhandel. Hulle het Katie Rhoodie die hele tyd buite die vertreksaal as 't ware buite sig gehou

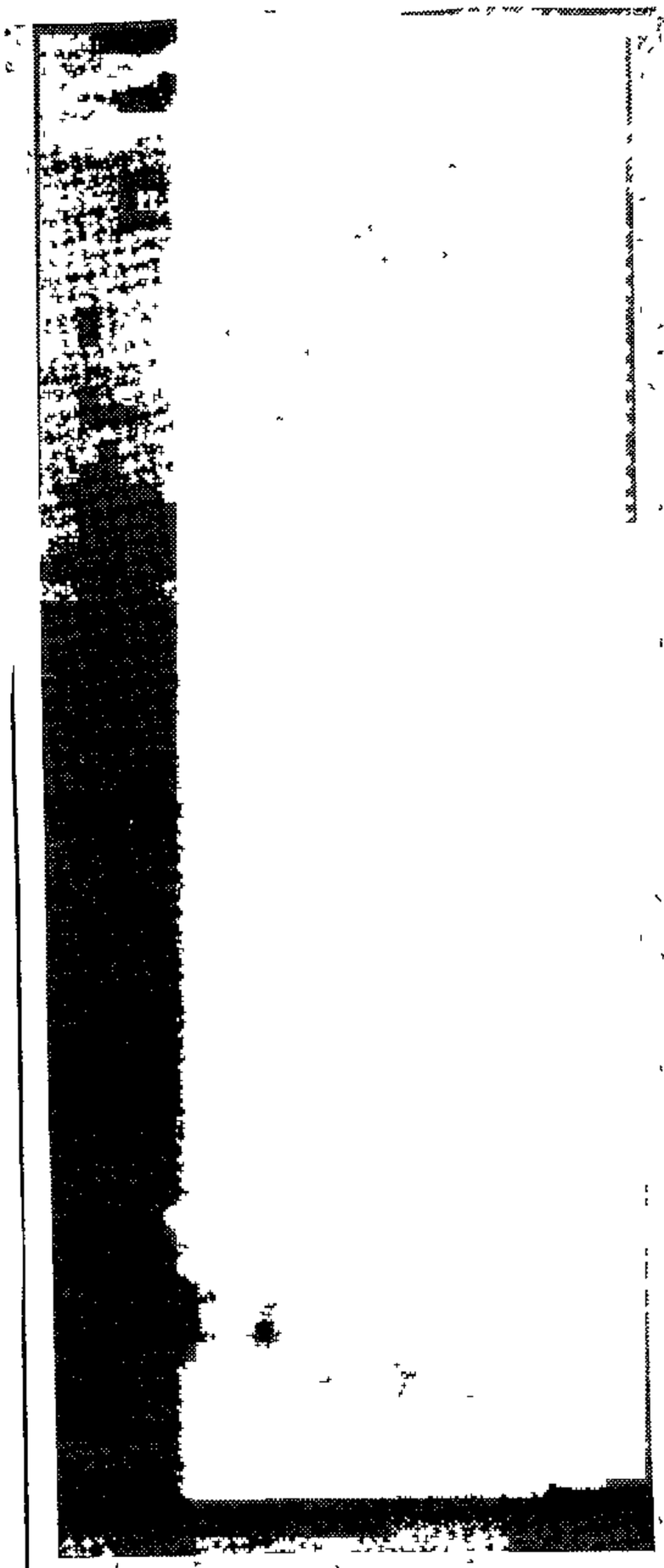
Net voor die vliegtuig sou vertrek, het die mans mev. Rhoodie so vinnig deur die vertreksaal gebring dat Patsy haar net skrams kon groet.

● Patsy ken genl. Van den Bergh van Montreal se dae af — sy was in die groep, meestal mense met bande met Inligting, wat die Olimpiese Spele bygewoon het.

Sy het daardie helpers op Jan Smuts geken, en sy sê daar is vandag nog manne wat vir genl. Van den Bergh deur die vuur sal loop.

In die dae toe die Rhoodies en haar gewese man die sweep by Inligting geklap het, het sy die gevoel gekry dat genl. Van den Bergh met sy mag 'n groot dryfveer agter hulle was. Eschel Rhoodie-hulle het gereken· As jy genl Van den Bergh as vriend het, kan niks verkeerd loop nie

● 'n Slag, terwyl hulle by 'n rugbywedstryd in Bloemfontein was, het Patsy aan genl. Van den Bergh gesê: „Generaal, vir jou is ek baie bang!" Die lang man het lekker daaroor gelag.



Picture: BEELD

Man in his own prison

● A glimpse of a fugitive locked in his home — former deputy Information secretary Deneys Rhoodie opens the chained door of his luxury Pretoria home to journalists. Dr Rhoodie, brother of "super patriot" Eschel Rhoodie, still with his wife in Europe, faces possible charges as a result of the role he played in the propaganda scandal.

your secret projects" (Info)

This note, according to sources close to Dr Mulder, showed conclusively that Mr Botha must have known Defence funds went to Info's secret projects

And they claim that if Mr Botha was not aware that Defence was, in fact, "sponsoring" the Info secret projects (like the $10-million that went out in an abortive bid to buy the Washington Star newspaper), he would be in breach of the requirements of the law

For, in terms of Section 2 of the Special Defence Account, it is incumbent on the Minister of Defence to familiarise himself with projects his monies are being spent on

● **Document No 2** was written by Admiral H H Biermann, then Chief of the Defence Force, seemingly on behalf of Mr Botha as Minister of Defence.

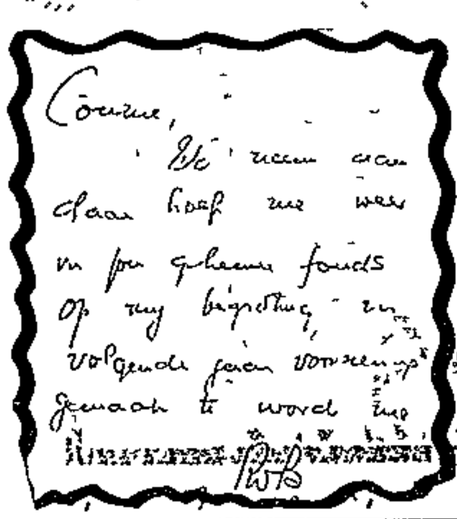
In it Dr Eschel Rhoodie, former Secretary for Information, is told that the budget for Info secret spending, referred to as "Operation Senekal", must be classified "highly secret"

Admiral Biermann says that he would have to account (to the Auditor-General) for Info's R10,95-million (drawn from Defence) and would therefore require an audited certificate from Dr Rhoodie

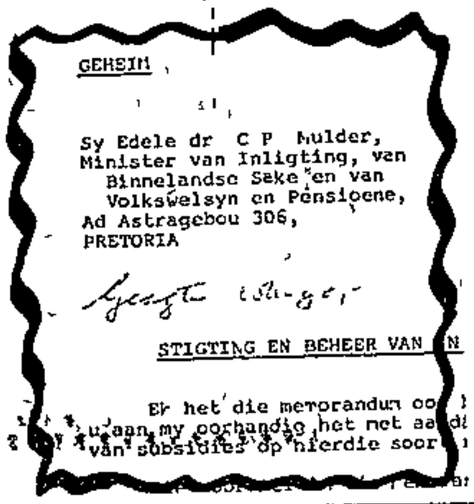
Admiral Biermann then implies that in respect of the Defence secret budget, the Comptroller-General and the Auditor-General had not been informed about it

Admiral Biermann further states that he is not aware of details concerning Dr Rhoodie's "security, classification and control" procedures in regard to his department's secret projects, and asks whether the Comptroller or Auditor-

TWO DAMNING INFO DOCUMENTS



● Document One .. written (and initialled) by Mr P W Botha, as Minister of Defence.



GEHEIM

Sy Edele dr C P Mulder,
Minister van Inligting, van
Binnelandse Sake en van
Volkswelsyn en Pensioene,
Ad Astragebou 306,
PRETORIA

STIGTING EN BEHEER VAN

● Document Three .. from Senator Horwood to Dr Mulder, showing the heading "Geheim" (secret)

Info man's wife claims she was underpaid

By KEVIN STOCKS

MRS J Alberts — wife of the Information front man Jan van Zyl Alberts — claimed this week that by American standards she was underpaid for her work on secret Government projects

Mr Alberts employed her as a script consultant on films and magazines produced with Government money.

Mrs Alberts received R32 750 in consultation fees and reimbursement of travelling expenses. Of this R32 000 was consultation fees

Asked this week what she had done to earn the money, Mrs Alberts said she was script consultant for the production of films and magazines. Her qualifications as a script consultant was that she was an "anthropologist".

Her job, she said, was to ensure that everything produced was correct in the ethnic context of the community being depicted.

Sometimes she evolved ideas for scripts and sometimes she took them from elsewhere Finally, a professional script writer turned out the finished product

Mrs Alberts claimed that in terms of fees paid to script consultants in the United States she was underpaid.

The films produced, she said, were shown to blacks all over the country and "we had wonderful responses".

Did Mrs Alberts know the money for the films and magazines was coming from the Government?

"No," she said, "as far as I was concerned I was working for Heyns Films I always left financial matters to my husband Of course I knew he was chairman of Heyns Film and Television."

No claim on $6-m

By EUGENE HUGO

SOUTH AFRICA has no claim on the American millionaire, Mr John McGoff, for the $6,3-million of Information Department money which has gone astray after being given to him.

According to a qualified source, the $10-million transferred from the Defence budget to help finance his abortive takeover of the Washington Star newspaper was regarded as a "non-returnable" investment. No refund was expected

This arrangement was approved by Mr John Vorster, Dr Connie Mulder and Dr Nico Diederichs, the source said.

The source, who took part in setting up the deal with Mr McGoff, said Mr McGoff had used the bulk of the money to buy another newspaper, the Sacramento Union, in California.

A further amount of $1 350 000 made available to him was used to buy a controlling interest in United Press International Television Network.

The Sunday Times source said that in the memorandum justifying the secret project it was made clear that the original $10-million was not a loan to Mr McGoff and that no dividend was expected

"It was $10-million worth of goodwill and there was never any expectation of the money coming back," said the source.

"In fact Eschel (Rhoodie) said in that memorandum that it was like investing in a 'wapenfabriek' (armaments factory). It was being done for what South Africa would get out of it in the long term."

The source added it was not expected of Mr McGoff to pay back any of the money, but that he had voluntarily returned about $4-million when told that this was needed for other secret projects.

"In fact it should be looked upon as a gain of $4-million, not a loss of $6,3-million," said the source.

He suggested that the full story would emerge in court if Government agencies tried to recover this money from either Dr Mulder or Dr Rhoodie.

operations in 1972

"The proposal in the memorandum is that the maximum State subsidy be determined by the total number of tickets sold and not restricted to R45 000 per film as at present," wrote Sen Horwood

"I can mention that this scheme came into being as a result of recommendations from a committee appointed by our colleague, Mr M C Botha (Minister of Bantu Administration and Development) in 1971 under the chairmanship of Dr J Adendorff, of the Bantu Development Corporation"

Sen Horwood then quoted from paragraph

Advisable

Sen Horwood warned at that stage that he personally felt that it was advisable to still keep an eye on the matter with the aim of discouraging schemes, particularly by the private sector, that were too ambitious

If the Treasury agreed, he was prepared to instruct his Department of Industries to amend the scheme

The Minister said that it was nevertheless possible that a total lifting of the present restriction could eventually be a heavy burden on the Treasury and he thought it advisable to lift the restriction only temporarily

who was found by the commission to have "lined his own pockets" with Government funds

In the first Erasmus report the commission states that Mr Pieterse and certain companies in which he had an interest had been planning the establishment of a black film industry since 1970 and submitted various memoranda and reports to various Government authorities

After discussions with various Ministers — Mr M C Botha, Dr Mulder and Mr J T Kruger, and various senior public servants — it was decided to proceed with the plan

But shortly after the agreement — which inter film ventures for which he used the loan intended for the black film industry. He has been unable to repay the loan

The Erasmus commission recommended that the State-Attorney be requested to investigate the extent to which the State's assets had been unlawfully "alienated or affected" by Mr Pieterse

Option

Meanwhile, substantial amounts of money were also made available to Mr Van Zyl Alberts for "Bantu film" projects

A lump sum of R50 000 was given to him in March 1974 to obtain control of Heyns Films and Television

He obtained an option for 20 000 shares and then took a fee of R24 000 from the State out of these funds in exchange for the option

The commission said it was clear Mr Alberts obtained the option as an agent for the State but had nevertheless "sold" the option to the State and taken R24 000 profit for himself He did not disclose this in his financial statements for 1975, 1976 or 1977

The commission's general finding on Mr Alberts was that he had "lined his pockets" with State funds — he received more than R16-million during a four-year period — and that the misappropriations pointed to theft and fraud

Senator Horwood could not be reached for his comments

SECRET DOCUMENTS THROW NEW LIGHT ON INFORMATION SCANDAL

P W and Horwood knew of projects

THREE secret and confidential documents that have been obtained by the Sunday Express throw new light on aspects of the Information scandal and the roles of the Prime Minister, Mr P W Botha, and the Minister of Finance, Senator Owen Horwood.

The documents were obtained by the Sunday Express at a time when the country is still smarting over the devastating consequences of this week's final report by the Erasmus Commission

One of the documents indicates that the Department of Defence was aware of "Operation Senekal" — the code name for all Information's secret projects — and was concerned with the need to keep it secret

Another of the documents shows that Senator Horwood knew about at least one of the Info secret projects — plans to lauch a Black film industry

These are details of the secret documents

● **Document No 1 — Mr P W Botha**

At a Press conference in Pretoria in November Mr Botha said categorically that no funds voted for Defence purposes were allotted to the Department of Information

Asked if he would say this as a matter of fact and not as his belief, Mr Botha said "I would say that as a matter of fact"

Yet early in 1977 Dr Mulder received a handwritten note from Mr Botha, which he initialled, relating to Info's 1977-78 secret expenditure The Sunday Express has a copy of it

The note, written in Afrikaans and addressed to "Connie", quotes Mr Botha as saying he assumes there would not again be a call on his budget (Defence) for

SUNDAY EXPRESS EXCLUSIVE

By KITT KATZIN

General had got insight into transactions which could compromise the sensitive nature of the projects

He says he would appreciate an assurance (from Dr Rhoodie) that he had instituted a proper — but secret — audit

Admiral Biermann then tells Dr Rhoodie that because of the "utmost sensitive transactions" linked to secret funds, an arrangement had been made with the Comptroller-General, the Treasury and the Auditor-General to the effect that the Department of Defence would audit its own secret fund and that he (Admiral Biermann) and his Minister (Mr Botha) would submit a certificate to the Auditor-General and the Comptroller-General

To do this, Admiral Biermann said, he required (from Dr Rhoodie) an independent (departmental) audit certificate to show that the R10,95-million allocated for "Operation Senekal" had been spent properly (regularly) and for the purposes for which it has been earmarked

But this document, according to Dr Mulder's aides, shows that, although the Information Department was required to present an independent certificate, the ultimate responsibility lay with the Minister of Defence

● **Document No 3 — Senator Horwood**

This document also shows that Senator Horwood had details of at least one of the Info secret projects

Senator Horwood has steadfastly maintained that he could not get details on secret Info projects when he requested them

A letter written (and signed) by Senator Horwood to Dr Mulder on June 21, 197 , when Senator Horwood was still Minister of Economic Affairs, makes it clear that he was aware of details of at least one of Info's secret projects — an attempt to break into the Black film market

In the letter, Senator Horwood replies to a request by Dr Mulder that the Government's film subsidy policy (a subsidy of 20c a ticket up to a maximum box-office intake of R45 000) should be waived in respect of the Black film industry

Dr Mulder had proposed that the value of tickets qualifying for the subsidy should not be limited to the maximum ceiling of R45 000.

The letter was headed "Secret The Establishment and Control of a Bantu Film Industry"

Sunday Times

10/6/79

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Reluctance

Mr Vorster's reluctance to quit was, apparently, not motivated by a desire to hold onto the Presidency for its own sake, but was based on concern that his resignation would be seen as indicating his acceptance of the commission's findings.

However, Mr Botha was adamant.

Less than 24 hours later, Mr Vorster left Tuynhuys in Cape Town for the last time, the State President's guard was removed from sentry duty at his residence at Groote Schuur, and South Africa, and the world, was abuzz with the news of the fall of a towering figure.

Nationalist MPs, unhappy about what many of them regard as their former leader's humiliation, quietly began flocking to Groote Schuur to see him and on Friday night a large number gathered at his residence.

Political sources have revealed that he has already been offered several seats, in both the Transvaal "and elsewhere", should he decide to take the unprecedented step for a retired State President and return to active politics.

The offers have, so far, been refused. Friends of the Vorster family said at the week's end that, although he was determined to fight back to clear his name, any decision to re-enter politics would have to be taken in consultation with his wife and his children and that no decision had, so far, been taken.

Witnesses of last Sunday's meeting have described it as "extremely painful" and Cabinet Ministers are bracing themselves for Mr Vorster's coming fightback.

Nationalist sources, however, said this week that the former leader would devote his energies to "destroying" the Erasmus commission's report.

But Nationalist MPs said this week that, if he succeeded, the first victim could be Mr Botha, who had both appointed the commission, and acted on its findings.

Although the Prime Minister was careful to tell a hushed House of Assembly on Monday that the Government had merely "taken note" of the commission's findings on Mr Vorster, it had effectively acted on them by asking Mr Vorster to quit.

MPs said that if Mr Botha had "wielded the axe", he could be damaged by the fury of Nationalists who were puzzled and angered this week by the fall of a man who had become a symbol of Nationalist unity.

Many were distressed by the reversal of the finding in the first Erasmus report last December which had exonerated Mr Vorster.

The only apparently new evidence was Mr Vorster's own public statement earlier this year, that he had been informed of The Citizen in August 1977, rather than during November of the same year.

Sources close to Mr Vorster told the Sunday Times this week that his resentment against the commission focused on the way in which the report reflected on his integrity.

He is quoted in it as describing Dr Rhoodie as a "fantastic man".

But, sources say, it omits his following sentence which said that, only Dr Rhoodie would have been able to extract a R3-million bank loan without authorisation or security.

Mr Vorster, they say, is given to heavy irony.

He is also said to be upset about the commission's quotation from his evidence on the Pretoria advocate and Information co-conspirator, Mr Retief van Rooyen.

Mr Vorster, friends say, was attempting to give the commission a character sketch of a man whom he regarded as an amusing,

● To page 2

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At that stage the Information Department was spearheading a massive drive into West Africa and established close contacts with the Ivory Coast, Zaire and Cameroon

With severe domestic problems emerging on his own horizon, General Mobuto agreed that an interstate publication was of vital necessity to offset the growing popularity and influence of the leftist Jeune Afrique, also published in Paris, throughout West Africa

The new magazine would adopt a rightwing domestic editorial stance — a pro-Mobuto line — but would also attempt to create a subtle campaign of support for South Africa

later acquired

Mobuto agreed to invest $3-million and Dr Rhoodie began arranging a printing and distribution network in Paris

Although at that stage no Info money was directly involved, Dr Rhoodie was preparing to make a sizeable capital committment at a later stage. Negotiations for the magazine began in 1975 and carried through to 1976

But then, as the first signs of civil strife in Zaire grew more and more ominous and in the light of Mobuto's inability in the end to raise the $3-million, Dr Rhoodie pulled out — and his grand propaganda plan for the push into West Africa fell apart

Braam tipped as A-G

THE MAN Nationalists and Opposition MPs are tipping for the "hotseat" Advocate-General job is Mr A J (Braam) Lategan, SC, Attorney-General of the Cape, and a member of the three man Erasmus Commission.

Mr Lategan, an experienced advocate, is expected to take office shortly after the "Gag Bill", creating the post of Advocate-General, becomes law.

The Sunday Express reported on May 13 that Mr Lategan was the favourite for the post, and in Cape Town this week informed Nationalists said he had already been approached. Mr Lategan, however, declined to comment.

I understand the chairman of the Erasmus Commission, Mr Justice Rudolph Erasmus, was also asked informally to consider the job, but turned down the request.

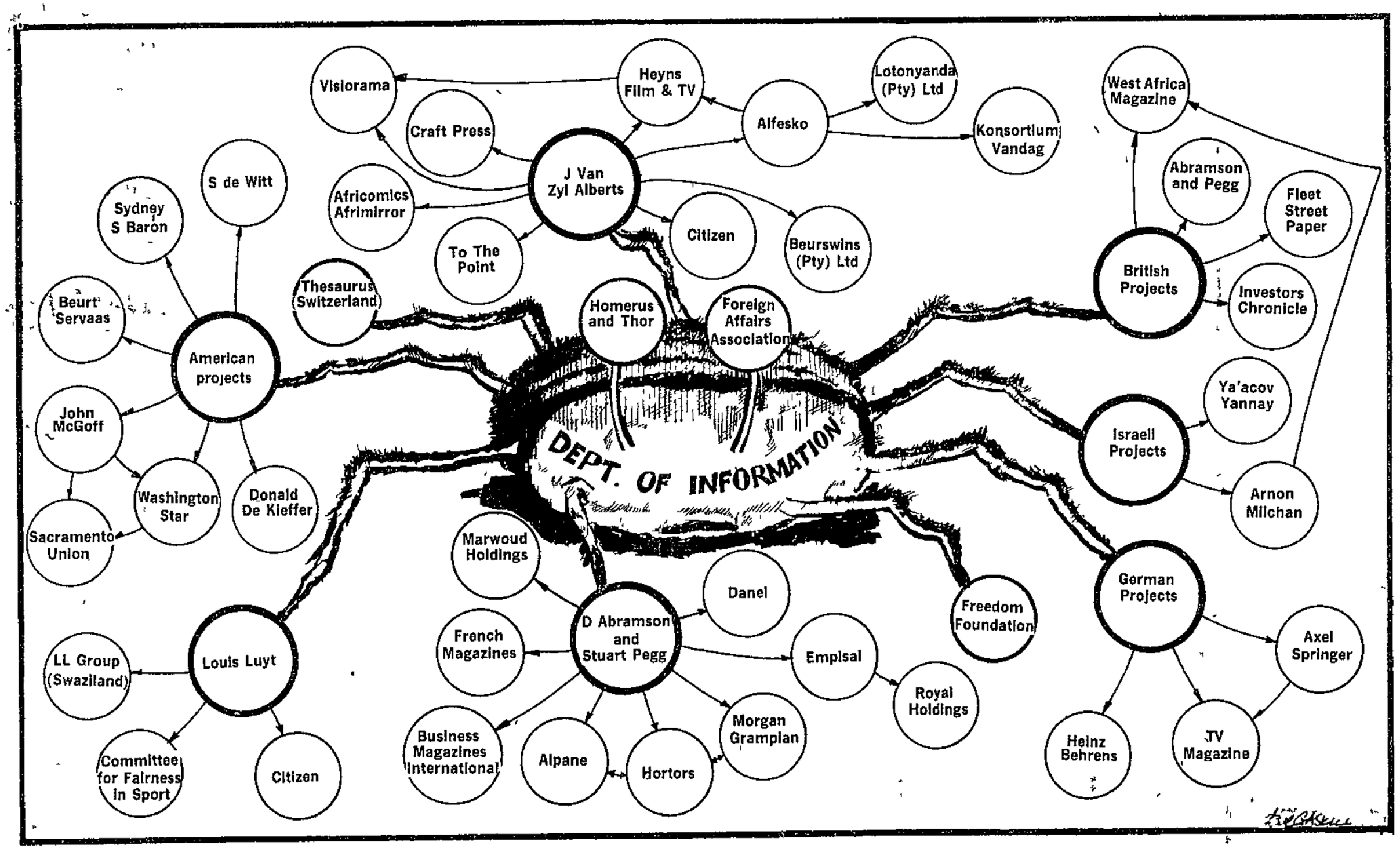
Mr Lategan's appointment will dovetail with several major Cabinet changes in the wake of Mr Vorster's resignation as State President.

● For the Info stories that WERE told, Pages 24, 25.

The Info spider's web

THE complexity and range of Dr Eschel Rhoodie's Information empire is depicted in this illustration — an incomplete one — of the web of companies, agents and front organisations with which he operated.

The Erasmus commission was unable to unravel all the strands of the operation, and there may have been dozens more front organisations to handle the 160 secret projects run by the former Department of Information.



By NEIL HOOPER

Mr X has dead Info man's secrets

SECRET documents disclosing the role played by South African politicians in the Information scandal are in the possession of a mystery secret-service official in Pretoria.

The widow of a former Information man, Mr Charles More, claims they were handed over last year for safe-keeping by her husband

Mr More was then in charge of the department's secret projects in Africa, and also of liaison with the Bureau for State Security and the Security Branch

Mr More, who was determined "not to go to jail for the actions of these politicians", did not disclose his action to General Hendrik van den Bergh then head of the bureau, or to General Mike Geldenhuys, Commissioner of Police.

Mrs More told the Sunday Times this week that the Erasmus Commission — which investigated irregularities concerning the former department — was apparently unaware of the existence of the documents

They are duplicates of the secret-project files 51-year-old Mr More had in his possession shortly before he died suddenly from a stroke on June 1 last year

Mrs More said after her husband died the ther Secretary for Informa tion, Dr Eschel Rhoo die, sent an official t their Annalin, Pretori home, to collect all se cret documents her hus band had there.

She did not know what ha happened to them.

"Shortly before he die Charles told me he wa worried about the in volvement of politician in the activities of the Department of Information, and that he was not prepared to go to jail for their actions," she said this week

"By then investigations into the department had already started, and Charles feared that Dr Rhoodie — for whom he had a tremendous admiration — might resign

"He then told me he had given copies of all his secret-project documents to a secret-service official who had agreed to lock them away in a safe at his office in Pretoria."

Mrs More — who says she does not know the identity of the official — said she had considered informing the Erasmus Commission of the existence of the documents, but had decided against this for two reasons.

Commission

Firstly she had not been asked to give evidence, and secondly she could not identify herself with the commission

"I think that several years from now, when security officials are sifting through their papers, they may come across the material handed over by my husband and the true story may come out"

She did not believe that the secret projects of the former department should be made public.

"Charles did not tell me in detail what the projects were, but he did say that if a certain person telephoned from another African country I should accept the call and pass on messages He warned me to be discreet as the lives of agents could be endangered

Bias

"He was not enthusiastic about all the projects, particularly those that he felt had party-political bias.

"But he was in favour of the Government's creation and funding of the Citizen newspaper, and so was I — he told me about this project from the start — and I still read the newspaper."

Mrs More said her husband had originally worked as a town clerk, after studying law, and joined the Department of Information ten years ago

"In a sense I am glad he died last year without having to go through the ordeal of seeing all that he had worked for for so many years being undone through the exposing of the Information affair," she said

In 'n onderhoud met RAPPORT skets adv Van Rooyen die web wat om mnr. John Vorster gespan was in die spanningsvolle dae van ontgoeling en onthulling.

Adv Van Rooyen sê mnr. Vorster het die Inligting-skandaal op sy skouers geneem en geweier om dr Connie Mulder se kop te laat waai as oplossing. Intussen was daar al in die Rhoodie-kamp ongeduld dat mnr. Vorster as Eerste Minister moet uittree, en planne dat dr. Mulder hom sou opvolg.

Mnr. Vorster was soos die held in 'n Griekse tragedie, sê adv. Van Rooyen Hy het alle ander belange bo sy eie gestel Sy oorweginge was onder meer Landsbelang, die Nasionale Party van Transvaal; en die Minister wat die Inligting-debakel van dr Mulder sou erf.

Adv Van Rooyen sê hy het die hele tyd die indruk gehad dat mnr. Vorster nie vertroud was met die besonderhede van die Inligting-skandaal nie.

„Ek het my nooit blootgestel gevoel deur aan hom te rapporteer nie. Ek het volle vertroue in sy integriteit en eerlikheid gehad, en daarin dat hy nie deel kon wees van 'n sameswering wat sou toelaat dat die belastingbetaler se geld na willekeur in verkeerde kanale beland nie."

Hy het mnr. Vorster van tyd tot tyd ingelig en hom aangeraai om op te tree.

Dit is mnr. Vorster wat die woord „katnes" gebruik het om die Inligting-gedoentes te beskrywe. Mnr. Vorster het belowe om die „katnes" oop te ruk, maar sy probleme was legio.

Dit het geblyk dat dr Eschel Rhoodie nie in die pad gesteek kon word nie, omdat hy in mnr. Vorster se woorde „die politieke lewe van my dagte aan toesmeer summier verwerp

„Toe ek hul reaksie merk, het ek weer veilig gevoel, was ek trots dat ek Suid-Afrikaner is, en kom van 'n land waar die demokrasie nie net in woord nie, maar in werklikheid bestaan en sal voortbestaan," sê adv. Van Rooyen.

Uit ander oorde is sake nie vir hom maklik gemaak nie In 'n stadium is stories oor hom versprei om hom te diskrediteer, maar dit het hom nie gestuit nie.

McGoff bitter oor verslag

Van HENNIE PRETORIUS WASHINGTON

DIE Amerikaanse koerantbaas John McGoff is bitter oor regter Rudolph Erasmus se beweringe dat hy staatsgeld uit Suid-Afrika gevat het om koerante in Amerika te koop.

Toe sy kantoortelefoon ná die Erasmus-verslag begin lui, is hy sommer huis toe met die opdrag: Geen oproepe van koerantmanne oor hierdie saak nie.

Die omstrede koerantbaas is veral ontsteld omdat sy kind nou op skool met die woorde gespot word: Your daddy is a crook.

Ná sy mislukte poging om die Washington Star vir 25 miljoen dollars te koop (dr. Connie Mulder-hulle het hiervoor 10 miljoen dollars na McGoff se private bankrekening laat oorplaas), het McGoff stilletjies 'n ander koerant, Die Sacramento Union, gekoop. Hy het intussen die helfte van die koerant aan sy miljoenêrsvriend Richard Mellon verkoop.

McGoff het ook met 'n ekstra 1 350 000 dollar uit Suid-Afrika 'n televisienetwerk gekoop. Suid-Afrika het 'n verlies van 6 350 000 dollars gely uit hierdie transaksies met McGoff, het regter Erasmus bevind.

*** McGoff was 'n groot vriend van dr. Mulder en sy Inligtingsmanne. Maar volgens 'n vriend het hy nooit juis van dr. Eschel Rhoodie gehou nie. Hy het dr. Rhoodie beskou as 'n gladde, impulsiewe en arrogante kêrel.**

BERIG

Van Ons Politieke Beriggewer

„EK antwoord nie op die spekulasies en onsinnighede van die Sunday Times nie," het die Eerste Minister, mnr. P. W. Botha, gisteraand gesê op navraag oor 'n berig dat hy „'n onwillige" mnr. John Vorster dié week gedw[illegible] het om as Staatspresident te bedank.

Mnr. Vorster was gisteraand nie vir kommentaar beskikbaar nie

In die berig word beweer dat mnr. Botha „volgens getuies" van verlede Sondag se besprekinge tussen hom en mnr. Vorster geweier het om aan die volgende versoeke toe te gee

Dat die bevindinge van die Erasmus-kommissie vir hersiening na 'n regter verwys word;

Dat die bevindinge na 'n par-

DR. RHOODIE, tennisafrigter

Tennis-joppie vir broer Denys?

Deur LAPPE LAUBSCHER

DR. DENYS RHOODIE, oud-adjunk van broer Eschel, gaan dalk binnekort 'n beroepstennisafrigter word Hy het 'n paar weke gelede 'n beginnerskursus in tennisafrigting — gereel deur die Noord-Transvaalse Tennisafrigtersvereniging — bygewoon. Hy het in sy eksamen geslaag en hy kan nou voortgaan met 'n tweede kursus.

As hy afrigter wil word, moet hy einde vanjaar in die eksamen van die Suid-Afrikaanse Tennisunie slaag. Eers daarna haal jy die rol van geregistreerde afrigters.

Dr Rhoodie was nie dié week beskikbaar vir kommentaar oor sy planne op die tennisbaan nie.

Hy en broer Eschel is bekend as kranige tennisspelers. Wie kan ooit dr. Eschel se berugte V-teken op die baan vergeet?

Koue vat Kaap vas

STORMWEER, gepaard met ysige koue teister die Kaapse Skiereiland reeds sedert Vrydagaand en volgens die Weerkantoor sal dit vandag voortduur.

RAPPORT het verskeie berigte ontvang van dakke wat deur die stormsterk noordwestewind afgeruk is. 'n Gedeelte van die dak van die nuwe Spoorwegpaviljoen op Nuweland is ook aan flarde geruk.

In die Kaapstadse hawe is 'n tenkskip van 284 512 ton wat van sy meerplek losgeruk het, later met behulp van sleepbote weer vasgemeer. Verskeie skepe moes buite die hawe anker gooi terwyl reuse-golwe die kuslyn geteister het.

Op Kommetjie is 'n supermark oorstroom en op Houtbaai was 'n kragonderbreking. Skade is ook aan geboue op Somerset-Wes aangerig.

Vorsters se huis opgeknap

Van KOBUS TERBLANCHE PORT ELIZABETH

MNR JOHANNES VAN RENSBURG, 61, 'n bou-aannemer van Kareedouw, is al 'n maand voor mnr. John Vorster se bedanking as Staatspresident in kennis gestel dat hy die Vorsters se strandhuis op Oubosstrand moet opknap

Mnr Van Rensburg was vandeesweek nog met die werk besig, maar hy weet nie wanneer mnr. en mev. Vorster by die huis sal opdaag nie

Hy sê hy het sy opdrag in 'n brief van die argitekte gekry en mev Vorster het hom onlangs in Port Elizabeth verdere opdragte gegee.

„Ek het hoofsaaklik verf- en ander opknapwerk gedoen Die huis is nie meer 'n gewone strandhuisie nie — dis amper al 'n groot woonhuis," sê mnr Van Rensburg. Hy het die huis in 1966 vir tussen R10 000 en R12 000 gebou.

Sowat vier jaar gelede is die huis se grootte byna verdubbel.

Vroeer vandeesweek is bespiegel dat mnr. Vorster op Oubosstrand sal gaan rus en dat hy hom moontlik in Port Elizabeth sal vestig.

‚Groot geld wag vir my in olieland'

RHOODIE BIEG

Rapport 10/6/79

Van THINUS PRINSLOO

(259)

PARYS

DR. ESCHEL RHOODIE, die man wie se streke dié week bygedra het tot die val van nog 'n groot Suid-Afrikaanse politikus en na wie 'n hele staatsmasjien nog steeds vrugteloos soek, het nou groot planne om groot geld uit die olieland Iran te maak.

Die verhaal van sy lewe as internasionale vlugteling en pierewaaier en wat hy en sy vrou sedertdien alles aangevang het, word van dié week as vervolgreeks in RAPPORT vertel nadat ek hom in die skadu van die Eiffel-toring in 'n hotel ontmoet het.

Vrydag, ná 'n reeks rare voorsorgsmaatreëls om te verseker dat hy nie met 'n slenter vasgetrap word nie, het hy lekker loslit begin gesels oor al die dinge waaraan regter Rudolph Erasmus gekrap het — en meer. Dit word in die volgende weke vertel.

KATIE EN ESCHEL RHOODIE

Hy is, sê hy met sy swart dra-tassie langs hom, op die oomblik beleggingsnavorser van 'n Suid-Amerikaanse maatskappy.

„Dit gaan hoofsaaklik oor die bestudering van nuwe produkte, op 'n verskeidenheid van nuwe terreine en dit raak ook publikasies. Die kern is egter die bestudering van [illegible] en die

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Eschel bieg onder Eiffel

* VERVOLG VAN BL. EEN *

nie Dis soos 'n Griekse tragedie dat hy aan die einde van so 'n roemryke lewe op so 'n manier moet uitgaan".

Hoe ek Suid-Afrika se grootste voortvlugtige opgespoor het, is 'n verhaal op sy eie, want hy en Katie bly geen stuk langer as 'n maand op een plek nie.

Dit het tientalle internasionale oproepe, boodskappe deur middelmanne en selfs 'n draai in Suid-Amerika geverg voordat iemand my Vrydag van agter op die skouer geklop het en daardie bekende Rhoodie-breistem sê: „middag!"

In die plek van die kontakman wat ek vroeer die middag verwag het, was dit 'n glimlaggende mev. Katie Rhoodie wat my stiptelik om vyfuur, die afgespreekte tyd, in die ingangsportaal van 'n hotel langs die Eiffel-toring ontmoet het.

„Eschel dink nie dis veilig om hier te gesels nie. Kom ons gee pad," het sy gesê terwyl sy 'n taxi nader wink. Daarop het die maatreels begin om moontlike agtervolgers te probeer afskud.

Sy het die naam van 'n hotel aan die taxi-bestuurder vertrek en gesê dr. Rhoodie wag daar. Terwyl die taxi deur die vyfuur-verkeer gevleg het, het sy opgeruimd gesels.

By die ingangsportaal van die hotel het mev. Rhoodie gesê Eschel wag in die straat by die agterdeur van die hotel. By die agterdeur het sy gesê sy gaan kyk waar haar man is.

Sy het in die straat afgestap en terwyl ek die straat dopgehou het vir die lang figuur van die gewese Sekretaris van Inligting, het 'n stem skielik hier agter my gegroet.

Dit was die nimlike dr. Rhoodie: Bree glimlag, swart dra-tassie in die een hand, bruin pak, bruin das met groen strepies en spierwit hemp.

Saam met Katie het ons toe by 'n ronde tafeltjie in 'n lee kroegie in die agterste deel van die hotel gaan sit — die Rhoodies blykbaar doodtevrede dat daar nie onwelkome besoekers is nie

Toe het die man wat al ses maande in die buiteland wegkruip vir die Suid-Afrikaanse owerhede, begin gesels.

„Ek het die taak met maksimum-geesdrif en entoesiasme aangepak. Wat julle ook al van my wil sê: My doelstelling was om Suid-Afrika se saak te bevorder."

Hy erken een van sy grootste swakhede is boekhouding en administrasie. „'n Mens moet onthou dat ek bedags die Departement van Inligting bestuur het en ná ure en snags die geheime operasies. Ek glo ek het gemiddeld agttien uur per dag daaraan gewerk. In die proses het ek my familie gruwelik verwaarloos.

„Ek is dankbaar teenoor iemand soos prof. Chris Barnard wat sê 'n man moet nie net aan sy foute beoordeel word nie, maar ook aan wat hy bereik het.

„Veronderstel dat ek vir verlies van 'n R1 miljoen verantwoordelik was omdat 'n projek verkeerd geloop het, dan wil ek daarop wys dat ek en een ander persoon in een operasie 'n stap teen Suid-Afrika afgeweer het wat die land R50 miljoen sou gekos het."

Toe ek dit aan hom stel dat die klagte teen hom is dat hy homself in die proses met staatsgeld verryk het, het dr. Rhoodie geantwoord: „Ek het my nie verryk nie, maar as ek wou, sou ek myself nie met beweerde bedraggies van R2 000 en R10 000 verryk het nie.

„Wat meer is, ek beskou myself as 'n kenner van geheime projekte en ek sou dit nie op so 'n blatante manier gedoen het nie As ek wou, kon ek honderdduisende geneem het sonder dat 'n haan daaroor sou kraai.

RAPPORT: U het miljoene rande aan staatsgeld gehanteer. Het daar in die proses geen geld in u eie sak beland nie?

Dr. Rhoodie: Nee.

Toe ons later aanstap restaurant toe, vra ek hom of hy van plan is om terug te keer na Suid-Afrika.

Hy skuur tussen twee Parysenaars deur en sê dan hy voel soos 'n boer wat sy hele lewe daaraan gewy het om sy plaas op te bou. Toe kom die terroriste en verwoes en verbrand alles tot op die grond.

„Nee, ek het in dié stadium geen begeerte om terug te gaan of om iets met die land se probleme te doen te hê nie."

Ons gaan eet in 'n wegsteek-restaurantjie, en toe begin dr Rhoodie en sy mooi vrou vertel van hul vreemde lewe sedert hy Suid-Afrika op 19 November verlede jaar verlaat het en sy hom gevolg het . . .

*Lees volgende week verder.

moontlike vestiging van nuwe nywerhede," sê hy

Maar sy groot hoop is Iran, die land van groot olie. „Met geluk kan ek vanwee my vriendskap met verskeie belangrike Iranese 'n nuwe begin in die sakewêreld maak op 'n gebied waar daar op die korttermyn groot geld te maak is," sê hy.

Oor die jongste skok wat hy in Suid-Afrika ontketen het, bieg hy: „Natuurlik het ek foute gemaak en verkeerde besluite geneem. Daar is selfs dom dinge gedoen, want soos elke ander is ek 'n mens met menslike swakhede."

En oor mnr. John Vorster, wat saam met die laaste Erasmus-verslag uitgetree het as Staatspresident, sê hy „Hoewel hy my oor TV en in die pers vertrap en tot leuenaar uitgemaak het, is ek glad nie bly oor sy uittrede

* VERVOLG OP BL. 6 *

ROOIKOP HERKEN RHOODIE

'N LIGTE beroering het gisteroggend in 'n tuin by die Place de Concorde ontstaan toe 'n Suid-Afrikaanse vrou met 'n rooi kop uitroep: „My magtig! Dis mos dr. Eschel Rhoodie!"

Sy was lid van 'n Suid-Afrikaanse toeristegroep en het 'n ent agter die lang man aangestap.

Hier langs my het dr. Eschel Rhoodie sonder omkyk aangestryk. „Dit gebeur maar so nou en dan," sê hy

HUIS NÁ ‚VROEË' VERSLAG DEURGESOEK

Van JOHAN STRYDOM (259) PRETORIA

RAPPORT 10/6/79

HOE polisie-offisiere het vandeesweek die huis van mnr. Sarel Pretorius, 34, 'n senior voorrade-beampte van die Staatsdrukkery in Pretoria, deurgesoek. Mnr. Pretorius, wat twaalf jaar lank aan die Staatsdrukkery verbonde is, het die Regering briesend gemaak toe hy te vroeg — voordat dit in die Parlement ter tafel gelê is — eksemplare van die Erasmus-verslag per pos by koerante besorg het.

Die polisie, 'n generaal en twee brigadiers het mnr. Pretorius Dinsdag by die polisie-hoofkwartier in Pretoria ondervra. Daarna is hulle self saam met hom na sy huis in die voorstad Claremont.

Mnr Johan de Beer, die Staatsdrukker, is oor die blaps na Kaapstad ontbied voordat die Regering aan die begin van dié week 'n blitsdebat daaroor gehou het.

Mnr. Pretorius moes van Donderdag af met verpligte, betaalde verlof gaan. Dit duur tot 29 Junie.

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DINGE BROEI OP SOEL AAND

Vorster se winter begin by vleisbraai

Deur JOHAN VOSLOO

SELFS die wintersaand in 1975 in Pretoria is effens soel — dinge kan uitbroei. By genl. Hendrik van den Bergh se huis is daar 'n vleisbraaiery. Onder die gaste tel mnr. Jan van Zyl Alberts, Afrikaner-geldreus, en dr. Eschel Rhoodie, die man met „idees".

Mnr. Alberts noem die aand dat dit glad nie so onmoontlik is om South African Associated Newspapers (SAAN) oor te neem nie — dis die mense wat o.m. die Nasionale Regering se groot vyande, die Rand Daily Mail en die Cape Times, bedryf. Dr. Rhoodie skat dit is 'n blink idee en hy bespreek dit later met sy minister, dr. Connie Mulder.

Die plan om koerante te probeer koop, is vir die mense nie nuut nie. In September die vorige jaar is daar reeds tien miljoen dollar uit die spesiale verdedigingsrekening na 'n Switserse bank oorgeplaas en van daar in die rekening van die Amerikaanse miljoenêr en koerantbaas, mnr. John McGoff, belê. Die doel was om die Washington Star te help koop.

En hoe het mnr. John Vorster, die destydse Eerste Minister, oor hierdie moontlike Amerikaanse transaksie gevoel? Het hy die aankoop van koerante uit staatsgeld gesien as deel van Suid-Afrika se antwoord op die totale aanslag teen die land?

Mnr. Vorster, 'n man wat aan geld geen erg het nie en wat verkies om die geldelike sy van sy huishouding liefs self nie te hanteer nie, staan blykbaar bra koud teenoor die Amerikaanse avontuur.

Mnr. Gerald Browne, destydse sekretaris van Finansies, vertel dat dr Nico Diederichs, sy Minister in daardie jare, aan hom gesê het dat die projek deur mnr. Vorster en dr. Mulder aan die gang gesit is. (Die eerste sg. „Kabinetskomitee"?)

Mnr. Vorster erken vanjaar dat die saak met hom bespreek is. Hy deel die Ministers indertyd egter mee dat hy geheel en al daarteen gekant is, maar hy belowe om nie in die pad van ministers Diederichs en Mulder te staan nie Hulle moet hom net nie daarmee „bemoei" nie. Vir hulle is dit die groen lig.

Toe dr. Mulder van dr. Rhoodie hoor dat daar 'n goeie kans is om SAAN oor te neem, is hy die ene ore. Volgens hom lig hy mnr. Vorster hieroor in en sê ook dat indien die plan nie slaag nie, voortgegaan sal word om met die departement se geld 'n eie engelstalige koerant in Suid-Afrika te begin.

Dr. Rhoodie getuig dat mnr. Vorster gesê het, goed gaan aan, „maar julle moet oppas dat julle nie jul jas in die deur vasdraai nie". Maar mnr. Vorster self laat blyk dat hy van geen sout of water geweet het van wat agter sy rug aan die gang was nie.

Mnr. Louis Luyt, 'n ander welgestelde Afrikaner-sakeman, kom nou in die prentjie. Miljoene uit die staatskas sal aan hom voorgeskiet word en hy sal die koopwerk doen. Hy verkeer onder die indruk dat sy keuse die seën en heil van mnr. Vorster wegdra. Op sy beurt betrek hy weer vir sir De Villiers Graaff, die destydse opposisieleier.

Net toe dit lyk of die koop beklink kan word, lek die nuus van Louis Luyt se planne in laat Oktober 1975 uit. Die „English establishment" kom in verset en die oorname word 'n onmoontlike saak.

Nou-bly net een ding oor: stig 'n eie koerant.

Vroeg die oggend van 4 Desember 1975 kom die volgende groepie in die huis van Les de Villiers in Waterkloof, Pretoria, bymekaar: dr. Connie, dr. Rhoodie, genl. Van den Bergh, Louis Luyt, sy rekenmeester mnr. Fourie du Preez, Jan van Z. Alberts en Les de Villiers self. Die Citizen, projek Annemarie, word gebore.

En mnr. Vorster, weet hy van die vergadering? In sy dagboek merk hy later dat genl. Van den Bergh, die man wat sy ore in Suid-Afrika op die grond moes hou, aan hom kom rapporteer en vertel het dat 'n Engelse blad se stigting bespreek is.

Kommissaris: „Reg, mnr Vorster, ek wil u vra, het genl. Van den Bergh aan u rapporteer dat die stigting van die blad beoog word, om gefinansier te word uit Inligtingsfondse?"

Mnr. Vorster: „Nee, in daardie stadium was dit net in die beginstadium, daar was nie hoe, waar, dit was die beginsel van die stigting of dit prakties moontlik is ."

Maar was u nie onder die indruk gebring dat Inligting in daardie stadium betrek is nie? Wil die Kommissaris weet. Nee, hy het nie die minste rede gehad om so te glo nie, behalwe dat Rhoodie daar was. Of Inligting die koerant wou uitgee, was wat hom betref, toe nie ter sake nie, antwoord mnr. Vorster. Hy sê ook dat genl. Van den Bergh hom niks vertel het van dr. Mulder se teenwoordigheid die oggend nie.

Toe genl. Van den Bergh sy Eerste Minister om halfdrie daardie middag oor die beoogde stigting van 'n Engelstalige koerant inlig, was mnr. Vorster se reaksie (volgens Van den Bergh) dat hy niks daarvan weet nie, maar dat hy wat Van den Bergh is, hom dadelik moet distansieer van so 'n koerant, dis nie sy terrein nie Intussen moet hy egter sy „oor op die grond hou".

Met sy „oor toe teen die grond", vertel genl. Van den Bergh, kom hy feitlik onmiddellik agter dat die nuwe koerant met staatsgeld op die been gebring gaan word. As „nuusdraer" vertel hy mnr. Vorster daarvan.

Mnr. Vorster opper weer eens sy besware en genl. Van den Bergh dra dit oor aan dr Mulder en Rhoodie.

Hulle op hul beurt sê weer hulle kan nie verstaan nie, mnr. Vorster is bewus daarvan en keur hul optrede goed. En as die generaal weer die boodskap aan sy Eerste Minister oordra, kry hy die versekering dat al wat hy (mnr Vorster) van die koerant weet, is wat hy by genl. Van den Bergh te hore kom.

Volgens genl. Van den Bergh het mnr. Vorster by geleentheid gesê „Hendrik, jy weet als wat ek weet van die koerant, is wat jy my vertel. Verder weet ek niks. Connie en Eschel het nog nooit met my oor die koerant gepraat nie."

En as hy by die ander twee kom en hulle vra hoe kan hulle so aangaan met die staatsgeld en hulle ken nie die Eerste Minister nie, dan hoor hy: „Maar ons ken hom, hy weet alles, hy keur alles goed."

Hoekom het genl Van den Bergh dan nie die twee partye bymekaar gebring en oor die teenstellinge gekonfronteer nie? — „Ek het te veel respek gehad vir die Eerste Minister om hom in die verleentheid te stel "

Toe die kommissie mnr. Vorster wel met hierdie weergawe van genl. Van den Bergh konfronteer, merk hy half vererg op „Ag, maar dit sou mos gek wees om deur Van den Bergh te praat oor 'n saak wat Inligting raak, dan sou dr. Mulder en dr. Rhoodie mos die saak met my kom bespreek het . "

Hoe ook al, op 7 September 1976 verskyn die eerste Citizen, projek Annemarie, op straat. Op die oggend keer ons persmanne saam met mnr. Vorster uit Zurich terug, waar die samesprekinge tussen mnr. Vorster en Kissinger plaasgevind het. 'n Eksemplaar van die koerant lê in die portaal waar die perskonferensie gehou word.

Mnr. Vorster kry dit onder oog.

As mnr. Vorster nie reeds toe al geweet het van staatsgeld wat agter The Citizen sit nie, wanneer dan?

Op 27 Junie 1977 bring die destydse ouditeur-generaal, mnr. Barrie, sekere onreelmatighede in die Departement van Inligting onder mnr. Vorster se aandag.

Op 13 Julie besoek hy hom in die Kruger-wildtuin waar hy met vakansie is en vertel dat hy op „verontrustende dinge" afgekom het.

Mnr. Vorster was geskok en sê vir Barrie hy moet voortgaan met sy ondersoek.

Op 29 Julie bring die ouditeur-generaal 'n geheime verslag uit en lê dit aan mnr. Vorster voor. Op 1 Augustus volg 'n tweede verslag en dit lei op 7 Augustus tot die aanstelling van mnr. Louw Reynders met die opdrag om ondersoek in te stel na die sake van die departement.

Mnr. Reynders is self nie seker wanneer hy mnr Vorster oor die omstandighede rondom The Citizen ingelig het nie. Hy getuig dat mnr. Vorster min kennis gehad het wat in die departement aangegaan het. Hy is mettertyd oor al die onreelmatighede ynders wat die ondersoek na onreelmatighede gelei het.

Daar vind 'n onvermydelike konfrontasie plaas. Volgens mnr. Reynders het mnr. Vorster baie „beswaard" geword en ongeveer halftwaalf siek geword en homself verskoon. Nie baie ure daarna nie, behaal mnr. Vorster en die Nasionale Party die grootste oorwinning by die stembus in die land se geskiedenis.

Op 'n ongewone perskonferensie vanjaar op 22 Maart sê mnr Vorster dat hy in Augustus 1977 van die staatsgeld en The Citizen by mnr Barrie gehoor het (1 Augustus) en dat hy ook in September van daardie jaar deur mnr. Reynders ingelig is Die kommissie besluit om sy eerste bevinding te wysig

Meer as R20 miljoen was reeds aan die projek-Annemarie bestee. Mnr Vorster stel dit herhaaldelik aan dr. Mulder dat die projek nie moreel of eties te regverdig is nie Dr. Mulder gaan egter voort om die koerant te bedryf.

Kommissaris: „Waarom?"

Mnr. Vorster: „Dit is gestorte melk ."

Mnr. Vorster moes besluit of dit vir die staat voordeliger sou wees om die koerant dadelik op te sê, en of dit voordeliger sou wees om dit later te doen. Hy kies laasgenoemde uitweg.

In sy eerste verslag merk die kommissie op: „Indien hy die koerant onmiddellik gesluit het, kon die staat onverhaalbare skade gely het. Dit was na die kommissie se oordeel in die omstandighede 'n reddingspoging in belang van die staat . . ."

In die aanvullende verslag kom die kommissie egter tot 'n ander gevolgtrekking Dit moes vir mnr Vorster as 'n skok gekom het in Augustus-September 1977 toe hy vasstel dat die departement wel so betrokke is.

„Redelikerwys sou 'n mens verwag dat mnr Vorster toe sonder versuim dr. Mulder of dr Rhoodie of albei sou inroep en hulle sou dwing om die staatsfinansiering van The Citizen sonder versuim te beeindig. Die Kommissie vind hierop mnr. Vorster se optrede onaanvaarbaar."

'n Laaste paragraaf voor die hoofstuk gesluit word. Waarom het mnr. Vorster toe

Die einde November 1977 in Libertas, net voor die algemene verkiesing, is in die eerste verslag van die Erasmus-kommissie as die laaste datum waarop mnr. Vorster ingelig kon gewees het, aanvaar.

Die aand was die manne van die braaivleissirkel van die wintersaand in 1975 ook daar — genl. Van den Bergh, mnr. Van Zyl Alberts, dr. Rhoodie, ook dr. Mulder wat die vroee oggend van Desember van daardie jaar by mnr. Les de Villiers se huis bygesit het. Saam die keer, is twee wat nie die vorige kere teenwoordig was nie: die Eerste Minister en mnr. Louw Reyn-

het, dit nie geopenbaar nie? Waarom het hy sy kabinet eers op 26 September 1978 daaroor ingelig? Die kommissie wou nie spekuleer nie, maar neem tog die volgende in die verslag op:

Adv. Retief van Rooyen het getuig dat hy self gewonder het. Hy het gehoor dr. Eschel Rhoodie dreig om die Regering tot 'n val te bring as daar teen hom opgetree word. Was daar 'n „blackmail-element"? Hy het mnr. Vorster hieroor uitgevra

Mnr. Vorster het geantwoord: „'n Duisend persent. Hy hou my Ministers se politieke lewe in die holte van sy hand."

The Cape Times

MONDAY, JUNE 11, 1979

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Dr Mulder's defence

DR CONNIE MULDER's rejection of the Erasmus commission findings is too vague and such reasons as he gives are too selective for anyone to be impressed His most startling proposition is a reading of the South African constitution to assert that if a prime minister approves a project that is an end of the matter However crazy the project and fraudulent its execution not even the commission, let alone Parliament and the public, is competent to find that public money spent on it is irregular

This extravagant theory can be left with Dr Mulder His more general defence, reading between the lines of his various statements, is that the R32 million for the Citizen, the R14 million for To the Point, the scores of millions for other fanciful schemes, were in the interests of South Africa Even if this assertion is taken at its Mulder-given value, Dr Mulder is dodging the main charges in the massive indictment — the fraud, corruption, incompetence and criminal negligence Both on the evidence and the probabilities, Dr Mulder's moral and political responsibility is clear under every head

The Rhoodie brothers and their mutual benefit society (what the commission called the hand of one Rhoodie washing the hand of the other) Expensive jaunts for pals to the Seychelles and only one telex machine at information headquarters (Mr Pik Botha's bitter reproach) Mr Van Zyl Alberts and the R16 million that went through his hands, the R305 000 he received in remuneration (R222 300 of it free of income tax) The favoured publishers and their favourable contracts The favoured printers The cash payments to anonymous collaborators The transfer of $10 000 000 to an American newspaper operator without proper documentation or contract, resulting in a loss to South Africa of $6 000 000

One of Dr Mulder's defences, as presented at an earlier hearing, was that he was aloofly concerned only with "policy", not with "details" This has been explicitly contradicted A detail as minor as a bid for a printing contract received his personal attention when he tried to interfere with the function of the Tender Board to help a printing company of which he was a director It was he who personally talked Senator Horwood into authorizing millions without reading the documents

If Dr Mulder wants to persuade any considerable section of the public that he has been badly done by he will have to abandon constitutional theorizing and unsupported allegations against Mr P W Botha and Senator Horwood and get down to the hard and disagreeable realities of the information scandal

Argus 4/6/79

Vorsters leave city for Pretoria

(259)

Political Correspondent

MR B J VORSTER, the former State President, and Mrs Vorster, left Cape Town for Pretoria today — a week after his resignation.

The couple left the official residence, Groote Schuur, about 9 am.

They flew in a military aircraft from Ysterplaat air base to Waterkloof near Pretoria.

The couple, accompanied by Miss A Boshoff, Mrs Vorster's private secretary, will live in Presidensie, the State President's official residence in Pretoria, for about three weeks.

A HOUSE

They will then retire to Port Elizabeth, where they are buying a house. Their holiday cottage at Oubosstrand, near Humansdorp, is being renovated.

Their departure today came nearly 13 years after they first lived at Groote Schuur, when Mr Vorster became Prime Minister in September 1966.

Before they left, Mrs Vorster walked through the house for the last time. In the time she lived there, she made a thorough study of its history, and restored it as far as possible to what it had been in the days of Cecil Rhodes.

The house is to become a museum.

One of the last visitors Mr Vorster received in Cape Town today was Dr J S Gericke, vice-chancellor of the University of Stellenbosch.

Mr and Mrs Vorster were in good spirits as they posed for photographers on the steps of Groote Schuur.

Mr Vorster today firmly declined to comment on a weekend report that the Prime Minister, Mr P W Botha, had forced him to resign after he had said he was unwilling to do so.

THE FINDINGS

Friends of the family said that he had planned to resign, regardless of the findings of the Erasmus Commission.

They dismissed as 'nonsense' allegations made in the report.

Mr Botha said he was not prepared to react to guesswork and absurdities.

It has been established, however, that most of the Cabinet saw Mr Vorster at Groote Schuur last Sunday, before the third report of the Erasmus Commission, which was highly critical of him, was published.

Mr Vorster is to put his case when the commission's evidence is published.

The Vorsters arrived at Presidensie at noon today.

(251)

Another Info man to leave

Argus Correspondent

PRETORIA — Another figure in the Information scandal is leaving South Africa, still threatening to take revenge against the Government.

Mr Roland Hepers former chief editor of the European edition of South African Panorama who claims he was forced to resign from the former Department of Information, said today: 'I still have a card up my sleeve and will take revenge for my dismissal.'

He said he would be leaving the country soon because there was no future for him here now

'I am grateful to Mr Justice Erasmus for putting the record straight after Dr Eschel Rhoodie hit me under the belt

'But, that has not helped me get my job back, nor any suggestion of compensation as mooted by the judge in his last report.'

Mr Hepers said he had approached the Public Service Commission without success.

'So I have decided to leave the country, but you will remember me after I have left I have an ace up my sleeve and will use this when I get away,' he said.

Vorster's role likely to cause bitter row

Political Staff

THE role of the former State President, Mr John Vorster, in the Information Department debacle, is expected to spark off a bitter debate in the House of Assembly tomorrow.

A special 4½ hour debate will be held tomorrow to debate the final Erasmus Commission report which was published last week and led to the shock resignation of Mr Vorster.

The Progressive Federal Party and the New Republic Party have already given notice that they are not satisfied with many aspects of the Erasmus Commission report and are expected to challenge a number of the findings during the debate.

CONTENTS 'NOTED'

The main issue will be whether the Government will accept the report in full, or whether it will continue to only 'note' the contents.

The Prime Minister, Mr P W Botha, when tabling the report in Parliament, only noted certain sections of the report, including those sections referring to Mr Vorster's role

There is widespread dissatisfaction among National Party members about the findings but the party is apparently finding it difficult to decide how to handle the issue after its strong attacks on the Opposition for not accepting the two earlier reports of the commission in full.

NAT STUDY

It is understood that the report is being studied by a special committee of the party's caucus and a final decision on how to handle the report will be made at the weekly Nationalist caucus meeting tomorrow, a few hours before the special debate.

Other points that the Opposition is expected to raise are:

- The role of the Minister of Finance, Senator Owen Horwood, who was cleared by the commission
- The transfer of secret funds from the special defence account to the Information Department
- The finding that there were no irregularities in the establishment of To the Point magazine.

The possibility of the Government producing another 'red herring' — along the lines of the attack on Mr Colin Eglin for the McHenry telephone call — is not excluded by Opposition MPs who believe the Government will want to introduce a counter-offensive to blunt the Opposition attack.

The Argus

JUNE 13 1979

The supreme stupidity

IN any thoughts of a suitable epitaph for the Nationalist Governments this country has had for 31 years, the description ungenerous would perhaps be the most accurate But a close second would surely be 'stupid.' And among the stupidest of Nationalist deeds is the introduction of the Advocate-General Bill which emerges today from a parliamentary select committee with some modifications that predictably will not alter its main thrust — which is to prevent proper public exposure of fiddling with public money

It is a stupid measure because it comes too late to conceal from the public the corruption, incompetence and ineptitude that has riddled the Nationalist administration in recent years. It is obviously an attempt to prevent not repetition of official corruption but a repetition of publicity about that corruption

A pamphlet being distributed on Afrikaans university campuses describes the Bill as 'the cherry on the top of the cover-up cake and a worse scandal for the National Party than 10 Information scandals'

The students have the point exactly right. Because of human frailty, corruption can occur in any administration And this, largely, is how South Africans as well as foreigners would have viewed the Information scandal — if it were not for the many despicable attempts to cover up the malaise and keep knowledge of it from people who had the right to know — the public whose money was being misused and whose trust was abused

The A-G Bill has the mark of the final Information cover-up. It is therefore condemned by a wide cross-section of political, professional and academic opinion Not before has a Government measure been so castigated by the Government's own supporters

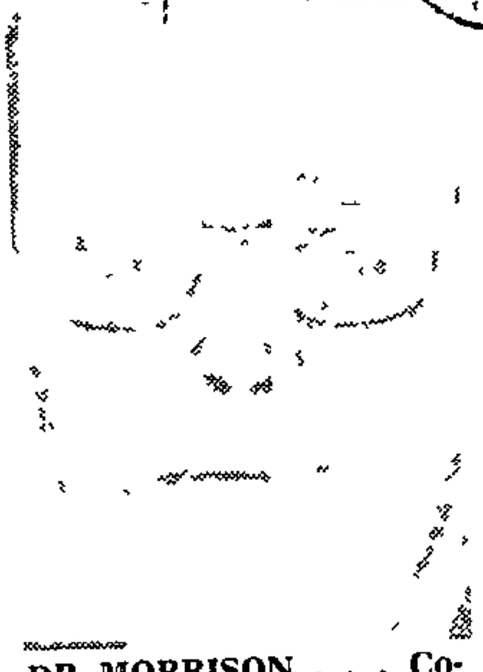
The Afrikaans student body, in the past among the most faithful of Nationalist supporters, recognises that the A-G Bill will silence what they regard as the only voice left with a degree of credibility — the non-State subsidised Press

It is a stupid Government that will not heed friendly, unbiased and reasoned criticism But the supreme stupidity of the A-G Bill is that if the Government does succeed in cleaning up its administration, as it says it will do, nobody will believe it.

15/6/79 (259)

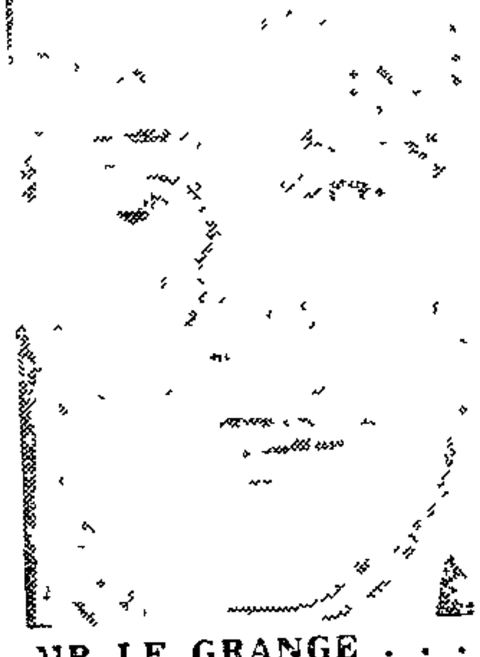
UGER . . . Senate President

DR MUNNIK . . . Minister of Health



DR MORRISON . . . Co-operation deputy

DR TREURNICHT . . . Public Works



MR LE GRANGE . . . Police and Prisons

Cabinet shuffle: Kruger is out

CAPE TOWN — The controversial Minister of Justice, Mr Kruger, lost his Cabinet post yesterday to become President of the Senate and the right-wing Transvaal Nationalist leader, Dr Andries Treurnicht, entered the Cabinet for the first time

The Administrator of the Cape, Dr L Munnik, was appointed to the Cabinet and a Border MP, Dr George Morrison, was appointed a Deputy Minister

These appointments were announced yesterday by the Prime Minister, Mr P W Botha, in one of the biggest cabinet reshuffles in recent years

Besides Dr Treurnicht and Dr Munnik, the Deputy Minister of Development, Dr Ferdi Hartzenberg, was made a full member of the Cabinet as Minister of Education and Training

Dr Treurnicht, who became Transvaal leader of the National Party after Dr Connie Mulder resigned, will hold minor portfolios — Public Works, Statistics and Tourism — but the Prime Minister denied at a press conference later that there was any significance in this

Mr Botha said only "mischievous" people would say Dr Treurnicht's portfolios were minor and he stressed that he did not regard any portfolio in the Cabinet as of less value or more value

Nevertheless, Dr Treurnicht, whose portfolios are largely not policy-making, has not been allocated a significant role in govermental terms although they could be time-consuming

In constitutional terms, Mr Kruger — whose handling of the death of black consciousness leader Steve Biko in detention was strongly criticised — will be in a senior position

As President of the Senate, Mr Kruger may be called to act as President should the new President, almost certainly Mr Marais Viljoen, be incapacitated at any stage.

But in govermental terms, Mr Kruger will hold no executive powers and the move is generally regarded as demotion.

In his announcement, Mr Botha said Dr Munnik would become Minister of Health and of Social Welfare and Pensions

Although the other Ministers will be sworn in on June 20, Dr Munnik will join the Cabinet later when his successor has been announced

Mr Chris Heunis will become Minister of Transport, succeeding Mr Louwrens Muller who lost the Nationalist nomination for the State Presidency and who announced his retirement yesterday

Dr Schalk van der Merwe will be Minister of Trade and Industries and of Consumer Affairs, Mr Marais Steyn will get Coloured Relations in addition to Indian Affairs and Community Development, Mr Hennie Smit will get Posts and Telecommunications, including the SABC, Mr F. W de Klerk, Mines, Environment and Energy, including oil, and Mr Punt Janson will get National Education and Sport

Mr Kruger's portfolios are to be shared by Mr Alwyn Schlebusch, who will get Justice in addition to his Interior portfolio, and Mr Louis le Grange who will get Police and Prisons

The new Deputy Ministers, besides Dr Morrison who will be Deputy Minister of Co-operation and Development, are Mr P T. du Plessis, who is chairman of the government's consolidation inquiry and who will become Deputy Minister of Finance, and Mr J J Wentzel, who will also become a Deputy Minister of Co-operation and Development

Mr Botha said Mr Fanie Botha, a Transvaler, would become Leader of the House of Assembly and Senator Horwood had asked for a deputy because of his work load as Minister of Finance

The new appointments indicate that the Prime Minister has promoted party loyalists rather than verligtes and verkramptes other than Dr Treurnicht who virtually had to be appointed to the Cabinet as Transvaal leader of the National Party

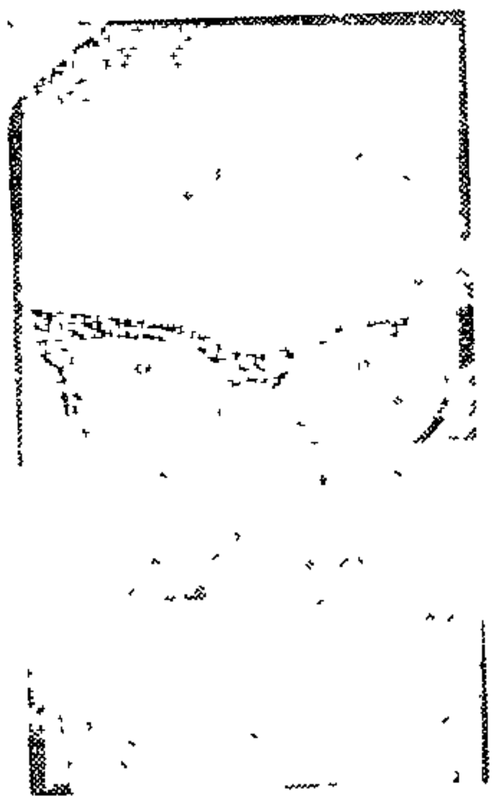
Reacting to the Cabinet announcement, the Leader of the Opposition, Mr Eglin, said the Prime Minister had missed a golden opportunity to bring some talented new blood into the Cabinet

"It is clear that internal Nationalist politics have played a major part in the Cabinet reshuffle The moves reflect an attempt to balance the rival elements in the party rather than to increase the effectiveness of the Cabinet"

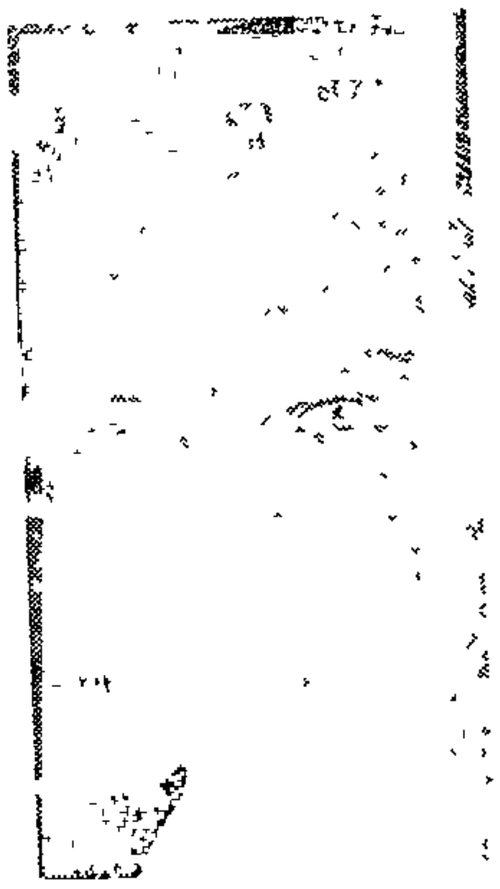
The leader of the New Republic Party, Mr Vause Raw, said: "The reshuffle is what I feared — a colourless and unimaginative balancing act of the different wings of the National Party."

More details, page 3.
Full Cabinet, page 11.

BOTHA . . . dropped press gag and shuffled his Cabinet.



MR SCHLEBUSCH . . . Justice Minister



DR HARTZENBERG . . . Education Minister

Vorster's resignation tragic — Rhoodie

A Dutch magazine, Iseviers, this week carried a report of a new interview with Dr Eschel Rhoodie, the self-exiled former head of South Africa's disbanded Department of Information

A cover picture showed a still-tanned Eschel Rhoodie

It has been revealed by the Dutch journalists who interviewed him that they met him at the Intercontinental Hotel in Geneva.

Edited extracts from the interview are reproduced here in the form of questions and answers

Question: An inquiry by the Erasmus Commission has shown that Vorster did indeed give his approval for the use of state money for, among other things, the launching of the newspaper The Citizen As a result, Vorster has resigned as President What is your reaction to these latest developments?

Rhoodie: I am not pleased by the resignation of Mr Vorster I find it tragic because I am still of the opinion that this affair should have been wound up in an entirely different manner Now that this is not the case, I believe that all those involved should bear the consequences, including the present Prime Minister, Botha He has not honoured his promise to call a general election if any member of his Cabinet should emerge to have been involved in the alleged irregularities with state money

Question. Which ministers do you have in mind?

Rhoodie: The Minister of Finance, Horwood, was fully aware of all secret operations Certainly all the projects which required a lot of money, such as the buying up of The Citizen and the establishment of the weekly magazine (To The Point) What is more, I have the proof that Minister Horwood personally signed the relevant financial approval When I confronted him with this, he explained that he had put a sheet of paper over the document so that he did not know what he was signing This is obviously an explanation that no-one believes

Question: Nonetheless he is still Minister of Finance

Rhoodie: Certainly But I have documents that would force him to resign immediately, whereafter the Botha Government would have to resign

Question: You said just now that it was tragic that Mr Vorster had to resign as President What is the actual tragedy of that?

Rhoodie: I find it tragic because he was an important and great figure for the Afrikaners A number of politicians are falling now who have done invaluable service for South Africa Also an important political figure like Dr Connie Mulder, until recently Vorster's crown prince And even a living legend such as General Hendrik van den Bergh All these people who have done an enormous amount for their country and whose political careers are now destroyed Some of us, myself for instance, have been financially ruined by the actions of the current government But through all this, other politicians, among them Minister Horwood, who shared responsibility and was a member of the three-man committee of the Cabinet which controlled all the secrets, still function

Question: Who were the other two, apart from Minister Horwood?

Rhoodie: Premier Vorster, Minister Mulder and Minister Horwood covered all the secret operations politically

Question But it comes down to the fact that you have been politically and financially discredited yourself You have fled overseas and we do not have the impression that ministers with whom you prepared financial transactions are seriously distressed On the contrary, a man like Vorster has made no move to help you

Rhoodie: That's true But Vorster has been particularly unfriendly to Dr Mulder I deny all the accusations Vorster has aimed at Mulder's head I believe Mulder was an honest politician He did his best for South Africa and the decisions he took are still supported by Vorster and the Minister of Finance

Question: Prime Minister Botha recently stated publicly that his government would resign if it emerged that his colleagues were involved in the bribery scandal Have you an explanation for why that has not happened?

Rhoodie: I find it inexplicable because proof that Mr Vorster was involved has now been delivered Further, Dr Mulder and I have given evidence under oath that Mr Vorster and Mr Horwood were kept informed of all secret operations on an annual basis

Question What do you mean "on a yearly basis"?

Rhoodie: Once a year Vorster, Mulder, Horwood and I met to discuss all projects and a report was made

Question: What role did the present Prime Minister, Botha, have at that time?

Rhoodie: He was Minister of Defence Until now he has denied any involvement in any secret project That is not true There were at least two big projects concerning which the Minister of Defence, the current Prime Minister, was thoroughly aware that the Department of Information was paying for these projects out of secret funds

Question: Did these projects have anything to do with the defence of South Africa?

Rhoodie: One project concerned South Africa itself, the other had to do with another country in Southern Africa They were totally concerned with the defence of South Africa

Question: You are claiming then that Premier Botha is lying when he says he knew nothing of these affairs

Rhoodie: Mr Botha is now hiding behind the pretence that he did not know the financial transactions were irregular He appears to make a distinction between projects which are leaked in the press and then suddenly irregular, and projects which are not leaked in the press and which are evidently not irregular in his eyes Clearly, he measures with different yardsticks The Botha government is obsessed with remaining in power That explains why the Government is pursuing me politically Because the government is aware that Dr Mulder, General van den Bergh and I have information which could bring down the Cabinet That is why there is this massive attempt to intimidate and blacken us

Question What truth is there in the story that the Botha government sent a representative to you to make an agreement with you that the secret information would not be made public?

Rhoodie I don't know whether the Botha government was involved in this The South African Government has denied it But General Van den Bergh came to Europe personally to ask me not to make public the secret information in my possession But as soon as he got back to South Africa his passport was withdrawn

Question: In what capacity did General Van den Bergh negotiate with you?

Rhoodie: He had already resigned as head of the Bureau of State Security at that time He appeared on behalf of very influential circles in South Africa I was offered a post in the business world by a businessman in South Africa I had no income at the time because the South African Government had seized all my assets and property When General Van den Bergh informed the South African Government that after a 14-hour interview there was a deal to be made for me, this businessman's passport was also confiscated

Question: He was a South African then?

Rhoodie: Yes But it is apparently very dangerous to make contact with me because you will lose your passport immediately Even my own wife, who has never worked for the government and is totally innocent of everything, was held in South Africa for months It was impossible for her to travel to me My wife's passport was also withdrawn without any reason being given If I had not had questions asked about this in Parliament my wife would still be in South Africa

Question: If you feel you are in such a strong position, why did you flee and not try to get justice through a legal hearing?

Rhoodie: The government has been very clever They have seized all my property They hold me responsible for millions of dollars (sic) paid out on secret projects that were not successful It is too stupid for words Obviously, when you bribe a head of state, he is not going to give you a receipt for the money The items with which I could prove that I did not put the money in my pocket are the items which I may not present publicly in a court If I go back to South Africa I will not have access, any more to the secret files of the ministers The chance of putting the Prime Minister, the Minister of Finance and others who are involved under cross-examination by my advocate have been reduced to nil The government can prevent me from saying things in public by declaring the Official Secrets Act applicable to me Add to that the fact that according to the Minister of Justice, I would be put in prison the moment I set foot in South Africa An atmosphere has been created in South Africa that would make a just hearing virtually impossible

Question: Is it not possible for you to prove how much money you paid out for secret operations, from which it would emerge that you did not make yourself rich?

Rhoodie. I have no access to these items any more

Question But the government has?

Rhoodie. Naturally You forget that it concerns secret operations with secret funds There were many payments to political figures and others in many parts of the world That was in cash It would be ridiculous to think you would get a receipt for these It is clear that these people are not now going to admit that they accepted money from the South African Government In some cases we made use of tape recorders so that it would be possible to use tapes to establish who accepted money But this was sometimes too dangerous

Question: Did you not have any witnesses with you when you handed over particular sums?

Rhoodie: Two people who could have spoken for me died in 1977 and 1978 respectively Now the government is using exactly the affairs in which these people were involved to accuse me of lining my own pockets

Question: Do you feel it has all been worthwhile, this bribing of people to cast South Africa in a better light?

Rhoodie: Yes Sometimes sums of a hundred thousand guilders have been spent which in fact have been worth 50 million to South Africa I have carried out more than 150 projects in many countries In a number of cases I have made mistakes A person can make mistakes This has also led to financial losses But I have the right to debit and credit columns If you carry out more than 150 projects in 30 countries, not everything can succeed But I maintain that in an extremely difficult time for South Africa these operations put South Africa in a position to manoeuvre more easily on the international scene

Question: Do you feel you have been the greatest victim of the poor practices you have applied?

Rhoodie: I made the mistake as civil servant of submitting to Parliament through my minister a critical report on the apartheid policy The essence of the report was that I saw racism as the greatest socio-political mistake of the world community This view put an end to my career because from the day that Mr Vorster took note of the report he used it against me

Question: How then could you use state funds for financial transactions around the world to propagate exactly this system of apartheid?

Rhoodie: I did it for my country while, in secret, I tried to initiate changes in my country's system I compiled various secret memorandums and had a number of secret investigations made concerning racial relations in South Africa The result of these and my experiences with the rest of the world as Secretary for Information convinced me that there had to be fundamental changes in South Africa if the country was not to go under irredeemably I tried to make these changes behind the scenes I was confident that Dr Mulder could bring them about

Question: We repeat our question Did you not find it an extremely dubious manner of political activity to bribe politicians and others to your way of thinking through bribery?

Rhoodie: South Africa is in an utterly unique position I don't think there is another country in the world, perhaps with the exception of Germany in the last war, that has found itself in such a position of international isolation The murderers of Cambodia are allowed to send athletes to the Olympic Games. South Africa is not We had to follow unusual paths to avoid total isolation.

Question: Yet in spite of all the bribery, South Africa is still isolated

Rhoodie: In 1972 we began to create channels for communication all around the world By this I mean politicians who could speak or appear on our behalf, admission to influential organisations such as the trade union movement, infiltration of newspapers and magazines, control of television stations I am still of the opinion that all worked in South Africa's favour

Question: In other words the end justifies the means?

Rhoodie: I served my country overseas for 1[illegible] years In that time I saw that other countries among them the United States, influenced public opinion through bribery But in contrast to us, they could keep it largely secret Before anything concerning our financial transactions had leaked out, I was praised for my work by Mr Vorster and other ministers But when it did leak out, they dropped me like a brick.

Koornhof tells U.S. Press apartheid is dying in S.A.

PRETORIA — South Africa was well on the way to achieving full human rights for all people, and apartheid was dying in the country, the Minister of Plural Relations, Dr Piet Koornhof, said in Washington yesterday

Dr Koornhof was addressing the National Press Club A copy of his speech was released here

South Africa had adopted the maxim of "live and let live", and was presently engaged in relating this to the political, economic and cultural aspirations of the various components of South African society

"We can and are well on the way to achieving in my country equality for all people before the law and equal chances and opportunities, full citizenship rights for all people; full participation of all people in the decision-making process, and full human rights for all people, regardless of race or colour," he said.

The South African Government's policy was not static, on the contrary, it was an open-end policy It left the door open for a greater measure of political participation by independent States on the basis of the free association in a system similar to the British Commonwealth or the European Common Market, but it was tailored to the needs and circumstances peculiar to southern Africa

The large amount of funds the Government ploughed into the development of Black States were indicative of its earnestness

Dr Koornhof referred to several steps taken by the Government in this regard, and said "The thrust of the message which I would seek to convey on this occasion is that the changes which have taken place as a result of private sector participation, and political follow-up and decisions — particularly in the socio-economic field — signify changes in White attitudes.

"They are, in my view, preludes to even greater change in matters of substance which are, through an evolutionary process, directed towards the creation of a more just society Therefore, concerned South Africans working in a committed manner towards this ideal, need at this time — more than ever before — the support and understanding of the international community, and particularly of those who have an interest in southern Africa

"I trust that it is not too late to seek this rational approach rather than the cynical — indeed callous — dealing which has tended to undermine the efforts of those who strive for greater justice

"The Prime Minister of South Africa said recently in Parliament that the caricature of apartheid is dead I say to you Apartheid, as you know it and came to know of it in the United States of America, is dying in South Africa," said Dr Koornhof — (Sapa)

APPENDIX 2

LIST OF MANAGEMENT TECHNIQUES[1]

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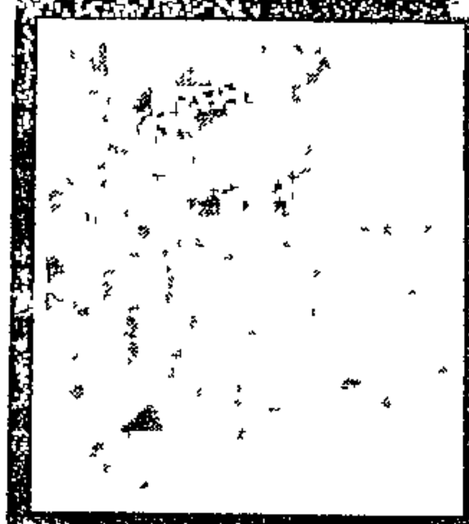

RHOODIE VERTEL

„Ek sal jou keel nie afsny nie," groet Erasmus

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„OU SEUN, ek gaan jou keel beslis nie afsny nie." Dit was die afskeidswoorde van regter Rudolph Erasmus aan hom, sê dr. Eschel Rhoodie.

Gemaklik agteroor in 'n seilstoel in die daktuin van my hotel aan die Middellandse See tel dr Rhoodie ' rade van daardie af- woorde op.

Vrydag voor sy vertrek y regter Erasmus toe- ing gevra om ná sy r van getuienis oorsee in In daardie stadium y met 'n maatskappy alie onderhandel wat in een van die tuislande belê Hy het as belegnavorser vir 'n Ameri- e en Europese maat- y gewerk.

Rhoodie was in 'n hotel rich toe hy in 'n koerant lat sy paspoort ingetrek vlug terug na Suid-Af- was vir 12 Desember eek „Jy kan dink hoe hel in ek was toe ek lie paspoort in die Inter- nal Herald Tribune

vrou en sy sekretaresse eweet waar hy in daardie um was „As hulle nie rutaal opgetree het met aspoort nie, sou ek terug- r het Suid-Afrika toe

„En dit wat my woedend gemaak het, is dat 'n man wat eens met vier Suid-Afrikaanse paspoorte gereis het, se paspoort ingetrek word asof hy in dieselfde kategorie hoort as terroriste en vyande van die staat."

Dr Rhoodie sê hy het 'n diplomatieke, 'n amptelike en twee Suid-Afrikaanse paspoorte gehad. Oor met watter een hy reis en hoeveel van hulle hy nog het, swyg hy soos die graf

Met 'n effense glimlag beduie hy dat sy regsmense hom verseker het dat sy huidige reisreelings heeltemal wettig is.

gesien voor hy weg is en hy het gesê die Regering gaan alles in sy vermoe doen om vir dr Mulder, Hendrik en myself te diskrediteer, dat Jimmy Kruger reeds opdrag gegee het dat ek gearresteer moet word by aankoms in Suid-Afrika en dat hulle beslag gaan lê op al my bates

„Die man het ook 'n boodskap van my vrou oorgedra. Dit was dat sy my sal skei as ek terugkom Dit is waar die skeistories in Suid-Afrika vandaan gekom het Sy sê liewer as om my ingekerker te sien, sal sy my skei

„Ek het die sakeman vertrou en ook goed so Elke ding wat hy gesê het, het daarna korrek geblyk In dié stadium het ek dit beslis oorweeg om terug te gaan na Suid-Afrika.

„Trouens, in dié stadium was daar net onderhandeling tussen my prokureur en die staatsprokureur oor 'n siviele saak Die laaste strooi, die keerpunt, het eintlik gekom toe ek 'n brief van my vrou ontvang oor hoe die Erasmuskommissie haar behandel het

„In dieselfde brief het sy gepraat van hoe die ondersoekbeampte by ons huis ons liefdesbriewe van 25 jaar gelede deurgelees het "

Dis daar dat hy besluit het om wat hy te sê het, voortaan in die openbaar te sê. 'n Week nadat onderhoude met hom in die Rand Daily Mail verskyn het, het die aankondiging in die Parlement gekom om hom te vervolg

„Nie eens Breyten Breytenbach het die bedenklike eer gehad nie Toe was dit vir my duidelik dat die Regering uit vrees vir wat ek weet, alle proppe gaan uittrek om my te ruïneer Dit was nie 'n ligte besluit nie Oor 'n periode van maande het dit tot my deurgedring."

Dr Rhoodie sê daar is 'n rits redes waarom hy glo dat hy nie meer 'n regverdige verhoor in Suid-Afrika kan kry nie

Van Zürich af is dr Rhoodie na 'n ander land in Europa, waar hy sy seun ontmoet het. In Januarie het die twee by vriende in Cannes vertoef, ná 'n kort besoek aan Frankryk

Daarvandaan is dr. Rhoodie terug na Brittanje en toe na Amerika In Februarie-Maart was hy in Ecuador. Daarna is hy terug na Europa

Hier is sy verbintenis met die Amerikaanse en die Europese beleggingsmaatskappy verbreek en hy het toe die beleggingsnavorser van die maatskappy in Suid-Amerika

* VERVOLG OP BL. 3 *

Die regter se afskeidswoorde

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* VERVOLG VAN BL. 2 *

geword. Sedertdien het hy hoofsaaklik tussen Amerika, Suid-Amerika en Europa beweeg.

Dr. Rhoodie reis hoofsaaklik per vliegtuig. Sy kontrak met die maatskappy in Suid-Afrika is vir twee jaar, en sonder sy reisdokumente kan hy nie die werk doen nie.

Die enigste keer dat hy wel oor sy reisdokumente bekommerd was, was toe Suid-Afrika se ambassadeur in Parys, mnr. Louis Pienaar, skynbaar op eie houtjie besluit het om sy vrou se paspoort terug te trek.

Mnr. Pienaar het beslag gelê op sy vrou se geboorte- en huweliksertifikaat, asook persoonlike dokumente van sy prokureur. Dit was in April vanjaar

Toe sy prokureur in Suid-Afrika navraag begin doen, het die Regering skriftelik ontken dat mev. Rhoodie se paspoort ingetrek is. Sy het haar paspoort toe teruggekry.

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„Ek het toe op advies van mense wat in daardie stadium dele van die verslag gesien het, en op aandrang van die familie, besluit om nie terug te keer nie Ek wou eers kyk hoe sake verloop

„Toe hulle kort daarna my vrou se paspoort terughou en met allerlei vorms van intimidering en agtervolging begin, was dit vir my duidelik dat die Regering my gekies het as die simboliese skaap wat geslag moet word sodat sy bloed al die mense wat by Inligting betrokke was, kan reinig

„'n Sakeman wie se naam ek nie gaan noem nie, het spesiaal na Europa gevlieg om vir my die verslag te bring" Hy het die verslag in 'n hotelkamer in Zurich deurgewerk en dertig getikte velle vol „belangrike onjuishede en foutiewe afleidings" na sy regsman in Suid-Afrika gestuur

„Terwyl ek in Zurich was, het nog 'n besoeker my kom sien — iemand wat in die binnekringe van die Regering beweeg Hy is 'n baie bekende figuur in die bankwese.

„Die man het ook my vrou

Kate huil lang trane

(259)

DIE rooikop-vrou steek 'n oomblik vas en bewonder die skilderye in die winkelvenster. Romdom ons woel en werskaf die bedrywige Europese kusstad. „Ek is 'n mens van uiterstes. Ek kan nie bekostig om te begin huil nie. As ek begin, sal ek nooit ophou nie."

Dis Kate Rhoodie wat so praat, die vrou wie se bestaan soos handomkeer verander het: Enkele maande gelede nog 'n voorspoedige, geordende lewe as vrou van een van Suid-Afrika se top-staatsdiensamptenare. Nou die swerwersbestaan van 'n sigeuner. Langer as 'n maand bly sy en haar man nie in 'n land nie. Dan is hulle omkyk-omkyk vort na die volgende. Hul spore lê in Amerika, Europa en Suid-Amerika.

So in die stap borrel haar lewensfilosofie uit: „As jy nie seker is jy gaan wen nie, 'run away to fight another day'. Huil, en jy huil alleen. Lag, en die hele wêreld lag saam met jou."

Haar lag het sy nie verloor nie. Kort-kort val sy dr. Eschel in die rede met die een of ander kwinkslag — en dan volg haar klokhelder laggie.

Mooi, goed versorg, geklee in een van haar gunsteling - langbroekpakke van 'n roomkleurige kleedstof, slenter sy, met ek en dr. Rhoodie so 'n halwe tree agterna, straat-af.

Huil sy werklik?

„O, ja, ek huil lang trane oor my dokter, my kleremaker en my haarkapper," sê sy.

Daar is 'n paar minder ernstige kwaaltjies wat haar dokter in Suid-Afrika net weet hoe om te dokter. Haar haarkapper het ook presies geweet wat om met haar hare te maak, en tussen haar en haar kleremaker was daar net so 'n goeie verhouding. Sy ontwerp en hy maak.

Mev. Rhoodie sê sy het haar lewe goed beplan tot haar oudag toe. Dit sluit onder meer in die kies van goeie vriende, watter sport om aan deel te neem en watter oefeninge om te doen, die keuse van 'n haarkapper en kleremaker. Selfs die huis waarin hulle sou aftree.

„Nou moet ek van vooraf begin. Niks tel meer nie. Ek moet selfs 'n nuwe taal aanleer."

Mev. Rhoodie sê sy kan die veeleisende sigeunerbestaan baasraak omdat sy geleer het om heeltemal te ontspan. Sy doen

* VERVOLG OP BL. 3 *

KATE HUIL

(259)

* VERVOLG VAN BL. 2 *

dit twee maal per dag vir 20 minute. „Op dié manier kry ek weer perspektief.

„Ek is fisiek nie baie sterk nie. Ek moet baie rus. Ek is iemand wat my kragte moet herwin deur byvoorbeeld 'n halfdag stil te lees. Ek is nie iemand wat 25 uur per dag aan die gang kan bly nie."

Hulle het aan hul kinders gesê in dié stadium word van elkeen in die gesin „iets groots verwag: van my man om 'n nuwe heenkome te vind, Anne-Marie om universiteit deur te kom en nog 'n vrolike kind te wees, en van my seun om 'n sukses van sy skoolloopbaan te maak. Niemand mag verbitter raak nie".

DIE SMIT-MOORDE: R35 000-BELONING

(259) Rapport 17/6/79

R35 000 in harde kontant aan die man wat ons help om die moordenaars van dr. Robert Smit en sy vrou, Jeanne Cora, op te spoor.

Die reuse-beloning, een van die grootstes in ons misdaadgeskiedenis, word deur RAPPORT en mnr. Iaan Smit, broer van die oorledene, uitgeloof.

RAPPORT skenk R25 000 van die bedrag en mnr. Smit het onmiddellik nog R10 000 uit sy eie sak beloof toe hy hoor dat ons op hierdie manier Suid-Afrika se tergendste misdaadgeheim gaan probeer oopbreek.

Die beloning val saam met 'n reeks eksklusiewe artikels oor die gruwelmoorde wat van aanstaande Sondag af in RAPPORT gepubliseer word Dis geskryf deur Koos van der Merwe en gaan elke mens in hierdie land regop laat sit

In aanstaande week se eerste aflewering gesels Koos met 'n man wat in die agttien maande sedert die moorde nog nooit na buite gepraat het nie. mnr Iaan Smit, die broer. Mnr. Smit, 'n boer van Clocolan, praat kaalkop van al die dinge wat Robert voor sy dood teenoor

Iewers is daar 'n man wat daardie aand nie kan vergeet nie Ons wag vir sy oproep.

Die nommer is Johannesburg 725-5260 Vra vir Johan Becker of bel hom saans by 46-8323

Ons wag

● Die R35 000 sal betaal word aan die eerste persoon wat aan ons inligting verstrek wat lei tot die skuldigbevinding van die moordenaars

DIE vermoorde dr Robert Smit en sy vrou, Jeanne Cora.

Van „vuilgoed" wat in Suid-Afrika is. Van 'n Regeringsman wat nog vermoor gaan word. En vele meer

Die Suid-Afrikaanse Polisie, by monde van sy Kommissaris, genl. Mike Geldenhuys, het belowe dat elke positiewe reaksie wat uit die RAPPORT-beloning en artikelreeks spruit, deur sy manne ondersoek sal word

Ons stem saam met mnr Iaan Smit dat daar heel waarskynlik mense in hierdie land is wat geweet het van die plan om te moor of dit selfs aangestig het

Dis waarom ons die beloning uitreik, in die hoop dat daar iewers in Suid-Afrika 'n mens of mense is wie se gewete hul pla Mense wat die sleutel het vir die oplossing van die Smit-moorde

Agttien maande het verloop sedert daardie vroee aand van 22 November 1977 toe die moordenaars die teeldakhuis in Wedzalaan, Selcourt, Springs, binnestap en begin skiet en messteek.

Sunday Tribune

17/6/79

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which had both men on their feet and according to a senior Nationalist MP close to exchanging blows.

Now the National Party is in uproar after learning that Mr Botha set out and succeeded in preventing his loyal friend getting the party's nomination as State President.

Although the official caucus count has not been revealed, it is said that the President of the Senate, and now the State President-elect, Mr Marais Viljoen, secured his party's nomination by a mere handful of votes.

There can be no doubt that Mr Botha's intervention was decisive. The day before the caucus met to choose its presidential candidate, Mr Muller and his followers were confident of a comfortable victory.

Mr Botha is said to have asked the new Minister of Justice, Mr Alwyn Schlebusch, and Mr Muller's successor as Minister of Transport, Mr Chris Heunis, to canvass for Mr Viljoen.

One MP, who referred to the "insulting treatment of an old friend", pointed out that when the NP met last year to choose a successor to Mr Vorster, it was Mr Muller who nominated Mr Botha for the job.

Mr Muller yesterday met party officials in his constituency, Ceres.

According to the constituency chairman, Mr D J Conradie, Mr Muller will decide before Tuesday whether or not to resign his seat. He resigned as Minister of Transport earlier this week.

Mr Botha is said to have been motivated by a desire to have a Transvaaler fill the post in order to appease a large faction in the province who felt their interests were being overlooked.

In this he seems to have failed. MPs spoken to attached no significance to the provincial background of the new State President but were clearly annoyed at the snub administered to Mr Muller.

Mr Botha has also sparked anger in the Transvaal with the grudging way in which their leader, Dr Andries Treurnicht, was brought into the Cabinet. He has been given the most junior and non-political posts possible.

A blistering row blew up the day Prime Minister Botha crushed his old friend's chances of the Presidency

Sun. Tribune 17/6/79 (259)

MULLER AND P.W. NEAR TO 'PUNCH-UP'

Louwrens Muller — stormed out of Prime Minister's office.

P. W. Botha — crushed loyal friend's bid for the Presidency

By BILL KRIGE
Political Correspondent

PRIME Minister P. W. Botha and out-going Transport Minister Louwrens Muller came close to blows in a blistering row this week.

The confrontation came after Mr Muller learned that Mr Botha deliberately crushed his bid to become State President.

Mr Muller demanded an explanation for Mr Botha's intervention in the National Party's nomination contest — itself an unprecedented step — and received none.

He is understood to have stormed from Mr Botha's office after a blow-up

Hunted!

THE tax authorities are hunting down anyone who received money from the former Department of Information's secret fund without declaring it for tax purposes.

Dragnet out for Info tax-dodgers

BY KEVIN STOCKS

The Sunday Times learnt this week that the Inspectorate Division of the Department of Inland Revenue has been given access to the books of the former department and to evidence gathered by the Erasmus and Van der Walt commissions of inquiry and to that amassed by the Pretorius committee in its investigation of secret projects.

Tracking down the Information tax-evaders is regarded as one of the biggest challenges ever to face the Department of Inland Revenue and a major opportunity to crack down on tax evasion.

However, the Deputy Secretary for Inland Revenue in charge of the inspectorate, Mr D H J van Vuuren, refused to confirm the Sunday Times information.

"You can have your suspicions and draw your own conclusions," he said, "but I can't give you confirmation because I'm not allowed to comment on such matters"

However, it is understood that besides the big money-makers, the inspectors are concentrating on "anonymous collaborators" who received money within South Africa and did not declare it

One such collaborator told the Sunday Times that he received R20 000 which was paid to him in new bank notes

"The money was brought to me in Johannesburg by the accountant at the department, Mr Braam Fourie, personally," he said "It was all stuffed into a briefcase

"I had almost forgotten about it but last week I was called in by the tax inspectors They told me they had found my name on a list of anonymous collaborators at the department

'According to the list I had received R20 000 and they wanted to know what I had done with the money and why I had never reported it in my tax returns

"Fortunately, I had only received the money in order to pass it to a particular organisation and I was able to prove I had passed it on immediately and had not profited myself"

He added that he knew at least one other anonymous collaborator who was having trouble explaining his financial affairs to the taxman

Some people involved in the Information affair received hundreds of thousands of rands — of which little was ever declared on their tax returns

The taxmen's task in tracking them down is complicated by the fact that in some cases it is not clear whether assets in private hands actually belong to individuals or whether the State has a claim upon them

Mr Louis Luyt . . . compensation

Luyt collected R2,9m 'gift' from taxpayers

BY KEVIN STOCKS

FERTILISER magnate Mr Louis Luyt received a "free gift" of R2,9-million from the South African taxpayer as a result of his starting the Citizen on behalf of the former Department of Information.

He says the money was intended to compensate him for losses he suffered through his involvement with the newspaper

Questions about the circumstances of the loan arose after the Erasmus commission had published a brief correction to the version of the transaction given in its first report.

The correction reportedly resulted from a protest from the Standard Bank.

What happened was this:

Mr Luyt received R13-million from Dr Eschel Rhoodie, then Secretary for Information, for the Citizen. He invested the money in his Triomf fertilizer group, using the interest to launch the newspaper.

When this money proved inadequate and Mr Luyt withdrew from the scheme, it was

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Bill will make scandal legal

MR PIK BOTHA
Ratify contracts

DR ZACH DE BEER
Onslaught warning

By FLEUR DE VILLIERS

THE Government is introducing a Bill which will legalise major aspects of the Information scandal.

The Bill, to be debated in Parliament next week, will put the stamp of approval on the irregular transfer of funds from the Special Defence Account to the former Department of Information.

It will also enable the Minister of Foreign Affairs, Mr Pik Botha, to ratify irregular and unauthorised contracts entered into by the fugitive former Secretary for Information, Dr Eschel Rhoodie.

The debate on the measure, dubbed the Information Services of South Africa Special Account Bill, which will be steered through Parliament in the last week of the current session is certain to explode in another major Information row.

Interviewed by the Sunday Times yesterday, PFP financial spokesman, Dr Zach de Beer, warned that the PFP would launch an all-out onslaught on the measure which he said "made nonsense of the Botha Government's ostensible condemnation of the improper conduct of the Vorster regime".

According to clause six of the the Bill all money paid from the Special Defence Account to the former Department of Information or to the Bureau for State Security for secret Information projects — as well as loans raised, interest received and money accruing to the department from any other source — will be regarded as having come out of the department's budget vote

Validate

Money spent on Information's secret projects will also be regarded as having come from the department's budget.

The clause will thus validate one of the most contentious aspects of the whole Information scandal — the secret transfer without the knowledge or sanction of Parliament of millions of rands from the Defence Special Account to the Department of Information.

Clause seven of the Bill goes further and permits the Minister of Foreign Affairs, on the advice of the new State Trust Board, to ratify at his discretion "any contract concluded or purporting to have been concluded by or on behalf of the former Department of Information which, on account of the absence of authority, does not bind the State".

It also validates any settlement negotiated by the State on or after July 1 last year in respect of all such contracts as well as the disposal of assets — a move which could authorise the contentious Perskor purchase of the Citizen last year.

The Bill, however, does not exempt anyone from liability towards the State or from prosecution.

Opposition spokesmen said yesterday that the Bill would give the Minister a free hand to ratify Dr Rhoodie's property purchases, his controversial payments to clandestine agents and might even extend to the $10-million loan to American Info frontman John McGoff — $6-million of which was never returned to South Africa.

Commenting on the Bill yesterday, Dr De Beer said that throughout the long debate on the Information scandal, public attention had been focused on the leading characters and their "colourful doings".

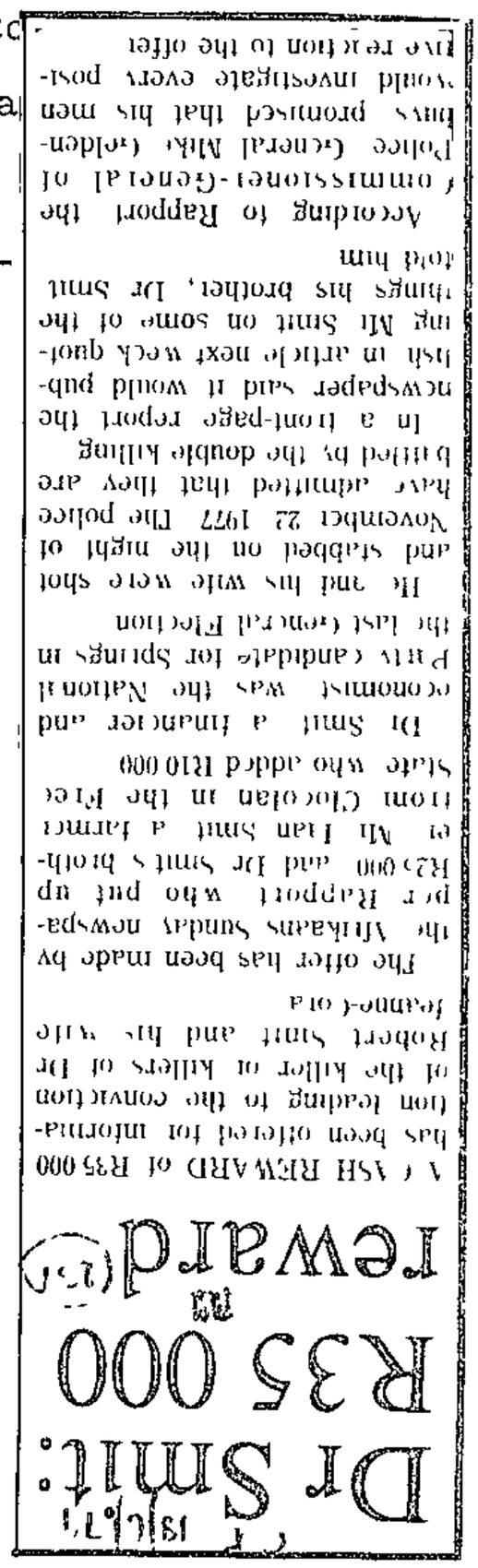
"Deneys and Eschel Rhoodie, Connie Mulder, Hendrik van den Bergh, Van Zyl Alberts and most recently, John Vorster, have marched across the screen to public disgrace.

"But all the time, behind the whole disreputable pageant there has been the nagging question: How did the money ever get into the hands of the Information gang?"

Sections five and six of the Exchequer and Audit Act made it quite clear, Dr De Beer said, that money appropriated by Parliament for one department of State may not be spent by another.

But this was precisely what had happened. Money which Parliament, in good faith, had made available for the defence of the country had been "fiddled away to pay for the Information shenanigans and Parliament was deceived".

The Opposition, he said, had been waiting to see how the Nationalists would try to deal with this situation. "Now we know the answer".



Dr Smit: R35 000 reward

A CASH REWARD of R35 000 has been offered for information leading to the conviction of the killer or killers of Dr Robert Smit and his wife Jeanne-Cora

The offer has been made by the Afrikaans Sunday newspaper Rapport who put up R25 000 and Dr Smit's brother Mr Dan Smit a farmer from Clocolan in the Free State who added R10 000

Dr Smit a financier and economist was the National Party candidate for Springs in the last General Election

He and his wife were shot and stabbed on the night of November 22 1977 The police have admitted that they are baffled by the double killing

In a front-page report the newspaper said it would publish an article next week quoting Mr Smit on some of the things his brother, Dr Smit told him

According to Rapport the Commissioner-General of Police General Mike Geldenhuys promised that his men would investigate every positive reaction to the offer

The Commission recommends that consideration be given to the revision of other legislative measures falling outside the terms of reference of the Commission but which also provide for segregated facilities to be brought into line with the recommendations of the Commission in respect of the Factories, Machinery and Building Work Act, 1941, and the Shops and Offices Act, 1964.

(A minority view was recorded).

Social Security

The Commission recommended that:

The raising of the earnings ceiling in the Unemployment Insurance Act, 1966, relating to a contributor be effected by way of proclamation instead of by way of an amendment to the Act be amended in such a manner as to provide for differentiation between different population groups.

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Dr Connie Mulder, Dr Rhoodie and General Hendrik van den Bergh that instead of repaying the full R13-million he should repay R10,1-million.

The balance of R2,9-million was to be regarded as compensation for his loss.

According to the first Erasmus report Mr Luyt suffered the loss because the Standard Bank increased the interest on an overseas loan he held from three per cent to 12 per cent when they learnt of his involvement in the Citizen.

The Standard Bank this week refused to discuss the affair, but it was learnt from banking circles that the reference to the Standard Bank in the report was received with indignation and the bank wrote to the Erasmus commission.

□ □ □

This letter resulted in a small item under the heading "errata" in the final report of the commission. It pointed out that Mr Luyt had actually suffered a loss, not because of any interest rate change, but because the rand had been devalued against the Swiss franc.

This meant that Mr Luyt's repayment was more than R3-million higher than it would have been had he been able to repay it at the exchange rate ruling at the time it was granted. The Standard Bank, moreover, was only involved in the loan as the guarantor.

Mr Luyt this week denied to the Sunday Times that he had told the Erasmus commission that his loss resulted from the Standard Bank increasing his interest rate because of the Citizen project — the version of events given in the first report.

"What happened," he said, "was that I had a foreign loan of 17-million Swiss francs which was due for renewal in June 1971 and which the Standard Bank told me there would be no trouble renewing."

□ □ □

He was then asked for a balance sheet but, according to Mr Luyt, he could not provide this without endangering the Citizen project and as a result the bank withdrew as guarantor.

This led to the loss for which he was compensated, said Mr Luyt.

He was prepared to repay the full R13-million, but Dr Connie Mulder was determined he should suffer no loss and insisted that he should only repay R10,1-million.

It was agreed this should be paid by yearly instalments ending in 1986 at an interest rate of eight per cent averaged over the period

Govt moves to make Info legal

259
19/6/79
RDM

Mr HARRY SCHWARZ
..." it will be hushed up."

By Helen Zille
Political Correspondent
CAPE TOWN

IN THE face of strong opposition, the Government yesterday pressed ahead with a Bill to legalise major aspects of the Information scandal.

The Bill will enable the Minister of Foreign Affairs, Mr Pik Botha, to approve irregular and unauthorised contracts entered into by the former Department of Information.

Leading the Opposition attack, Mr Harry Schwarz said the Bill would prevent the public from knowing the full details of the scandal and the way in which millions of rands of taxpayers' money was spent.

Mr John Malcomess (NRP, East London North) said the Bill — called the Information Service of South Africa Special Account Bill — would place the final seal of approval on the founding of The Citizen newspaper with R32-million of taxpayers' money.

"By adopting this clause, we will be validating the sale of The Citizen to Perskor," he

'Where is Info money?'

259 19/6/79 RDM

From Page 1

Replying in the debate, Senator Horwood admitted that the "letter of the law" had been contravened, but said he and the Prime Minister had inherited the procedures

"We accepted the authority of the previous Prime Minister, who is on record as saying he accepts responsibility for all these issues," Senator Horwood said

He added that he believed R29-million could be recovered

Dr Zac de Beer (PFP, Parktown) asked Senator Horwood what had become of the remaining R35-million from the R64-million Info fund.

It was impossible to ratify the deeds of the defunct Information Department when the full implication of the scandal had not been exposed

Dr De Beer said the Opposition could not approve the closing of the Information file until all outstanding funds of the R64-million irregularly spent by the Department of Information had been accounted for

It was also important to establish who had signed cheques, approved the illegal transfer of funds and who had given orders to do so

Senator Horwood said the Bill would not mean a "closing of the file" The mopping-up process would continue and everything possible would be done to secure assets of the former department and to return as much of the money as possible to the exchequer

● See Page 5

Vorster to get boost in pension

Political Correspondent

RDM
19/6/79

259

CAPE TOWN. — The former State President, Mr John Vorster, who was found to have covered up gross irregularities in the R64-million Information scandal, will be granted a handsome 10% pension bonus and R754 in back-pay

This is the effect of a resolution which is sure to be approved by Parliament today, granting a 10% salary increase to the State President

The resolution is retrospective to April 1 this year and therefore covers the salary and pension of the former State President as well as the new State President, Mr Marais Viljoen, who will be sworn in today.

This brings the annual salary of Mr Viljoen and the pension of Mr Vorster to R48 984 a year — an increase of R4 524. In terms of the SA Constitution Act, a retiring State President receives an annual pension equal to the annual salary he received on the day he left office.

Mr Brian Bamford, chief Opposition Whip, described the extra benefits for Mr Vorster as "absolutely scandalous".

"R64-million of taxpayers' money, and now the Government has seen fit to reward him The public will be amazed at this sort of insensitivity," Mr Bamford said

Mr Vause Raw, leader of the NRP, said he had no comment to make. The NRP is unlikely to oppose the move.

The NRP moved that the Bill be read "this day, six months" — the strongest form of parliamentary censure.

According to a clause in the Bill, all money paid from the Special Defence Account to the former Department of Information or to the Bureau for State Security for secret information projects — as well as loans raised, interest received and money accruing to the department from any other source — will be regarded as having come from the department's budget vote.

The clause will thus validate one of the most contentious aspects of the whole Information scandal — the secret transfer without the knowledge or sanction of Parliament of millions from the Defence Special Account to the Department of Information

Another clause permits the Minister of Foreign Affairs to ratify at his discretion "any contract concluded or purporting to have been concluded by or on behalf of the former Department of Information which, on account of the absence of authority, does not bind the State."

Opposition spokesmen said the Bill brought the first formal recognition by the Government that the transfer of funds from the Special Defence Account to the Department of Information was a contravention of the law and underlined the Info involvement of the Prime Minister, Mr P W Botha, and the Minister of Finance, Senator Owen Horwood

Mr Schwarz (PFP, Yeoville) said if the measure were passed the public would never see the full depths of the scandal.

The public were not prepared to accept the Government's assurances that everything was being put right. People were demanding to know what had happened to South African money used to buy the Sacramento Union newspaper and whether the R6-million loan to Mr John McGoff to buy the Washington Star would ever be refunded.

There was a high possibility that other deals had been concluded, of which the taxpayer had no knowledge

The Erasmus Commission had stated that the full scandal had not yet been revealed The Opposition would not agree to the Government being given a blank cheque to deal with unexposed areas of the scandal.

To Page 2

It is very unfortunate that traditional attitudes which no longer exist in the present circumstances still persist, resulting in managers having a special stereotype of the African. This was true in past experiences when the African did not commit himself to the job. He merely worked for the money and when the desired amount was acquired, he left. As a result the employers felt little or no commitment to workers who totally lacked any commitment to the job and often the men were fired easily and for trivial reasons without the management questioning the decision taken. This attitude even creeps into induction period where the African is expected to find his own way around with the help of the workers who have been with the firm for some time. And of all the people who need induction in a firm, the new African worker needs it most. In the past the idea developed that any African could be considered to do any job and then stereotyped ideas about African intelligence and ability were formed. There is a great need for management to disregard this and see the African worker as an i ibu-

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Police who raided Celeste's flat guilty

27

Pretoria Bureau

FIVE Immorality Act policemen who broke into the Pretoria flat of Miss Celeste Cross and photographed her semi-naked in bed, were found guilty yesterday of trespassing and searching without a warrant

The men, Detective-Sergeant Leon Boshoff, 27, Detective-Sergeant Gabriel Francois Sinden, 25, Detective Julius Schuld, 22, Sergeant Willem Jacobus Nel, 30, and Detective-Constable Petrus Jacobus Hills, 26, were each fined a R100, or 50 days, by Mr A F Snyman in the Pretoria Regional Court

They were found not guilty, with an Anglo-American Property Services security officer, Mr Frederick Christoffel Havenga, of crimen injura

Earlier the court heard that Mr Havenga, a security officer at Miss Cross' flats, had reported to the police that an Indian man was sleeping with Miss Cross.

Acting on the complaint, the Immorality Act Squad kept watch and then in a dawn raid on January 28, kicked a hole in the front door to gain entry Photographs were taken of Miss Cross as she lay semi-naked and alone in her bed

Mr John Fraser, a dark-skinned white man, and his friend, Mr Hendrik I K van Straaten, also white, were found in the lounge

The police investigation was dropped when Mr Fraser produced his identity documents to prove he was white

Delivering judgment on the charge of crimen injura, Mr Snyman said the men had violated Miss Cross' right to privacy by taking photographs of her while she was naked

But because there was no intention to offend her dignity, they were found not guilty on this charge

On the charge of trespassing and searching without a warrant, Mr Snyman rejected the defence argument that it would have defeated the purpose of the raid to knock and ask entry

Mr Snyman said that entry and searching of premises was a far-reaching intrusion on a citizen's privacy and should not be undertaken lightly

"There was no attempt to resist the police entry and it is clear that they at no stage audibly requested entry The police action was overhasty "

Mr Snyman said the policemen should have been aware of the laws governing entry and searching of premises, and should have realised that their actions were illegal

In mitigation, Mr J W Wessels said the policemen had carried out their duties as any other policeman would

"These poor men have been exposed to a lot of Press publicity while acting in the interest of the country to enforce the laws curbing immorality, he said "

Advocate Etienne Prinsloo appeared for the State

CT 21/6/79 (259)

Info Bill is 'admission of guilt' — NRP

HOUSE OF ASSEMBLY — The Information Service of South Africa Special Account Bill ensured approval of the unauthorized transfer of funds from the Defence Department to the former Department of Information, Mr John Malcomess (NRP East London North) said yesterday

"This is the admission of guilt clause," Mr Malcomess said.

"It is an effort to get the ministers who transferred money to the Information Department without authorization off the hook, and it is no wonder the Minister of Finance, Senator Owen Horwood, says the clause was very carefully considered.

"It ensures ex post facto authorization of irregular transfers of funds to the Information Department by the Prime Minister when he was Minister of Defence, and by the Minister of Finance

"We cannot accept the clause until those responsible for transferring money have paid the price for acting in an unauthorized manner"

Mr Harry Schwarz (PFP Yeoville), opposing the clause on behalf of the official Opposition, said it was depriving the State of a major tool for the recovery of unauthorized expenditure by the Information department

Contrary to an assurance by Senator Horwood that the measure was not retrospectively authorizing this expenditure, this was precisely what the term "shall be deemed to have been appropriated" meant

"We are trying to protect the minister from this wording which is not in the interests of the taxpayers."

Mr Schwarz said the provision that money "purporting" to have been spent on secret projects would be deemed a charge against the money deemed to have been appropriated, meant that if Dr Eschel Rhoodie said money had been spent on secret projects, that expenditure would now be approved

"This has the effect that unauthorized expenditure which could be recovered in terms of the Exchequer and Audit Act now cannot be recovered as it will have been authorized"

Dr Zac de Beer (PFP Parktown), Mr Malcomess and Mr Schwarz all objected to having to approve of settlement measures of the Pretorius Committee, about the details of which they were totally in the dark

In particular they objected to the disposing of the Citizen after the effective date in the clause, July 1, 1978

Dr De Beer referred to liabilities of the Citizen, which ranged between R16 and R13 million prior to its sale, and said the Opposition was not satisfied that things were in order with the Citizen before its sale to Perskor

Mr Malcomess said other newspaper groups had not been given an opportunity to purchase the paper and that the State could very well have been deprived of funds because of this

He asked whether the government had not wanted the Citizen out of the hands of a National Party group.

Senator Horwood said the clause was aimed at enabling the government to clear up the Information mess and to ratify the expenses incurred by the Pretorius Committee in its operations, which had already returned millions to the State's coffers.

"The Opposition tells us to clear up the situation but refuses to pass the clause," he said.

So far the Pretorius Committee had utilized funds it had recovered to finance its own expenditures, but in future provision would be made for normal financing procedures to be followed The clause merely sought to ratify what the committee had done so far

Regarding the Citizen, Senator Horwood said it had been losing money at a heavy rate when the State openly took charge. If it had been closed down, the resultant breaking of contracts would have cost the State further losses amounting to millions of rand

The State Trust Board, which had already been approved by the House, would report on progress made and settlements finalized The minister would in turn table such reports in Parliament, provided sensitive matters affecting State security were not reflected in them.

The PFP and NRP recorded their objection to the rejection of the proposed amendments and the clause itself was approved in a division by 107 votes to 23

The bill was approved — Sapa

S. 2 (Cont.)

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Citizen point of 'half the debates'

(259)

HOUSE OF ASSEMBLY — Half the debates in the House of Assembly on the Information scandal would not have taken place had the Citizen not been founded, Mr Hennie van der Walt (NP Schweizer-Reneke) said yesterday

The opposition had made the Citizen the sting of their attacks on the government, he said during the third reading debate on the Information Service of South Africa Special Account Bill.

More than half the debating since the start of the current session of Parliament had been about the Citizen financing by the former department

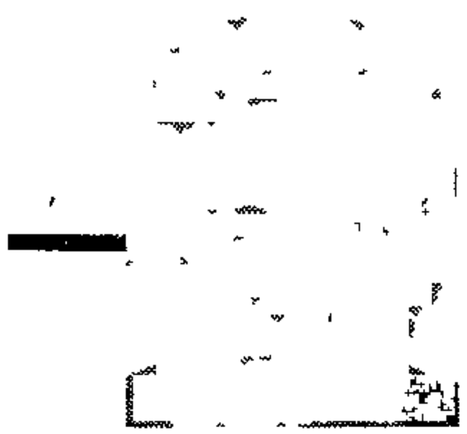
"THat's where more than half the money went," interjected Mr Horace van Rensburg (PFP Bryanston).

Mr Van der Walt said he did not want to justify the expenditure on the Citizen, but pointed out that a lot of money was otherwise correctly spent on projects which were good investments.

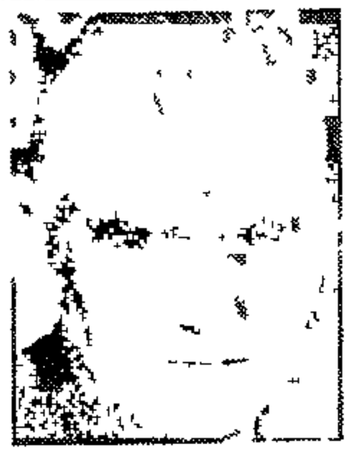
The opposition was demanding to know in detail what had happened to the rest of the Information funds, but those funds were secret and could not be debated openly.

The bill did not mean that persons who had acted irregularly were pardoned

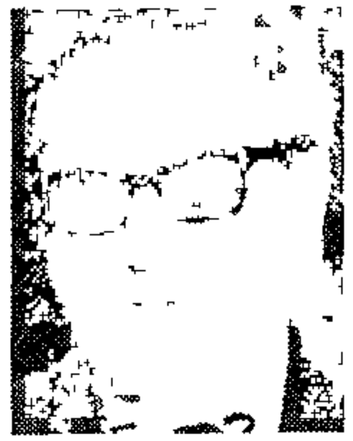
"This bill does not diminish the fact that those who illegally enriched themselves will be prosecuted. There is simply no sinister background to this bill out of which the opposition can made political capital," Mr Van der Walt said. — Sapa



● Dr Fred du Plessis . . . Senbank chairman



● General William Westmoreland . . . paid R3 400.



● Dr Henry Kissinger . . . Mr Simon spoke in his place.

Top men in US paid to push SA investment

A FORMER top-level official of the United States Government was paid R283-a-minute by South Africa's former Department of Information to deliver a 30-minute speech to a New York seminar on investment in South Africa

And from New York the official, former Secretary of the US Treasury William E Simon, this week told the Sunday Express.

"Quite frankly, I don't really know if it was worth it — to me these public speeches are a waste of money . . . they simply put people to sleep."

The two-day seminar was closed to the Press and held behind closed doors, which meant that

By KITT KATZIN

few days earlier to address the seminar as main speaker for a fee of R8 500, but he pulled out at the last minute because of unexpected business committments.

Yesterday, a freetalking and affable Mr Simon, now a business executive, recalled in vivid detail how he came to address the seminar, and acknowledged receiving the same fee the sponsors had offered Dr Kissinger.

He had to cancel a board meeting and other committments on the day of his address — in fact, he was so pressed for time that he flew to the venue by helicopter.

doors — and behind the cover of Safto and Senbank sponsorship

Commenting this week on the New York seminar, Senbank chairman Dr Fred du Plessis, said there was nothing irregular, underhand or sinister about the bank's involvement

He said he had seen the project as a straightforward business opportunity to promote the international interests of the bank.

Dr Du Plessis also said he found no fault with the fee paid to Mr Simon as it was customary in the United States to pay prominent personalities for public appearances.

chased the Sacramento Union newspaper with R7-million of SA Government money.

Also under scrutiny are allegations that the US projects of former South African Secretary for Information, Dr Eschel Rhoodie, included the injection of up to R3,4-million into Mr Ford's campaign fund in 1976

A spokesman for Mr Ford told the Sunday Express recently the ex-President would not comment on the allegation until he had seen "material substantiation" of it

● Former US Secretary for the Treasury, Mr William Simon, was paid R8 500 for a 30-minute pro-SA speech

Sunday Express
24/6/79

South Africans did not know of the discussions — or who was paying for them.

The R8 500 fee was paid by two independent South African institutions which shared the cost of sponsoring the seminar with the department

The seminar cost R70 000. Mr Simon was paid to deliver a carefully worded and crucial speech on gold and investment possibilities in South Africa

But Mr Simon, who, during his term at the US Treasury, had not supported the role of gold, took a somewhat different line

Addressing about 300 delegates, most of them prominent American investors and industrialists, he projected an objective but significant "newlook" assessment on gold — and emphasised that the value and the role of the metal should be seen not only in monetary terms, but in industrial terms as well.

Mr Simon had come in as guest speaker at the seminar at the last minute — as a replacement for Dr Henry Kissinger, former US Secretary of State.

Dr Kissinger, who often charges as much as R25 000 for public appearances in the US, had undertaken a

"It was a hell of a day," he said, "but there I was standing in for Dr Kissinger, speaking for about half an hour, and spending 90 minutes there in all Then I had to take the chopper back — and fly on to Philadelphia"

He received his cheque, he said, from the seminar's publicity consultants — Sydney Baron, the New York-based public relations company which employs Mr Les de Villiers, formerly South African Deputy Secretary for Information, and which receives over R500 000 a year in consultancy fees from the South African Government.

The seminar, which took place in June 1977, was sponsored jointly by the Department of Information, the SA Foreign Trade Organisation and Senbank, the largest commercial bank in the Republic.

Safto and Senbank contributed R20 000, which included the fee paid to Mr Simon, and the department, working through Sydney Baron, footed the balance of about R50 000

And although the seminar was not regarded as a secret Government project, it took place behind closed

"We accepted the Information Department's request to co-sponsor the seminar for two reasons obviously it was a good opportunity for the bank — but it was also in the economic interests of South Africa," he said

"It was business for us and business for the country"

Dr Du Plessis, who is also president of the Economic Society of South Africa, said he found no conflict between the two concepts.

● This week South Africa paid out another fee to an influential American, General William Westmoreland, former Chief of Staff of the US Army, who spoke at a pro-SA investment conference in Palm Springs, California, on Wednesday, received a R3 400 fee paid directly by the Information Service of SA

The conference, on "South African Trade and Business Potential", was also promoted by Sydney Baron, and organised by Mr De Villiers, on behalf of the ISSA.

● Safto, whose main backers include General Mining and Union Corporation, also paid an R8 500 fee to former US President Gerald Ford for delivering a key 40-minute speech to a business convention in Houston, Texas, in 1976, at which Mr Ford also met the-then South African Minister of Information, Dr Connie Mulder

A Congressional probe into the affairs of Sydney Baron is in full swing, and Congressman Stephen Solarz, who replaced Charles Diggs as chairman of the powerful House of Representatives sub-committee on Africa, is hoping to launch public hearings soon.

The probe follows reports on the PR company's involvement with the former Department of Information and whether ex-President Ford, in the light of the fee he received, was connected with any of the "Muldergate" secret projects

Mr Solarz is also investigating the affairs of right-wing American publisher, Mr John McGoff, who pur-

(259)

I'VE NO REGRETS says Nic Rhoodie

INTERVIEW BY EUGENE HUGO

PROFESSOR Nic Rhoodie has no regrets over the part he played in South Africa's biggest scandal.

The University of Pretoria academic who "owed a very large part of his income" to work given him by his Information Department brothers, Eschel and Deneys, and whose involvement in the Information affair cost him a distinguished academic career, spoke this week of his plans

Relaxing at home after resigning his sociology chair "to concentrate on studies of South Africa's plural society", he said the time would come when the "final curtain" was lowered on the Information debacle and he would be able to speak out about his role.

"And I have a lot to tell," he said.

Prof Rhoodie resigned "of own volition" after the Erasmus commission reported its strong suspicions "that the hand of the one Rhoodie ha[illegible]

YOU cannot take a man and put a shotgun to his head. It is equally difficult for me to say to Eschel that he should come back to this country to face the music My brother's situation is unique.

by the department of which his brothers were in charge.

The commission reported "For all his work and for the income derived from it he was dependent upon the benevolence of his brothers in the department

"The commission does not doubt Prof Rhoodie's professional ability to do this work. However, the commission finds it reprehensible in principle, that brothers in charge of a Government department should [illegible] hanne-

mind when the opportunity presents itself I am sure that such an opportunity will come But there are yet a few kilometres to travel There is, however, no question that I am going to remain a sphinx for the rest of my life.

"Everyone knows that the drama has not yet come to an end It is like atomic fallout . more and more people become affected It is obvious to any intelligent student of the situation that the final curtain is not yet down

"There are people who are marginally affected, people who are theoretically affected and those who are directly affected All this still has to be sorted out"

Prof Rhoodie described the role of his brother, Eschel, now overseas as a fugitive from justice, as "very sensitive"

"You know, these things are really sensitive when it affects a blood relation. It is only human to be subjective"

But, he said, one thing that he would not have on his conscience was persuad- [illegible] another to tell all

on a trip recently for three or four weeks, but I did not see him. We do maintain some sort of contact, but it's indirect. I hear through other people that he is healthy and not letting things get him down."

Prof Rhoodie said he felt that things were very difficult for the Prime Minister at the moment

"I personally wonder if he should not call a general election He would then get a mandate to say to hell with his critics and he could then get on with the job of governing South Africa."

Things were far more fluid in South African politics now than ever before But government was difficult when there were so many whispers about people and when there were different factions vying for influence

"The Government is hamstrung with this Information albatross and meantime the sands of time are running out for South Africa"

Prof Rhoodie said he could envisage a situation arising which would favour a comeback by the discredited former Cabinet Minister, Dr Connie Mulder

"He is not going to sit there and watch life going by And, you know, people's memory is very short. Look at the United States. Despite the Chappaquiddick scandal involving Senator Edward Kennedy his popularity rating is now twice that of President Carter's."

A man with Dr Mulder's "vitality, enthusiasm and political ability" was bound to get back into politics

"I have known Dr Mulder since 1967, when we went on an official trip overseas, and he will decide on a strategy Knowing the man and his capabilities, I have little doubt he will make a comeback."

Prof Rhoodie said it had been a wrench for him to leave Pretoria University

"The university has been very good to me and I enjoyed the work I did there But I resigned of my own volition I don't really want to go into details but there was no question of me going before a disciplinary committee and then getting the boot

"A situation develops and you have to weigh certain things and then decide on action in terms of your own interests and the interests of the university."

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Sunday Times
24/6/79

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hand of the other Rhoodie"

It was as professor of sociology that Prof Rhoodie fronted for the Information Department to set up his Institute for the Study of Plural Societies — an organisation that claimed independence but secretly received R100 000 a year in Government funds to do research and organise conferences costing up to R50 000

To hide the true nature of the institute, top South African businessmen like Volkskas' Dr Jan Hurter, Iscor's Dr Tom Muller and industrialist Mr John Heinrich became ghost donors with Information money paying for their so-called contributions

HE is not going to sit there and watch life going by. And, you know, people's memory is very short. Look at the United States. Despite the Chappaquiddick scandal involving Senator Edward Kennedy his popularity rating is now twice that of President Carter's.

But this was no irregularity, according to the commission's findings The institute, in fact, was productive and did "good work" on behalf of South Africa

The commission, however, could find no good reason why the institute's activities could not be continued overtly instead of secretly

What the commission did question was that — as far as could be ascertained — Prof Rhoodie received the "enormous amount" of at least R115 879,29 for work he was commissioned to do ing such a large income to a brother of theirs, especially where there is so great a temptation to do so in an improper manner"

And the commission also criticised the fact that Prof Rhoodie made interest-free loans to his brothers.

Suspicion

"The fact that on top of it all Prof Rhoodie made allegedly interest-free loans of such large sums of money (a total of more than R36 000) which have not been repaid to date to Dr Eschel Rhoodie and Dr D O Rhoodie gives rise to suspicion in the commission's mind that a most profitable partnership had, in fact, been set up here"

Prof Rhoodie said that despite these findings, professional advice he had received would keep him silent until he decided it was in his best interests to speak out

"The drama has not yet drawn to a close. I will speak only when the final curtain has come down. I cannot say when that will be It is a matter of living from day to day from my own personal point of view"

The former university professor said that he had a number of manuscripts on power-sharing which he now wanted to complete — particularly one study of plural relationships in South Africa

After 25 years of involvement in this type of academic research he would naturally prefer to continue in the field if possible "This is the pivotal debate in the country, after all

"But I will speak my "even if it shows my position up in a more positive light"

"You cannot take a man and put a shotgun to his head It is equally difficult for me to say to Eschel that he should come back to this country to face the music My brother's situation is unique

"I cannot pressure him I cannot consider exerting pressure on him simply because it might help my situation I will find the time and place to put my case. I'll never take it on my shoulders to do such a thing . to persuade Eschel one way or the other."

THE Government must tackle its problems with boldness and I think in these terms Mr P W Botha has a better grasp of the situation than his predecessor. He is more prepared, more willing to act

Prof Rhoodie said he could not and would not prescribe to his brother "I am sure that he has channels of information so that he knows of all developments He will make his own decisions about the way in which he should react"

He said that he had not been in direct contact with Dr Rhoodie "I was away

Citizen man had links with CIA

27/6/79 RDM (259)

By MERVYN REES
'Mail' Investigation Team

A PROMINENT American publisher who was named as one of the four original foreign investors in The Citizen has been identified as a former member of the United States Central Intelligence Agency (CIA).

He is Mr Beurt Servaas, owner and publisher of The Saturday Evening Post, who had several mysteriously close links with the former Department of Information and personally dealt with key figures in the scandal, including Dr Connie Mulder, Dr Eschel Rhoodie, General Hendrik van den Bergh and Mr David Abramson.

"Mail" investigations have also established that Mr Servaas was listed on letterheads as a director of Afripix, the disbanded "front" picture news agency launched by another Information front company, Hortors.

Once named in Parliament by Dr Connie Mulder in connection with monies paid to The Saturday Evening Post for services to the former Department of Information, he was also recently named in a court action in the Rand Supreme Court between the Minister of Finance and Royal Holdings Incorporated.

Mr Servaas was named in an affidavit as one of two men behind Royal Holdings Incorporated of Panama, which bought the controlling interest in Empisal (South Africa).

The "Mail" has also established another link between the CIA and the secret operations of the De-

RAND DAILY MAIL, Wednesday, June 27, 1979.

Citizen man named as CIA officer

It was from that moment that his concept of bribing and influencing opinion-formers and decision-makers around the world was born

Mr Servaas, who was not available to the Rand Daily Mail when I tried to contact him in the United States last year, has now been named in a new book recently published and entitled simply "Spooks"

Written by Mr Jim Hougan, it describes Servaas as a mysterious former CIA officer who took over a firm called International Investigators Incorporated, also known as "Three Eyes"

The book tells how the firm comprised detectives drawn from the US Federal Bureau of Investigation and how some of its employees left to join other companies in Saigon and Venezuela which were to provide covers for the CIA

The book says "Servaas claimed that the firm was virtually "defunct" by the middle of 1965 Indeed, it consisted only of Servaas himself and another ex -CIA officer, James Hannon Meyer, formerly district commander of the CIA's Office of Central Intelligence on Formosa After the arrival of new recruits, Servaas changed the firm's name to the less conspicuous 904 Realty Company, conducting its operations from a seemingly private residence in a suburban neighbourhood"

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rum as having provided the United States with a significant means to counter communist propaganda'

The memo is said to have carried a footnote saying Forum was run with the knowledge and cooperation of British Intelligence

After the collapse of World Forum Features, Mr Crozier set up a Rightwing think tank called the Institute for Study of Conflict, which took over the agency library

Two South African journalists, Mr Gordon Winter, who later returned to South Africa and figured prominently in the Jeremy Thorpe case before joining The Citizen, and Mr Cecil Eprile, former editor of Drum and Post, worked for World Forum Features

The Institute for Study of Conflict is also believed to have had close research links with another Information front, the Foreign Affairs Association, as well as links with the London-based Foreign Affairs Research Institute, which, it has been suggested, was funded by the Department of Information

The Institute for Study of Conflict is also believed to have received Information money to finance a publication on the Cape sea route

In June, 1978, the Foreign Affairs Research Institute and

Daily Mail

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"In fact, the house was the new company's offices, and according to one of the firm's former employees, it was filled with sophisticated electronics equipment of every kind Finally receiving its charter in 1966, Servaas' investigative agency was liquidated in the following year"

Newspaper investigations into World Forum Features in London date back several years

The British Press disclosed in 1975 that it was a CIA front used to plant pro-US features in the European Press

It had been set up in 1966 by a Rightwing British journalist, Brian Crozier, who later denied the claims of CIA links, and was purportedly owned by Kern House Enterprises, headed by the former US Ambassador to Britain, Mr John Hay Whitney

In 1967 the New York Times disclosed that the John Hay Witney Charitable Trust had taken 325 000 US dollars from a CIA front organisation, Granary Fund of Boston, during 1964/65

In January, 1973, Kern House was taken over by Richard Mellon Scaife, said to be heir to the Gulf Oil fortune and director of Mellon National Bank, Pittsburg, Pennsylvania

In May 1975 Scaife suddenly closed Forum World Features, apparently because of "financial drain"

It was widely reported that the closure took place in anticipation of Press disclosures about CIA involvement Shortly afterwards, the British Press published inside material on FWF, including an internal CIA memo to the CIA director, Richard Helms, describing Fo-

the Institute for Study of Conflict, together with the US National Strategy Information Centre, jointly sponsored a conference in Brighton attended by delegates from Britain, the Far East, Western Europe and America

Many were said to have intelligence connections

Among the American delegates was Mr Richard Mellon Scaife and among the South Africans were the former head of the South African Defence Force, Admiral James Johnson, Mr Cas de Villiers and Mr Jan du Plessis of the Foreign Affairs Association, Gideon Roos of the SA Institute of International Affairs and Dr Jack Penn

partment of Information.

It involves Mr Richard Mellon Scaife, a wealthy American who shares an interest with Mr John McGoff in the Sacramento Union and who has been linked to the CIA through World Forum Features, a London news agency identified as having been a front for the CIA

Mr McGoff was used by the Department of Information in an unsuccessful bid to buy the Washington Star, and later used the money to purchase the Sacramento Union and an interest in UPITN.

His brother, Mr Dan McGoff, was also used by the defunct Department to float a front company to purchase the luxurious secret waterfront house — costing R278 000 — for Dr Eschel Rhoodie in Miami.

The discovery of the two men's CIA links adds a new dimension to the Information scandal and raises new questions as to the possible roles they played in the Department's world-wide secret projects

It also raises the question of whether the CIA was not therefore aware of some, if not all, of the Department of Information's covert operations in both Europe and the United States.

Earlier this year, Dr Eschel Rhoodie, the fugitive former Secretary for Information, admitted to me in a series of exclusive interviews in Quito, Ecuador, that the seeds for his secret propoganda war were first planted in his mind by men he knew to have CIA links

He would not name the men, other than to say that they had told him while he was a relatively junior Information officer based in the United States of covert CIA propoganda operations in other countries

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WEDNESDAY
June 27, 1979

Let Judge Mostert do the job properly

THE GOVERNMENT'S intention to close down the Van Der Walt commission of inquiry into currency contraventions is yet another indication that the Botha administration is not living up to its promise to clean up the Info scandal. It seems bent on ensuring that the revelations do not go beyond the final Erasmus Commission report.

It is all very well to say that Info must come to an end so that the pressing issues facing the country can be tackled. But this will not happen until everything has been brought to light. Anything short of that, such as shutting down the Van Der Walt Commission, can only be construed as a cover up.

And, certainly, the misuse of millions of taxpayers' money in overseas secret projects is one of the most important aspects of the Info scandal. As Opposition members have put it, the termination of the commission would mean the end of the last effective avenue of investigation into Info foreign exchange dealings.

The reasons given by the Minister of Finance, Senator Owen Horwood, for the intended move were lame: the commission overlapped with others, the chairman was moving to another commission; the issues were too complicated for the commissioners. The last reason alone is an insult to commissioners like Mr Harry Schwarz and Dr Zac de Beer who are rated by most as having two of the keenest financial brains in the country.

There is, in fact, a simple answer to Senator Horwood's problems. give the commission back to Mr Justice Anton Mostert. Until he was fired by the Prime Minister for making public evidence given to him on the Info scandal, Judge Mostert was acknowledged as *the* expert on foreign exchange irregularities and had done fine work in this field which has saved South Africa millions. Remember, everything he disclosed at the beginning has been amply proved to be correct

Re-appointing Judge Mostert would also silence the Government's Info critics and help regain for it the credibility it has been steadily losing Judge Mostert has already proved to the world that he would leave no stone unturned to seek out the whole truth behind the scandal

And in any case, the Government needs to make amends for the shabby way in which it treated this outstanding member of the South African Bench