PUBLIC SECTOR - GOVT.

MISCELLANEOUS DEPT.

~~1978~~ 1978

DECEMBER.

Info funds: Foreign Affairs link

259
Cape Times
1.12.78



From left Mr Hennie van der Walt, Mr Harry Schwarz and Mr Senekal, deputy manager of the Reserve Bank, in Pretoria yesterday



Mr John Wiley, leader of the SAP, a member of the Van der Walt Commission, in Pretoria yesterday

Own Correspondent

JOHANNESBURG. — Substantial funds for the Department of Information's foreign transactions went through the Department of Foreign Affairs, the Van der Walt Commission into exchange control contraventions was told yesterday.

Giving evidence at the first open session was Dr C L Stals, deputy governor of the Reserve Bank, following a ruling by the commission's chairman , Mr Hennie van der Walt, that the proceedings could be reported in the press

This ruling, at the start of the hearing, followed earlier confusion on whether the hearings would be open to the public

Mr Van der Walt repeated that the hearings would be closed only in the interest of State security or to protect the identity of witnesses

The Department of Information's foreign exchange dealings were a key feature in yesterday's hearing

In reply to a question from Mr Harry Schwarz, a PFP representative on the commission, Mr Stals said very few transactions of the department had been done directly through the Reserve Bank

Most of the department's funds for foreign expenditure came from the lump sum allocated to the Department of Foreign Affairs

In addition many of the Department of Information's transactions had been done through commercial banks and not through the Reserve Bank

In reply to a further question from Mr Schwarz, Mr Stals said that any foreign transaction through a commercial bank involving more than R200 000 had to be reported to the Reserve Bank

The Reserve Bank had received all documentation dealing with such transactions by the Department of Information

These documents had been handed to the Mostert Commission of Inquiry and then to the Treasury following the disbanding of that commission

Mr Stals said the documents would be made available to the Van der Walt Commission

Those authorized to sign for Department of Information transactions through the Reserve Bank had been the Secretary for Information, the accounting officer and another person, he said No names were mentioned

Yesterday's hearing also touched on possible contraventions of currency control regulations through the securities rand

Mr Stals explained that the securities rand was the financial system used to transfer foreign shareholdings in South African companies from one foreign shareholder to other foreign shareholders No South African resident could make use of the securities rand system to gain control of a South African company

Mr Schwarz asked whether there was any company quoted on the Johannesburg Stock Exchange which had been bought on securities rand and was now in the control of a major shareholder who was a South African resident

Mr Stals said there was such a case which had been reported in the newspapers, and which was at present being investigated

The commission also heard that the R900-million quoted in an issue of the Reserve Bank's quarterly bulletin during 1977, under the heading of "errors and ommissions" could not be used as a basis for calculating the amount of money that was being taken out of the country illegally This amount represented all unrecorded transactions,

Further investigations had reduced this figure by R300-million

Mr Stals also said there was general public speculation that a far greater amount was involved in exchange control contraventions than the amount traced in investigations Although much of this was based on speculation, the matter was still being investigated

The commission's hearing continues in Cape Town on January 15

Commission told of ex-

Govt rejects appeal to delay

Cape Times 2/12/78 259

Own Correspondent

JOHANNESBURG. — The government yesterday rejected a last-minute appeal to block the sale of the Citizen until the Erasmus Commission had finally established whether or not the newspaper was owned by the former Department of Information and established with public funds.

Mr Harry Schwarz Progressive Federal Party MP for Yeoville, appealed personally to the Minister of Finance, Senator Owen Horwood, as the Nationalist newspaper group Perskor was reported to be planning a takeover of the Citizen.

But Mr Schwarz disclosed last night that he had been informed by Senator Horwood that the government was not prepared to do anything about the matter until it had received the Erasmus Commission report.

Mr Schwarz said the government's refusal to intervene left him with no option but to appeal to the owners of the Citizen not to sell the newspaper until the Erasmus Commission had reported.

He said Senator Horwood's secretary had informed him late yesterday afternoon that the minister had consulted his colleagues and had said that the government did not wish to do anything about the matter until it had received the Erasmus Commission report.

Meanwhile, the Citizen was thrown into confusion yesterday as secretaries battled to get retrenchment notices to 25 members of the staff.

Senior administrative employees, including the financial manager, were among staff axed in a dramatic day for 300 people working for the newspaper. More retrenchments were expected.

The Citizen's personnel manager, Mr C Solazzi, said yesterday "I know a lot of people have been retrenched but I don't have the full list. It's very difficult here at the moment."

But it was not clear last night whether the Citizen had actually changed hands yet.

The editor, Mr Meyer "Johnny" Johnson, told a meeting of the Citizen editorial staff yesterday that he could not divulge the identity of the new owners.

An editorial staff member said: "Johnson said that we as journalists should know why he was unable to disclose who was taking us over. It's very puzzling."

The axe fell most heavily on administrative and advertising staff, but five journalists in Johannesburg as well many staff members in bureaus lost their jobs.

The Citizen's night editor, Dr Johan de Villiers, and the financial editor, Mr Ben Temkin,

sale of Citizen

handed in their notice before yesterday's events.

If control of the Citizen has indeed changed hands, it is difficult to pin down the new owners. Perskor, odds-on favourites, are saying nothing. The managing director, Mr Marius Jooste, was not available for comment.

Mr Danie van Huyssteen, managing director of Volkskas — a substantial creditor of SA Today, the company which owned the Citizen — said his bank would take no more equity stake in either the Citizen or SA Today, although he would not discuss the bank-customer relationship.

Nasionale Pers had not been involved in any deal involving the Citizen, said its chief executive, Mr Dawid de Villiers.

The mystery is that with all the changes happening at the newspaper, no one appears prepared to take responsibility.

There are good tax reasons for moving in on the Citizen. Accumulated losses amount to about R17-million. This could be useful to a group looking for tax relief on an acquisition which would probably cost a few token rands.

Mr Harry Schwarz, financial spokesman for the Progressive Federal Party said last night: "It is a pity that some innocent people are now finding their careers wrecked."

Info probe extended to May 30

Cape Times 2/12/78
254.

Disposal of public property — leading article, page 10

Information scandal: Will truth come out? page 10

Own Correspondent

PRETORIA. — The Erasmus Commission's terms of reference have been extended to May 30 next year to enable the investigation of "new facts and areas" uncovered by the inquiry so far.

At the same time an independent accountant and auditor, and the Commercial Branch of the South African Police, are to be called in to help conduct the investigation

This announcement was made by the Prime Minister, Mr P W Botha, late yesterday — days before the parliamentary debate over the Information Department affair

The Prime Minister also announced that the commission's first report and recommendations would be made available to MPs and senators and the South African press in Cape Town on Tuesday at 2 pm, with an 11 pm embargo

Mr Botha said the commission had penetrated to the core and essence of its terms of reference and had presented its report and recommendations to the State President

As a result of the new facets and areas which had been disclosed by the investigation, the commission had recommended that its terms of reference be extended to May 30

This was to enable the commission to hear evidence on these aspects and to have an investigation conducted by an independent registered accountant and auditor as well as by the Commercial Branch of the South African Police

The Prime Minister did not say what the facets and areas were, or elaborate on them But he said the cabinet had decided to accept the recommendation to extend the terms of reference and had advised the State President accordingly

The Prime Minister's full statement, released to the press by the director of his press secretariat, Mr Neville Krige, was

"The Erasmus Commission which is investigating the activities of the former Department of Information has penetrated to the core and essence of its terms of reference and has presented its report and recommendations to the State President

"As a result of the new facets and areas which have been revealed by the investigation, the commission has recommended that consideration be given to extending its terms of reference to May 30, 1979, in order to hear evidence on these aspects and to have an investigation conducted by an independent registered accountant and auditor, as well as by the Commercial Branch of the SA Police

"The Cabinet has accordingly decided to extend the commission's terms of reference as recommended and has advised the State President accordingly

"To implement the decision, Mr H G Klem, SC, Deputy Attorney-General of Natal, and Mr H F van Zyl, senior state advocate in Windhoek, who have thus far led and co-ordinated the evidence for the commission, should also continue in those capacities until May 30, 1979

"Owing to the interviews they have already had with witnesses and potential witnesses, they are fully informed as to the nature and scope of the facets which demand further investigation

"They will work directly under the leadership and instructions of the chairman of the commission and the chairman will from time to time convene the commissioners to hear the available witnesses

"Meanwhile the commissioners and the secretary will continue with their everyday work except when they are to be recalled periodically by the chairman to hear and evaluate available evidence in order to fulfil its mandate to the end

"The two abovementioned advocates will, however, be occupied on a full-time basis to trace and to co-ordinate evidence while remaining in contact with the chairman in order to complete the task successfully"

Erasmus probe

Continued from page 1

259

Cape Times 2/12/78

Skeins in the tangled web of Information

Chief Reporter

THE REPORT of the Erasmus Commission, which in the past few weeks has been investigating the affairs of the defunct Department of Information, is to be tabled next week at a special sitting of Parliament.

Dr Eschel Rhoodie, who resigned as Secretary for Information before the department was disbanded by the former Prime Minister, Mr Vorster, has been a central figure in this investigation He broke into an overseas holiday to testify before the commission in Pretoria

In this Cape Times graphic, compiled on the basis of information widely publicized in South Africa and abroad, the immense and intricate web of Dr Rhoodie's connections is partly shown

The connections depicted are with:

● To the Point Dr Rhoodie was this news magazine's assistant editor before he became Secretary for Information

● Valhalla Flats, Clifton He was involved in the purchase of six of the flats

● Thor Communicators. He was a director Thor has been identified as a front organization for the former Department of Information

● The Citizen He was instrumental in establishing this, allegedly with secret government funds, as a pro-government English-language newspaper

● Foreign Affairs Association He is said to have been responsible for funding it.

● Club of Ten (London) He is alleged to have played a key role in the founding of this ultra-conservative lobbying body in Britain

● Black film industry He was instrumental in providing funds for the production of films Some of these funds were said to have been used for making the adventure film "Golden Rendezvous"

● Freedom Foundation He is alleged to have established and funded this organization, dedicated to the promotion of the free-enterprise system in Southern Africa

The personalities depicted have all had ties with one or more of these organizations and directly or indirectly with

● Mr John McGoff is an American publisher who was offered ownership of the Citizen, He is also part owner, with Dr Rhoodie and Dr Connie Mulder, of a farm in the Lowveld, and is in partnership with Mr J van Zyl Alberts in ownership of some of the Valhalla flats

● Mr Werner Ackerman and Mr Jan Pickard were trustees of the Foreign Affairs Association, and both men had connections with the Committee of Ten

● Mr Andre Pieterse was a director of Thor Communicators, and he received funds for film production from the former Department of Information.

● Mr Louis Luyt is former owner of the Citizen and is said to have sold a half-share in his private jet aircraft to Thor Communicators. He was also a member of the FAA and has had connections with the Club of Ten

● Mr J van Zyl Alberts is managing director of the Citizen, publisher of To the Point, part-owner of Valhalla flats and has been associated with the Club of Ten and with Mr Andre Pieterse's film industry

● Mr "Red" Metrowich, SABC Africa commentator, is chairman of the Freedom Foundation, which has been funded by the government

● Mr Beurt SerVaas, owner of the Saturday Evening Post in the United States, is a shareholder in the Citizen.

● Mr Cas de Villiers, director of the now-defunct Foreign Affairs Association, which was funded by the government

● Dr Deneys Rhoodie, brother of Dr Eschel Rhoodie and former Deputy Secretary for Information, has a flat in Valhalla and has been linked with the Citizen through the former Department of Information

● Mr Hubert Jussen, founder and chairman of To the Point, and also chairman of the Citizen.

THE RHOODIE CONNECTIONS



Dr Eschel Rhoodie

(259) Cape Times 2/12/78.

TO THE POINT

VALHALLA FLATS

THOR COMMUNICATORS

THE CITIZEN

FOREIGN AFFAIRS ASSN

CLUB OF TEN (London)

BLACK FILM INDUSTRY

FREEDOM FOUNDATION



John McGoff (USA)



Werner Ackerman



Beurt SerVaas (USA)



Jan Pickard



Dr Deneys Rhoodie



J van Zyl Alberts



Hubert Jussen



Cas de Villiers



Louis Luyt



Andre Pieterse



Red Metrowich

Citizen sale: Govt won't act

RDM
2/12/78
259

BY MARTIN SCHNEIDER
Political Editor

THE Government yesterday rejected a last-minute appeal to block the sale of The Citizen until the Erasmus Commission had finally established whether or not the newspaper had been owned by the former Department of Information or run on public money.

Mr Harry Schwarz, Progressive Federal Party MP for Yeoville, personally appealed to the Minister of Finance, Senator Owen Horwood, as the Nationalist newspaper group, Perskor, was reported to be planning a take-over of The Citizen.

But Mr Schwarz disclosed last night that he had been told by Senator Horwood that the Government was not prepared to do anything about the matter until it had received the Erasmus Commission's report.

He said the Government's refusal to intervene left him with no option but to appeal to the owners of The Citizen not to sell until the Erasmus Commission had reported

His move came after opposition politicians and newspaper publishers had argued that, if the Erasmus Commission found the pa-

Confusion as Citizen axes staff

Staff Reporter

THE Citizen was thrown into confusion yesterday as secretaries battled to get retrenchment notices to 25 members of staff

Senior administrative employees including the financial manager were among staff axed in a dramatic day for 300 people working for the newspaper

More retrenchments were expected

The Citizen's personnel manager Mr C Solazzi said yesterday "I know a lot of people have been retrenched but I don't have the full list It's very difficult here at the moment"

But it was not clear last night whether The Citizen had actually changed hands yet

The editor Mr Meyer Johnson told a meeting of The Citizen editorial staff yesterday he could not divulge the new owner's identity

An editorial staff member said "Johnson said that we as journalists should know why he was unable to reveal who was taking us over It's very puzzling

The retrenchment axe fell most heavily on administrative and advertising staff But five journalists in Johannesburg as well many staff members in bureaus lost jobs

The Citizen's night editor Dr Johan de Villiers and the financial editor, Mr Ben Temkin handed in their notice before yesterday's drama

If control of The Citizen has indeed changed hands it is difficult to pin down the new owners

Perskor odds-on favourites are saying nothing The managing director Mr Marius Jooste was unavailable for comment

Mr Danie van Huyssteen managing director of Volkskas — a substantial creditor of SA Today the company which owned The Citizen — said his bank would take no equity stake in either The Citizen or SA Today although he would not discuss the bank/customer relationship

Nasionale Pers had not been involved in any deal involving The Citizen said chief executive Mr Dawid de Villiers

The mystery is that with all the changes happening at the newspaper, no one appears prepared to publicly take responsibility for them

There are good tax reasons for moving in on The Citizen Accumulated losses amount to about R17-million This could be useful to a group looking for tax relief on an acquisition which would probably cost a few token rand

per had been supported by the taxpayer, then it should be sold by tender like other State assets

Mr Schwarz's appeal also came as the Cape-based Nasionale Pers newspaper group decided not to participate of a joint takeover of The Citizen with Perskor

Mr Schwarz said he had phoned Senator Horwood yesterday morning and referred him to reports involving the Perskor takeover bid

He had also drawn his attention to evidence given to the disbanded Mostert Commission by fertiliser magnate Mr Louis Luyt, who alleged he had been given R12-million by the Department of Information to launch The Citizen

Mr Schwarz said he had particularly pointed out the evidence of an exchange between Mr Justice Mostert and Mr Luyt's auditor, Mr P F du Preez

The Judge had asked Mr Du Preez who he believed owned the shares in The Citizen

Mr Du Preez had replied "I think they are the Department of Information's"

Mr Schwarz said yesterday "I told Senator Horwood that, in my view, an approach should be made to the management of the company controlling The Citizen requesting it to hold over any sale until the Government had had an opportunity to study the position and the Erasmus Commission's report

"I told him that if they declined to hold over the sale, I believed he should refer the matter to Government law advisers to decide whether or not the Government should apply for an interdict to prevent the sale The Minister said he would consider what I had said and discuss it with his colleagues"

Erasmus probe now on till May

By BERNARDI WESSELS
Pretoria Bureau

THE Erasmus Commission's terms of reference have been extended to May 30 next to enable it to investigate "new facets and areas" it has already uncovered

At the same time an independent accountant and auditor and the commercial branch of the police are to be called in to help

The Prime Minister Mr P W Botha made this shock announcement late yesterday — days before the showdown parliamentary debate over the Information Department-Citizen scandal

Mr Botha also announced that the commission's first report and recommendations would be made available to MPs, Senators and the South African Press in Cape Town on Tuesday afternoon at 2 pm but its contents will be embargoed till 11 pm

He said the commission had penetrated to the core and essence of its terms of reference and had presented its report and recommendations to the State President

As a result of the new facets and areas revealed the commission had recommended that its terms of reference be extended to May 30 — so that it can hear evidence on these aspects and have an investigation conducted by an independent registered accountant and auditor as well as by the South African Police commercial branch

Mr Botha's statement was released by the director of his Press Secretariat Mr Neville Kruge

It said that Mr H G Klem SC Deputy Attorney-General of Natal and Mr H F van Zyl Senior State Advocate in Windhoek, who have up till now led and co-ordinated evidence would also continue in those capacities until May 30 1979

"Owing to the interviews they have already had with witnesses and potential witnesses they are fully informed as to the nature and scope of the facets which demand further investigation"

Meanwhile Sapa reports that the Erasmus Commission's report was ready for printing yesterday

Mr J de Beer the chief Government printer was confident the report would be printed by the December 6 deadline

And a report from Pretoria said that the change announced earlier this week in the regulations governing the Van der Walt Commission of Inquiry into evasion of exchange control regulations was published in the Government Gazette yesterday

Only people employed to carry out the functions of the commission have to take an oath of secrecy, according to the notice Previously the chairman and the commissioners also had to take the oath

But Senator Horwood's secretary had told him late yesterday that the Minister had consulted his colleagues and decided the Government did not wish to do anything until it had received the Erasmus Commission's report.

Mr Schwarz said he had asked the secretary to reiterate to the Minister that his call had been to request that the owners of The Citizen be asked to do nothing until the Erasmus Commission had reported

"I regret that the Government is not taking action to protect what might be a State asset"

HOW'S THIS FOR VALUE!
Wall-to-Wall CARPETS
VAN DYCK (We are not allowed to mention the name)
Completely fitted wall-to-wall quality underfelt Guaranteed workmanship with R6.95 per sq metre laid.
BARNETT GENERAL SALVAGE
• Open on Saturday
• Plenty of parking
CRASH — FLASH
159 Eloff Street.
TEL. 838-5737

RAND
Daily Mail

JOHANNESBURG, FRIDAY, DECEMBER, 1, 1978

Price 12c

SAPA WORLD PRESS AWARD LATE FINAL 1966



SPECIAL!
Normal Price R450.00
NOW R195
BARNETT GENERAL SALVAGE
• Open on Saturday
• Plenty of parking
CRASH — FLASH
159 Eloff Street.
TEL. 838-5737

Digest Mail

Flair CHARLES Whalley, known to all TV watchers as Teddy Harvey Walker of "Villagers" fame is now in the Dracula drama But he's not really into blood

PAGE 16

Funds moved

EVIDENCE was given before the Van der Walt Commission yesterday that the former Department of Information had moved substantial funds for foreign transactions through the Department of Foreign Affairs

PAGE 2

A dilemma

A LEADING South African advocate says lawyers face a dilemma when defending people charged under the Terrorism Act because the procedures caused "a feeling of revulsion"

PAGE 3

No sign of Idi

THE UGANDAN President, Mr Idi Amin, has not been seen for three days and a close aide has been searching the war zone area near the Tanzanian border for the missing leader.

PAGE 4

Scott grilled

ONE of Britain's most distinguished lawyers yesterday began cross-examination of Mr Norman Scott, who alleges he had a homosexual relationship with the former leader of the Liberal Party, Mr Jeremy Thorpe

PAGE 4

Rennie's party

HOURS after Mr Gordon Rennie was sentenced to a R90.000 fine yesterday, a toast was being proposed to him at an impromptu

Anger over Citizen sale

RDM 1/12/78 (259)

By BRIAN O'FLAHERTY
Staff Reporter

NEWSPAPER publishers and opposition politicians said last night any sale of The Citizen should be postponed until the outcome of the Erasmus Commission is known.

If the report found that the newspaper had been supported by public money then it should be sold by tender — the normal method of disposing of State assets, some of them said.

They were commenting on a Sapa report yesterday that Perskor, the giant Afrikaans publishing house, was to take over The Citizen.

The report said the deal would be announced within 48 hours.

Last night neither Mr Marius Jooste, chairman of Perskor, nor Mr M A Johnson, editor of The Citizen, would comment

But a Citizen source said an agreement of sale had been signed yesterday afternoon

Mr Harry Schwarz, Progressive Federal Party MP, said. "The whole question should await the outcome of the Erasmus Commission The public will want to be satisfied who owns the shares in The Citizen"

The leader of the New Republic Party, Mr Vause Raw, said: "It is totally incomprehensible that any thought of selling The Citizen could be considered before it is established who owns it and who has fi-



Whites, browns will mix — PW

RDM 1/12/78 (154)

By MARTIN SCHNEIDER
Political Editor

THE Prime Minister, Mr P W Botha, has predicted that the coloureds will eventually be "assimilated" into the white community

For this reason the National Party had not provided a separate homeland for the coloured community.

His statements, in an interview in a book published this week, directly contradict the views of the Nation-

Judge fears a riot, so game on

Staff Reporter

MR JUSTICE Irving Steyn yesterday refused to stop the Mainstay Cup Final — to be played tomorrow by Kaizer Chiefs and Wits University at the Rand Stadium — for fear of causing a riot.

He dismissed with costs an application brought by Moroka Swallows Ltd against SANFA, NPSL, Wits University Soccer Club, Kaizer Chiefs and the Mainstay Cup Committee in the Ra[illegible]rem[illegible] Court.

WASHINGTON — South African Foreign Minister Mr Pik Botha has returned to South Africa after discussing the situation in South West Africa with United States President Jimmy Carter and Secretary of State Mr Cyrus Vance

White House spokesman Mr Jerrold Schecter said they particularly discussed United Nations' efforts to win implementation of a resolution on elections in the territory

Mr Botha and Mr Vance conferred privately before the meeting Mr Vance, a spokesman said, stressed the urgency of South Africa's moving forward on the UN plan

Reports said that Mr Botha decided to return to South Africa to clarify outstanding points of the plan

He had felt that he would have to consult South African Prime Minister Mr P W Botha before he could reply to certain crucial questions

A spokesman said he had promised to transmit replies to UN Secretary-General Dr Kurt Waldheim as soon as soon as possible, perhaps before the end of the week

Mr Schecter said the discussion at the White House was brief Also present was President Carter's national security assistant, Mr Zbigniew Brzezinski

A UN spokesman said that Mr Botha and UN Secretary-General Dr Kurt Waldheim had five lengthy meetings erarlier in the week to discuss South Africa's reservations about the UN plan for SWA

Dr Waldheim reportedly wanted to obtain a firm South African commitment to the plan

The spokesman said that some problems had been cleared up

The Secretary-General is expected to submit a report on his talks with Mr Botha to the UN Security Council within the next few days

The council has threatened to immediately initiate sanctions against South Africa if it turns down the UN plan, which provides for transition to independence under the protection of a UN force — Sapa-Reuter-AP

Pik back after White House talks on SWA

Bank chief tells of tips

By HELEN ZILLE

Anonymous phone calls and letters to the Reserve Bank were the major source of tip-offs on exchange control violations.

This was said in evidence before the Van der Walt Commission yesterday by Dr C L Stals, Deputy Governor of the Reserve Bank, and its assistant general manager, Mr J C Senekal

Mr Senekal also outlined to the commission the major areas of exchange control contraventions that were being investigated They included

- Over-invoicing, which required the collaboration of someone overseas A South African importer would be invoiced with false documentation for an excessively high amount and the excess placed in a foreign bank account.
- Under-invoicing — a similar technique applying to South African exports.
- The removal of small assets of high value such as gold coins, diamonds and stamps
- Private exchange dealings in which a South African paid all the expenses of a visitor from abroad and was repaid overseas.
- Failure to repatriate money earned overseas.

Festive TV comes alive

By IAN REID

BING Crosby, Liberace, John Wayne and Walt Disney are just a few of the big names SABC-TV has lined up to entertain viewers over the festive season

Charles Dickens is there, too, and there will be carols galore

Crosby will be making a posthumous broadcast "Salute to the best years of your hit parade" which recalls the highlights of a television programme called "Your hit parade" Richard Dawson will introduce the original singers as they are today.

"Salute to John Wayne", on January 4, marks the start of a star-studded variety season

The Hollywood stars salute "The Duke"

Little but hope

FOR the Taylers, who live on little but hopes and pensions, it'll be a bleak Christmas — or maybe it won't, if you and the Rand Daily Mail Christmas Fund join forces

PAGE 8

Church row

A LEADING British churchman has slammed his colleagues for stamping African Christianity with their own exported liberalism STANLEY UYS reports from London

PAGE 15

Gold $193,40 ($195,60)

Page 17

RDM 100 265,1 (264,8)

Page 20

INSIDE

TELEPHONE 28-1500

The World	9
Flair	16
Play Mail	12, 13
Leaders	14
Inside Mail	15
Business Mail	17—19
Stock Exhange	20
Racing Mail	26
Sports Mail	27, 28
Bridge	16
Crosswords	16
Comics	24
Radio	24
Appointments	22
Property Bargains	22
Car Specials	24
Legals	25
Auctions	16

Dr Andries Treurnicht, the new Transvaal leader

Dr Treurnicht raised the ire of verligte Nationalists earlier this week by emphasising separation between whites and coloureds in his controversial "coloured homeland" speech to Rapportryers in Pretoria

The Prime Minister's statements on the coloured community were published this week by Johannesburg journalist, Ms Anna Starcke, in her new book, "Survival"

Interviewed before he became Prime Minister, Mr Botha rejected any form of integration with blacks, but added "I can see the coloureds eventually being assimilated, which is why we don't provide a separate homeland for them"

Mr Botha's statement represents a significant development in his strong verligte views on the coloured community

Dr Treurnicht was reported to have told Pretoria Rapportryers on Tuesday that for the coloureds he had something "a little different" to a homeland in mind, based on the present land owned by coloured people This formed the basis of coloured local, regional and parliamentary government

Verligtes interpreted his speech as an attempt to emphasise the need for separation between white and coloured

But Dr Treurnicht later appeared to back down by saying that the word "homeland" as applied to the coloured community should be forgotten

"This matter will obviously be a key issue in the debate next week in Parliament"

Mr L E A Slater, chairman of the Argus group, agreed "They should wait for further disclosures on who has financed The Citizen, the cost, the basis on which Perskor would be taking it over, what price they are going to pay, and to whom," he said

Mr Clive Kinsley, managing director of South African Associated Newspapers, said, "I was surprised the issue of selling The Citizen should arise at this time There is some doubt about its ownership

"If, ultimately, it is established that it was funded with State money, I would have thought that the usual procedures for the disposal of State assets would be followed, and it would be put out to tender"

Mr Schwarz also said that if the shares were owned by the State now the procedures for sale by the State should be followed

The Sapa report said negotiations had been going on yesterday between Mr Jooste and senior members of the board of S A Today, the company which set up The Citizen in September 1976

Citizen staff members told Sapa journalists did not fear for their jobs, but advertising staff had been warned that their numbers might be cut

One journalist said there was concern that salaries might be cut if Perskor took over

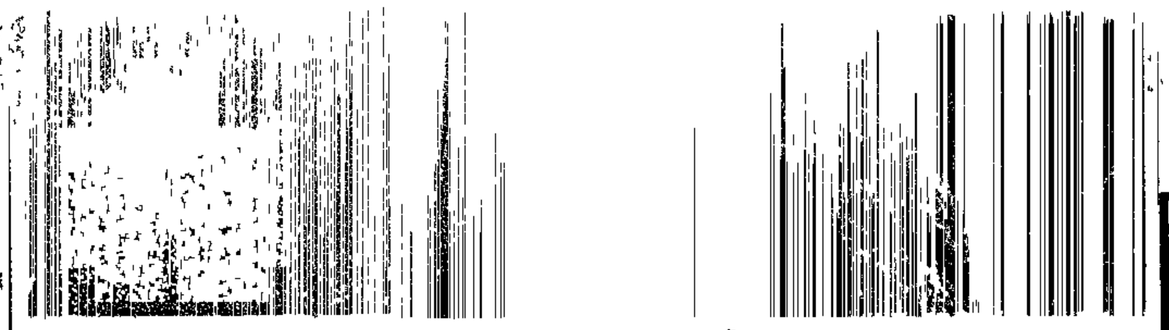
The editorial and advertising departments are in the modern Nedbank East City building in End Street, Johannesburg, and are estimated to cost more than R100 000 a year It is they may move to Perskor premises

that the match should not be played and that the sponsors should not pay prize money to participating clubs.

About 35 000 people have bought tickets.

"I am not going to be responsible for starting a riot," he said

Moroka Swallows claimed that a previous rain-marred match against Wits University at Milpark Stadium should have been declared a friendly



Lovely Sue Pearson, of Durban, wasted no time in getting to the beach yesterday before the start of the Transvaal rush to coastal resorts today. The weather was fine in Durban, raising the hopes of fine weather for the expected mass of Transvaal holidaymakers.

'No black rule until 1984'

RDM 1/12/78 272

BY ANTHONY RIDER
'Mail' Africa Bureau

SALISBURY. — Rhodesia's biracial Executive and Ministerial Councils have decided a national government must run the country for at least five years after the planned April 20 elections.

Effective majority rule will thus be postponed until 1984.

The national government decision was announced by the Executive Council yesterday after a joint meeting with the 18-member Ministerial Council

It means the Rhodesian Front led by the Prime Minister Mr Smith for the past 14 years will have at least a quarter share of the cabinet posts after April 20 because of its guaranteed 28 white seats in the 100-member House of Assembly.

Bernardi Wessels reports from Pretoria that Britain's special envoy, Mr Cledwyn Hughes, and the US Ambassador in Zambia, Mr Stephen Low, arrived in the city yesterday en route to Lusaka.

It is not expected that the two envoys will hold any talks with the South African Government at this stage but are expected back in South Africa at the beginning of next week for formal talks with the South African Government.

The new Salisbury decision means Whites will continue to share in the government of the country — to be known by the compromise name of Zimbabwe-Rhodesia — for a further term fixed in the constitution for the life of the first parliament or for five years

Through the commissions entrenched in the constitution, whites will also wield effective power behind the scenes, power to control the vital instruments of power — the civil service the police, the army, air force and prisons service

Full details of how the commissions will be constituted have not yet been published but sources said effective control would rest with whites and they would largely be beyond the reach of Parliament.

After the April 20 election, the new Prime Minister would allocate Cabinet seats to the parties in proportion to the seats each held in the Assembly

Only parties holding five or more seats would be entitled to cabinet representation, suggesting that the aim is a national government of 20 members.

See Page 4

Treurnicht's OK for black eating-house

RDM 1/12/78 154

By JOHANN BUYS

A MIDDELBURG property developer has won a three year-battle to open an eating-house for blacks in a white area near the centre of town

Mr Martin Janit has been granted a permit after the Deputy Minister of Plural Relations, Dr Andries Treurnicht, intervened personally three days after his election as Transvaal leader of the National Party

Dr Treurnicht travelled to Middelburg on Tuesday to get first-hand information in the row between Mr Janit and a town councillor, Mr Piet Bezuidenhout

A jubilant Mr Janit said yesterday "I phoned the department to find out what Dr Treurnicht's decision was due A Mr Van Rooyen told me that the permit had been granted

"I'm going to write Dr Treurnicht a letter and thank him He looked at it objectively I am quite impressed with the way he has handled the matter"

Death of a dancer

Staff Reporter

THE WORLD-famous Spanish dancer, Mercedes Molina, died suddenly yesterday afternoon in the Kentridge Hospital in Johannesburg.

Miss Molina, 44, had been ill for some years. She nevertheless continued working and had just returned from a triumphant tour of Israel and Greece with her company of 17 dancers.

She is survived by her husband and four children

● See Page 10

recorded programme featuring the Crosby family in excerpts from the "Old Groaner's" past Christmas specials

And on New Year's Eve comes the "Liberace Special"

On the same evening, SABC-TV will

Riddle and his orchestra

John Wayne will be followed by Helen Reddy, Charles Aznavour and Vicki Leandros in subsequent weeks

Charles Dickens' "A Christmas Carol" will be broadcast on December 20

SELL your product... in PVC!

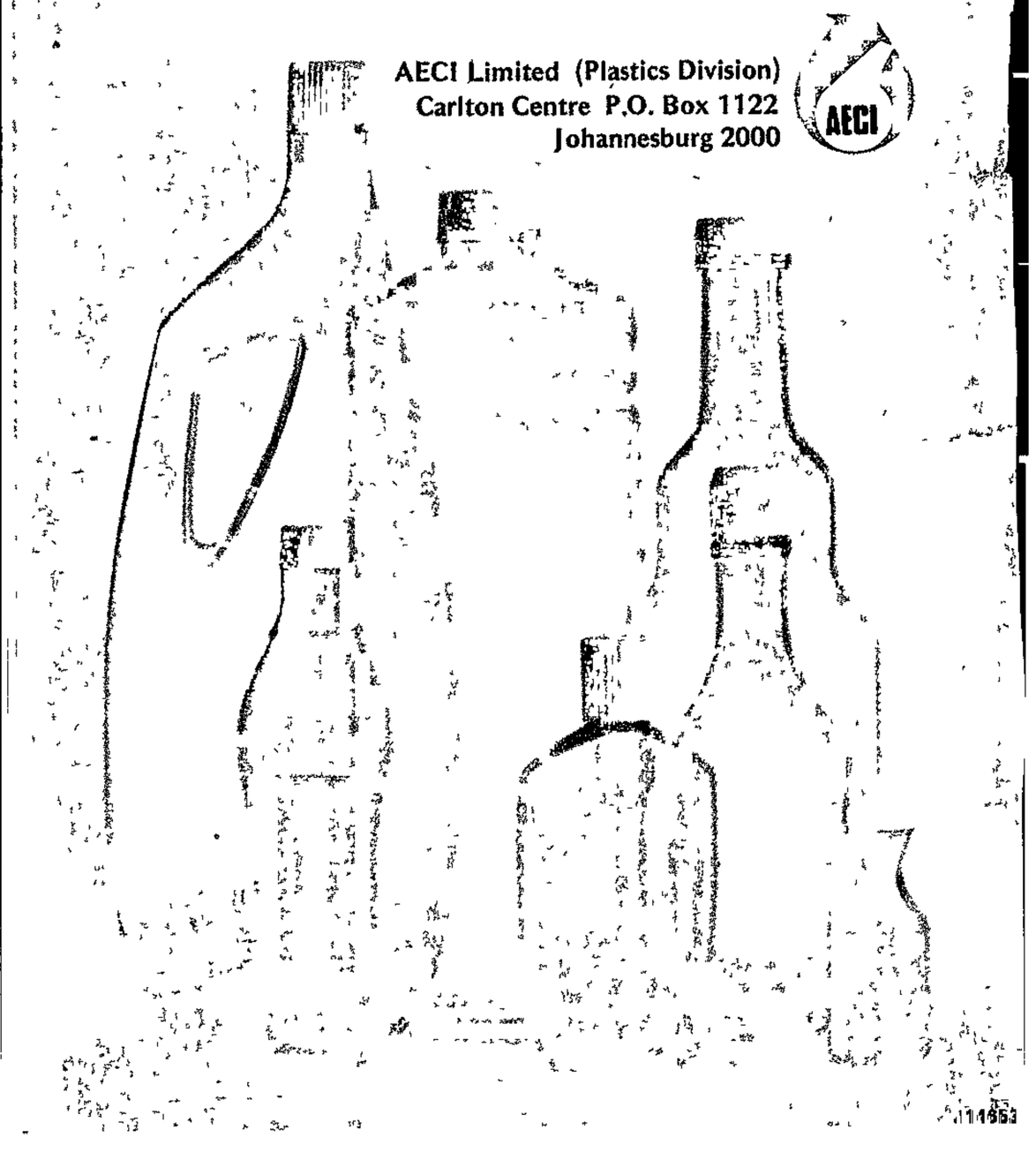
PVC, the versatile and efficient packaging material of our times is infinite in its applications—from fruit cordials to detergents, cooking oils to beauty creams.

Crystal clear PVC bottles are economical, tough, impact resistant, safe and hygienic. Light and easy to handle, they really do enhance your product.

Can you find a better salesman?

AECI Limited (Plastics Division)
Carlton Centre P.O. Box 1122
Johannesburg 2000

AECI



That old Bass magic!

Ronnie Bass, the unrefuted Sigma magician is playing to packed houses in Eloff Street and in Van Riebeeck Avenue, Edenvale
The Mazda, Colt and Chrysler deals Ronnie Bass pulls out of the hat astound the mind No wonder they come back for more
See the Sigma wizard in action for yourself
Ronnie Bass – Sigma
The greatest value-for-money show in town!

RONNIE BASS-SIGMA
Where wishes come true.

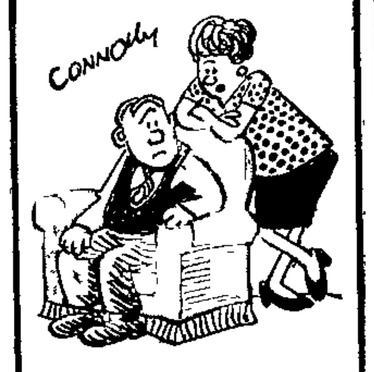


22 years for terror

MARITZBURG — Timothy Muntu Nxumalo, 21, was sentenced to 22 years' jail in the Maritzburg Supreme Court yesterday by Mr Justice Kriek on two counts under the Terrorism Act and one of attempted murder

Nxumalo was convicted of leaving South Africa for military training between October 1977 and April 1978 and returning to the Republic intending to kill members of the Security Police — Sapa.

Breakfast Quip



"Can you buy shares in a commission of inquiry once it goes public?"

Killer escapes on state-bought legs

NASHVILLE — A double-amputee killer escaped from a Tennessee jail by walking out on artificial legs paid for by the state

Billy Jack Shelby, 37, was serving a 10-year sentence for second-degree murder.

He escaped from the minimum-security section of the Tennessee State Penitentiary, where he was being kept because of his handicap, some time on Tuesday evening, a prison official, Mr Jim Dickman, said

"I don't know why he left He could get around well on his artificial legs. He didn't use crutches or canes"

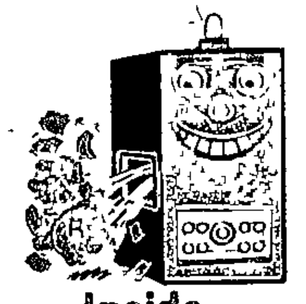
Shelby had served 13 months of his sentence.

Shelby had his legs amputated after catching severe frostbite during a hunting trip before he was jailed

His artificial limbs were was fitted about three months ago.

Tennessee State had paid for the limbs, Mr Dickman said. — Sapa-AP.

Punter's Friend



inside today

TABLE 39: OUTPUT PROJECTIONS TO 2000 A.D.: RATES OF

	Plewman I (1980-2000)	Plewman II (1980-2000)	von Wielligh (1980/5-2000)	Act (1
Copper	5,5	5,6	6,0	
Iron Ore	4,7	5,4	7,4-8,3	
Chrome	5,3	5,6	5,0	
Manganese	5,3	5,6	5,1	
Coal	5,1	7,8	4,0	
Asbestos	5,5	5,6	n.a.	
Other	n.a.	n.a.	n.a.	
Gold	- 6,9	- 6,9	n.a.	
Diamonds	0	0	n.a.	
Platinum	5,0	5,0	2,8	

Note: Sourc [54] igh. Mucl
diamonds production eriod 1941-
5 years von Wielli growth of
per annum.

Copper, Chrome, Mang

There is agreement at in the

growth will be in t range - in
substantially slowe by von Wiel
in the 1940-75 peri dent - and
dependent - on worl ar (for chr
the world steel ind at 5-6 per
by selling to that le but would
some increase in s one is to t
global rates of gr roduction ar
improve on the 196

TABLE 40: RATES O TION, 1961-75

um

Manganese	+ 4,00
(Iron	+ 4,27)

Erasmus report: more shocks

● From Page 1

some political line or other"

Judge Erasmus said "As a judge I feel it is my duty to clean up corruption

"I don't care who is ruling this country or which party is in power, my job is to clean up this scandal"

He said he had travelled the world while different Governments were in power and never before had anyone ever accused the South African Government of maladministration or corruption

Now that such serious allegations had been made, it was the duty of his commission to "get to the bottom of it".

Judge Erasmus said there was a certain overlap between parts of the commission's report and the revelations about the Department of Information made public by Mr Justice Anton Mostert before his one-man commission was disbanded

"But Judge Mostert's commission was established to investigate currency irregularities and he entered the Information arena by the side door, so to speak.

"We, on the other hand, were specifically appointed to look into the Department of Information and so our report covers a much wider area than Judge Mostert's."

Judge Erasmus said his commission had also probed deeper into incidents first revealed by Judge Mostert.

Elaborating on the sudden announcement by the Prime Minister on Friday that the commission had been extended until May 30, he said help was needed from accountants, auditors and the police.

"Millions of rands are involved and we have called in the Commercial Branch to help find what happened to all this money"

It was also not sufficient for the commission to make recommendations, he said These had to be implemented and Judge Erasmus said the further inquiries of the commission would assist in this respect.

"For example, assume that our report recommends that certain matters be referred to the Attorney-General. What we then need is expert advice on what charges could be laid."

Confirming that his report would be ready in time for the special Parliamentary debate on Wednesday, Judge Erasmus expressed doubt as to whether Parliament would be able to deal with it in two days.

"There are a great many facts reported, as well as an historical sketch to put people in the picture. If Parliament gets bogged down in discussing any particular aspect at length they will certainly never cover the entire report in two days"

When Parliament debates the report, Judge Erasmus will be on his farm "doing a bit of horse-riding" to unwind from the pressures of four almost non-stop weeks of leading what may turn out to be the most crucial commission of inquiry in South African history.

After a two-week break, he will return to his normal judicial duties in Bloemfontein, leaving the further collection of evidence to Mr H G Klem SC, deputy Attorney-General of Natal, and Mr H F van Zyl, Senior State Advocate in Windhoek.

He will continue to supervise the work of the commission by telephone and will reconvene the full commission to hear verbal evidence in Pretoria if and when necessary.

Sunday Express

JOHANNESBURG, DECEMBER 3, 1978 30c plus tax 1c Prices elsewhere on Back Page.

259

INFO PROBE SHOCKS AHEAD



• Judge Erasmus startling new facts

TABLE 2: EMPLOYMENT ON THE GOLD

Year	White	Black	Asian
1946	42 624	328 335	..
1947	41 010	318 767	..
1948	41 023	300 301	..
1949	41 520	315 518	..
1950	45 387	328 501	..
1951	46 623	322 892	..
1952	47 094	320 598	..
1953	48 174	311 403	..
1954	49 888	335 392	..
1955	51 138	347 138	..
1956	51 252	354 618	..
1957	49 757	353 875	..
1958	49 041	358 894	..
1959	51 114	398 166	..
1975	37 762	340 162	16
1976	38 697	363 210	16
1977			

My commission tolerated no fairy stories, says Erasmus

STARTLING new facts about the Information affair will be revealed this week in the report of the Erasmus Commission on the former Government department and the misuse of public funds.

This was disclosed to the Sunday Express yesterday by the chairman of the commission, Mr Justice Rudolph Erasmus, shortly before he left Pretoria for his Bloemfontein home on a brief holiday.

The report will be released for publication on Tuesday and debated by Parliament in a special ses-

By JENNIFER HYMAN

S_Express

31/01/78 259

In a remarkably frank interview with the Sunday Express, Judge Erasmus disclosed that

- The report contained disclosures which were "overwhelming" in their significance.
- The commission had "thrashed out" the whole issue of The Citizen and how it was funded.
- The police were being brought in to help the commission trace the "millions of rands" involved.
- Some witnesses made disclosures about matters previously unknown to the commission, and new aspects of the misuse of public funds emerged.
- Giving evidence before the commission had not been a "pleasant" experience for many witnesses — the commission refused to listen to "fairy stories" and was not sympathetic to "political lines".
- The Erasmus report covered a "much wider area" than what was released by Mr Justice Mostert, who had come into the Information area by a "side door" while probing in another field.

Mr Justice Erasmus said the working term of the commission had been extended until May 30 so that the new facts that emerged in evidence could be properly investigated.

New information came to light in the evidence of certain witnesses.

"Whether they made the disclosures because they hadn't thought out their stories carefully enough and made a slip of the tongue, or whether they decided to be absolutely honest, I don't know.

"In any event, we noted all these 'slips' and waited for corroboratory evidence from other witnesses."

What emerged was new aspects of the misuse of public funds that required further investigation by the commission.

Judge Erasmus implied that the new information was of the kind that elaborated on incidents already being dealt with by the commission, rather than information which opened up previously unknown areas of maladministration.

Dealing with the witnesses who appeared before the commission, the judge said it had not been a "pleasant" experience for many of them.

"After all, we are a highly trained and qualified group of legal experts and were not prepared to listen to fairy stories.

"We constantly had to bring witnesses back to the question at hand and weren't sympathetic when a witness wanted to give us-

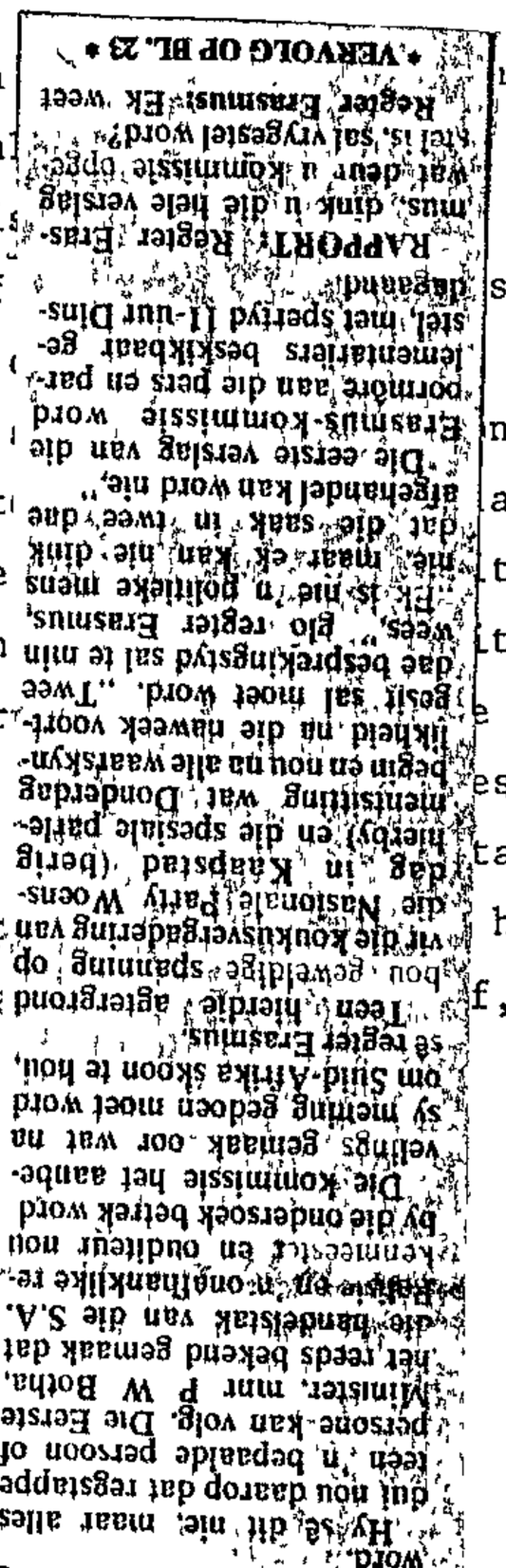
● To Page 8

C H A P T E R O N E :

MINING EMPLOYMENT, 1946-1976

In this section we shall try to identify such historical trends as there have been in South African mining employment in the period since the Second World War. We are interested both in employment trends for the various types of mines and in changes in the overall composition of mining employment.

We shall also ask whether we can explain [illegible]ng that we are unlikely to be able to do so in a ful[illegible] both because of the preliminary nature of thi[illegible] do not have a fully-specified economic model of [illegible]se'. We shall do little more than try to relate [illegible] to changes in output - hoping perhaps to establish [illegible]nship between them (for each mineral) or some st[illegible] (i.e. some steady average rate of change [illegible]ty in the mining of each mineral). Where we cann[illegible]ties in the data we may be able to suggest that 'str[illegible] intervened. However, the preliminary nature of this [illegible]essed again. As soon as one begins to probe into the [illegible]ta we are using one uncovers a world of great comp[illegible] had been possible to take more account of, and pe[illegible]f, that complexity.



Sunday Times 3/12/78

Mostert off to US for talks on media

259

MR JUSTICE Anton Mostert, the man who defied the Government to bring the Information scandal before the public, is to take part in a major international conference in the United States on the Press and the judiciary.

By FLEUR DE VILLIERS

The judge, who precipitated a Government crisis when he released evidence on the Information scandal to the Press, has been invited by the Ford Foundation to take part in the Northern Californian conference on The Media and the Law to be held from December 8 to 10 in Carmel Valley, California. He left this week for the United States.

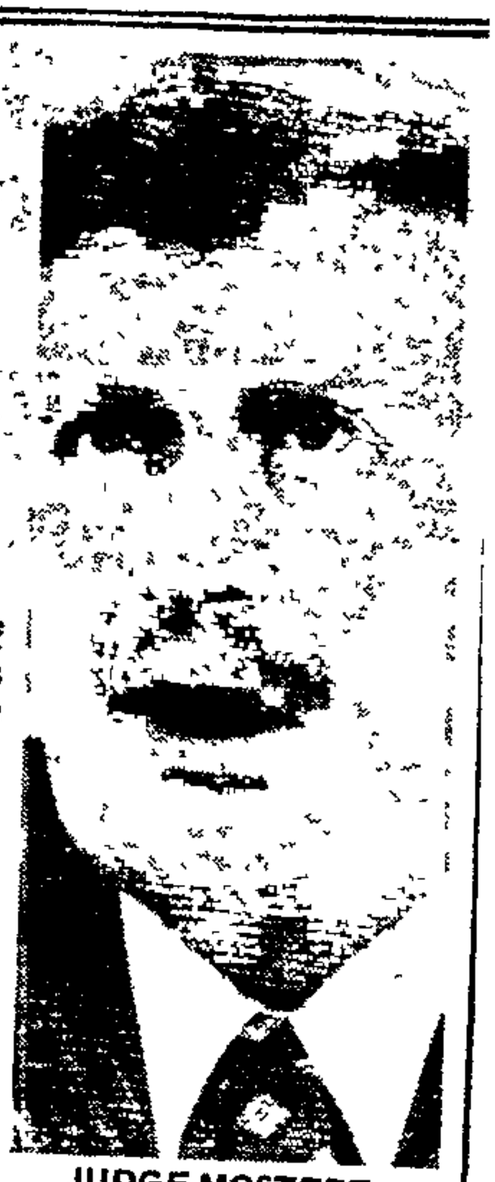
Mr Justice Mostert's one-man commission of inquiry into foreign exchange contraventions was disbanded by the Government following his disclosure of evidence that The Citizen newspaper had been founded with a secret R12-million loan from the Department of Information.

The judge said he had found evidence of "corruption in the wider sense" in his inquiries into secret transactions of the Department of Information.

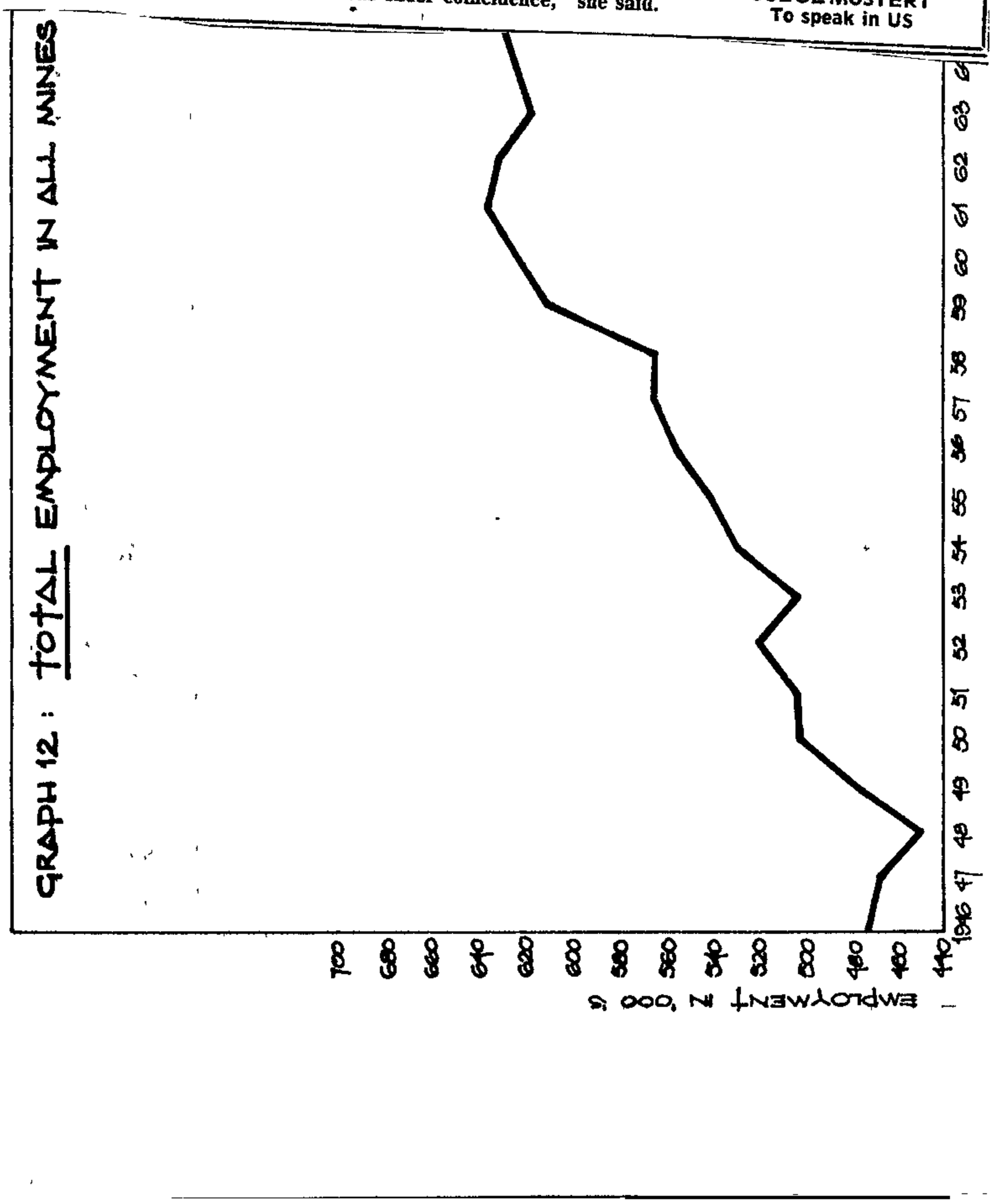
The Government later attempted to bring an urgent injunction to prevent him making any further disclosures. The attempt failed.

Speaking from her home in Maritzburg, Mrs Mostert said her husband had received the Ford Foundation invitation some time ago.

It was not as a result of his role in making the Information evidence public "It was sheer coincidence," she said.



JUDGE MOSTERT
To speak in US



Hoogspanning in NP oor sitting

deurhout 3/12/78 (259)

Van JOHAN VOSLOO

INTENSE woelinge in die Nasionale binnekringe woed voort rondom die persoon van dr. Connie Mulder.

Party Nasionaliste voel selfs dat hy nie die NP-koukusvergadering aan die vooraand van die debat oor die Erasmus-verslag moet bywoon nie. „Ons moet die dinge uitpraat en hy behoort nie by te wees nie," word gesê.

Party van die mense reken dat hy liefs nie 'n spreekbeurt in die debat moet hê nie.

Selfs sy teenwoordigheid in Kaapstad en by die koukus sal onvermydelike groepvorming tot gevolg hê — iets wat die party in die huidige omstandighede nie kan bekostig nie, word gesê.

Daar is vrese binne die party van die Transvaalse onenigheid rondom dr. Mulder die week in Kaapstad tot breekpunt gevoer kan word. Sommige waarnemers praat van 'n waterskeidingsweek wat voorlê.

Die Kabinet sit môre en daar sal o.m. oor strategie vir Donderdag en Vrydag besluit moet word. Een van die besluite wat moontlik geneem sal moet word, is of die keuse van sprekers aan Nasionale kant net aan die swepe oorgelaat moet word. Daar is 'n gedagterigting dat die Kabinetslede die week grootskeeps tot die debat moet toetree.

Intussen maak die Transvalers hulle gereed om môre en oormôre na Kaapstad te vertrek. Dit is geen geheim meer in die binnekringe dat daar ernstige onenigheid heers nie — ondanks die beroepe om eenheid na buite.

Of ontevredenes Kaapstad hul slagveld gaan maak, is 'n vraag wat vandag met kommer gevra word. 'n Vonk in die koukusvergadering word gevrees.

Daar word gesê dat „Mulder-nessies" in Transvaal besig is om sekere Nasionale Volksraadslede uit die party te probeer dryf. Die uiteindelike kop wat hulle eis, is dié van mnr. Pik Botha, die Minister van Buitelandse Sake. Daar word openlik van „liberale" en „linkses" binne die party gepraat

Die verkiesing verlede Saterdag van dr. A. P. Treurnicht tot Transvaalse leier — en dit met die hoofsaaklike steun van dr. Mulder se ondersteuners — asook die geslaagde poging om mnr. Pik Botha as lid van die dagbestuur te laat terugstaan, was vir sekere elemente in die Mulder-kamp glo verdere aansporing.

Dit het onder RAPPORTse aandag gekom dat daar nou op subtiele en minder subtiele manier veldtogte teen sekere Volksraadslede gevoer word.

Dit is hoofsaaklik gemik teen die mense wat mnr. Pik Botha in die premierstryd gesteun het. Hulle word nou nog — en na die bars van die Inligtingsbom — verdeel oor hul aandeel om te voorkom dat dr. Mulder Eerste Minister word.

Mnr. Piene du Plessis was verlede Saterdag een van die eerste slagoffers van die Mulder-kamp deurdat hy nie weer die paneel van sestien benoemdes in die hoofbestuur kon haal nie. 'n Ruk daarna het mnr. Pik Botha, nà dit duidelik geblyk het dat daar ook teen hom georganiseer was, besluit om hom ook nie weer vir die dagbestuur verkiesbaar te stel nie.

Vrydag het die oggendblad Beeld die rusies onder die Transvaalse Nasionaliste na die oppervlak gebring met 'n berig dat die Mulder-kamp dr. Connie Mulder volgende jaar verkies wil kry as die voorsitter van die Buitelandse Sake-studiegroep van die Nasionale Party in die Parlement. Mnr. Dawie De Villiers is tans voorsitter van die studiegroep.

In die berig is melding gemaak van die „heksejag teen die Jong Turke" van mnr. Pik Botha wat aan die gang is, en word dr. Mulder en dr Treurnicht se ondersteuners in een asem genoem as synde aan dieselfde kant van die draad.

Dr. Treurnicht het daarop in die twee middagblaaie wat hom in die Transvaalse leierskap openlik gesteun het, Die Vaderland en Hoofstad, skerp gereageer. Hy het gesê dat die beskuldigings van „heksejagte" nie bevorderlik is vir die eenheid wat nou nodig

* VERVOLG OP BL. 23 *

from the improved health of their children and produce good food from their own cattle and very little money. Other projects to mothers ways in which they could "grow" money from their very limited resources, and help them set these up. The projects were the communal garden, the vegetable bulk-buying and hawking scheme, a grass-mat making project and various others. People who wanted to could use their profits from these activities to slowly build up enough "down payment" to be able to participate in a scheme whereby the government subsidises the purchase of good milk cows.

"Whereas the creche project has been going very badly[58] the women's groups have had considerable success in

In Dlebe (The pilot project area of a Community Development Association, Zisizeni Helwel, based near Melmoth in Zululand) many people agreed that the idea of a community centre was worthwhile. However there was no carry through to actually establishing the project. (57)

Another project there is that women collect money to build rooms at the clinic for those about to deliver babies, and also rooms for the clinic to be held in outlying areas. Here again there has been support from some people, but not enough to raise sufficient money to build the rooms.

It appeared (though from only one visit) that the most successful projects at Dlebe are small producer groups engaged in some entrepreneurial activity, eg., a blacksmith group, a block-making group and one engaged in agricul-

OPSIENBARENDE ONTHULLINGS

* VERVOLG VAN BL. EEN *

nie. Ek wil nie daaroor praat nie."

Later in die onderhoud het hy in effens ander verband gesê „dit is alles in die hande van die Staatspresident en die Kabinet. Derhalwe moet ons maar net sit en wag."

Die eerste verslag van die kommissie het die „wese en kern" van sy opdrag deurgrond, maar in die loop van sy ondersoek het „leite en nuwe terreine" vir ondersoek aan die lig gekom, sodat die kommissie se sittingstyd met vyf maande verleng is, het min. Botha Vrydagoggend gesê.

Regter Erasmus lig toe: „Jy handel met een aspek en dan kom nuwe aspekte en dit lei tot nuwe getuenis. Ons voel dit [illegible] ersoek word om die hele kwessie uit te sny."

„Wat byvoorbeeld vaste eiendom. Dan praat iemand van vaste eiendom wat met publieke geld gekoop is, en dan moet dit ondersoek word."

Die Eerste Minister se aankondiging dat die kommissie se ondersoek verleng word, gee ook geleentheid „aan mense wat kennis dra van dinge om nou te voorskyn te kom" sê regter Erasmus. Hy is oortuig daarvan dat daar nog sulke mense is, sê hy.

RAPPORT: Dui die verlenging van die ondersoek daarop dat die kommissie op dinge afgekom het wat hy nie verwag het nie?

Regter Erasmus: Ek wil nie daarop antwoord nie. Ons het leidrade wat na persone kan wys wat hulle aan dinge aandadig gemaak het en daardie leidrade wil ons opvolg.

RAPPORT: Wat is die omvang van die ongerymdhede wat reeds oopgevlek is?

Regter Erasmus: As ek vir jou sê „gaan myn vir diamante", hoe kan jy sê wat die omvang gaan wees? Ons wil die hele ding oopvlek. Dis die doelstelling van die kommissie. Wat ons alles gaan kry, weet ek nie.

Regter Erasmus het gesê die kommissie se mandaat is nagekom, „maar daar is areas wat ons nog sal moet opklaar as ons die hele ding wil suiwer."

Hy wil nie praat oor nuwe fasette wat nou ondersoek gaan word nie. „As jy geld verduister het en ek praat nou daaroor, dan klim jy môre op 'n skip. 'n Mens kan slapende honde wakker maak."

Regter Erasmus het gesê die Eerste Minister het hom aangestel en gesê hy wil Suid-Afrika skoonkry van alle wanadministrasie en korrupsie. Dit was die agtergrond vir sy opdrag.

„Die Eerste Minister kan nie verder met boeie aan sy voete loop nie. Dit moet afgehaal word. Dit was die groot doel van die kommissie," sê die regter.

Die eienskap van die kommissie was dat dit geheel en al uit regsgeleerdes bestaan het. Tot die sekretaris is 'n regsgeleerde.

Dis dus duidelik dat 'n getuie nie veel kans gehad het om politieke stories te vertel of op verbeeldingsvlugte te gaan nie.

„Vir party van hulle was dit seker nie 'n aangename ondervinding nie," merk regter Erasmus op. Moeg maar tevrede. Sy verslag beslaan 3 883 bladsye getuienis.

Advv. H. G. Klem, Prokureur-generaal van Natal, en adv. H. F. van Zyl, hoofstaatsaanklaer in Windhoek, sal nou voltyds voortgaan met die opspoor en koordineer van getuienis, en regter Erasmus sal heeltyd in noue voeling met hulle bly. Die kommissie sal dan van tyd tot tyd byeenkom om getuienis te evalueer. Hy sal sy werk aan die einde van Mei 1979 afsluit.

for its finish and size. Nobody was paid to help build it, it was all built by voluntary labour. People in the area say that this was due to Nombula's advertising and co-ordination. While I was staying in Abalimi I noticed that even after extensive advertising Mr Nambula personally goes round and collects people before every important meeting. It was obvious that many people who did then come would not have come otherwise.

At Umlambo, where SAVS students were involved in building a clinic, it was mainly through the effort of one man, Joki Stuurman, that the project succeeded. He made sure that people came to build, acted as foreman on the site to co-ordinate who worked where and that time was productively spent. He organised that different people bring food every day so that the work parties function as illima. When the students had left he went on working on the building, often with just one or two men. If materials ran short he would go to Idorophu to ask that the Flubi Tribal Office provide them.

After the clinic was built he told me that the people who said Umlambo was "progressive" and that the villagers were different from those in other places did not know or understand what had gone on. He said that while people do want a clinic they do not believe that this clinic will belong to them; he had to go to every house and teach people before they accepted this. Every morning before building started he would go to people's houses and ask them to come and build. There were several strong young men who came to build every day and who were by far the most hardworking people on the site. Apart from 2 or 3 scholars they were migrants on holiday for December. Stuurman said that it is only the migrants who understand about progress and development, and that the only time you can get anything done is over Christmas, the rest of the people only come to work parties so they can get drunk.

It turned out that 2 of the school pupils had been staying with him during the building. He said that otherwise they would not have been able to get food while they were working for nothing.

WET MOET KIK

Rapport 3/12/78 (259)

Deur THINUS PRINSLOO

DIE vraag of getuienis gepubliseer mag word of nie, is steeds 'n tameletjie vir die Van der Walt-kommissie wat ondersoek instel na beweerde oortredings van die valutabeheermaatreëls.

Ná net die eerste week se sittings is daar 'n groot kloof hieroor tussen mnr. Hennie van der Walt, voorsitter, en mnr. Harry Schwarz, PFP-LV vir Yeoville.

Mnr. Van Der Walt, LV vir Schweizer-Reineke, sê hy skaar hom steeds by die regsmening wat die Kommissiewet so interpreteer dat getuienis nie gepubliseer mag word voordat dit nie in 'n verslag uitgebring word nie.

Hy berus hom egter by die besluit van die kommmissie vandeesweek om wel die pers toe te laat om getuienis van dag tot dag te publiseer — met 'n paar voorbehoude.

Hy bieg egter dat hy nog nie na die „Kommissiewet spesifiek gaan kyk" het nie en sê, „dit lyk my ek sal moet".

Die Mostert-kommissie — voorganger van die Van der Walt-kommissie — is ontbind nadat regter Anton Mostert die Kommissiewet anders as mnr. Van der Walt vertolk en getuienis aan die pers beskikbaar gestel het

Kompromis

Vandeesweek het groot verwarring weer geheers oor die vraag of getuienis gepubliseer mag word of nie.

Mnr. Van der Walt, het Woensdag volgens berigte gesê sy vertolking van die Kommissiewet is: Hoewel getuienis in die openbaar aangehoor mag word, mag dit nie gepubliseer word nie.

Donderdag tydens die sitting van die kommissie was daar groot verwarring onder

Volgens berigte het mnr. Van der Walt aanvanklik bevestig dat getuienis nie gepubliseer kan word nie, maar 'n uur later gesê getuienis mag gepubliseer word omdat die getuies daartoe ingestem het.

In 'n verklaring wat aan Sapa uitgereik is, het mnr. Harry Schwarz gesê as berigte oor mnr. Van der Walt se vertolking van die Kommissiewet korrek is, beskou hy dit as 'n onjuiste weergawe van die wet.

Mnr. Van der Walt het by navraag gesê mnr. Schwarz vertolk die Kommissiewet anders as hyself. Daar is in die regswêreld 'n verskil oor die saak.

„Ons het eintlik nou 'n kompromis-situasie, nl. dat ons in die openbaar sal sit behalwe waar dit staatsveiligheid raak, of wanneer 'n getuienis se identiteit beskerm moet word, of wanneer die kommissie beraadslaag

„Verder is dit oop en kan die pers die getuienis publiseer mits die getuies nie beswaar het nie."

Mnr. Van der Walt het gesê as getuies hul identiteit wil dig hou, sal die pers nie toegelaat word nie. So nie kan mense afgeskrik word om te kom getuig.

Dit kan gebeur dat die kommissie 'n dag of twee, drie later wanneer die getuienis gesif word, dit aan die pers gee. Die name van getuies sal nie genoem word nie.

Die middagkoerant The Star het Vrydag in 'n hoofartikel gesê die proklamasie waarvolgens die kommissie aanstel is, maak nie melding daarvan dat getuienis verswyg kan word op versoek van 'n getuie nie.

Mnr. Van der Walt se kommentaar hierop aan RAPPORT was dat dit „basies seker" korrek is. Hy het bygevoeg dat hy nie spesifiek op die Kommissiewet ingegaan het nie, maar hy werk volgens opdragte wat hy voor hom het.

„Ek het nie na die Kommissiewet spesifiek gaan kyk nie. Dit lyk my ek sal moet."

Mnr. Van der Walt sê hy is „maar net die voorsitter van die kommissie. Die hele land se regswêreld is verdeel oor die interpretasie."

Voorts het hy gesê mnr. Schwarz se groot probleem gaan eintlik oor die vraag of 'n man hom op die Wet op Amptelike Geheime kan beroep en dan weier om getuienis voor die kommissie af te lê.

Hy sê sen. Owen Horwood, Minister van Finansies, het aan mnr. Schwarz geskryf dat hy niemand kan verplig om die wet te oortree nie.

Mnr Van der Walt sê sy voorsitterstoel is „vuurwarm" en dit is 'n baie moeilike taak wat hy het „Daar is 'n verskriklike klomp emosie om die storie."

on projects

developed had these not been there.

...itation.

...nt to projects

...elieve that they

...onomic environment

...nge the basic

...uld depend on their

...political structure.

...ange may be crucial,

...uence people's

...xample, how

... they run

...thers I shall

...rural development

...analysis of the present

the workings of the present system and

...r places in the existing social order

...erves wh... potential

Donderdag tydens die sitting van die kommissie was daar groot verwarring onder persmense hieroor.

discover... experience and assessment,

...rojects which foster equitable development

DIE paspoorte van die twee Rhoodie-broers, drr. Eschel en Deneys, is deur die Departement van Binnelandse Sake ingetrek.

Min. A. L. Schlebusch het gisteraand op navraag van RAPPORT die feit bevestig, maar hy wou geen verdere kommentaar lewer nie. Rapport 3/12/78

● Dr. Eschel Rhoodie is in die buiteland en kon nie bereik word om sy kommentaar te kry nie. Hy het op 19 November na Europa vertrek nadat hy byna drie dae lank voor die Erasmus-kommissie getuig het.

● Dr. Deneys Rhoodie was by sy huis in Pretoria. Toe RAPPORT hom bel, het hy bondig gesê: „Ek lewer geen kommentaar nie. Ek het niks te sê nie." Hy het ook vroeër voor die kommissie getuig.

Die Erasmus-kommissie, wat vandeesweek die eerste deel van sy werk afgehandel het is deur die Regering aangestel om die gewese Departement van Inligting en beweerde wanpraktyke te ondersoek.

Dr Eschel Rhoodie was Sekretaris van die departement en sy broer Adjunk-sekretaris. Albei het vroeër vanjaar, toe die woelinge om die departement begin, met vervroegde pensioen afgetree.

Mev. Cathy Rhoodie, vrou van dr. Eschel, het gistermiddag laat uit Switserland in Johannesburg aangekom. Sy het vroeer as haar man teruggekeer omdat sy griep het Die egpaar is saam op 19 November na Frankryk.

(Dr. Eschel Rhoodie was juis oorsee toe hy op 8 November sy reis onderbreek om na Suid-Afrika terug te keer vir sy getuienis voor die Erasmus-kommissie.)

Mev Rhoodie het gisteraand gesê haar man het haar op Zurich se lughawe gegroet en hy sou gisteraand daarvandaan na Londen vlieg Sy sou hom teen Woensdag of Donderdag terug in Suid-Afrika

In Londen gaan hy by Nederlandse vriende tuis. Sy weet nie wat hul van is nie en dit is totaal onmoontlik om met hom in aanraking te kom.

Toe dit aan haar gestel word dat RAPPORT met dr. Rhoodie oor die intrekking van sy paspoort wil gesels, het sy gesê daar is al vroeer sulke dinge gesê

Daar is gesê hulle gaan sy paspoort terugroep voordat hy voor die kommissie getuig het. Toe het hy getuig en die kommissie het aan hom verlof gegee om weer oorsee te gaan

„Ek het verstaan die sprake van intrekking het gekom van regter Frasmus via 'n minister of iemand anders Dit was regtig amptelik"

Mev. Rhoodie sê toe haar man so, haltpad klaar, was met sy getuienis voor die kommissie, het hy verneem dat daar 'n plan was om sy paspoort in te trek. Die gedagte het glo ontstaan voordat hy getuienis gelewer het

Hy was van mening dat sy verduidelikings, enige gerugte van die terugtrekking van sy paspoort die nek ingeslaan het.

Dr. Rhoodie het op Vrydag, 17 November, sy getuienis voltooi. Daarna is hulle saam oorsee

Mev. Rhoodie vertel: „Na sy getuienis het hy die kommissie gevra of hy oorsee kan gaan, want hy kan nie sy nuwe werk in die steek laat nie As hy nou sy werk moet verloor omdat hy nie die saak afgehandel kry nie, wie gaan hom weer werk gee met die maniet waarop hulle aangaan?"

* VERVOLG OP BL. 23 *

Paspoorte ingetrek

* VERVOLG VAN BL. EEN *

Toe dit aan haar gestel word dat RAPPORT ook haar man se kant van die storie wil hoor, het sy gesê: „Ek dink ons het die stadium bereik dat sy kant van die storie niks en niemand gaan help nie. Definitief nie vir hom nie."

Sy glo haar man se getuienis was stellig bevredigend — „hy is die enigste ou wat nie die skuld op iemand anders gepak het nie (who didn't pass the buck)"

Mev Rhoodie sê sy voel nou soos die vrou van die man in die film A Man for All Seasons.

Mev Rhoodie het ten slotte gesê genl Hendrik van den Bergh se dogter het gisteraand getrou, maar sy was te siek om daarheen te gaan — „mev. Van den Bergh gaan my ophang daaroor"

	C	Total
		11 269
		11 625
		10 870
		12 339
		12 066
		12 613
		12 869
		12 967
		14 049
		14 785
..	..	14 594
..	..	15 629
..	..	17 625
..	..	18 650
..	..	18 198
..	..	18 913
..	..	18 536
..	..	19 005
..	..	21 584
..	..	23 478
1 109	20 427	24 061
1 032	17 099	20 294
1 213	18 556	22 025
1 376	18 861	22 450
1 270	18 145	21 538
1 147	17 583	20 827
1 434	17 012	20 546
1 205	17 985	21 395
1 154	17 782	21 102
1 232	18 031	21 247
1 209	14 232	17 319
		16 877

			286			
1973	1 911	19 484	294	1 205	17 985	21 395
1974	1 921	19 181	245	1 154	17 782	21 102
1975	1 703	19 544	281	1 232	18 031	21 247
1976	1 618	15 701	260	1 209	14 232	17 319
1977						16 877

JUNE GOES OVER TO HEAD RSE

3/12/78
Sun. Times
259

THE Erasmus Commission has uncovered new areas for investigation which will almost certainly take its Information Department probe overseas.

By EUGENE HUGO

It is not inconceivable that commissioners will have to travel beyond South Africa's borders before investigations end on May 30.

This was told to the Sunday Times this week by an unimpeachable source who said: "Certain inferences will be able to be made from the interim report tabled in Parliament next week.

"Those point — outside South Africa. To complete its work, the commission will have to pursue them."

The overseas pointers are understood to be the new facets and areas to which the Prime Minister, Mr P W Botha, referred when he announced that the Erasmus Commission's life had been extended

That was only days before the showdown Parliamentary debate on the scandal surrounding the defunct Information Department.

In his shock announcement late on Friday, Mr Botha said an independent accountant, an auditor and the Commercial Branch of the Police would be called in to help with the investigation

Claimed

This is claimed in Nationalist circles to be an unequivocal indication that criminal charges could follow the completion of the commission under the chairmanship of Mr Justice R P B Erasmus

The commission's first report and recommendations will be released to MPs, Senators and the Press on Tuesday in preparation for Thursday's debate.

At the same time Mr Justice Erasmus gave this assurance to the Sunday Times:

"I will see to it as a man that things will be put right so that South Africa can return to normal."

Opposition spokesmen have expressed fears that extension of the commission may limit the scope of next week's debate.

But Mr Justice Erasmus gave an assurance that the interim report would enable Parliament to debate the matter meaningfully.

He made it clear that the report would have far-reaching consequences.

Condensed

The 105-page report has 14 chapters condensed from more than 3 000 pages of testimony given by 24 witnesses.

Among the witnesses who gave the longest testimony were the former Minister of Information, Dr Connie Mulder, and his prematurely retired Departmental Secretary, Dr Eschel Rhoodie.

Mr Justice Erasmus has indicated that he still wishes to call former officials of the department, including Mr Les de Villiers and Mr Koos Waldeck and members of the disbanded Foreign Affairs Association of Mr Cas de Villiers

Mr Justice Erasmus said on TV earlier this week that his commission had approached its work fearlessly and without regard for rank.

ADVERTENSIE ADVERTENSIE 221 ADVERTENSIE ADVERTENSIE ADVERTENSIE ADVERTENSIE

DTA – DIE ENIGSTE VOLKSBEWEGING IN AFRIKA

WAAROM IS DIE REPUBLIKEINSE PARTY VAN SWA GESTIG?

Die Turnhalle, waarin die 11 verskillende bevolkingsgroepe van SWA verteenwoordig was, het gedurende die periode 1 September 1975 tot 18 Maart 1977 'n grondwet vir 'n tussentydse regering opgestel wat deur al 11 die groepe met konsensus aanvaar is

Gedurende die opstel van hierdie grondwet vir 'n tussentydse regering het die 10 swart en bruin bevolkingsgroepe *sekere bepalings aanvaar op voorwaarde dat dit net vir die tussentydse regering sou geld* en het hulle daarop aangedring dat wanneer die finale grondwet opgestel sou word, hulle weer na hierdie punte wou kyk Verder het hulle dit baie duidelik gemaak dat die hou van 'n blanke referendum nie later as 'n argument gebruik moes word waarom die grondwet nie verander kon word nie *Dit is ook om hierdie rede dat die algemene vergadering van die Turnhalle geweier het om kennis te neem van die hou van die blanke referendum* Mnr du Plessis het ook, gedurende die bespreking van hierdie mosie, die belofte aan die swart en bruin leiers gemaak dat hulle later weer alle geleentheid sou hê om wysigings aan die tussentydse grondwet aan te bring

Toe die instelling van 'n tussentydse regering in Maart 1977 skipbreuk gely het omdat die Westerse Lande tussenbeide getree het, is daar besluit dat die Administrateur-generaal voortaan sou optree as tussentydse regering en dat daar 'n verkiesing op die grondslag van een mens een stem gehou sou word Die moontlikheid dat die tussentydse regering die finale grondwet sou opstel, het dus toe verval en die Grondwetkomitee van die Turnhalle moes voortgaan om die finale grondwet op te stel Toe die Grondwetkomitee die eerste keer bymekaargekom het om finaal na die grondwet te kyk, was dit uit die staanspoor baie duidelik dat die tien swart en bruin groepe gaan aandring op sekere wysigings in die grondwet

In daardie stadium het mnr Mudge, as lid van die blanke afvaardiging, gepoog om 'n bespreking binne die Nasionale Party af te dwing om oor hierdie wysigings te praat sodat die blanke afvaardiging eenstemmigheid kon bereik oor hul standpunt t o v die eise van die swart en bruin leiers Aanvanklik kon hy nie daarin slaag om so 'n bespreking te verkry nie, maar nadat aansienlike druk uitgeoefen is, is die geleentheid vir so 'n bespreking geskep toe 'n konferensie van die NP belê is

Voor hierdie vergadering is 'n agenda opgestel waarin die verskilpunte aangestip is vir bespreking deur die hoofbestuur van die NP Reeds by die aanvang van die vergadering het dit baie duidelik geword dat mnr Du Plessis, en sy kollega wat vandag nog in die SWA NP is, nie van plan was om enige wesenlike wysigings aan die *tussentydse grondwet* aan te bring nie In plaas daarvan dat hierdie verskille deeglik bespreek is, het die hoofbestuursvergadering ontaard in 'n persoonlike aanval op mnr Mudge en die lede wat sy standpunt gedeel het

Hierdie vergadering het geëindig sonder dat die NP standpunt ingeneem het ten opsigte van die eise van die swart en bruin leiers Mnr Mudge se standpunt was dat as die blanke nou sy belofte in dié verband sou verbreek, hy nooit weer vertrou sou word nie

Ná hierdie mislukte hoofbestuursvergadering, het mnr Mudge aangekondig dat hy hom by die volgende kongres as leier van die NP verkiesbaar gaan stel Hy het hierdie besluit geneem omdat dit die enigste oorblywende uitweg was om by die kongres sy standpunt te stel en te toets Die feit dat hy hom as leier verkiesbaar gestel het, het dus nie gegaan oor leierskap nie, maar omdat hy die geleentheid wou hê om sy standpunt duidelik te stel en sodat die kongres hulle oor die twee standpunte kon uitspreek Dit was reeds lank voor die kongres baie duidelik dat die man wat in hierdie stryd sou verloor, slegs een van twee keuses sou hê Eerstens om hom te onderwerp aan die meerderheid en dus sy standpunt op te offer, of tweedens, dat die verloorder moes loop Die verkiesing was dus nie 'n leierskapsverkiesing nie, maar veel eerder 'n geleentheid vir die kongres om te besluit wie se standpunt hy aanvaar, dié van mnr Mudge, of dié van mnr Du Plessis

Die uitslag van hierdie verkiesing, en die gebeure daarna, is reeds alom bekend Die belangrikste verskilpunt vandag tussen die RP en die NP van SWA, handel oor die gesagsgebied van die tweedevlak-owerheid Dit is ook hoofsaaklik oor hierdie verskilpunt dat mnr Mudge besluit het om die RP te stig

Die SWA NP gaan van die standpunt uit *dat die gesagsgebied van 'n tweedevlak-owerheid 'n geografiese gebied is* Met ander woorde, tweedevlak-owerheid sal byvoorbeeld seggenskap hê oor 'n gebied ongeag wie in daardie gebied bly Indien daar dus baie mense van ander groepe in daardie gebied bly, *sal hulle hul moet onderwerp aan die wette van daardie verteenwoordigende owerheid, sonder dat hulle enige seggenskap gehad het in die aanstelling van daardie owerheid*

Die RP aan die anderkant, en dit is ook die beleid van die DTA, gaan van die standpunt uit dat *die gesagsgebied van 'n verteenwoordigende owerheid die lede van sy bevolkingsgroep is, waar hulle ook al mag woon*

Volgens die RP-beleid kan jy dus nie die geval kry waar lede van 'n bevolkingsgroep, bloot omdat hulle op 'n bepaalde plek bly, hulle moet onderwerp aan die wette van 'n ander tweedevlak-owerheid nie Hierdie vertolking van die RP en die DTA is in 'n groot mate in ooreenstemming met dit wat nou in Suid-Afrika vir die Kleurlinge en die Indiërs beoog word Met ander woorde, 'n verteenwoordigende owerheid vir die Kleurlinge en die Indiërs, met gesag oor sy groep en nie oor 'n bepaalde stuk grond nie

Grond, hetsy deur 'n individu of groep besit, word deur die DTA as eiendom beskou Of 'n individu sy plaas as eienaar bestuur en of 'n groep, byvoorbeeld die Kavango, hulle grond gesamentlik as eienaars volgens tradisie bestuur, dit bly steeds eiendom en daar word geen konstitusionele en/of politieke waarde daaraan geheg nie

DIE BELANGRIKHEID VAN DIE EEN-MENS-EEN-STEM-VERKIESING

Na baie jare wat die inwoners van SWA/Namibië geen inspraak gehad het in die besluitneming wanneer daar oor hul toekoms besluit is nie, het 'n nuwe tydperk van besluitneming oor hul toekoms, in 1975, vir die inwoners aangebreek

Een baie belangrike probleem het egter reg van die begin af ontstaan, naamlik wie is nou werklik die leiers wat namens die inwoners kan praat Reeds in 1975 was daar ongeveer 30 verskillende politieke partye in SWA/Namibië Elkeen van hierdie partye het daarop aanspraak gemaak dat hulle òf namens 'n bepaalde bevolkingsgroep, òf in sommige gevalle namens al die mense van die land praat

Tydens die onderhandelings met Suid-Afrika en die vyf Westerse Lande het dié probleem telkens weer na vore gekom — soseer dat die inwoners gefrustreerd begin raak het omdat hulle wense deur sekere partye verkeerd vertolk en dan so verkeerdelik oorgedra is Hierdie frustrasie het sy hoogtepunt bereik met die aankoms van mnr Ahtisaari in Windhoek

Ondersteuners van die DTA het openlik begin aandring op die hou van 'n verkiesing voor 31 Desember 1978, sodat die ware leiers van die inwoners van SWA/Namibië aangewys kon word Toe Suid-Afrika finaal aangekondig het dat 'n verkiesing wel nog hierdie jaar gehou sal word, het die inwoners die geleentheid met albei hande aangegryp Die beste bewys hiervan is dat meer as 90% van die stemgeregtigde kiesers van SWA/Namibië geregistreer het as kiesers

Hierdie besluit van die Suid-Afrikaanse Regering is in ooreenstemming met die wense van die oorgrote meerderheid van die inwoners van SWA/Namibië, omdat daar nou eens en vir altyd besluit sal word watter politieke party nou werklik namens die meerderheid inwoners van SWA/Namibië praat

Die verkiesing van leiers tussen 4 en 8 Desember 1978 behoort Suid-Afrika se onderhandelings in die toekoms met die vyf Westerse Lande aansienlik te vergemaklik omdat Suid-Afrika nou 'n liggaam sal hê, naamlik die Grondwetgewende Vergadering, met wie hy kan onderhandel net soos die vyf Westerse Lande slegs met een party onderhandel, naamlik Swapo

WAAROM EN VIR WIE MOET EK STEM?

Na die aankondiging dat 'n verkiesing wel voor einde 1978 gehou sal word, veg die DTA op twee fronte Eerstens, teen die vier partye wat saam met hom aan die verkiesing deelneem, en tweedens, teen die res van die partye wat hul ondersteuners aanspoor om die verkiesing te boikot

Hoe veg die DTA teen die partye wat probeer om die verkiesing te verongeluk? Deur alle inwoners aan te moedig om wel te stem Deur te stem, verslaan ons vyand nommer een Deur te stem, veg elkeen teen 'n marxistiese dwingelandy, bloed en armoede Deur te stem, verseker elkeen dat godsdiensvryheid sal bly voortbestaan Bloot deur te stem, toon elkeen sy misnoeë in Swapo, handperd van die kommunisme, wat met geweld die mag in SWA/Namibië wil oorneem

Hoe veg die DTA teen die ander vier partye wat saam met hom aan die verkiesing deelneem? Die DTA maak in hierdie geveg staat op sy grondwet wat deur die leiers van die elf bevolkingsgroepe van SWA uitgewerk en met konsensus aanvaar is 'n Realistiese grondwet vir 'n unieke situasie

Alleen deur vir die DTA te stem, kan elke kieser seker wees van sowel verteenwoordiging in die Grondwetgewende Vergadering as gelyke seggenskap daarin Deur vir die DTA te stem, is elke bevolkingsgroep verseker dat hy sy eie belange kan behartig, dat hy nie deur ander oorheers sal word nie, dat daar nie net na één groep se belange gekyk sal word nie, maar na elke groep s'n, hoe klein ook al Dit is meer as wat enige ander party kan sê Die DTA het reeds aangekondig dat hy gelykop deur al elf bevolkingsgroepe verteenwoordig sal word

DTA — WEGWYSER VIR AFRIKA

Wat die *Demokratiese Turnhalle-Alliansie* van ander politieke bewegings onderskei, is dat dit aan alle bevolkingsgroepe permanente verteenwoordiging sowel as gelyke seggenskap in sy besluite gee Dit verminder die moontlikheid van oorheersing en etniese polarisasie

In die meeste Afrika-state het die politieke elite van een van die bevolkingsgroepe die regeringsmag oorgeneem, en alle opposisie vanuit ander bevolkingsgroepe geneutraliseer Dit het gelei tot die onstabiliteit en ontwrigting wat na onafhanklikheid gevolg het

Die DTA se voorgestelde grondwet berus op die beginsel van magsdeling Terselfdertyd sal elke groep ook die reg verkry om oor dit wat eie aan hom is, self te besluit Politieke stabiliteit kan alleen deur die *erkenning en samewerking* van alle bevolkingsgroepe in SWA/Namibië bewerkstellig word

DIE ONTSTAAN VAN DIE DTA

Met die stigting van die DTA op 5 November 1977, het die Turnhalle Beraad sy finale beslag gekry

In die tyd van die Turnhalle het leierskap ontwikkel, planne en ideale vorm gekry en entoesiasme aangegroei, sonder dat die kragmeting met Swapo en die aanvaarding van aktiewe regering in die vooruitsig gestel is In die laaste fase van die Turnhalle, is daar egter tot 'n een-mens-een-stem-verkiesing en 'n Grondwetgewende Vergadering besluit Maar partypolitieke eenheid, 'n organisasie en beleidstellings het nog ontbreek Die groeiende politieke dinamiek is gestrem deur die Nasionale Party se weerstand teen gesamentlike optrede van Turnhalle-leiers en die onvermoë van die heersende blanke politieke party om as koördinerende en kataliserende faktor in die proses op te tree

Deur die stigting van die Republikeinse Party en die oorname van 'n nuwe dinamiese blanke leierskap deur Dirk Mudge is die pad finaal voorberei vir die stigting van die DTA Enersyds, is die klimaat vir die totstandkoming van 'n vreedsame binnelandse bevrydingsbeweging geskep en, andersyds, is die noodwendigheid van 'n georganiseerde samekoms van politieke partye in een liggaam bevestig

Die grondwetlike verskille wat daar in Oktober 1976 tussen die verteenwoordigers van die Nasionale Party en die res van die Turnhalle ontstaan het, was die aansporing tot 'n breuk tussen die Nasionale Party, wat die Turnhalle groepsgewys en seksioneel wou laat voortleef, en 'n Republikeinse Party wat die konstitusionele konsensus wat reeds in die Turnhalle bereik is, op 'n landwye terrein van politieke eenheid tussen die elf bevolkingsgroepe wou laat voortleef en nog verder uitbou

Die stigting van die DTA op 5 November 1977 was die finale resultaat van die Turnhalle en dit was ook sy grootste sukses.

EENHEID – DIE GRONDSLAG VAN STABILITEIT



PASTOOR C T NDJOBA,
president



DR B J AFRICA,
vise-president



MNR. A MAJAVERO



MNR J J.J JULIUS



MNR G KASHE



MNR D LUIPERT



MNR D F MUDGE,
voorsitter



MNR K I RIRUAKO,
onder-voorsitter



MNR M MAMILI



MNR E H L CHRISTY



MNR PK TIBINYANE

Rhoodies lose their passports

RBM 4/12/78 (259)

By TONY STIRLING

DR ESCHEL RHOODIE and his brother, Deneys, have had their passports withdrawn.

The move against the Secretary and Deputy Secretary of the former Department of Information took effect on Friday.

All South African missions abroad have been advised that the Rhoodies must surrender their passports.

Dr Eschel Rhoodie is abroad He left South Africa shortly after completing his evidence to the Erasmus Commission of Inquiry into the affairs of the department, three weeks ago

Mr Deneys Rhoodie is believed to be in Pretoria, but could not be contacted for comment last night

Mr Justice Rudolph Erasmus, who is heading the Commission of Inquiry into the affairs of the Information Department, said he had not initiated the withdrawal of the Rhoodie brothers' passports

But he agreed the move may have been made as a result of information in his report which was submitted to the State President, Mr John Vorster, on Thursday

The report is due to be made public tomorrow night

The Minister of the Interior, Mr Alwyn Schlebusch, confirmed the restrictions on the Rhoodie brothers to the newspaper, Rapport, on Saturday

The Secretary for the Interior, Mr T J Booyens, said he had received instructions for the move from Mr Schlebusch on Friday

Mr Booyens refused to comment when asked if similar action had been taken against any others

Mr Booyens said that if Dr Rhoodie was at present in a country which had a South African diplomatic mission, the mission should advise Dr Rhoodie of the position

Dr Rhoodie could be issued with emergency travel documents valid for a few days only and offered direct travel facilities to South Africa

Mr Booyens said the minimum penalty for anyone leaving South Africa without a valid passport was three months imprisonment without the option of a fine

A deputy secretary for the Department of the Interior, Mr Johan Pretorius, said last night the Minister was empowered to withdraw the passport of any person

But he would not comment on the circumstances in which the Minister could withdraw the passport of a South African national

The Commissioner of Police, General Mike Geldenhuys, said last night the police had not yet been approached formally to undertake any investigation into matters concerning the department

"There has, as far as I am aware, been no formal approach to the police in this regard," he said

The head of the Commercial Branch, Colonel Theo Scherman, said neither had his branch been approached to undertake any investigation into matters concerning the department

The only connection between the Commercial Branch and investigations into the affairs of the former Department of Information was that two of his senior staff, a major and a captain, had been assisting the Erasmus Commission in gathering evidence.

No passport for Rhoodie

NM 4/12/78
259

ORMANDE POLLOK
Political Correspondent

CAPE TOWN — Dr. Eschel Rhoodie, former Secretary for Information, who is believed to be in England with friends, have to surrender his passport to South African Embassy in London as he hears it has been declared invalid.

His passport and that of his brother, Dr. Deny Rhoodie, the former deputy Secretary for Information, were withdrawn by the Minister of Interior, Mr. Alwyn Schlebusch on Friday. No reasons have been given.

Mr. T. J. Booyens, Secretary for the Interior, said all South African foreign missions in Western Europe, England and North America had been advised of the withdrawal on Friday and asked to check if Dr. Rhoodie, who has been abroad since November 19, was in their area.

The missions would not necessarily have to contact him personally to make the withdrawal effective.

Mr. Booyens said: "It would be enough for him to read about it or hear about the withdrawal on the radio."

He explained that in cases of passport withdrawal, people abroad at the time would have to contact the South African mission in that country where they would be issued with "emergency travel documents."

These were valid for only a few days to enable the person to return home.

"As soon as it comes to his knowledge that the passport is no longer valid he cannot use it. He would have to give good reasons for doing so if he did use it," said Mr. Booyens.

He said that if a person did use an invalid passport it could be taken into consideration when application for a new passport was made.

Mr. Booyens said that in the past the South African authorities had informed foreigners here that their passports had been withdrawn and it was possible that the same could happen to Dr Rhoodie in whichever country he was.

Evidence

He did not know if Dr. Rhoodie had been contacted by any of the South African missions or whether he had reported to them.

Neither of the brothers could be contacted yesterday for comment.

Dr. Eschel Rhoodie returned to Europe on November 19 with his wife Cathy after interrupting a tour to return to South Africa on November 8 to give evidence before the Erasmus Commission into the former Department of Information.

Mrs. Rhoodie, who returned from Zurich alone late on Saturday because she was ill, is reported to have said that her husband had gone to London and that she expected him back on Wednesday or Thursday.

Rhoodie has to give up passport

Cape Times 4/12/78

259

Political Staff

DR ESCHEL RHOODIE, the former Secretary for Information who is believed to be in England with friends, will have to surrender his passport to the South African Embassy in London as soon as he hears it has been declared invalid.

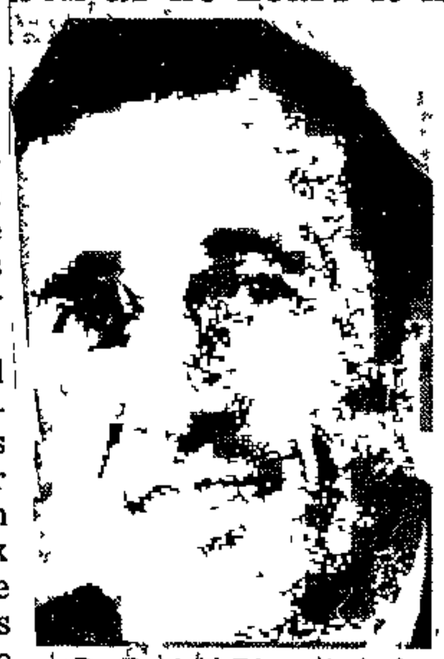
His passport and that of his brother, Dr Deneys Rhoodie, the former Deputy Secretary for Information, were withdrawn by the Minister of Interior, Mr Alwyn Schlebusch on Friday No reasons have been given

Mr T J Booyens, Secretary for the Interior, said that all South African foreign missions in Western Europe, England and North America had been advised of the withdrawal on Friday and asked to check if Dr Rhoodie, who has been abroad since November 19, was in their area

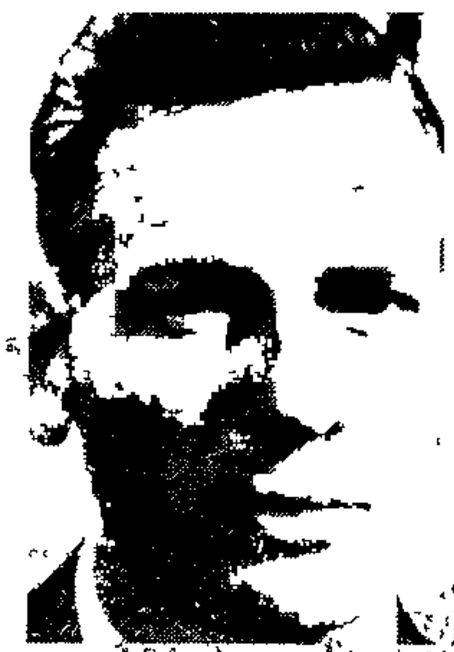
However, the missions would not necessarily have to contact him personally to make the withdrawal effective

Mr Booyens said "It would be enough for him to read about it or hear about the withdrawal on the radio"

He explained that in cases of passport withdrawal, people abroad at the time would have to contact the South African mission in that country where they would be issued with "emergency travel documents"



Dr Eschel Rhoodie



Dr Deneys Rhoodie

Good reasons

These were valid for only a few days to enable the person to return home "As soon as it comes to his knowledge that the passport is no longer valid, he cannot use it He would have to give good reasons for doing so if he did use it," said Mr Booyens

He said that if a person did use an invalid passport it could be taken into consideration when application for a new passport was made

Mr Booyens said that in the past the South African authorities had informed foreigners here that their passport had been withdrawn and it was possible that the same could happen to Dr Rhoodie in whichever country he was

He did not know if Dr Rhoodie had been contacted by any of the South African missions or whether he had reported to them

Neither of the brothers could be contacted yesterday for comment Dr Deneys Rhoodie was in Pretoria but a friend at his house said he was "coming and going all the time" and did not know when he would be in

Returned

Dr Eschel Rhoodie returned to Europe on November 19 with his wife Cathy, after interrupting a tour to return to South Africa on November 8 to give evidence before the Erasmus Commission into the former Department of Information

Mrs Rhoodie, who returned from Zurich alone late on Saturday because she had 'flu, is reported to have said that her husband had gone to London and that she expected him back on Wednesday or Thursday He was staying with Dutch friends but she did not know their name and therefore could not contact him

She told Rapport that there had been suggestions before he gave evidence to the commission that his passport might be withdrawn but that his evidence had stopped this

The commission had given its approval for Dr Rhoodie to return to Europe to complete work there after giving his evidence

RDM 5/12/78 (259)

Erasmus debates crucial for Nats

By HELEN ZILLE
Political Correspondent

THE REPORT of the ERASMUS Commission of Inquiry into the former Department of Information will be made public tonight

It will spark off one of the most crucial National Party caucus debates since the party's rightwing split almost 10 years ago

The caucus meeting will be followed by a special parliamentary debate on the report, beginning on Thursday It could last three days

The 14-chapter, 105-page interim report of the Erasmus Commission is the result of a month's intensive investigation and is expected to touch on startling new aspects of the widening controversy surrounding the now disbanded department

National Party sources have said that tomorrow's caucus meeting will be far more than a forum to determine the party line for the parliamentary debate.

They said it will also provide a platform for a no-holds-barred showdown between the two factions of the party that have been waging a nonstop war since the scandal surrounding the department burst into the open last month

The outcome of the clash, between supporters of Dr Connie Mulder, the former Minister of Information, and his opponents in the so-called "Botha" faction, will be a vital indication to Nationalists of the chances of maintaining party unity

Dr Mulder's supporters will argue that while the projects of his department were unorthodox, they were in the interests of South Africa.

If the other members of the caucus refuse to support that line, Dr Mulder's men are expected to rally to prevent their leader from becoming the only scapegoat

It is no secret within the party that the "Botha" faction, under the Prime Minister, Mr P W Botha and the Foreign Minister, Mr Pik Botha, will do everything in its power to prevent Dr Mulder making a political comeback.

With the cloud of possible criminal proceedings hanging over some officials of the former department, the Mulder faction will find it difficult to argue their point that the projects were justifiable in the interests of South Africa

Behind-the-scenes attempts to prevent Dr Mulder participating in the caucus debate are viewed by both camps as a further move to undermine his position.

Using the argument that a person with vested interests should not be able to participate in the debate, his opponents are hoping they can outflank the rightwing.

The extension of the Erasmus Commission's mandate is likely to be used to avert a final showdown, with the anti-Mulder faction claiming that all relevant facts are not yet available

A further crucial aspect of the debates is the position of the State President and former Prime Minister, Mr Vorster, who was mentioned in the evidence released by the Mostert commission, and testified before the Erasmus Commission

Editorial Comment — Page 12

Business keeps Rhoodie overseas

Dr ESCHEL Rhoodie would return to South Africa when his overseas business was complete, his wife, Mrs Katie Rhoodie, said yesterday. But she would not give any idea when he was due

"While we were overseas in November a cry went up when people thought we were not going to return.

"Through the pressure of well-meaning friends we returned without completing our business. My husband was kicking his heels for about 10 days before testifying for 18 hours before the Erasmus Commission."

She said the Commission told Dr Rhoodie the withdrawal of his passport had been considered, reports Sapa. But Mr Justice Erasmus gave permission for him to return overseas

● The Minister of the Interior, Mr Alwyn Schlebusch, took a very unusual step when he confirmed the withdrawal of the Rhoodies' passports on his instructions, writes TONY STIRLING.

Mr T J Booyens, Secretary for the Interior, said the names of persons whose passports are withdrawn by the Minister are not normally disclosed unless the persons concerned decide to do so

Mr Schlebusch declined to say yesterday whether simular steps were contemplated against anyone else

5/12/78
259

Nat clash looms

Star

Mulder men furious with party newspapers

[illegible] Political Staff

The Star will publish full details tomorrow of the report of the Erasmus Commission on the activities of the former Department of Information, together with reaction from those involved.

The report will be made public tonight and first details will be broadcast by the SABC on both its late radio and television newscasts.

The findings of the Erasmus Commission are to be debated in a special session of Parliament on Thursday. The report is being made public tonight to give MPs a chance to study it before the session and also before the National Party caucus to be held tomorrow.

By Tom Duff, Political Reporter

Mounting anger in the National Party among supporters and opponents of Dr Connie Mulder threatens to explode into a major row in the party caucus meeting in Cape Town tomorrow.

The pro-Mulder faction in the Transvaal was infuriated today by reports in two Afrikaans morning newspapers — both party organs — firmly linking Dr Mulder to the furore over the former Department of Information.

One MP who is a Mulder loyalist claimed today that Dr Mulder was being kicked while he was down "What is being done to him, I would not even do to my worst enemy," he said



This illustration showing Dr Connie Mulder next to former Information secretary Dr Eschel Rhoodie and former head of the Bureau for State Security, General Hendrik van den Bergh, appeared in an Afrikaans morning newspaper. On the left is Mr Justice Rudolph Erasmus.

Mrs Rhoodie is bitter

Own Correspondent

Mrs Katie Rhoodie said today she knew where her husband, Dr Eschel Rhoodie, was and when he was coming back to South Africa — but she was not telling anyone.

But there was nothing sinister in her decision, Mrs Rhoodie said from her Menlo Park, Pretoria, home. "I simply think it is my husband's business and no one else's."

In a bitter and angry outburst Mrs Rhoodie deplored the way her husband had been treated by the authorities.

"It's all been so nasty," she said "I'm not talking about the newspapers — I mean the people who took in his passport."

Shocked

Other MPs said they were shocked by the treatment he had received in Nationalist newspapers which today gave prominent display to the information row, in contrast to some other newspapers which gave greater prominence to the elections in SWA/Namibia.

The information row will reach a climax on Thursday when the report of the Erasmus Commission, which has been investigating the department's activities, is debated at a special session of Parliament.

MPs loyal to Dr Mulder have been shocked by a front-page report in Beeld which says he forfeited his diplomatic passport when he resigned as a Cabinet Minister. The story is juxtaposed between two others which deal with the withdrawal of the passports of former senior Information officials, Dr Eschel Rhoodie, and Dr Deneys Rhoodie.

Van den Bergh

Beeld also carried a page illustration of Dr Mulder, alongside those of Dr Eschel Rhoodie and the former head of the Bureau of State Security, General Hendrik van den Bergh. The newspaper said there was enormous interest in the evidence they gave to the Erasmus Commission.

Beeld also carried a front-page report in which the Minister of the Interior, Mr Alwyn Schlebusch angrily denied that the Rhoodie brothers' passports had been withdrawn for political reasons. The Nationalist afternoon newspaper, Die Vaderland, carried a report yesterday suggesting that this might have been the case.

Die Transvaler said in its main lead story today that there were indications that the storm around Dr Mulder would

To Page ... Col 4

Nat clash looms over Info

Star 5/12/78

From page 1

reach a dramatic climax during the next few days. The newspaper said some "shocking revelations" appeared in the report of the Erasmus Commission.

"Why is Dr Mulder being singled out?" asked one of his supporters. "There are many other people who are involved in this beside him."

Tension is mounting within party ranks over whether Dr Mulder should be allowed to defend himself in Parliament. Nationalist MPs are generally agreed that he should be present at tomorrow's caucus meeting. However they appeared to be divided today over whether he should also speak in Parliament.

His opponents in the party are making no secret of the fact that they are hoping the debate will put an end to his chances of making a political come-back.

Dr Mulder's supporters — and there are many of them — are hoping that he will be able to clear his name.

● **Info debate likely to strain Nat unity — Page 29.**

RDM
6/12/78

259

259

RAND
Daily Mail

ANPA WORLD PRESS AWARD 1966
LATE FINAL

JOHANNESBURG, WEDNESDAY, DECEMBER 6, 1978

259

Price 12c

Info blasted

By MARTIN SCHNEIDER
and HELEN ZILLE

The Erasmus Commission of inquiry into the Department of Information yesterday recommended that activities of the Rhoodie brothers, Eschel and Deneys, be referred to the Attorney-General for possible criminal proceedings.

The sensational report found "irrebuttable indications of large-scale irregularities and exploitation" of the Department's R64 000 000 secret fund, including possible theft and fraud, "through which the State suffered great losses."

A total of R31 000 000 — nearly half the secret fund — was used to fund The Citizen newspaper, and none of this money had been recovered, the Commission found.

Rhoodie's anonymous cash deals exposed

Releasing its interim report, to be debated in Parliament tomorrow, the commission delivered a damning indictment of Dr Connie Mulder, formerly Minister of Information and Transvaal Nationalist leader, and General Hendrik van den Bergh, the former head of the Bureau for State Security

It recommended that the State Attorney should investigate the extent to which the State's assets had been "unlawfully alienated" or affected by the several key personalities in the Information scandal

The people named are Dr Eschel Rhoodie, former Secretary for Information, his brother Dr Deneys Rhoodie, the now-defunct Department's former Deputy Secretary, fertilizer magnate Mr Louis Luyt, who received R13 000 000 of Department funds to launch The Citizen; Mr L E S de Villiers, a former deputy secretary in the Department, and film tycoon Mr Andre Pieterse, who is stated to have used secret funds earmarked for a black film industry to fund a commercial film, "Golden Rendezvous"

The commission cleared of any blame in the affair the former Prime Minister, Mr Vorster, now State President; the present Prime Minister, Mr P W Botha, and the Minister of Finance, Senator Owen Horwood.

But it found that Mr Vorster was responsible for the way in which funds had been allocated to the Department, despite his earlier statements in evidence that he had not been involved and that arrangments for the funding were made between the former Minister of Finance, the late Dr Nico Diederichs, and the Department.

The commission found that millions of rands' of Defence Department funds controlled by Mr P W Botha as Minister of Defence were allocated to the secret Information fund. Mr Botha denied emphatically last month that this had ever happened.

According to the commission's evidence, Mr Botha

CAPE TOWN — Thousands of rands were paid to numerous "anonymous collaborators" with no authorisation other than scraps of note paper or telephonic instructions from Dr Eschel Rhoodie

His brother, Dr Denys Rhoodie, regularly claimed a large sum under the heading "work pay" (werkloon) in his expense accounts, which were paid out even though there is no provision made for such payments in any regulation

In one account, after a trip to the United States in May 1976, Denys Rhoodie claimed about R1 900 "werkloon" in his expenses He calculated this unauthorised fee at R40 per day while abroad

The notes Dr Eschel Rhoodie passed to the accountant for payment were mostly handwritten and often gave no indication as to why the funds were required.

Examples were.

- March 21, 1977· "Please pay Thor R79 000 "

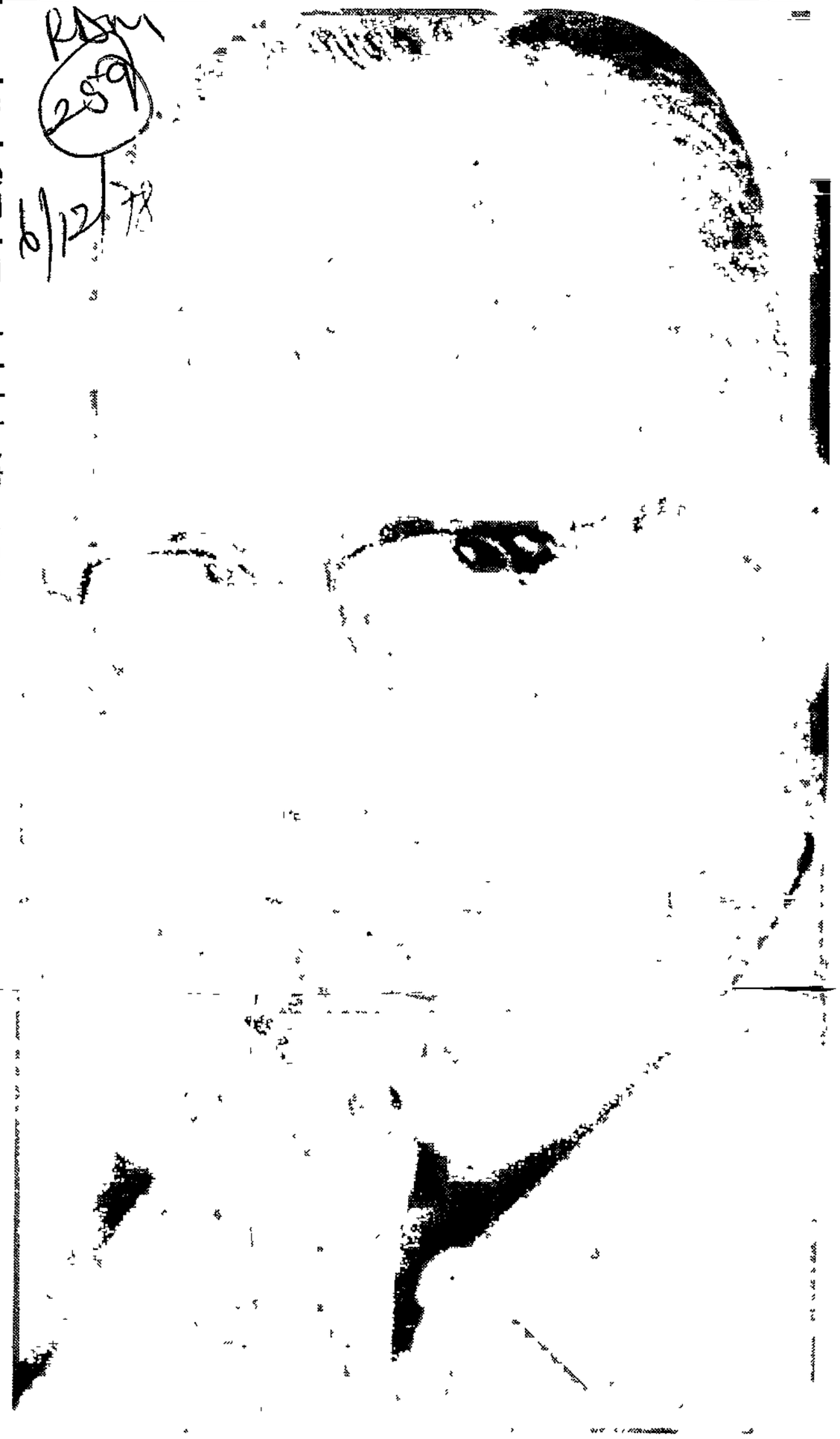
The note was written on a slip of paper from a notebook with the heading· "Re: Thor"

- "Please make cheque out to Van Zyl, Le Roux and Hurter for R217 850 — Debit Thor Communicators Also cheque of R32 000 to Mrs Van Zyl, Le Roux and Hurter

Large sums of cash were drawn from the secret fund for anonymous collaborators without vouchers being filed to prove the moneys were paid to such persons

The payments were made to Dr Rhoodie and he received R76 750 00 in this way between March 1974 and June 1975.

His brother received a total of R9 994 51 in "work pay" which was later recovered from him but which was claimed to have been paid to collaborators —



General Hendrik van den Bergh, former head of the Bureau for State Security, who saw himself as the "power behind the throne" when Mr B J Vorster was Prime Minister, according to the Erasmus Commission.

How the General duped Mr Vorster

Staff Reporter

AN amazing picture of the hidden — and double — role played by General Hendrik van den Bergh, former head of BOSS, in running South Africa emerges from the Erasmus Commission's report

The Commission says the General saw himself as "the power behind the throne" who worked through Mr Vorster as Prime Minister

To gain his ends, he sometimes withheld facts from Mr Vorster, or gave him only selected facts, or traded on his name or simply ignored his instructions

The Commission also records evidence by Mr Lood Reynders of BOSS — at one stage in charge of a secret inquiry into the Department of Information — that he feared that, if he opposed General Van den Bergh, the General would crush (vergruis) him, because "few people in this country realise what power Van den Bergh has at his disposal."

The Commission noted that it "only really saw this statement by Reynders in perspective when Van den Bergh himself testified before us He told the Commission arrogantly that if he wanted to do something nobody would stop him and that he would stop at noth-

ing."

The Commission says that "by virtue of the nature of his functions as head of the Bureau (for State Security) Van den Bergh's role, to use his own words, was to know everything that was going on in South Africa and to report it to his Minister, ie Mr Vorster He was the man who had his ear on the ground

"However, having regard to all the evidence, the Commission is strongly under the impression that Van den Bergh did not confine himself to this role, but ac-

(259) RSM 6/12/78

BOSS probe man 'in fear of life'

Staff Reporter

MR LOOD Reynders, the BOSS man who carried out an investigation into the Department of Information, released a false report — "under tremendous pressure, even in fear of his own life."

In saying this, the Erasmus Commission reports that Mr Reynders had been under constant pressure from Dr Connie Mulder and General Hendrik van den Bergh to bring out a report without delay.

The report, leaked to the Press in September, was designed to help Dr Mulder become Prime Minister.

"Initially Reynders tried to justify the report before the commission, but when the total irreconcilability of the report and the actual facts that were known at the time was pointed out to him, he burst into tears and like a lanced boil, made a clean breast of things.

"The story he then told the Commission bears the stamp of authenticity, of someone who, under tremendous pressure, even in fear of his own life, had to do something about which his conscience had plagued him ever since.

"He testified further that, if it had been left to him, he would never have brought out such a report, but he was placed under tremendous pressure by actions of Dr Mulder and Van den Bergh. He even feared that, if he opposed Van den Bergh, the General would crush him."



Mr Reynders, the BOSS man who cried ... yesterday's picture

RDM 16/12/78

259

RDM 6/12/78

Info spent R32m on The Citizen

259

By HELEN ZILLE
Political Correspondent

PROJECT Annemarie — the secret code name for the Department of Information's Citizen newspaper project — absorbed almost half of the Department's R64-million secret fund

The total amount spent on The Citizen up to the time of the appointment of the Erasmus Commission in November was R31 907 732,73 — almost R5-million more than the R27-million the Rand Daily Mail estimated had been spent on the project The amount has still not been recovered

These were some of the startling facts revealed in the Erasmus Commission's report made public last night

This amount included R220 000 from the secret fund to enable The Citizen to sponsor the 1976 Grand Prix

The report also revealed that contradictory evidence had been given by the State President, Mr Vorster, and other key witnesses on project Annemarie

Mr Vorster's evidence conflicted with that of General Hendrik van den Bergh, former head of BOSS, Dr Connie Mulder, former head of the Department of Information, and Dr Eschel Rhoodie, the Department's former secretary

While these three witnesses claimed Mr Vorster had been aware of The Citizen project from the beginning, Mr Vorster claimed he did not hear of project Annemarie until shortly before the general election in 1977

The Commission accepted Mr Vorster's explanation, and rejected the evidence of the other three.

The report also reveals that on September 28, 1978, when Mr Vorster retired as Prime Minister, The Citizen was still fully controlled by the State, which was still subsidising a monthly loss of up to R400 000.

The Commission also recommended that the State Attorney investigate the extent to which State assets had been "unlawfully alienated or affected" and to what extent they could be secured or recovered.

Judge Erasmus condemned the role of Dr Mulder, Dr Rhoodie and General Hendrik van den Bergh in The Citizen deal.

The newspaper was established to support "the separate development policy of the ruling party," Judge Erasmus found

"Although Dr Mulder tried with purposeful seriousness, supported in similar fashion by Dr Rhoodie, to convince the Commission to the contrary the Commission was not impressed

"Copies of The Citizen which appeared on the day immediately preceding the Nov 1977 election, were submitted to the Commission from which it is indisputably clear that the newspaper positively encouraged voters to vote for the ruling party

The report also gave details of how project Annemarie "became a headache to all concerned."

The initial cost estimate had been found to be a gross underestimate and the amount needed for the newspaper swelled from Mr Louis Luyt's initial R12-million to a total of R31-907 732,73 by November this year.

RSM
259

6/12/78

RAND
Daily Mail

Making of a Frankenstein

THERE is nothing particularly surprising about the main findings of the Erasmus Commission, in which it recommends that legal proceedings be considered against the same people that Mr Justice Mostert pointed to.

Nor are we even surprised at the further disclosure that The Citizen has continued to be financed by the Government since Mr Louis Luyt sold it last February — and that its managing-director and its editor have not been telling the truth with their denials.

We knew this anyway. The only fresh news is that The Citizen has in fact cost the taxpayer a cool R32-million. We thought it was a mere R27-million.

But what is important about this report is to be found in some of Judge Erasmus's other findings and observations

About the grotesque abuse of power.

About how the knowledge of large-scale corruption was covered up for months on end and kept concealed from the public.

And of how men with the highest responsibility in the land knew — but kept quiet.

This is what makes Judge Erasmus's report an even greater bombshell than Judge Mostert's disclosures were

Quite the most shocking feature of the Erasmus Report, to our minds, is its disclosure of the terrifying power wielded by General Hendrik van den Bergh, the founder and until recently the head of BOSS.

What a chilling picture the report portrays of him: a man imagining himself beyond the law, indeed a law unto himself, able to do anything he pleases, seeing himself as the power behind the throne, feeding selected information to and withholding information from the Prime Minister — trying to manipulate him

A man so unscrupulous as to order an investigator to put in a false report to influence the election of a new Prime Minister.

And a man so feared that the investigator did just that — because, he says, he was in fear of his life

What kind of Frankenstein system have we created in South Africa that such an abuse of power could be possible?

And isn't this really the essential lesson in the whole business — that when you cast aside the tried and tested mechanisms of democratic control in the name of "State security", you invite abuses far worse than anything that might be threatening the State.

Create a BOSS with unlimited secret powers and you will create a Frankenstein that will abuse those powers

Create a secret fund of R64-million for "sensitive projects in the national interests", and when you look again more than half of it has been misused and a string of public personalities are up to their necks in corruption.

Finally, but by no means least, the Erasmus Commission raises the important matter of accountability It asserts the principle quite emphatically in the case of Dr Connie Mulder. As head of the Department of Information, it says, he was "accountable for the misdeeds of the officials in the department".

Very well then, what of the others who were involved in this affair? What about Cabinet responsibility as a whole?

The commission is at pains to clear both Mr P W Botha and Mr John Vorster of any involvement in irregularities, and this must be accepted

But it reveals that Mr Vorster knew of these irregularities many months ago. He had numerous reports made to him between June and November 1977. According to Mr Loot Reynders he knew all about the irregularities before the general election last year.

But he didn't tell the public.

It is evident that Mr Vorster knew about The Citizen's financing from November 1977, but he did nothing to stop it — and even permitted a senior member of his Cabinet to assure Parliament six months later that there was no Government money in The Citizen.

As for Mr P W Botha, funds were clearly transferred to Information from the Special Defence Account — although he told a Press conference at the Union Buildings only six weeks ago that this was not the case — while he was the Minister responsible for the Department of Defence.

Moreover, we are told that "it went against the grain (for him) to pretend to Parliament that all funds in the Special Defence Account were spent on defence activities . . ."

Pretend to Parliament? Does that mean the man who is now Prime Minister misled Parliament?

Such are the grave questions and issues which will have to be dealt with in the momentous special session of Parliament which now lies ahead

RDM
6/12/78

THE ERASMUS REPORT

Vorster and PW knew of secret funds

Staff Reporter

ALTHOUGH the Erasmus Commission gives the State President, Mr B J Vorster, and the Prime Minister, Mr P W Botha, a clean bill of health, both are implicated in the secret funds issue

The commission finds that Mr Vorster, when he was Prime Minister, was responsible for an arrangement providing money for the secret funds from the special defence account and that this arrangement "must be regarded as an irregularity from a technical, constitutional and an audit point of view"

In his evidence to the commission, Mr Vorster denied he was in the first instance involved in this arrangement and said it was an arrangement between the late Dr Nico Diederichs and the department

However, in a statement on May 8, 1978, Mr Vorster assumed full responsibility for the way in which funds for the department were made available, because he considered this to be in the best interests of South Africa

The commission says that Mr Botha at no stage indentified himself with, or acquiesced in the arrangement, but it is clear from the report that he knew about it and went so far as to make a pretence to Parliament that all funds in the special defence account were spent on defence activities.

The report states that Mr Botha at all times acted honourably and that he was intuitively against the arrangement and continued to object to it until it was changed by legislation this year

"It went against his grain to have to pretend to Parliament that all funds in the special defence account were spent on defence activities, while part of these funds went to the secret fund, even though a case could be made out for this in view of the onslaught against South Africa," says the report

Mr Botha was totally opposed to the procedure and at no stage was aware of any irregularities "His hands are clean in every respect and his integrity remains unblemished for his great task as Prime Minister," says the commission

The only criticism that could be levelled at Mr Vorster for his role in the use of public funds was that after being alerted about the funding of The Citizen "he did not take steps to get rid of the newspaper" However, his actions throughout were honest, bona fide and devoid of any trace of personal gain and in the commission's view his integrity was unblemished

The report reveals that Mr Vorster was alerted for the first time about possible irregularities in the Department of Information on June 27, 1977, when the former Auditor-General, Mr Gerald Barrie, reported to him.

On the strength of Mr Barrie's subsequent reports, Mr Vorster appointed Mr Lood Reynders to investigate the affairs of the department.

Mr Reynders told the commission he frequently reported to Mr Vorster on the misappropriation of money from the secret funds

One evening, probably in November, 1977, before the General Election, Mr Vorster wanted to confront Dr Connie Mulder, Dr Eschel Rhoodie, General Hendrik van den Bergh and Mr Jan van Zyl Alberts about the information that had been made available to him and a meeting was held at Libertas

Mr Vorster became very depressed, was taken ill at about 11 30 pm and asked to be excused

Rhoodie abroad — and wife won't say where

By TONY STIRLING

WHERE is Dr Eschel Rhoodie, former Secretary for Information?

His wife, Katie, certainly knows but will not tell Yesterday she would only say that he would return home in about a week after completing his business abroad

Mr T J Booyens, Secretary for the Interior, said he had been unable to locate Dr Rhoodie, although he confirmed that South African missions abroad had been alerted on the withdrawal of his passport

The "Mail" understands that, during his present trip, he was to visit Israel, Holland and the United States The former Department of Information was involved in secret projects in all three

Recent reports indicate that Dr Rhoodie has also been in France and Switzerland, other key areas for secret activities It was from Zurich that money was funnelled into the department's secret front, Thor Communicators, via an arm of the Union Bank of Switzerland

In his extraordinary statement on May 5 this year, Dr Rhoodie said he had given instructions — with approval at Cabinet level — for the destruction of documents about the secret projects He was adamant he would never reveal details of them

Yesterday fears were being expressed that, during his present overseas trip, he might be destroying more

Dr Rhoodie left South Africa shortly before Rand Daily Mail and Sunday Express disclosures on the funding of The Citizen

He returned on November 8 to give evidence to the Erasmus Commission and left again on November 19 after completing his evidence

Last Friday the Minister of the Interior, Mr Alwyn Schlebusch, issued instructions for the withdrawal of Dr Rhoodie's passport and that of his brother, Deneys

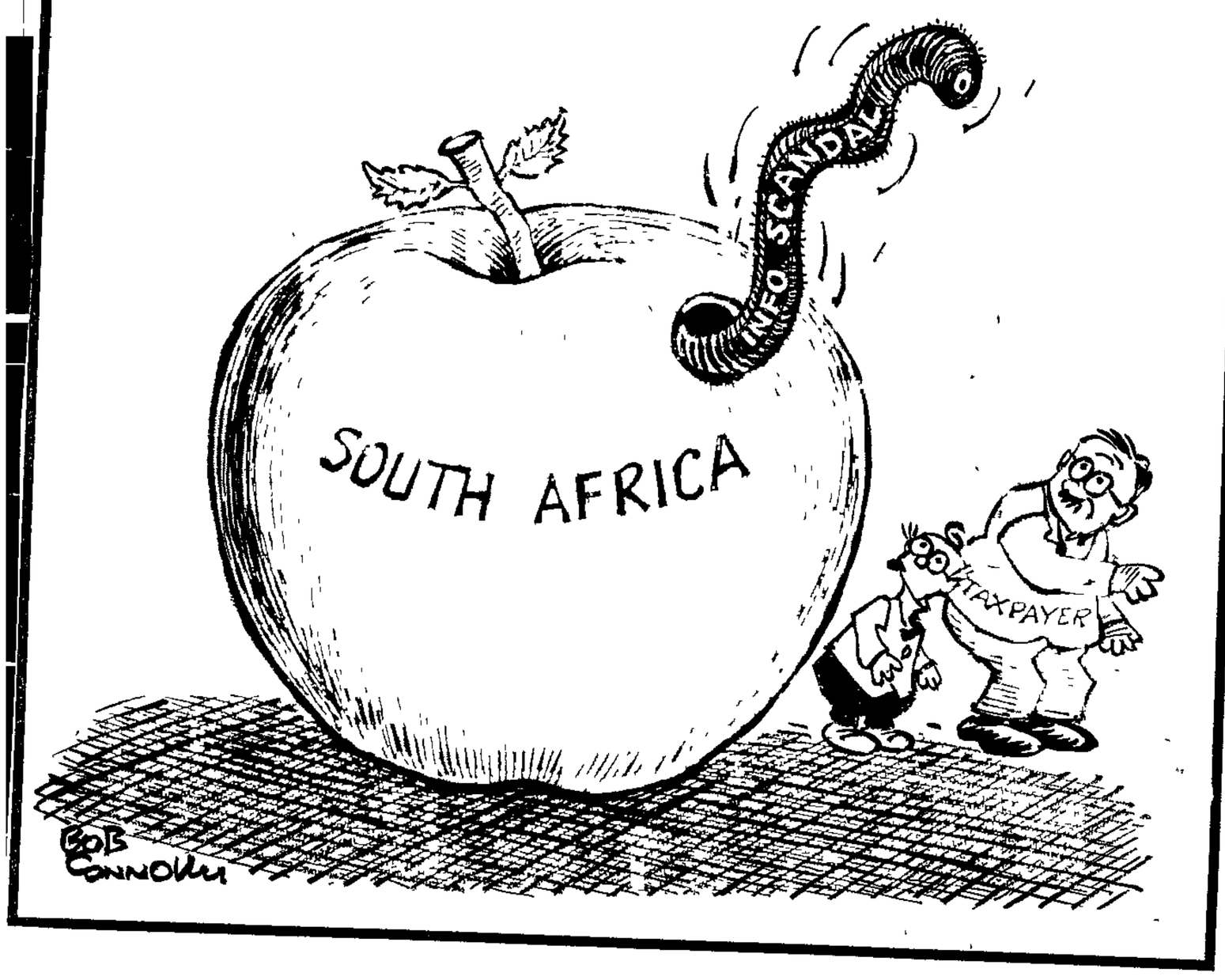
In the case of Dr Deneys Rhoodie, who is in Pretoria, there was no difficulty in executing the order But in the case of Dr Eschel Rhoodie it has not been carried out because nobody except his wife knows where he is

And she isn't saying

Mr Booyens, in a statement earlier this week, indicated that, as soon as Dr Rhoodie was located, or reported to a South African mission abroad, his passport would be withdrawn and arrangements made for him to return to South Africa within a few days, using emergency travel documents

WORM IN THE APPLE

By Bob Connolly



Citizen denied it was funded by Govt

By BRIAN O'FLAHERTY

THE CITIZEN newspaper has in the past repeatedly refused to concede that it received money from the Government — even after Judge Anton Mostert released evidence last month showing that it was

In editorials it has accused the "PFP Press" of "mudslinging", "smears" and of a "hatchet job"

When the Sunday Express revealed on October 29 that public money had been pumped into the newspaper, The Citizen said the next day. "The muckraking little Sunday Express, which did so much to wreck the Department of Information with its smear stories, has now turned on The Citizen"

It challenged the Express to publish "concrete evidence" to back up its story.

In the same issue Mr Hubert Jussen, chairman of The Citizen, and Mr Jan van Zyl Alberts, said in a statement "The Citizen was bought and is conducted as an independent business venture, operated on our capital funds."

But they stressed they could not comment on what took place before they bought it in February 1978.

On October 30 the Rand Daily Mail revealed that aan amount of R13-million from Government funds, meant for The Citizen, had been used to try to help an ailing company

The next day The Citizen called for a commission of inquiry to investigate the "serious allegations being made in the PFP Press about the defunct Department of Information and its secret projects".

Mr Justice Mostert made public on November 2 evidence in which the founder of The Citizen admitted State money had been used to launch the newspaper.

The editor of The Citizen, Mr M A Johnson, denied knowledge of the Government funding in a front-page editorial the next day The newspaper's chairman, Mr Jussen, repeated the denial in a statement published in The Citizen

On November 13 The Citizen denied reports that in its early days it was dumping newspapers at the taxpayers' expense It described the fact that it was Government-funded as "an allegation still being inquired into by a commission".

Denials that The Citizen was secretly funded started as early as May this year when the Rand Daily Mail asked in an editorial why the names of the three shareholders who bought the newspaper from Mr Luyt were being kept secret

The reaction was: "We dismiss with contempt the rotten smear by the Left-wing Rand Daily Mail about the finances of The Citizen."

Dr Connie Mulder, former Minister of Information, told Parliament the same day that his department and the Government "did not give funds to The Citizen". He was replying to a question from Mr Japie Basson, PFP MP for Bezuidenhout Mr Basson told Parliament that many people believed The Citizen received secret financial support from the Government.

The Citizen attacked him in an editorial It said there was no basis for the allegation — "What a smear. A smear that isn't backed by one solid fact, by one word of truth.

"To their eternal shame the 'Mail' and the other

RDM
6/12/78

General ignored Vorster's command

Staff Reporter

GENERAL H J van den Bergh deliberately ignored an order by the then Prime Minister, Mr Vorster, about not selling furniture to Dr Eschel Rhoodie

The commission's report notes that after the expulsion of Dr Rhoodie from his post as Secretary for Information the elegant furniture bought for R59 000 from secret funds and installed for foreign visitors in his Pretoria office had to be sold on Mr Vorster's instructions

Mr Vorster told the commission that he had expressly told General Van den Bergh not to sell a single piece of this furniture to Dr Rhoodie

"However," says the commission, "Van den Bergh calmly proceeded to sell the better part of this furniture to Dr Rhoodie and then reported to Mr Vorster that he had sold it to a company."

In his evidence under oath to the commission, the general testified that "Mr Vorster had had no objection to the furniture being sold to Dr Rhoodie"

RDM
6/12/78

The Rhoodie families keep silent

By ROY DEVENISH
Pretoria Bureau

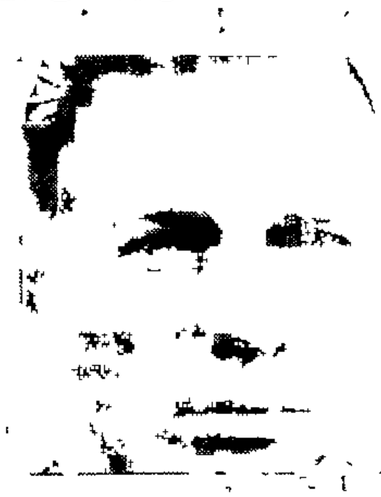
RELATIVES of the two key figures in the Erasmus Commission — the Rhoodie brothers — last night declined to comment on the commission's report.

A woman at the home of Mrs Katie Rhoodie — whose husband, the former Secretary of Information, Dr Eschel Rhoodie, is still overseas — said she was still in touch with him

Mrs Rhoodie was not at home She had apparently gone to a doctor for treatment for the bronchitis which forced her to cut short her overseas holiday and return to South Africa.

Telephone inquiries to her home after the release of the commission's report were met with a statement by a member of the household that Mrs Rhoodie was not in and would not grant any interviews or comment on the report

A suntanned Dr Deneys Rhoodie met a Rand Daily Mail team at the door of his home in Drakensberg Avenue, Waterkloof Park, and ordered the cameraman, Mr Dave Pughe-Parry, off the premises



DR DENEYS RHOODIE
. . . no comment

Dr Rhoodie declined to comment on any aspects of his alleged involvement and said there were certain prescribed steps which had been taken

Telephoned for his comments on the recommendations of the Erasmus Commission, Dr Rhoodie said he had none to make and said the Press should stop bothering him

R3,20 . . . BOSS gave Info funds

Staff Reporter

THE eagerly awaited Erasmus Commission of Inquiry report released yesterday and formely titled "Report of the Commission of Inquiry into Alledged Irregularities in the Former Department of Information" is 103 pages long and bound in a blue cover

The documents costs R3,20 and more than 1 000 copies have been printed

CAPE TOWN — The Erasmus Commission finds it impossible at this stage to state precisely how much money the State lost owing to maladministration and irregular action

Reconciliation statements show, however, that the Department of Information's spending spree reached its height in 1975/76 when it disbursed R23,3-million on projects

But, the report says, the "situation should be seen in the light of the amounts allocated to the Department's secret fund from 1974 to 1978"

The allocation statements show the Department of Information received a massive R64,1-million between 1973 and 1978

Of this, R56 900 000 came via the Department of Defence from 1974 to 1978, and R13 400 000 million was allocated via the Bureau for State Security between 1974 and 1976

"The allocation statement gives a picture of the size of the department's secret fund on which the department's accountant could requisition from time to time, and from which it could withdraw monies as and when instructed by Dr Rhoodie," the report says.

membered for the way they tried to smear a newspaper out of existence"

Mr Colin Eglin, Leader of the Opposition was told "There would never have been any suggestion that The Citizen had Government money behind it if it hadn't been for the PFP and its Press."

Yesterday the commission The Citizen called for in November to investigate the "allegations" — the Erasmus Commission — issued its report confirming that the Government financed The Citizen

RDM 1/12/78 (259)

'It was an apple with rot setting in'

Chapter 3: Consequences of vagueness in governing legislation

THE PURPOSE of the secret fund had all the attraction of a lovely fresh apple but the germ which could cause complete rot to set in was already there at the flowering stage because of lack of clarity in the existing statutory control.

The Department of the Prime Minister, under which the Bureau falls, did not want to carry the secret fund for the Department on its vote and shifted it on to the Department of Defence because it would not know to what extent it was exempt from audit. The latter department did not want this secret fund on its vote because Mr P W Botha rightly realised the dangers involved. When he had to accept it against his will, he insisted on an internal accountant and proper auditing of the secret fund under the Department.

The man for this job was not appointed from outside the Department. Mr Braam Fourie, hereinafter referred to as "Fourie", who had been employed in the Department since May 12, 1950, was appointed internal accountant of the secret fund and functioned in that capacity until the Department was disbanded in 1978.

He performed the functions of auditor at the same time.

Apart from the approval of some projects by the Minister, the utilisation and control of the secret fund were therefore de facto exclusively in the discretion of Dr Rhoodie as Secretary for Information or Accounting Officer. As the projects increased, he was not able to cope with everything on his own and he delegated his powers to obtain payments for the Special Account, kept by the Bureau on behalf of the Department, to two senior officers in his Department.

● "In accordance with the powers given to me in my capacity as Secretary for Information and therefore as accountable (rekenpligtige) official, I gave the undermentioned officials the authority to authorise payments from funds at this Department's disposal and which were kept by the Bureau for State Security on behalf of the Department. (a) Deputy Secretary (general) — Dr D Rhoodie. (b) Deputy Secretary (planning) — Mr L E S de Villiers.

● "You are hereby requested and authorised to accept and deal with departmental claims drawn on these funds and signed by any of the officials mentioned, in accordance with the instructions specified, as if I myself had authorised and requested the mentioned payments and specified instructions."

The signatures of the said Dr Rhoodie and Mr De Villiers were affixed to the authority and it was signed by Dr Rhoodie.

As a result of lack of clarity in legislation, however, Dr Rhoodie was faced at an early stage — after

● To Page 6

RDM
6/12/78

Rhoodie used funds 'under his own steam'

● From Page 5

the creation of the secret fund for the Department under his supervision — with a problem, namely, which aspects of his administration had to be paid for with monies from the secret fund, which was beyond the control of the Auditor General, and which expenditure had to be defrayed under the ordinary Public Service open account and accounted for to the Auditor General

This is evident from the following letter from Dr Rhoodie to the Treasury

"Official visits overseas by officials in connection with extraordinary and sensitive services

"Originally the creation of a special senior post in Europe was considered to assist with the execution of the new extraordinary area of work which was entrusted to this Department. After discussions with the Minister of Information and with the Bureau for State Security it was decided it would scarcely involve more than one working day's absence from the office For security reasons it is regarded as preferable that the official concerned makes his own accommodation arrangements as an individual and then recovers his costs by personally submitting supporting receipts directly to the accountant Our embassies overseas must not be linked with these visits In fact, liaison with embassies must take place extremely unobtrusively Accordingly your authorisation in principle is requested so that the Minister of Information may personally approve the travelling expenses of the three officials concerned — in connection with the control and execution of the new extraordinary and sensitive services — being also met out of the requested additional secret allocation"

On September 21, 1973, the Secretary to the Treasury replied to Dr Rhoodie that in terms of the provisions of Sections 2 and 3 of the Security Services Special Account Act, no 81 of 1969, the Treasury had no say over the utilisation of monies from that account

At the stage when the Secretary to the Treasury wrote his letter dated September 21, 1973, the money granted to the Department for the year 1973-1974 came from the Department of the Prime Minister The money granted to the Department under the control of Dr Rhoodie for the 1974-1975 financial year, however, was placed on the vote of the Department of Defence and was therefore not subject to audit under Section 5 of Act 6 of 1974 which reads as follows:

"Notwithstanding anything to the contrary in any other law contained, the account shall be subject to audit by the Controller and Auditor General to the extent determined by the Minister of Finance acting in consultation with the Minister of Defence, after consultation with the Controller and Auditor General, having regard to the special nature of the account, and the Controller and Auditor-General shall for the purposes of his audit accept the certificate of the Minister of Defence in regard to any expenditure from the account"

There was no such express statutory provision in connection with secret funds for the Department and this was one of the reasons why Mr P W Botha was so concerned and why he did not wish to accept responsibility for those secret funds and insisted on proper control and audit.

Apparently Dr Rhoodie was expected to be guided in this matter by the general policy applying to the Department of Defence in connection with travelling expenses for secret purposes That is to say that, unless essential secrecy would be violated, no expenditure which may normally be incurred from some other provision on the vote of a department may be defrayed from monies provided under the item "Secret Services".

As will appear later from the report, Dr Rhoodie did not take much notice of the requirements of the Department of Defence and continued under his own steam because there was no legislation in respect of his Department in this connection This led to confusion and malpractices until the Secret Services Account Act, 1978 (Act 56 of 1978), was passed and came into operation on April 1, 1978

It would hardly be strange if, under the above-mentioned circumstances, irregularities were to arise, if Fourie were not to be kept fully informed on accounts, and if the implementation of projects were to be left virtually exclusively to Dr Rhoodie by the Minister of Information, hereinafter referred to as "Dr Mulder."

Chapter 4: Three loose links in the chain

A. Introduction.

THE CHAIN which had to pull South Africa through the troubled waters and rough seas of hostile world opinion unfortunately had three loose links

They were Mr Fourie, Dr Rhoodie and Dr Mulder One did not always know what the others were doing Each of them trusted and protected the others

But, because they kept themselves and their respective functions to themselves, the task they had to carry-out foundered

Mr Fourie testified that when he had first to deal with the secret fund, in 1973, he was a senior accountant in the department

He was appointed by Dr Rhoodie to control the fund

Monies for the fund were usually transferred from the Department of Defence to the bureau in two annual instalments

The first instalment was transferred in April and the second in July

The bureau kept an allocation account in which it entered requisitions made by the department on the account

The requisitions could only be made by Dr (Eschel) Rhoodie, Dr (Deneys) Rhoodie and Mr Les de Villiers

As soon as Mr Fourie received instructions from one of those authorised officers to transfer money to an individual, a bank or body, he made out a proforma which was confirmed by the officer concerned

Mr Fourie then made out a claim form which was confirmed by the same officer and submitted to the bureau, which then paid out the claim

Mr Fourie was the only person in the department allowed to complete and check claims He was accountant and auditor, but he testified that it was impossible for one person to fill such a role

He and the bureau checked the claims of the department and the amounts paid out in respect of them by the bureau.

He could not, nor was he expected to, ask questions about what the money claimed was required for, nor to inquire why the money had to be remitted to certain persons or bodies or banks

Matters of policy were kept from him

In the reconciliation of his and the bureau's accounts, he sometimes found that certain claims had been submitted to the bureau "behind his back" and had been paid out

Although persons and bodies were expected to submit receipts and vouchers to show that the monies paid out had been received, they often neglected to do so

He had tried to keep account of the monies paid out on certain projects, but he could obtain little or no information as to whether such monies had in fact been utilised for such projects

So, for example, over the period 1974 to October 1978 he had paid out R934 901 in respect of an alleged emergency fund established by Dr Rhoodie

● To Page 7

The left hand was unaware of the right . .

RAM 16/12/78 (289)



The Erasmus Commission. From left, Mr George Smallberger, Mr Braam Lategan and the chairman of the commission, Mr Justice Rudolph Erasmus

9/9/76 Loan from Bureau R2 000 000
22/10/76 Foreign loan via Thor ($3,5-million) R3 035 820
18/2/77 Foreign loan via Thor ($1,5-million) R1 301 064
31/3/77 Interest earned on investments 1976/1977 R27 728,07
Sub-total
R20 729 392,47 less 12/4/76 loan raised Bureau 29/3/76 repaid R2 000 000 22/10/76 Loan Bureau 9/9/76 partially repaid R1 000 000 18/2/76 Balance Bureau loan 9/9/76 repaid R1 000 000
R4 000 000

Available for utilisation 1976/1977 R16 729 392,47

Expenditure
Utilised for projects as per project register R17 205 005,29 plus advance requisition for expenditure 3/77 per claim No 178-76/77 R 150 000
Actual expenditure 3/77 R96 957,66
R53 042,34 plus balance expenditure 3/76 recovered

lion) R111 333,45
Interest on loan ($2,8-million) R87 517,78
Interest on Thor loan ($3,5-million) R131 347,30
Interest on Thor loan ($3,5-million) R53 811,35
Total R5 812 327,40

Disbursements 1977/78 in respect of projects from 1 April 1977 to 31 March 1978 R12 637 587,60
Total disbursements 1977/78 R18 449 915,00
Allocation R18 683 589,21
Disbursements R18 449 915,00
R233 674,21 (Homerus R200 000, Thor R33 674,21)

The references in the foregoing statements to Thor and Homerus will become clear later in the report

C. The purpose of the Secret Fund

IN accordance with the Department's policy of keeping the outside world properly informed under a 1974 five-year plan of projecting a true image of the Republic of South Africa, of countering hostile attacks from abroad, and even, if possible, of swinging round world opinion in the Republic's favour, the Department employed various methods to promote its secret projects

It is not expedient or even desirable to disclose all these methods in this report, but examples must be mentioned to give some idea of the scope of the work and also for the better understanding of the report

The Department published or financed several books, financed periodicals to which well known overseas writers contributed, such as Panorama; appointed individuals as collaborators, created front organisations in the country such as Thor Communicators (Pty) Ltd, hereinafter referred to as "Thor", set up front organisations abroad such as Pine Tree Drive Company, bought out existing companies for its purposes and staffed them with able businessmen and also harnessed the services of existing companies

Other methods it employed were the invitation and entertainment of guests from abroad, the giving of lectures and the holding of seminars All these methods were employed to promote the Department's secret projects of which there were between 160 And 180 in Dr Rhoodie's time

In pursuing the above-mentioned aims the Department inter alia became involved with a newspaper, known as The Citizen which was the subject of a large part of the evidence given before the commission

RDM 16/12/78 289

1976-1977 per claim No. 31-76/77 R14 449,06
Total expenditure 1976/77 as per allocation account R17 272 494,69
Funds expended R17 272 494,69
Funds available R16 729 392,47
Overdrawn 1976-1977 R543 104,22
Last one overdrawn 1976-1977 Bureau would guarantee excess up to a maximum of R1 million.
1977/1978
Receipts
1st instalment 6 April 1977 R9 000 000
2nd instalment 26 June 1977 R8 000 000
Advance 1976/77 over-requisitioned Claim 178 — 1976/77 R53 042,34
Claim in respect of 1976/77 cancelled (No 162 of 1976/77) R8 652,01
Interest received on Bureau investment R60 620,63
Repayment Loan — 1st instalment R607 162,54
Repayment Loan — 2nd instalment R433 686,95
Repayment Loan — 3rd instalment R520 424,74
Total R18 683 589,21
Expenditure
Disbursements 1977/78 in respect of loans and interest
Thor loans repaid ($3,5-million) R3 047 187,89
Interest on above-mentioned loan (Thor) R118 734,54
Loan repaid ($1,8-million) R1 569 174,70
Interest on above-mentioned loan R149 516,17
Loan Bureau R543 104,22
Interest on loan ($3,5-mil-

THE ERASMUS REPORT RDM 6/12/78 (259)

The Info Department and its secret fund

A. Origin of the secret fund.

THE former Department of Information, hereinafter referred to as "the Department", had existed and undertaken secret projects for some considerable time before the events investigated by the commission took place The relevant period on which the commission is reporting dates from about March 1973. On March 29, 1973 the Secretary to the Treasury wrote to Secretary for State Security:

"For security reasons it is usefully respected (dienstig geag) that the provisions for extraordinary and sensitive services of the Department of Information are not taken up on the normal manner in that Department's budget post (begrootingspos). It is therefore suggested that the provision of such services are included in the Prime Minister's budget post and appear under the sub heading special accounts for security services It is understood that the opportunity has already been brought to your attention and you have already deliberated the matter with the Prime Minister, who is in accordance with the proposal

"Though unconventional, the proposals of the Secretary for Information are the only practical way out in the circumstances

"The Department is aware of the restrictions in Article 2 of the law on special accounts for security services No 81 of 1969, as a result of which money from the account can only be used for those services which the Prime Minister, from time to time, approves in the interests of the nation These restrictions will, however, be no stumbling block as all the projects will be presented for approval to the Prime Minister by the Minister of Information

"The Minister of Finance is in accordance with the for State Security, hereinafter referred to as "the bureau"

The fact, as alleged, that the amount of R293 000 was approved for "security services", while in reality it was intended for sensitive projects of the Department, opened up the possibility that monies for sensitive projects of the Department would thenceforth be channelled to the Department through the bureau or possibly through some other department concerned with State security. In this way the Department of Defence became involved with secret funds intended for the Department

Exhibit 13b, which was handed in by the Department of Defence, outlines the arrangements between that department and the Department in connection with the latter's secret fund

It appears from this evidence that, at the request of the Office of the then Prime Minister, hereinafter referred to as "Mr Vorster", the Department's activities in connection with sensitive projects have been financed from the Special Defence Account since the 1974/1975 financial year The Minister of Defence, Mr P W Botha, now Prime Minister, and his department objected to the Prime Minister and the Minister of Finance Notwithstanding this, Mr Vorster decided that provision was to be made for these secret funds on the vote of the Department of Defence

In terms of Section 5 of Act 6 of 1974 the Special Defence Account —including the secret funds of the Department — is exempted form audit by the Controller and Auditor-General

The South African Defence Force expressed concern about the security handling of secret funds by the Department and asked for confirmation that a proper but also secret audit would the State Service Commission (Staadsdienscommissie) a special accountats position in this department has been created whose taks it is to carry out the necessary internal audit and and to control the payments and transfers

4 \ Unfortunately, it would not be possible to request funds from you as and when it becomes necessary I work according to a schedule authorised by the Honourable Prime Minister, the Minister of Finance and the Minister of Information

The nature of a number of projects stretch over several years and most of the payouts are large amounts which must be paid within the first half of the year

The only thing to do now is to ask you to make half the amount available on April 1, 1975 and the balance on July 1, 1975 with the option that I could request more funds before the first of July if it became necessary.

It therefore appears from the arrangements that provision would be made for moneys for the Department's secret fund on the vote of the Department of Defence, that these would be deposited in an account kept by the Bureau for State Security, and that such funds as the Department requisitioned would be paid out in order to place them at the disposal of the Department The Department would appoint its own internal accountant and auditor since its secret fund was excluded from audit by the Auditor General

The duties of the accountant so appointed by the Department would also be to undertake the necessary internal audit and to examine and check requisitions for and disbursements and transfers from funds from the Bureau to his department

The Bureau would merely act as a financial interme-

1976/1977
R14 210 963,94
Original allocation via Defence R14 000 000
Interest on investments (1975-1976) R183 235,87
Interest on investments (1976-1977) R27 728,07
1977/1978
R17 060 620,63
Original allocation via Defence R17 000 000
Interest on investments R60 620,63
R64 112 699,85

According to the evidence of Mr Reynders, a former officer of the Bureau who carried out a special investigaton of the receipts and expenditure of the Department at the instance of Mr Vorster, the reconciliation statements of the Department's secret fund are as follows for the 1973/1974, 1974/1975, 1975/1976, 1976/1977 and 1977/1978 financial years, respecitively

Reconciliation statements
1973/1974
Receipts Original allocation R293 000
Additional allocation R250 000
Additional allocation R250 000
Total issued 1973/1974 R793 000
Expenditure.
Total expended on projects as per project register R813 350,93
Disbursements R813 350,93
Receipts (allocation) R793 000
Excesss R20 350,93
1974/1975
Receipts 1/4/74 Brought forward from 1973/74 R2 484,35
1/4/74 Allocation — Bureau R1 500 000
1/4/74 Allocation — Defence R10 950 000
27/8/74 Additional allocation — Bureau R1 000 000
31/3/75 Interest earned on investment 1974/75 R188 621,28
Total available 1974/1975 R13 641 105,63
Expenditure
Utilised for projects as per

RAM
6/12/78 (259)

sal and has approved sum of R293 000 in the financial year 1973/1974 to be made available for such services to the Department of Information It is, however, too late at this stage to include such provisions in a budget

"According to expectations there will probably be sufficient funds in your special account and inquire of the Treasury if you can please allot a sum of R293 000 for spending by the Department of Information and also receive gladly confirmation that you are in approval with the proposed arrangements"

This letter gave rise to the manner in which monies were appropriated to the Department for sensitive services, and these monies will be referred to in this report as "the secret fund"

It will be noted that, since funds in the Security Services Special Account may be utilised for such services only with the approval of the Prime Minister, the Secretary to the Treasury suggested that it would be possible to utilise such monies for sensitive services of the Department as well, if the Minister of Information submitted all such sensitive projects of his department for the prior approval of the Prime Minister

This proposal was probably accepted by the Secretary for State Security after consultation with the Office of the Prime Minister, since the proposed amount of R293 000 was voted by additional appropriation for "security services" for the 1973/1974 financial year, according to a letter from the Secretary to the Treasury This appropriation could only have been made lawfully in terms of Section 2 of Act 81 of 1969 which deals with moneys utilised for "services of a confidential nature" and expenses connected with the Bureau be carried out at that department. The South African Defence Force proposed that the Secretary for Information as well as the Minister of Information should certify at the end of each financial year

a that the funds had been expended in a regular manner,

b that the funds had been utilised for the purpose for which they had been appropriated,

c that all funds had been expended and, if not, how the balance was to be utilised

This was probably insisted upon in terms of the provisions of Section 5 of Act 6 of 1974 under which the Minister of Defence has to furnish the Controller and Auditor-General with a certificate in regard to any expenditure from the Special Defence Account

The Secretary for Information, hereinafter referred to as "Dr Rhoodie", wrote to Admiral Bierman, Chief of the South African Defence Force, in March 1975, saying that, as Accounting Officer, he would furnish him with the necessary certificate covering points (a), (b) and (c) mentioned in the previous paragraph.

The letter read further

2. All outlays from this financial source are classified as secret and some projects as top secret (uiters geheim) on a must-know basis The controller and the Auditor General are not notified of this No instance of any other department may have perusal in any transaction of a secret nature except where I personally allow it. Secret information on this basis has already been passed on to the Head of Military Information, the Secretaryof Foreign Affairs and General H J van den Bergh

3 With the permission of diary and, as the accounting officer, Dr Eschel Rhoodie, herinafter referred to as "Dr Rhoodie", would be responsible for the regular expenditure of moneys in the secret fund

B. The size of the secret fund.

ALTHOUGH for the 1973-1974 financial year a total amount of R793 000 was allocated to the Department by the Bureau from its savings, the amounts in the allocation statement below indicate the amounts allocated by the Department of Defence to the Department's secret fund in subsequent financial years, as well as the sums advanced by the Bureau to the Department's secret fund The allocation statement gives a picture of the size of the Department's secret fund on which the Department's accountant could requisition from time to time and from which it could withdraw moneys as and when instructed by Dr Rhoodie

Allocation statement 1973/1974 to 1977/1978

1973/1974.

R793 000 original allocation
R293 000 additional allocation
R250 000 additional allocation
R250 000 additional allocation

1974/1975

R13 638 621,28 original allocation
Via bureau R1 500 000
Original allocation via Defence R10 950 000
Additional allocation via Bureau R1 000 000
Interest earned on investments R 188 621,28

1975/1976.

R18 419 494 original allocation
Via Bureau R2 500 000
Original allocation via Defence R15 000 000
Additonal allocation via Defence R 919 494
project register R10 500 928,73
Excess 1973/1974 R22.835,28
Total expenditure 1974-1975 R10 523 764,01
Funds received R13 641 105,63
Funds expended R10 523 764,01
Balance available 31/3/75 R3 117 341,62 carried forward to 1975/1976

1975/76

Receipts
1/4/75 Allocation via Bureau R2 500 000
1/4/75 1st instalment allocation via Defence R7 500 000
1/4/75 Balance 1974/75 brought forward R3 090 960,93
1/4/75 Unexpected balance on advances requisitioned for expenditure March 1975 (Cf claims Nos 175 and 183 — 1974/75) R26 380,69
8/8/75 2nd instalment allocation defence R7 500 000
29/3/76 Loan from Bureau R2 000 000
29/3/76 Additional allocation via Defence R919 494
Total available (1975/76) R23 536 835,62
Expenditure
Disbursements in respect of projects R23 369 740,15
R167 095,47
Plus. Advance requisitioned for expenditure March 1976 per Claim No 166 1975/76 R200 000
Less actual expenditure R214 449,06
Excess expenditure recovered 1975/76 R14 449,06
On hand 1/4/1976 (carried forward to 1976/77) R181 544,53

1976/1977 Allocation Account

Receipts
1/4/76 Balance brought forward from 1975-1976 R181 544,53
12/4/76 First instalment Defence R7 000 000
19/7/76 Second instalment Defence R7 000 000
12/8/76 Interest earned on investments 1975/1976 R183 235,87

What the commission investigated

IN THE preamble to the report, Mr Justice Erasmus said the commission consisted of Mr George Frederik Smalberger (Chief State Law Adviser); Advocate Abraham Jacobus Lategan (Attorney-General of the Cape Province); and Mr Justice Rudolf Philip Botha Erasmus, of the Free State Provincial Division of the Supreme Court, who is chairman of the commission.

The terms of reference of the commission were to inquire into and recommend on:

(a) Any irregularities or unlawful gaining of advantage by individuals or bodies or the misappropriation of public funds by the former Department of Information and/or any person who was connected with that department;

(b) The methods and malpractices which were employed in connection with any irregularities or gaining of advantage or any misappropriation which you may find;

(c) Steps to be taken to put an end to such practices as well as any action against any person or persons who were involved in such actions; and

(d) Any matters relating to (a), (b) and (c) above.

The commission was requested to report to the State President before 6 December 1978

The commission had the benefit of the services of Mr Hendrik Greeff Klem, deputy Attorney-General of Natal, and Mr Francois Van Zyl, senior State Advocate of Windhoek, who led the evidence, and Mr Johannes Gerhardus Geyser, Control Administrative Officer in the Department of Justice, who acted as Secretary to the commission and was assisted by Mr Deon Meyer. Mrs Paulette Smith acted as the commission's typist, and the evidence was tape-recorded by Lubbe Recordings. All the above-mentioned persons were appointed by the chairman to assist the commission as officials.

In view of the nature of its terms of reference the commission decided to conduct its proceedings in camera, and this was done throughout.

Witnesses were allowed legal representatives if they so requested, and no person or body was allowed to present evidence if the commission was of the opinion that it would not shed any light on the inquiry.

Because the time at the commission's disposal was extremely limited, it was obliged to hold sittings or do other work every day and night, except Sundays.

The Commission heard evidence from 24 witnesses.

In all, the evidence and exhibits comprise 3 086 pages The exhibits are numbered, and Appendix B to the report gives the references to them, indicating to which witness' evidence they refer. Where a reference is given in the form of a figure in brackets in the report itself, this figure indicates the page of the transcribed volumes of the evidence.

The commission is gratified to be able to report that it completed its activities in the time at its disposal.

6/12/78 (259)
Star

R64m from Defence went to Info

avoid identifying secret projects (160 to 170 of them) but it does reveal

● Secret funds from the Department of Defence were used for Department of Information projects (being passed to the Department through the Bureau for State Security) although it adds that Mr P W Botha, as Minister of Defence before he became Prime Minister, had consistently objected to this practice but had been overruled by the previous Prime Minister, Mr Vorster

● The total amount made available in this way was R64 122 699,85

● Accounting procedures were vague and in many cases the department's accountant, who also audited the funds, received only telephonic instructions for payment or instructions written on bits of notepaper

● General van den Bergh and Dr [illegible] pressed Mr Loot Rey[illegible] ders, appointed by [illegible] Prime Minister [illegible] vesti[illegible] gate the use of secret funds, to issue a report saying he had found nothing wrong.

● Gene[illegible] r. Bergh sa[illegible] power [illegible] He had [illegible] decision, [illegible] outwelling [illegible] B[illegible] ister withhold [illegible]

tion from the Prime Minister and was in charge of a formidable network of agents whose qualities he described in sinister terms."

● General van den Bergh and Dr Eschel Rhoodie were close friends who co-operated closely on secret projects.

● Mr van Zyl Alberts appeared to have properties in his private possession that were acquired with public funds

● Irregularities committed by Dr Eschel Rhoodie point to theft as well as complicity in theft and fraud through which the State suffered great loss."

● Dr Connie Mulder, then Minister of Information, according to his own evidence if this could be accepted wrongly interpreted his function as head of his department [illegible] say the least, fulfilled it incompetently"

● Dr Mulder failed to tell the Prime Minister about the funding of the Citizen, did not keep control of what [illegible] ing in his [illegible] was a [illegible] of public [illegible]

● Dr Rhoodie was guilty of neglect of his duty [illegible] of the Depart[illegible] of gross negligence.

6/12/78

259

Star

Three who bid for SA

From page 1

withheld certain facts from Mr Vorster and sometimes gave him only selected facts There were times when he ignored Mr Vorster's instructions

- The General sometimes traded on the Prime Minister's name to gain his own ends
- The General told the commission arrogantly that, if he wanted to do something nobody would stop him and that he would stop at nothing
- Dr Rhoodie was instrumental in destroying or having destroyed documents and departmental records in an "attempt to conceal irregularities pointing to fraud and theft." Documents excluded were those "which give us a hold on fellow workers"
- Dr Rhoodie misled the Department of Defence and issued a bogus document about the use of secret funds

Info report angers SA

[redacted]

6/12/78

(29)

Star

Mulder men plan defiant last stand

Political Staff

Cape Town

The National Party caucus began the most critical session in its history today as a wave of public anger and disgust swept the country after the damning Erasmus Commission revelations about the former Department of Information.

The 174 members — one less than the full number because Dr Connie Mulder is not attending — went into session fearing for party unity because Dr Mulder's hardline backers were planning a defiant last stand in his defence.

After preventing a party split, the caucus's main task is to devise a counter-strategy to an anticipated opposition onslaught on the Government over the Information debacle revealed by the Erasmus Commission.

The members will also have to discuss the future of the biggest single shock revealed by the commission that The Citizen newspaper has been funded with taxpayers' money to the tune of R32-million.

The Prime Minister, Mr P W Botha, is expected to state in the special Parliamentary debate starting tomorrow morning what the Government proposes to do about The Citizen.

Mr Harry Schwarz, chairman of the Progressive Federal Party federal executive, said today that if The Citizen were allowed to continue as a pro-Government newspaper it would be as big a scandal as those already uncovered.

The taxpayers of South Africa have been taken for an unbelievable ride, he said. The honourable thing for the Government to do was to resign and let people choose a new one.

In Cape Town today some National Party MPs said Dr Mulder's political career was finished, but his supporters will make a last fight for him at the party caucus.

Dr Mulder himself said today that the Erasmus Commission report showed the impossible pressure under which the commission had worked.

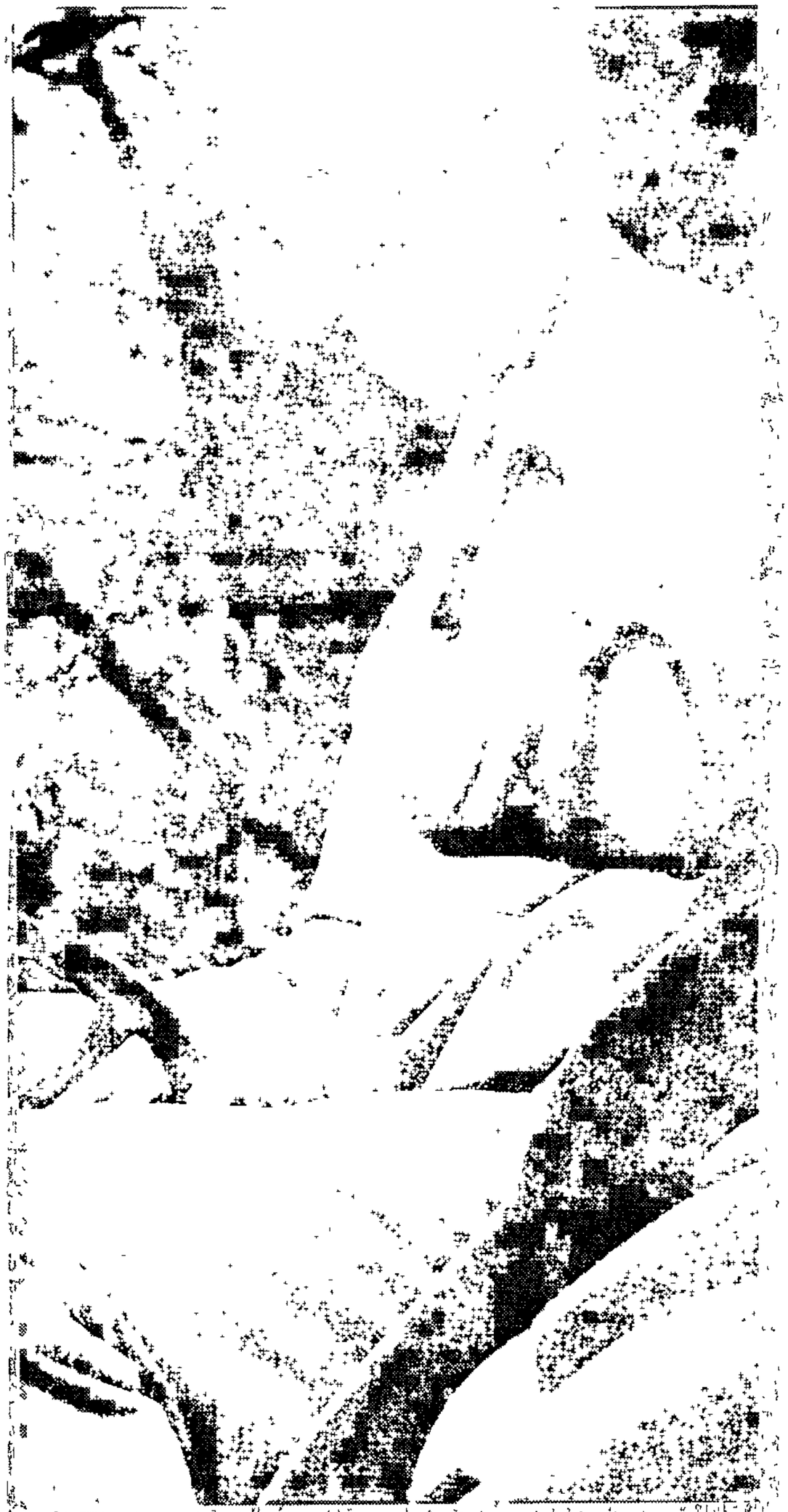
He did not agree with all its findings and might comment on some aspects later.

Dr Mulder is in Cape Town but will not attend the caucus or the Parliamentary debate starting tomorrow.

Some sources said Dr Mulder's backers would not merely defend him in the battle but would go on the attack — opening the prospect of other people being dragged in.

● **More Information reports on Pages 3, 5, 12, 13, 14 and 29.**

6/12/78
259
Star



The ex-boss of BOSS, General Hendrik van den Bergh, spent today catching up on work at his farm near Bronkhorstspruit. He refused to speak to The Star's reporter, saying only that the reporter represented the devil. ● Picture FRANK BLACK.

The Star is the devil, says the general

By Jaap Boekkooi

General — Lang — Hendrik" van den Bergh, said by the Erasmus Commission to have seen himself as the "power behind the throne," lashed out at The Star today and said it was "the Devil."

Traced to his farm at Tweefontein, the one-time boss of BOSS who allegedly manipulated the former Prime Minister, Mr Vorster, said he had vowed never to talk to The Star since the newspaper published allegations by "that bloody advocate" (Mr Retief van Rooyen) and "that windbag Mostert" (Mr Justice Mostert).

The general, who was spending the day on his farm, appeared angry, emotional and somewhat vicious.

Seated on his tractor to mend a broken borehole, he descended and asked a reporter and me with heavy sarcasm "This must be a lekker day for you, a particularly lekker day."

When he started making his allegations about the devil, I asked him whether I was the devil myself.

"No, but you represent the devil," the general said.

6/12/78
Star
Sday

Report's 'three' almost ran SA

The three men most implicated in the findings of the Erasmus Commission interim report were within a hairsbreadth of ruling the country.

They were the one-time candidate for the Premiership, Dr Connie Mulder, the former head of BOSS, General Hendrik van den Bergh, and the former Secretary for Information, Dr Eschel Rhoodie.

Mulder exercised improper pressure on others to secure favourable results for himself, the commission found.

General van den Bergh helped him in attempts to become Prime Minister by pressuring an official to issue a false report.

It seems probable that Dr Mulder would have been Prime Minister today — with Dr Rhoodie perhaps as his Minister of Foreign Affairs and General van den Bergh in charge of all "secret projects" — had Mr Vorster not intervened publicly before the new premier was elected.

The following are some of the Erasmus Commission's comments on the potential "triumvirate":

- It was strange that Dr Mulder could undertake anything as radical and far-reaching as The Citizen project without obtaining clearance from Mr Vorster.
- Either Dr Mulder was not telling the truth or he turned a blind eye to what Mr Vorster's attitude would be.
- Dr Mulder was lax and negligent in giving Dr Rhoodie virtually unlimited discretion in dealing with public funds.
- General van den Bergh saw himself as the power behind the throne and, through Mr Vorster, tried to manipulate events in the direction he wanted them to go.
- The general sometimes

to Page 2, Col 1

By Kevin Stocks

Massive irregularities in the administration, spending and raising of secret funds are revealed in the report of the commission.

It clears the Prime Minister, Mr P W Botha, and the State President, Mr Vorster, of blame.

But it holds as culpable from many aspects the former Minister of Information, Dr Connie Mulder, the former head of the Bureau for State Security, General Hendrik van den Bergh, and the former Secretary for Information, Dr Eschel Rhoodie.

The Erasmus commission also reveals that under the code-name "Project Annemarie" Government funds were used to start the Citizen newspaper and to pay its running costs. The commission says that the Citizen was "a party-political newspaper".

The Erasmus Commission does not make it clear whether the Citizen is still being funded by the Government, but says that up to the date of the establishment of the commission the newspaper had cost the State R31 907 732,73.

The main recommendations of the commission are:

- The irregularities committed by Dr Eschel Rhoodie and Dr Denys Rhoodie with money from secret funds be referred to the attorney general to be investigated with a view to possible criminal proceedings.
- The State attorney be asked to investigate "the question of the extent to which the State's assets have been alienated or affected by any one of the following: Mr Louis Luyt [illegible] Dr Eschel Rhoodie, Dr Denys Rhoodie, Mr [illegible] and Andre Pieterse.

The commission's report

The uncontrolled secret funds

RDM 6/12/78

Chapter 5: Discovery of Secret Irregularities

Mr Barrie's secret reports.

ON JULY 29, 1977, Mr Barrie completed a secret report in connection with an inspection of the affairs of the Department of Information and sent a copy to Mr Vorster It consisted of 42 pages and was handed in to the Commission as exhibit 6 when Mr Barrie testified

On August 1, 1977, a further but briefer, report was written by Mr Barrie in the form of a letter to Mr Vorster giving him further particulars about the Department's secret funds. This report was handed in as Exhibit 6 F.

The alarming informaton disclosed in these documents largely corresponds Fourie's testimony referred to in the previous chapter. In the light of Mr Barrie's testimony on the uncontrolled manner in which the department handled secret funds, such a state of affairs is to be deplored and cannot be described as strange

The release of information before the Mostert Commission.

On September 27, 1978, Advocate Retief van Rooyen, who claims to be a friend of Mr Vorster, gave evidence before the Mostert Commission which had been appointed to inquire into extra-parliamentary control in the Republic of South Africa. His evidence shocked the people of South Africa. He concluded his evidence before the commission and elaborated further

The evidence he testified to was his experiences in connection with the department and as a director of one of the department's front organisations in the public domain, namely Thor. Thor was described as a "conduit" of the department which had been incorporated early in June 1976 His co-directors were Mr Oscar Hurwitz and one Andre Pieterse

Because Thor was engaged in secret projects it was explained to Van Rooven that he would have no access to, or be supposed to know about, policy decisions of the department He would not be able to ask what the purpose of or grounds for decisions were According to him he would merely be a kind of post office and a name on Thor's letterhead For this he was initially promised R1 200 a year as director's fees, but he never received a cent.

Mr Justice Mostert decided to release Van Rooyen's evidence as well as other evidence, however one-sided it might be, to the Press at the beginning of November 1978

Van Rooyen testified about a certain public box at Loftus Versfeld which the department had rented at a considerable sum out of its secret funds and which had been used personally by Dr Rhoodie, Dr D Rhoodie, a relative and others, at sporting events

He gave evidence on an amount of about R825 000 which Thor was alleged to have made available to Pieterse for the production in South Africa of a private film, "Golden Rendezvous", and said that the money was still outstanding

Van Rooyen testified about the purchase of the Valhalla Flats in Clifton towards which the secret fund had contributed an amount of R256 000 for six flats

Further evidence given by Van Rooyen dealt with an invitation to him and his whole family to go on an air trip to the Seychelles.

He testified further about an amount of R1-million paid to Mr Louis Luyt for a half-share in an aircraft owned by Mr Luyt

Finally Van Rooyen mentioned large sums of money from the secret fund used for the financing of The Citizen newspaper

He referred to a certain contract which was alleged to read as follows

"I, Eschel Mostert Rhoodie, hereby lend to Louis Luyt the sum of R12-million in connection with The Citizen"

According to the evidence which was released, Luyt had also testified before Mr Justice Mostert, stating inter alia that Dr Mulder, Dr Rhoodie, Gen Van Den Bergh, Mr Fourie Du Preez, Mr Van Zyl Alberts and he himself had been present when the establishment of the new newspaper had been discussed at the home of Mr L E S de Villiers on December 4, 1975, and how it had eventually been decided that he could invest the sum of R12-million at 12,5 % interest in his firm Triomf

C. The Press.

IN A leading article Beeld, on November 3, 1978, wrote inter alia as follows

"Our own Watergate would be a justifiable name should the evidence before Judge Anton Mostert withstand the test of the court There is now just no other mercy There must be a complete clean up without respect to persons Those responsible for the blot of shame on the national life must pay, immediate departure from public life will certainly not be enough but it is a first essential requirement"

Die Transvaler wrote

"What matters now is to thoroughly test the publicised allegations which point to astounding abuse of power An iron hand must deal with those who abused government and patriotic trust in such a despicable way

"One can argue as you like, but the fact that State funds were used for The Citizen is a serious abuse"

The Rand Daily Mail wrote inter alia

"There must be swift action to prosecute all those who, on the evidence, may have been guilty of criminal conversion of public money The deceitful enterprises which were launched as a fraud upon the public must be closed down and removed from the scene. The taxpayers' money must be paid back

"Every cent of it"

The Cape Times wrote

"It is now up to Mr P W Botha to rise to his responsibilities at the helm of this nation and take the resolute action he should have taken in the first place. At the very least, he should appoint a fullscale judicial inquiry which will report within weeks Other steps will depend on the outcome"

The Natal Mercury, Die Burger, and practically all the newspapers exploded with deep indignation and, rightly, aired their views

The calls from the Press, political parties and individuals were heeded, and the lamp lit by Van Rooyen was not put under a bushel by Mr P W Botha, but, with the appointment of the commission, it was placed on a stand so that its light would shine for all when the report was submitted

In view of the urgency of the inquiry and the short time at the commission's disposal, the commission was not able to deal in this report with all the projects in which the deparment was engaged, and a recommndation will be made in this regard The commission believes, however, that even in this report it was able to penetrate to the heart of the matter on the strength of the evidence it was able to obtain. In the following chapters various aspects will be dealt with more fully

D. Concealment of irregularities.

(A) Barrie's evidence.

FROM the evidence given before it the Commission frequently learned with consternation of indications that positive attempts had been made to conceal or cover up irregularities

This began with Mr Barrie's audit inspection Because of, inter alia, deficiencies in the Act (Chapter III), there had for some time been doubt in his mind as to whether funds at the disposal of the department were being used to good advantage and effect

The officers of the department of the Auditor-General were not aware that the department of Information had "secret funds" Although Mr Barrie had never been officially informed in this regard, he was able to deduce from statements made by the department and replies to questions in the House of Assembly that the department did in fact have such funds

Towards the end of 1976 a number of queries were consequently addressed to the department in regard to payments which had been made without proper regard to Tender Board regulations, Treasury instructions and Public Service regulations

Control over claims for subsistence and travelling expenses was most unsatisfactory. It was clear from newspaper and radio reports, as well as articles which appeared in the South African Digest, that officers of the department frequently went on trips abroad, but no claims for subsistence and travelling expenses could be traced by audit Ministerial authority for these journeys in terms of the Public Service Staff Code was not available either Inquiries were made in this regard on December 28, 1976

In his reply dated February 9, 1977, Dr Rhoodie asked to which specific journeys the inquiries ree ferred and further mentioned a standing authority from Dr Mulder for certain journeys It must be mentioned here that according to Mr Barrie, a standing authority cannot be accepted for audit purposes Reasons have to be given in writing for each journey separately and each journey has to be approved in writing by the Minister concerned This procedure is endorsed by the Public Service Commission and is followed by all government departments

On March 25, 1977, Audit replied to Dr Rhoodie's let-

● To Page 8

THE ERASMUS REPORT

RDM 6/12/78

The left hand was unaware of the right

● From Page 6

On Dr Rhoodie's instructions, he had also paid out an amount of R220 580 for anonymous collaborators during the period commencing with the 1974 financial year up to October 3, 1977

Dr Rhoodie was in sole control of the projects and nobody but he would know whether the monies had been paid for those projects or not

One of his greatest problems in connection with claims was subsistence and travelling expenses

The original idea was that such claims should be accompanied by supporting vouchers Minimum particulars were, however, submitted and sometimes large amounts would appear under miscellaneous headings without any details

He could not really ask for more particulars, because "they" would say simply "Pay out" He had to take for granted that the amount was not for personal gain

Sometimes claims were made for lump sums and sometimes for rounded-off sums Some claims were six months or older before they were submitted

By that time all records in connection with such claims had been destroyed and their correctness could not be established

Sometimes, he could not establish whether claims were in respect of the travelling expenses of guests or family members

Sometimes, amounts were claimed according to open and sometimes according to secret tariffs

Sometimes, claims were handed in on bits of paper with notes, and one document contained five different instructions

Mr Fourie testified that officers involved in secret projects were advanced substantial sums

If such an officer had an advance of, say, R10 000 in his pocket but spent only R5 000, he could submit an account of R9 000, carry forward R1 000 of the advance, and pocket R4 000

No proof was submitted to Mr Fourie to enable him to establish the correctness of a claim

Dr Rhoodie had raised five loans abroad to the amount of R18 500 000 and, as far as he could establish, Dr Rhoodie had no authority to do so

Mr Fourie had discussed his difficulties with Dr Rhoodie and Dr Rhoodie had said that he was not bound by rules and regulations

Particulars of the loans were given in Exhibit 2R The interest on the loans was paid from secret funds He had not discussed the loans with Dr Rhoodie since that would have served no purpose

Dr Rhoodie gave the Department of Defence a certificate in respect of the secret fund every year, and all that Mr Fourie could do was to draw up a reconciliation statement of the year's expenditure on various projects

Dr Rhoodie just went through the projects in the light of the reconciliation statement He accepted the statement and issued a certificate to the Department of Defence on the strenght of it

But Dr Rhoodie was aware that the certtficate was no more than a personal assurance by him that the monies had been utilised

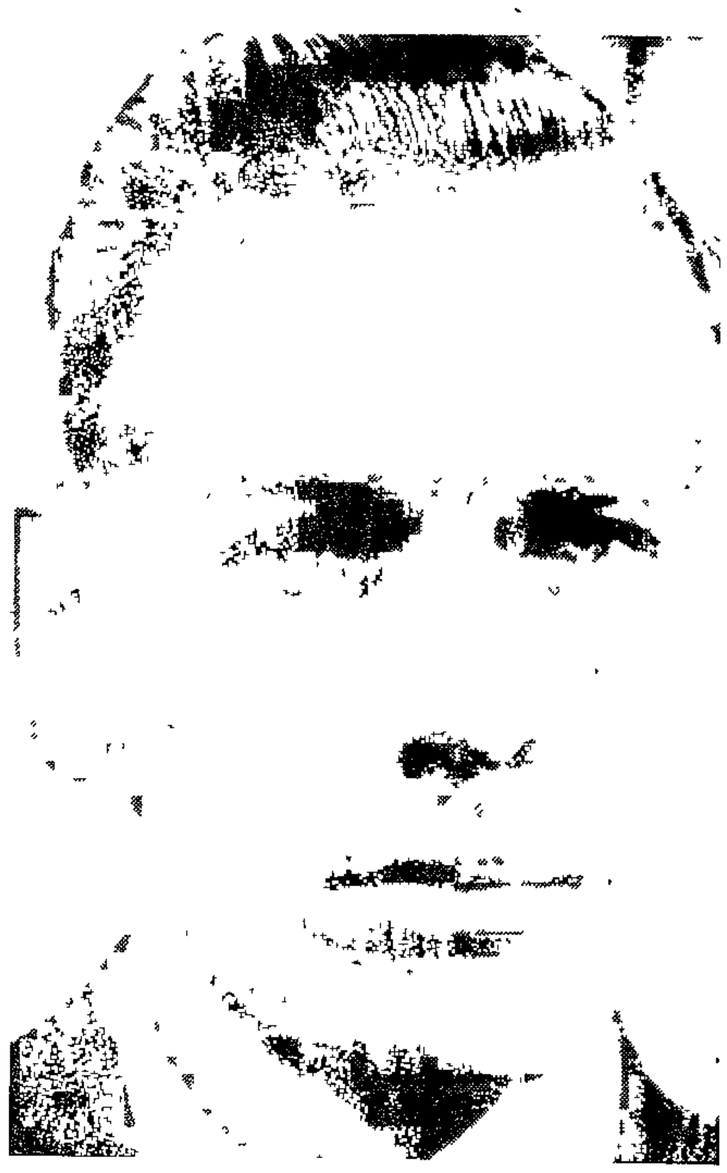
There was no way of checking

Dr Rhoodie testified at length before the commission on a variety of projects, but nowhere did he contradict Mr Fourie's testimony in connection with the latter's problems as accountant

Dr Rhoodie's attitude throughout was that everything that had anything to do with the fund was secret

For that reason it was not possible to keep conventional books and to let other officers into the secrets

His attitude is clear from the correspondence between him and Mr Barrie, the retired Auditor-General, wherein he admitted that he had not discussed all projects with Dr Mulder or informed him in detail as to how the money at his (Dr Rhoodies's) disposal would be utilised



DENYS RHOODIE . . .no way of checking.

Whilst Dr Mulder was Minister of Information he was, according to Dr Rhoodie, the political but not administrative head of the department

Dr Mulder therefore moved on a higher and different plane from Dr Eschel Rhoodie, Dr Deneys Rhoodie, Mr Les de Villiers or Mr Waldeck, all of whom were in a position of trust

He had no reason to distrust any of them.

That Dr Mulder was exclusively a political head of the department is not quite correct, however, as is evident from the last paragraph of Exhibit 11(1)(b) which he himself submitted to the commission in connection with the appointment of Minister Waring

Government Notice No 1107, dated December 11, 1961, reads

"The State President has further approved of the administration of the department being assigned to the Honourable F W Waring, Minister of Information"

According to him he had appointed Dr Rhoodie secretary for Information Dr Rhoodie discussed important projects with him, but he did not discuss all the secret projects

Because he had no monies on the department's vote, he had approved foreign loans in principle, but he had not been aware of the figure of R18 500 000 in foreign loans

He admitted that he had set no ceiling for Dr Rhoodie in connection with expenditure for the promotion of secret projects

He had approved Dr Rhoodie's proposal in principle in regard to an emergency fund, but did not know how the money had been invested

He personally would not have invested the money in fixed property, and he denied having told Dr Rhoodie that he should do so

He knew nothing of the Vrekver property Dr Rhoodie was said to have bought

He was not aware that the department had sponsored the 1976 Grand Prix

As regards the irregularities, some of which were pointed out to him, he could only say that when brought to his attention, they had hit him like a bomb

Mr Fourie had been appointed accountant for the secret fund to take charge of the accounting of transactions which constituted more than half of the total volume of the work of the department

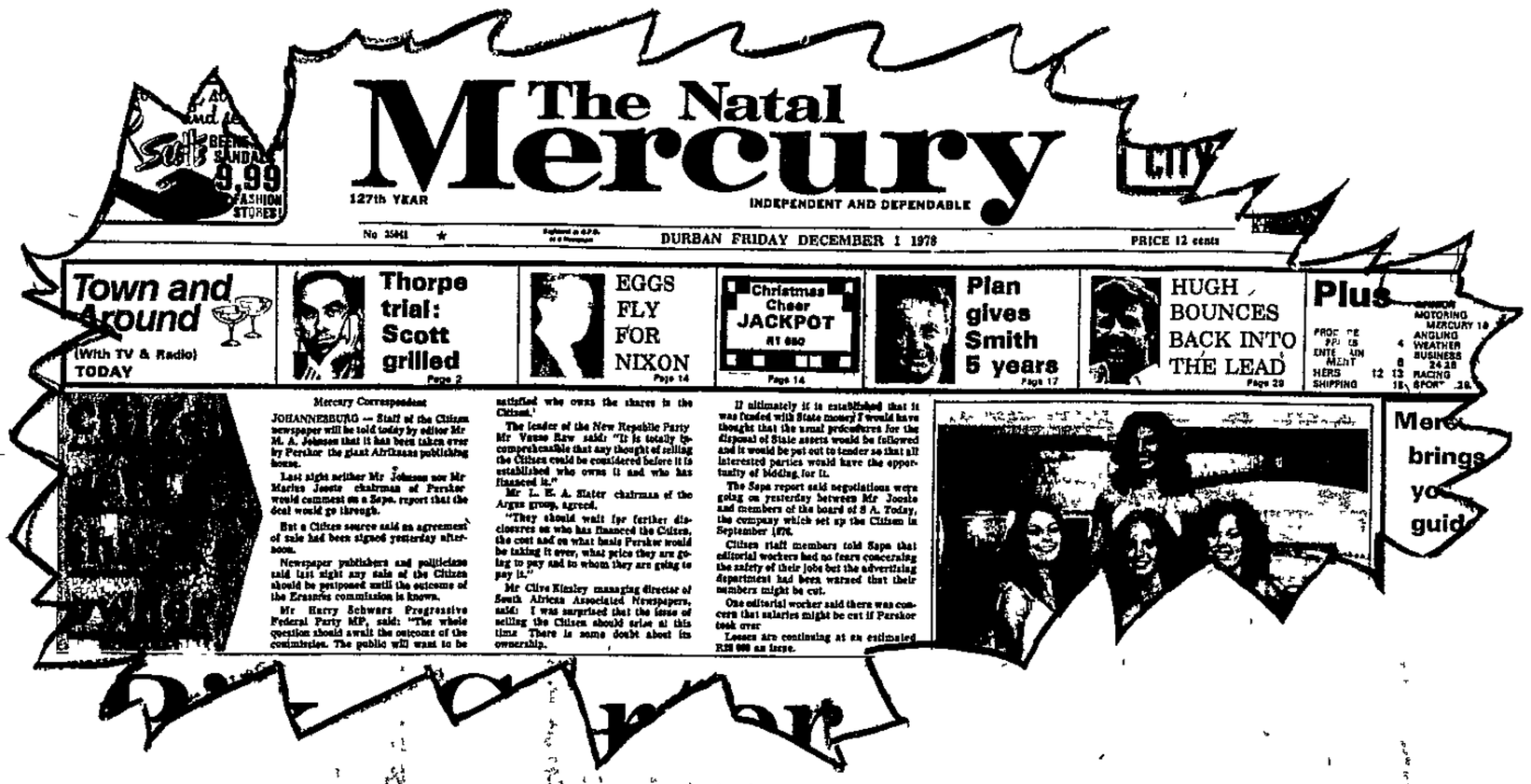
He had been under the impression that Mr Fourie had been an auditor as well as an accountant In any case the bureau had screened Mr Fourie

He had taken for granted that Mr Fourie would receive all the particulars necessary for him to carry out his duties as accountant and that Mr Fourie knew how how things were run in conection with the monies over which he had to exercise control

The commission concluded from the testimony

"The commission can arrive at no other finding than that there was a real lack of exchange of information between the department's responsible Minister and officers in regard to expenditure from the secret fund and that no good could come of that for the taxpayer

"Dr Mulder regarded virtually all the activities of his department, except certain matters of policy but including the expenditure of monies, including the question of where the funds came from, as matters of detail and did not concern himself with them."



The Natal Mercury in 1973 was the subject of a takeover bid by three of the major figures in the establishment of The Citizen three years later. The Rhoodie-Mulder-Van Zyl Alberts axis made a bid for the Durban daily, using Mr Lawrence Morgan, a Perskor journalist, as a front. The bid was aborted after newspaper reports that the bid was politically motivated. The reports were denied by Mr Morgan. He has since left South Africa.

Shortly afterwards, on November 25, 1976, the following instruction was issued by Dr Rhoodie to officers of his Department. It was addressed to Dr D O Rhoodie, Mr L E S de Villiers, Mr C More and Fourie and read as follows :

"Destruction of records and correspondence: G Funds. (i e Geheime/Secret Funds)

1 You are hereby commanded to destroy all documents of the previous financial year which are connected to G/projects and G/funds, including original letters, evidence of expenditure, receipts etc which are not considered vital for present projects or projects for 1977. Documents which must be retained are for example, those which give us a hold on fellow-workers, contracts for continuing projects, documents concerning hostile organisations and individuals etc. The Accountant, particularly, must see that only essential records are kept.

When a project is completed, a single sheet of notes must be handed to me, with the signature of the official concerned, for safekeeping in my safe in the strongroom. If you are doubful about an issue, refer it to me for a decision

2 The order to destroy comes from the Prime Minister and has been confirmed by Gen H J van den Bergh

3. Please discuss it if anything is not clear "

Fourie testified that he did not want to carry out the verbal instructions because it was against all rules to destroy records after such a short period Another reason he gave was that he knew that things were going wrong and that he expected problems He also said that he had not even reacted immediately to the written instructions and had only done so after being asked several times when he was going to destroy the records.

Even when he eventually obeyed the instruction, he did not destroy all the records, because he wanted to keep something as evidence.

He later received a further instruction from Dr Rhoodie not to show any records to any person This was dated June 8, 1977, and was addressed to Dr D O Rhoodie, Mr L E S de Villiers, Fourie and Van Den Bergh

It read as follows.

"Secret evidence. secret action by Department of Information

The Honourable Minister, at 13 30 on July 7, 1977, gave orders in the presence of Mr L E S de villiers and Mr Fourie that no further evidence which names. front organisations or their trustees or directors, local or external agents, operational activities for example in connection with Swapo and in Soweto against unruly students, channels of financing of secret internal and overseas operational actions or projects such as contained in the 1973 programme of action (approved by the Prime Minister, the Minister of Finance and the Minister of Information) may be shown to any official of the state unless the Minister personally orders it.

The Minister has emphasised that he takes full responsibility for this step and that disregarding of this order by any official of the Department of Information, regardless of rank, will lead to disciplinary and other steps against the official

On July 14 the Minister will be back from South West Africa (for two days in Pretoria) and will then personally handle any further questions and decisions in connection with evidence or actions.

The Minister further requests that where possible inquiries concerning any other less sensitive pieces of evidence be allowed to wait until he returns from holiday which will be about July 26.

Your cooperation will be valued."

Fourie also testified that he knew that Mr Barrie had begun to investigate matters there and that he thought that they were preventing him from having access to records.

(C) Reynders' evidence.

Reynders testified that Mr Barrie had gone to see Van Den Bergh who then told him that Mr Vorster wanted him to investigate matters at the Department on the strength of Mr Barrie's report. Reynders commenced the investigation in the first week of August 1977 and personally informed Mr Vorster verbally of his progress Van Den Bergh asked him not to put anything in connection with the investigation on paper.

In about March 1978 Dr Mulder rang him and asked when he could expect his report He was asked to please to bring it out immediately otherwise Dr Mulder would be considerably embarrassed

Dr Mulder then said "but then you have not found anything wrong in the Department" He told Dr Mulder that he had not yet completed the investigation and that he could not give him the report before he had discussed it with Mr Vorster Mr Vorster then advised him not to issue a certificate

Van den Bergh later advised him not to write a detailed report, but only to issue a brief certificate Still later Van Den Bergh insisted that he bring out the report, and although Reynders felt that the investigation had not been completed to his satisfaction, he issued the certificate

This was completed in Van den Bergh's office on September 19, 1978, and addressed to Mr Vorster The report read as follows

"Auditors report on the financial investigation carried out in connection with the secret projects of the former Department of Information

I have gone over the funds which were made available for secret projects to the Department of Information, at present the Bureau for National and International Communication, from April 1, 1973, to March 31, 1978

According to the registers and evidence before me and the explanations which were made to me, there was in my opinion, proper accounting of all income and expenditure during the abovementioned period, and in the extensive tests which I carried out, no irregular expenditure came to light

In terms of my instructions it is not expected of me to go into the merits and evaluations of policy decisions in connection with the various secret projects Therefore I make no comment on the eventual expenditure of the payments made "

The Commission could not understand the certificate's wording in the light of Mr Vorster's question to Reynders when he had read it Mr Vorster is alleged to have asked Reynders whether he, Reynders, was satisfied that no money had found its way into wrong pockets of the Department. It was then already clear to the Commission that Reynders was in fact aware of irregularities.

The evidence reads as follows.

Mr Klem: Tell me, Mr Reynders, were you already aware at that stage that through Mr Barrie's investigation an amount of about R20 000 had already been mentioned that was irregularly paid to officials of the Department of Information such as Dr Eschel Rhoodie and his brother, Dr D Rhoodie Were you aware of this?

— I was aware of this, yes.

Mr Lategan: Just let me ask you, were you aware at that stage aware of the loan made to Pieterse for R825 000, for something that had nothing to do with the Department? From State funds R825 000?

— Which he used incorrectly? Yes

The witness subsequently testified before the Commission

"I want to repeat again that the certificate which I issued was on the insistence of Gen Van den Bergh and Dr Connie Mulder "

The Commission further asked Mr Reynders

You burst into tears here and said he (Gen Van den Bergh) would crush you if he knew what you said now, were you not afraid of him?

— For what he could do, possibly yes.

Well then, you feared him Now the Minister of Information says here you found nothing wrong, not so, and you understood by this that he wanted you to say that everything was in order, is that not so?

— Perfectly correct, Mr Chairman

Deneys lived in Eschel's shadow

By TONY STIRLING

DR DENEYS RHOODIE, former Deputy Secretary for Information, lived in the shadow of his brother, Eschel, former Secretary for Information, for whom he appears to have acted as one of the principal executors of the secret projects funded by vast amounts of money secretly channelled into the former Department of Information

With his silver hair combed straight back, the smartly-dressed Dr Deneys Rhoodie, who was formerly Director of Information at the South African Embassy in London, has about him the air of a successful diplomat. Yet for all that, and despite all the happenings surrounding his former department since the beginning of the year, he has unlike others remained relatively obscure and an essentially private person who has publicy disclosed nothing about himself and about whom remarkably little is known

The alarming testimony was not strange

ter dated February 9, 1977, that it wanted the names of all officers who had gone abroad on official duty during the 1975 and 1976 financial years, the periods of their absence, and the travelling expenses and other expenditure incurred in this regard by the State

Dr Rhoodie replied on April 14, 1977

"I would appreciate it if you could let me know why this information is required As you refer to 'all officers' I must in any event point out to you that the Official Secrets Act does not permit me in many instances to provide information about travels. My question therefore refers to the remainder of the instances."

On June 14, 1977, Mr Barrie replied, inter alia, as follows

"With all respect, I cannot understand how you can appeal to me, in the case of certain overseas journeys, on the basis of the Official Secrets Act in connection with the provision of the requested information. Your attention is drawn, in this connection, to the requirements of Treasury Instruction 1843."

In a letter dated June 24, 1977, and marked "secret" Dr Rhoodie replied

"Certain officials of this department carry out certain tasks and undertake certain projects at the request of other official authorities (instansies) And the funds are provided by those authorities I am prepared to provide you with any information as far as it concerns my own funds, but not about the work of other authorities In terms of the requirements of Articles 2 and 3 of the Special Account for Security Services Act, No 81 of 1969, not even the Treasury for example has any say over the utilisation of money from that account. You are now forcing me, as a result of your continual queries, to disclose to

● From Page 7

you information which I, in terms of the Official Secrets Act, may not disclose

"I thought you could have put two and two together over this business, especially after my letter of April 14, but this obviously didn't happen If you therefore want any other information, you must please address yourself to the other authority."

In connection with this letter Mr Barrie stated to Mr Vorster and testified before the Commission that

"The above-mentioned answer let me put 'two and two together' and come to the conclusion that the Secretary of Information was doing everything possible to prevent at all costs, details which any other department would have made available on request, from reaching Audit As suggested by him, I addressed myself to other 'authorities' (instansies) and they indicated that they did not have the slightest objection to Information acceding to my requests and the Secretary of Information was informed accordingly by me on June 30, 1977"

The commission could understand Mr Barrie's attitude for the following reasons When Dr Rhoodie wrote the secret letter of June 24, 1977, the moneys for his secret fund were no longer coming from the bureau's security services special account, which fell under Act 81 of 1969, but from the Department of Defence, and the Special Defence Account fell under Act 6 of 1974

Dr Rhoodie's further contention that even the Treasury had no say over the utilisation of moneys from the account was beside the point, because Mr Barrie merely wanted to carry out an audit and so far as that is concerned the Auditor-General is not necessarily excluded under Act 81 of 1969 or Act 6 of 1974, should it be decided that certain aspects of the account must be audited.

Section 5 of the latter Act provides that the Special Defence Account may be audited only to the extent determined by the Minister of Finance acting in consultation with the Minister of Defence, after consultation with the Controller and Auditor-General

At that stage Mr Barrie had not yet been informed that the department had its own secret fund

Finally, it is crystal clear from the evidence that the statements in the letter that certain projects were being carried out by some of Dr Rhoodie's officers at the request of other official authorities, which were providing the funds, are incorrect

According to the evidence, his officers were not at that stage carrying out projects of the Bureau or the Department of Defence. He and Dr Mulder were carrying out their Department's own projects.

As Accounting Officer, Dr Rhoodie was therefore at that stage bound by the Treasury Instructions issued under section 61(2) of Act 23 of 1956, Chapter 2, and the Financial Regulations No. R496 of March 26, 1976, on Further Duties and Responsibilities of Accounting Officers, as published by the Department of Finance in the Government Gazette of the same date

(B) Fourie's evidence.

WHEN it became known to Dr Rhoodie that Mr Barrie was making inquiries about his Department's records of journeys and travelling expenses, he gave Fourie a verbal instruction to destroy certain documents of the Department connected with the secret funds.



The Natal Merc
Citizen three
Lawrence Morg
poi

Shortly afterwa
November 25, 1976
lowing instruction
sued by Dr Rhoodie
cers of his Depart
was addressed to
Rhoodie, Mr L E S
liers, Mr C Mo
Fourie and read as

"Destruction of
and correspondei
Funds. (i e Geheim
Funds)

1. You are hereb
manded to destroy
ments of the previo
cial year which are
ed to G/projec
G/funds, including
letters, evidence o
ditdure, receipts et
are not considered
present projects or
for 1977 Document
must be retained
example, those wh
us a hold on fellow-
contracts for co
projects, documen
cerning hostile o
tions and individu
The Accountant, pa
ly, must see that
sential records are
When a project
pleted, a single
notes must be ha
me, with the signa

THE ERASMUS REPORT RAM 6/12/78

Where that money

Chapter 6: Irregular and dishonest utilisation of funds from the secret fund

A. General payments.

As already said, it seems that payments from the Secret Fund were made on a systemless basis Instructions to the accountant to requisition and pay out moneys were mostly in the form of hand-written notes which, apart from the instructions, contained practically no further information Often the instructions gave no indication as to why the funds were required

There are numerous examples of such cases, but a few are quoted below as illustrations

On 21 March 1977 Dr Rhoodie gave his accountant the following written instructions

"Please pay R79 000 into Thor"

The instructions were written on a slip of paper from a notebook under the heading "re Thor" and signed by Dr Rhoodie

A further example is the following

1 Please make out a cheque to Van Zyl, Le Roux and Hurter for R217 850 — debit Thor Communicators

2 Also cheque for R32 000 to Messrs Van Zyl, Le Roux and Hurter.

3 Obtain receipt from Mr Le Roux that the amount is held in trust for the use of Thor Communicators"

On 15 January 1976 the following instructions were issued by Dr Rhoodie

"Will you please organise the following — have you already done R3 000 — cash — anonymous associate R10 000 — cash — anonymous associate cheque R5 000 — made out to Nedbank, Church Street, anonymous associate cheque R5 000 — made out to Trust Bank Pretoria, anonymous associate cheque R10 000 — made out to Standard Bank, Plein — anonymous associate

"R5 000 — cash — anonymous associate cheque R10 000 — made out to Barclays Bank, Plein — anonymous associate cheque R33 205 — made out to Nedbank 37/Annemarie"

In some cases the instructions were given to the accountant telephonically, without any written instructions being furnished later

On the strength of these instructions expenditure vouchers were completed with reference to the instructions concerned

The vouchers were submitted to his deputies, Dr D Rhoodie or Mr L E S de Villiers, for approval After this a claim form was completed and submitted to the Bureau. On the strength of this document the moneys were paid out by the bureau

B. Subsistence and travelling allowances.

Claims for subsistence and travelling allowances were often paid out of the secret fund and were normally not submitted on proper claim forms

Mostly sums were claimed that had been rounded off to round figures, and no supporting documents such as hotel accounts and receipts were produced in respect of them

The following are examples of such claims

Claim submitted by Dr D O Rhoodie and paid

"Dr D O Rhoodie and one other S and T expenses 9 April 1976 — 3 May 1976

Visits to New York, Los Angeles and Washington

Hotel Los Angeles (April 22 — April 23) $242,67 (account attached)

Hotel Tam O'Shanter (April 24) $61,00

Working pay 2x$50 per day (April 9 — May 3) $2 300,00

Special reception New York (Mr Nat Goldstein and others) $200

Taxis (New York) $100

Diverse $250

Total $3 135,67"

Claim submitted by Dr Rhoodie

"Out of pocket expenses for secret trips 1976

Party consisting of Minister, E M R, wives, E v d Heever, B Human, J Vermeulen and Bureau agent (17/10/76 to 4/11/76)

Hotel expenses, Athens — R228,09

Taxis R20,00

Meal Drachma 395 — R9,43

Newspapers, tips, fruit R20,00

Rome meal R293,72

Athens Return of clothes Drachma 2307 — R55,10

Innsbruck Hotel — Austrian Schilling 3524 — R178,43

Newspapers, tips, fruit, coffee R20,00

Salzburg Schilling 5298 — R268,25

Munich reception (20 persons) R280,00

Meals Salzburg (13/14 Oct) Schilling 1323 — R66,99

Munich Hotel ,DM2119 — R13,96 — R104,10

Newspapers, fruit, coffee, tips, etc R20,00

Oslo, Norway reception $143 — R1,88 — R124,03

Air ticket, London-Zurich R190,60

Harrods, London clothes for E M Rhoodie and case 212,25 — R19,19 — R313,07

Munich :hire of motor transport (9 persons) — R232,37

Dolder Hotel Zurich (first stop) R765,48

Dolder Hotel Zurich (second stop) R347,18

Telephones, Zurich airport Swiss Franc Sf68 — R23,29

Tips,. coffee, newspapers etc R20,00

Total R4 237,66

C. Additional remuneration.

The following is the accepted policy in connection with the supplementation of the emoluments of an official no supplementation of the emoluments of an officer or employee, as defined in the Public Service Act, 1957, may be made out of the monies provided under the item "secret services" vote (See Resolution No 2 of 1966 of the Select Committee on public accounts and the instructions issued by the Treasury under (a) thereof after consultation with the Controller and Auditor-General)

The Public Service Commission was approached and granted approval for the payment of a special non-pensionable allowance to the Deputy Secretary (Planning), Mr L E S de Villiers, to supplement his normal remuneration

A similar request in respect of a non-pensionable allowance to the Deputy Secretary (General), Dr D O Rhoodie, was however rejected by the Public Service Commission

Hereupon, however, Dr Rhoodie authorised the payment of an allowance to Dr D O Rhoodie out of the secret fund, to match the allowance received by Dr L E S de Villiers

The following amounts were paid to Dr D O Rhoodie in this connection

From 1/1/1975 — 31/12/1976 R1 800 per annum (R150 per month)

From 1/1/1977 — 31/12/1977 R1 980 pa (R165 pm) Total R5 580

No tax was paid by Dr D O Rhoodie on these sums

Dr Mulder testified that he was aware of the allowances, but was under the impression that the necessary permission had been obtained But in his evidence Dr Rhoodie contended that Dr Mulder was aware of the actual state of affairs

Similar allowances were paid, also without the approval of the Public Service Commission and out of the secret fund, to the following persons

Mrs S de Klerk (later Louw) left the service 1/7/77

From 1/8/74 — 31/1/75 R137,50 pm From 1/2/75 — 30/9/76 R187,50 pm From 1/10/76 — 31/12/76 R137,50 pm From 1/1/77 — 30/6/77 R145 pm

Miss L Wilkinson from 1/8/74 — 31/12/74 R95 pm From 1/1/75 — 31/5/75 R145 pm

Mrs H Atterbury from 1/2/75 — 31/8/75 R50 pm From 1/9/75 — 31/12/76 nil From 1/1/77 — 31/8/77 R40 pm

Miss N Kotze 1/10/75 R80 From 1/11/75 — 31/3/76 R60 pm From 1/1/77 — 31/8/77 R88 pm

Mr P Viljoen from 1/6/77 — 31/8/77 R55 pm

D. "Werkloon" (fees).

Various claims on the secret fund were made by Dr D O Rhoodie for the recovery of a so-called "werkloon" But there is no provision for the payment of such a claim Nevertheless Dr D O Rhoodie's claims in this connection were all paid

Sums of money were paid to certain collaborators on a daily basis and for short periods as a "werkloon". Dr D O Rhoodie however, was the only official who submitted claims for these

The following are examples of such claims

Visited Washington during August 1975 — R458 claimed as "werkloon"

Visited New York, Los Angeles and Washington May 1976 $2 300 claimed as "werkloon"

Visited New York and The Hague — March 1976 — $600 00 claimed as "werkloon" Visited London, Paris and The Hague — November 1975 — $6000 00 claimed as "werkloon" (Dr D O Rhoodie explained to the commission that the "werkloon" was paid to de-

Slim elegance and superb quartz accuracy

went

fray the expenses of anonymous collaborators)
Visited Vienna, Paris, London and The Hague — July 1976 — $1 050 claimed as "werkloon"

A total sum of R9 994,51 was paid to Dr D O Rhoodie as "werkloon" for the period concerned According to the evidence before the commission, the full amount was later recovered from him and it was paid subject to the proviso that it would be reclaimed subsequently on production of proof that it was not owing

E. Anonymous collaborators:

Large sums of cash were regularly drawn out of the secret fund and received by Dr Rhoodie for payment to so-called anonymous collaborators, and no vouchers were filed to show that the monies were in fact paid to such persons

The following are examples of amounts received by Dr Rhoodie in cash in this way
On 3 5 1974 — R6 000,00
On 7.5 1974 — R12 000,00
On 7.5 1974 — R500,00
On 11 9 1974 —R250,00
On 6 1 1975 — R55 000,00

F. Trips abroad — wives.

Dr Mulder gave Dr D O Rhoodie permission to take his wife with him once a year on an official visit abroad and for the expenses in connection with such a visit to be defrayed from public funds

Dr Rhoodie alleges that he and Mr L E S de Villiers were given similar permission, but as far as can be ascertained the three officers' wives accompanied them on the following trips, the expenses of which were paid out of the secret fund

Dr Rhoodie
9.1 1976 — 11 1 1976 Seychelles,
13,6 1976 — 19.6 1976 Europe;
15 9 1976 — 2 10 1976 Europe,
October 1976 — Europe,
March — April 1977 — Europe and USA,
2 1 77 — 7 1 1977 Seychelles

Dr D O Rhoodie
9 3 1976 — 3 5 1976 USA,
4 3 1977 — 12 3 1977 USA,
18 6 1977 — 4 7 1977 Europe

Mr L E S de Villiers
9 — 11 January 1976 Seychelles;
September — October 1976 USA,
2 — 7 January 1977 Seychelles

The trip of Dr Rhoodie and Mr L E S de Villiers to the Seychelles and also the three trips undertaken by Dr D O Rhoodie are discussed further below

Trip to the Seychelles

Although the SAA normally takes flights to and from the Seychelles, a jet aircraft of the LLG Straalhuurvlugte (Edms) Beperk was chartered with "secret funds" at a cost of R6 037,55 to take a party of 14 adults, headed by Dr Rhoodie and Mrs Rhoodie, to the Seychelles on 9 January 1976 The party returned on 11 January 1976 Seven double rooms with baths were taken at Mahe Beach Up to now it has been possible to trace only the hotel account of Mr and Mrs L E S de Villiers for R115,22

As far as can be ascertained the party consisted of the following Dr and Mrs Rhoodie, Mr and Mrs L E S de Villiers, Mr and Mrs Luyt, Fourie and his wife, Mr and Mrs Piet Greyling, Mr Du Plessis (pilot), a steward, a stewardess and a navigator.

Dr and Mrs Rhoodie visited the Seychelles again from 2 to 7 January 1977 Dr Rhoodie acted as the tour leader of a party Dr and Mrs Rhodie's hotel account for payment out of "the secret funds" was submitted on 26 June 1977

The flight was undertaken by a LLG aircraft This time, otherwise than in the past, the account was sent to Thor which is financed by secret funds The account amounted to R6 901,73 take three and last to come.

As far as can be established from Barrie's evidence, the party consisted of the following persons Dr and Mrs Rhoodie, Mr and Mrs L E S de Villiers, three children and two policemen But Van Rooyen testified that he and his daughter also accompanied the group

Trip to USA in April/May 1976

On 6 April 1976 Dr D O Rhoodie submitted a claim for the payment of two first-class tickets from Johannesburg to New York, Los Angeles and back to Johannesburg for an amount of R5 042,80, plus an advance of R990,00

An account from the firm Vacations Unlimited was used in support of the claim The particulars on it correspond with those on the claim

It appears, however, that Dr D O Rhoodie did not take out two first-class tickets, but four economy-class tickets Somebody at the travel bureau Vacations Unlimited had been persuaded to send the account with the false information to the address of the Department of Information

With the money obtained by Dr D O Rhoodie for the purchase of two first-class tickets, four economy-class tickets were paid for With these, his wife and two children accompanied him

An amount of R3 749,10 was subsequently recovered from this officer in this connection

Trip to the USA in March 1972

On 1 February 1977 Dr D O Rhoodie submitted a claim reading as follows

"Dr D O Rhoodie
Visit Europe and USA and Canada
March 1 1977 — March 14 1977
Travelling costs (Dr D O Rhoodie plus guest) — R3 857
Advance R and V — R2 000
Total R5 857"

The claim was signed by Dr D O Rhoodie in his capacity as Acting Secretary A receipt from the travel bureau Vacations Unlimited for the sum of R3 857,00 was later produced as evidence of the payment for the air tickets

It was indicated on the receipt that the payment was made in respect of two separate statements, giving their numbers

Investigations brought to light that the statements with corresponding numbers were in the names of Dr D O Rhoodie and his wife, Mrs Z Rhoodie

According to these statements air bookings were made for Dr D O Rhoodie for 1 March 1977 from Johannesburg to Zurich and for 5 March from Zurich to New york Then follow various other reservations for flights in America and on 12 March 1977 a reservation was made from New York to Johannesburg

It is clear that Dr D O RHoodie wanted to disguise the fact that his wife was flying to the USA and back at State expense

Trip to Europe in June-/July 1977

According to vouchers filed by the accountant, the amount of R3 668,20 was paid by the Department out of the secret fund to the travel bureau Vacations Unlimited for two air tickets to Europe for the use of Dr D O Rhoodie

On the statement filed in the Department the indications that one of the tickets was intended for Dr Rhoodie's wife were however erased It is not clear exactly when the erasure was made

G. Private reservations for trips abroad.

It is standing policy that use has to be made of the Railway Travel Bureau for the booking of air trips abroad The intention is clearly to obviate the payment of commission to private travel bureaus

But the Department regularly made use of the services of the travel bureau Vacations Unlimited The following amounts were paid from 1973 to Vacations Unlimited for services rendered
1973/74 financial year - R2 700;
1974/75 financial year - R42 984,
1975/76 financial year - R73 548,
1976/77 financial year - R72 653,
1977/78 financial year (months) — R18 113
Total — R209 998

This practice resulted i the South African Railway having to pay Vacations Ur limited about R17 000 i commission

H. Insurance premiums.

It was customary for D Rhoodie, Dr D O Rhoodi and Mr L E S de Villiers t take out insurance whe they travelled abroad an the premiums were paid fo out of the secret fund

The following amount which had been paid by th secret fund for this purpos were recovered after the had been queried by th Auditor-General
Dr D O Rhoodie — R1 129,30,
Dr Rhoodie — R1 255,12,
Mr L E S de Villiers — R399,64,

I. Internal journeys — subsistence and travelling expenses.

In some cases subsistence and travelling expenses fo internal journeys by the three senior officers were also paid for out of the se cret fund

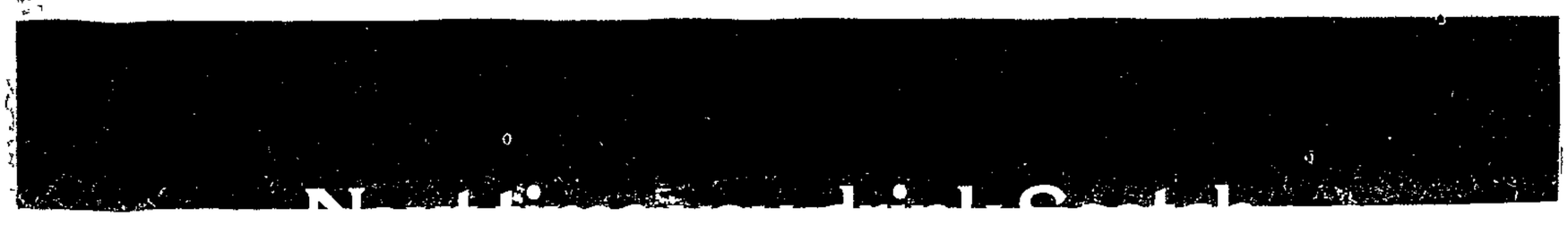
The following are exam ples of this
Dr Rhoodie
(i) Cape Town — 23.1 77 to 28 1.77 — R220,08;
(ii) Cape Town — 24 5 77 to 26 5 77 — R201,77

J. Payment for a box — Loftus Versfeld.

At the beginning of 1977 Dr Rhoodie decided to rent a private box at Loftus Versfeld from the Northern Transvaal Rugby Union in the name of Thor

An amount of R4 000 was payable, being the rental

● To Page 10



Why the emergency fund was established

RDM 6/12/78

Chapter 8: Investments in fixed property

WITH a view to the possibility that monies might no longer be made available to the secret fund, an emergency fund was established with monies from the secret fund to make provision for secret collaborators of the Department who had given up their jobs to work for the Department

It was decided to invest the money in fixed property in the Republic and elsewhere

Rhoodie himself was responsible for this project. He testified that he had decided to invest the money in fixed property after having taken what, according to him was the best available expert advice.

During the years 1974 to 1978 an amount of R934 901 was utilised for this purpose. Fixed property or rights to fixed property were bought by companies, associations or individuals in their own name According to him they then ceded their rights in favour of the Department

The following fixed properties were acquired

1. 10 flats in Clifton, Cape Town, the so-called Valhalla flats

2 a stand at Plettenberg Bay

3 two houses in Pretoria.

4 a house in Soweto

5. a house in London

6 a house in the United States of America

7 two flats in France

8 business premises in Johannesburg

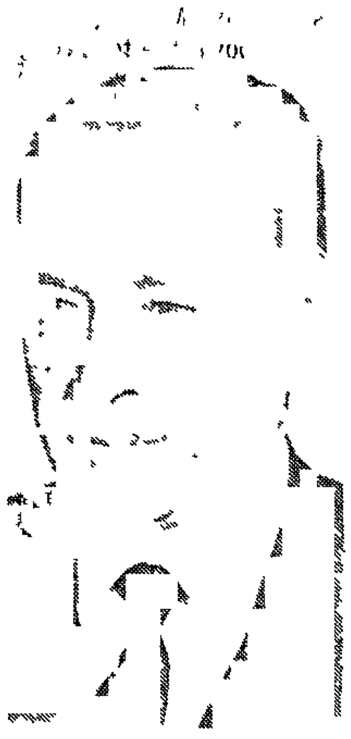
9. a share in the farm Vrekver — by acquiring a 50 % interest in the private company of C J. Weyers (Pty) Limited.

In addition to the purchase of the above-mentioned immovable property, a trust account was opened in London to make provision for the salary of a collaborator there

Four of the Valhalla flats, the house in London and one of the flats in France have already been sold at the price for which they were bought.

It is difficult to establish whether the fixed property was utilised to best advantage Some properties were let, others were used for the purposes of the Department's secret projects, while some were not fully used The interest was acquired in the farm Vrekver for the purpose of entertaining guests from abroad.

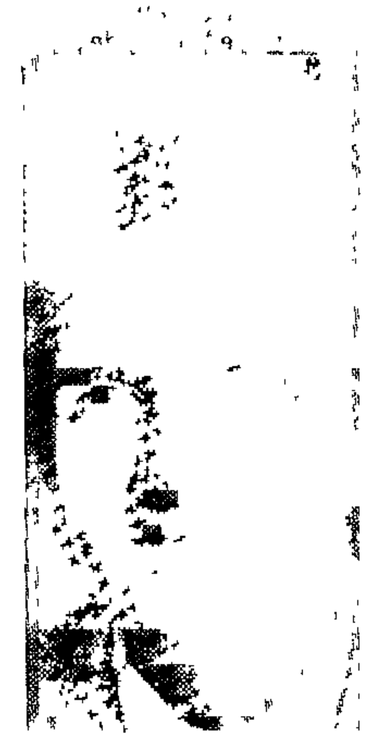
Together with the interest



MR BARRIE
. . . began probe



MR VAN ZYL ALBERTS
. . . in control



MR DE VILLIERS
. . . shared farm

number of cattle on the farm were acquired Farming was continued for a period of two years During this period a loss of R50 000 was sustained, R24 000 of which had to be borne by the Department

The evidence of B O Truter, a registered accountant and auditor, indicates that when the four Valhalla flats were bought public funds were used for part of the purchase price by the buyer, Alberts Alberts admitted this, but tried to give an innocent explanation.

This stems from the fact that Alberts was in control of the company which held those flats on behalf of the Department and bought the flats for himself, but did not keep proper books

Alberts also stated, probably in all good faith, that he acquired the Department's share in the farm Vrekver. Truter disputes this

According to Truter, a full investigation to establish the true state of affairs in connection with the above-mentioned four flats and the interest in the said farm would take about two months

In this connection it may also be pointed out that the names of Mulder, Rhoodie, and D Rhoodie and Mr L E S de Villiers are sometimes mentioned in connection with the farm Vrekver They had no interest in that farm, however, but bought another farm jointly with other persons This was a private transaction

The stand at Plettenberg Bay was bought and registered in the name of Rhoodie on May 17, 1976, for an

Rhoodie stated that during a visit to Plettenberg Bay he heard that the stand was for sale and that, according to expert advice he obtained, the purchase of the stand would be a good investment for the Emergency Fund He decided to buy the stand for this purpose

Because he had to act immediately he decided to buy it in his own name It was accordingly registered in his name Later he subsequently drew up and signed a document stating that the stand belonged to the Department

The document is dated 18/9/76 and the dates after the signatures of the two witnesses are in the same handwriting , while the date after Rhoodie's signature is in a different handwriting

Mr Fourie definitely denies that any of these dates are in his handwriting. He further points out that the admission that the stand did not belong to Rhoodie was signed after June 1977 and that this was done only after Mr Barrie had begun to investigate the affairs of the Department

The commission already knows that Rhoodie had given instructions for certain documents to be destroyed after Mr Barrie had begun his investigation into the Department in the latter half of 1976

Mr Fourie stated that the stand had been bought in June, 1976, for R49 000 There were certain transfer fees, etc, amounting to R3 600, so that the stand cost R52 700

While Rhoodie testified that he had obtained the best advice on the purchase

Mulder, heard about the purchase of the stand only later

Mulder denied in his testimony that he and Rhoodie had ever agreed in principle to buy fixed property out of the Emergency Fund and went on to say that if it was true that Rhoodie had registered the stand in his name he strongly condemned this

Rhoodie explained that he had bought the stand in his own name because he had had to act immediately The commission finds this explanation difficult to understand He could have put it in the name of Thor or any other organisation which acted as a front organisation for the Department, and, needless to say in the circumstances of the case, his explanation as to why he did it is unacceptable.

Mr Fourie was recalled by the commission and he testified that it was explained to him that the stand was intended as an investment for another project He was amazed to hear that it had eventually been registered in Rhoodie's name. Despite Rhoodie's explanation this matter is regarded as a serious irregularity

Further evidence was heard that on 16 January, 1976, Rhoodie had given Mr Fourie instructions to obtain a bank cheque to the amount of R33 205 for use in the Citizen project Rhoodie signed personally for the receipt of the cheque No such payment could, however, be traced at The Citizen

An investigation instituted by the commission revealed that the bank cheque concerned had been paid into the account of Oscar-

(Plettenberg Bay Hol. Flats Trust a/c) on January 29, 1976 Further investigation in this regard revealed that on February 1, 1976, Rhoodie had entered into a purchase agreement in his own name with Oscardee (Pty) Ltd for the purchase of a flat at Plettenberg Bay at a total purchase price of R33 250 The balance of R45 00 on the purchase price was paid over to Oscardee (Pty) Ltd on February 5, 1976

Before the flat was registered in Rhoodie's name he resold it to Mr Arnon Milchan, of Paris, France, for an amount of $51 800 A document in this connection, dated September 16, 1976, and signed by Rhoodie, to the following effect was submitted to the Commission

"I hereby certify that I have sold Apartment 204 at Oscardee, Main Road, Plettenberg Bay, C P, To Mr Arnon Milchan for the amount of $51 800 effective today"

On the same date, September 16, 1976, an amount of R44 928,18 was paid into Rhoodie's personal bank account, being a telegraphic transfer of $51 800 from the Swiss Bank Corp

Despite efforts by Rhoodie to have the property registered directly in Mr Milchan's name, the property was first registered in his name on September 20, 1978 and subsequently in Mr Milchan's name

The costs involved in the transfer were R957,88 and were paid by Rhoodie

This transaction came to the Commission's attention, at a very late stage, and Rhoodie, who left for overseas at that time, could not be confronted with the facts Rhoodie had, however, testified that the transaction in connection with the stand at Plettenberg Bay was the only transaction in which he had bought fixed property on behalf of the Department in his own name

The commission is of the opinion that the facts of this case point to a serious irregularity.

Names of witnesses

THE FOLLOWING people were named as witnesses before the Erasmus Commission

Mr D O Abramson, Mr J Van Zyl Alberts, Mr F G Barrie, the Honourable P W Botha, Mr G W G Browne, Dr W J de Klerk, Mr P F du Preez, Mr A J J Fourie, the Honourable O P F Horwood, Mr A L N Knoetze, Captain J C Krlek, Mr L Luyt, Dr C P Mulder, MP, Mr G P Nel, Mr A Pieterse, Mr J A Stirling, Mr B O Truter, Mr L S V D V Reynders, Dr L O Rhoodie, Dr E M Rhoodie, General H J Van den Bergh, Mr D D Van Niekerk, Mr P R Van Rooyen, the

RDM 6/12/78

RAND DAILY MAIL, Wednesday, Dec. 6,

'Rendezvous' financed by black cinema loan

Chapter 7: loan of R825 000 from the secret fund

PIETERSE and certain companies in which he had an interest had been planning the establishment of a black film industry in the Republic since 1970 and submitted various memoranda and reports in that connection to various government authorities

After discussions with various ministers, ie Mr M C Botha, Dr Mulder and Mr J T Kruger, and various senior public servants, it was decided to proceed with the plan concerned.

Among other things this would involve the erection of theatres

Two companies were established for this purpose The idea was always that Pieterse would tackle the operation as a private enterprise

The objects of the companies concerned had been brought to the attention of Dr Rhoodie. Because difficulties were being experienced with the financing of the plan, Dr Rhoodie decided to assist with the financing from the secret fund. An amount of R825 000 was agreed upon for the first year, after which further amounts would be made available as required by the expansion of the undertaking

A loan agreement was entered into between Thor, acting for the department, and one of the two above-mentioned companies for the loan, interest-free, of an amount of R825 000 from the secret fund.

The agreement makes provision for the deduction of certain expenditure from the principal sum owed, but the relevant provision is not quite clear Pieterse contends that expenditure already incurred as well as future expenditure could be deducted from the principal sum.

He stated further that he did not want to pay interest because he considered that the money was "vir werk wat ons reeds gelewer het en wat ons steeds gaan lewer".

In this regard he also said that hundreds of thousands of rands had already been spent on the plan This expenditure was in respect of training, script writing, architect's fees, research, etc.

Shortly after the agreement had been concluded, all negotiations with various black administration boards and the Department of Plural Relations came to an end The Government wanted to go into the matter more

Pieterse was sitting waiting with a large staff, and in the meantime expenditure was mounting He tells a sorry story of delay and indecision on the part of the then Department of Bantu Administration and Development and various black administration boards The commission did not consider it necessary to investigate this further.

Meanwhile, Pieterse and his companies were planning the production for private purposes of the film "Golden Rendezvous" in the Republic Rights to this film were sold in about 32 countries for an amount of $2 300 000

The relevant contract was given to Trust Bank as negotiable security to finance the production of the above-mentioned film By then production costs already mounted to $2 800 000

Pieterse was later informed that, as a result of considerable losses that Trust Bank had sustained in connection with another matter, the bank was no longer able to negotiate the above-mentioned contract

There were, therefore, financing problems before the production of the film in question was commenced Pieterse considered that suspension of the filming of the production would have an adverse effect on the film industry in the Republic and that, in the event of insolvency, the loan from Thor would be embarrassing

At his wits' end, he went to Dr Rhoodie (588) in about January 1977 and persuaded him to agree to the use of the amount of R825 000 as security for a production loan which Barclays Bank and the Netherlands Bank would make available

As security Pieterse gave guarantees from himself and two of his companies at Dr Rhoodie's request Pieterse also gave Dr Rhoodie the assurance that it would not be necessary to use the R825 000 because insurance had been taken out against losses in the event of non-completion of the film and because the proceeds from the sale of the film rights would at least cover its production costs

These costs mounted steadily and eventually exceeded the initial estimates Dr Rhoodie asked Pieterse to do everything in his power to prevent the amount of R825 000 being called up by the banks.

Pieterse's efforts were, however, in vain, since none of the big film companies would buy the film rights The result was that obligations could not be met and that the R825 000 was used to pay debts This amount, or as much of it as payable under the relevant contract, is still owing to Thor

According to Dr Rhoodie, he sanctioned the use of the amount of R825 000 as security as a rescue operation because otherwise, had the Pieterse companies involved gone under, valuable work which had been done would have been fruitless This explanation does not detract from the fact that State monies, whatever the amount may be under the loan agreement concer... were made available ... used for private purposes

In this regard, ment... may also be made of ... payment of an amount ... R10 000 by Dr Rhoodie ... Pieterse (574) on which Pi... terse paid no income tax or the assurance that Dr Rh... die had arranged for this

According to them, th... amount was paid partly a remuneration for work don... by Pieterse abroad in con... nection with the filming o... a book and partly as a re... fund on expenditure in... curred in connection wit... that work

The evidence concernin... the work done and the ex... penditure incurred is so lacking in particulars that it is impossible to establish whether Pieterse was properly remunerated, whether the remuneration was to his advantage, or whether he was wronged The matter is mentioned as an example of the ill-considered manner in which money in the secret fund was expended

At this stage it is perhaps appropriate to point out that Pieterse confirmed the evidence he had given before the so-called Mostert Commission in connection with the two foregoing matters before the present commission

His evidence in this connection before the former commission ran to 18 pages while additions to and explanations of that evidence before the present commission runs to 44 pages.

RDM
6/12/78

Where the money went

● From Page 9

for the first year.

The payment of this amount clearly posed a problem to Dr Rhoodie and he telephoned Pieterse in America. Arrangements were made for the transfer of R4 000 to Pieterse's bank account in George. On receipt of this amount Pieterse was to issue a cheque for R4 000 to the Northern Transvaal Rugby Union.

On 7 October 1977 Dr Rhoodie issued the following instuctions to his accountant, Fourie:

"1. An amount of R4 000 must please go to Mr Andre Pieterse as soon as he returns from abroad.

2. Debit budget from Del: This is an amount which he is going to pay (name mentioned) as partial renumeration for his work on the anti-communist film A signature cannot be obtained from (name mentioned) but I will control via (name mentioned) that this had in fact been done."

A bank cheque was subsequently obtained by the accountant on 3 November 1977 to the amount of R4 500,00 and sent by registered post to Pieterse's address in George

On 3 November 1977 Mrs Pieterse issued a cheque in her name to the Northern Transvaal Rugby Union, which cheque was paid in by the rugby union at their bank on 15 November

The bank cheque to the amount of R4 500,00 was deposited on 8 November 1977 in Mrs Pieterse's account.

Pieterse was under the impression that the extra R500,00 was a payment to his wife for the use of her bank account.

This transaction is a striking illustration of the way in which the accountant could be misled in regard to the use to which the monies that he had to draw and pay out were ultimately put.

The price to avoid Press censorship . . .

● From Page 11

was taken for granted that the State would provide the financing The firm of Hill Samuel had already been approached by Alberts to undertake negotiations as the broker

It was necessary, however, to use the name of a peson or body as a front to finance the take-over This is how it came about that Louis Luyt, a well-known wealthy businessman (hereinafter referred to as Luyt) was approached to act as a front

According to Rhoodie this plan was put to Luyt in Rhoodie's office by him (Rhoodie) and Alberts during September 1975 and Luyt said he was prepared to fill this role. Luyt's name was then submitted to Hill Samuel by Alberts as the person behind the takeover

Luyt initiated negotiations almost at once He testified that he had approached Sir De Villiers Graaff in the Cape who was prepared to put up R1-million towards a take-over of SAAN It is not alleged that Sir De Villiers Graaff knew that departmental funds would be used in the takeover It is also alleged by Luyt, Alberts and Rhoodie that a certain John McGoff of the USA and Axel Springer of Germany were approached to make money available together with the department, Luyt and Sir De Villiers Graaff

On October 28, 1975, however, when Alberts, according to him, was already on his way to discuss the matter with McGoff and Springer overseas, a local Afrikaans newspaper published a report of the contemplated takeover of SAAN by Luyt

This blew the whole thing, as Alberts put it From that moment there was strong opposition from the ranks of the "English establishment", as one witness called it, and the takeover of SAAN eventually proved impossible, even after Luyt had gone so far as to offer R12-million for control

Early on the morning of December 4, 1975, the following men met in secret at the home of Mr L E S de Villiers in Waterkloof, Pretoria Mulder, Van den Bergh; Rhoodie, D O Rhoodie (Eschel's brother Deneys), Luyt, Du Preez, (Luyt's accountant), Alberts, and Mr L E S de Villiers

The subject for discussion was the deliberate implementation of the plan to establish an English language newspaper themselves with monies from the secret fund

In this connection Rhoodie testified that he had suggested to Mr Vorster sometime previously that Luyt be used as a front for the newspapers

Although, according to Rhoodie, Mr Vorster did not like Luyt he was persuaded Luyt would be the best man For that reason Luyt and his accountant, Du Preez, would be present that morning at the meeting

After a discussion of the calculation of costs drawn up by Alberts and Luyt in respect of the establishment and further financing of such a newspaper, the conclusion was reached that from R6-million to R8-million would be needed

Mulder and Rhoodie undertook to make this money available from the secret funds and it was decided Luyt should be placed in possession of the money

Mulder's view was that the capital sum should be made available to Luyt for investment and that only the interest be used as operating costs, and the capital, which he described as a "pool", should not be touched

That is why, Rhoodie and Alberts testified, it was decided to lend the capital to Luyt to be invested in a trust account in a bank from which the 9% or 10% interest would be paid to the company SA Today which would run the newspaper

Luyt and Du Preez, however, differed from these men on where it was decided the money should be invested They contend that Luyt could invest it where he wished at the best rate of interest as long as the capital was properly secured

The commission does not find it necessary to determine which of these versions is the correct one since in its opinion it really makes no difference where the money was eventually invested by Luyt, the fact of the matter is that both parties are agreed that the capital was loaned to Luyt and thus became his property

Mulder and Rhoodie in fact admit the only condition attached to the loan was that it be properly secured against erosion and that the interest was to be used for the operating costs of the newspaper

It is the commission's opinion that, if a loan to a private individual from the Exchequer under the set circumstances is regarded as improper or irregular, the reprehensibility of the action already lies in the fact that the money was so taken from the Exchequer

Seen from the angle of possible financial detriment to the State the fact that the capital eventually landed in Luyt's company, Triomf Kunsmis, is merely an aggravating fact

The commission will interrupt the story for a moment to point out the role played by Van den Bergh at this stage

Van den Bergh alleges that immediately after the said meeting of December 4, 1975, he reported to Mr Vorster what had taken place and told him Mulder and Rhoodie and De Villiers among others had been there

He contends that Mr Vorster instructed him not to become involved in the matter, to stay away from the whole thing, but to keep his ear to the ground

RDM
6/12/78

Mr Vorster contends that on the strength of what Van den Bergh told him he had not the slightest reason to believe the department was involved in the establishment of the newspaper, and that he had forbidden Van den Bergh to become involved with Luyt in any way in this regard, and that he was therefore to keep away from any discussions of the matter

He furthermore said that he had told Van den Bergh it was not Van den Bergh's function to become involved with the publication of any newspaper, either English or Afrikaans

Mr Vorster also alleges that Van den Bergh did not on this occasion tell him that Mulder had been present at the discussion on the establishment of the newspaper

Mr Vorster alleges further that, had he been informed of this, he would have spoken to Mulder and asked him not to concern himself with the matter any further

Van den Bergh stated further that after that he did "keep his ear on the ground" and became aware almost immediately that Mulder and Rhoodie were establishing an English language newspaper for the department with State funds

He declares he kept Mr Vorster constantly informed of this and that he repeatedly told Mulder and Rhoodie that Mr Vorster did not approve

Mulder and Rhoodie were said then to have assured him every time that Mr Vorster was aware of their actions and approved Every time Van den Bergh then confronted Mr Vorster with this, Mr Vorster was alleged to have given him the assurance that all he knew about the newspaper was what he had heard from him (Van den Bergh)

Mr Vorster denied he had known before 1977 that Mulder was officially involved in the newspaper. Mulder, on the other hand, testified that he was told by Van den Bergh that he had fully informed Mr Vorster and that Mr Vorster's reaction had been that the bureau had nothing to do with such a newspaper but that tion in South Africa

3 The paper will not defend communism in any form or further its aims.

4 The paper will not undertake or publish anything which endangers the constitutionally elected government of SA.

5 The paper will at all times promote the maintenance of identity and political authority, of whites in SA.

6 The paper may not be sold to any party, person or organisation whether through transfer of shares or through payment,

7. The effective control of the paper as shown in terms of paragraphs (A) and (B) of this agreement may not be disclosed to any other person, or group of people, or directors of The Citizen or SA Today,

8 The paper supports the wider aims of the elected government with reference to seperate development for blacks and whites of SA as well as anti-communistic and security legislation in SA

9 All chief sub-editors, assistants and deputy editors, political columnists, correspondents, and leader writes are (a) bound to honour this charter and any other editorial guidleines in the writing, editing, and publication of The Citizen,

10 No person described in paragraph (D) (9) of this agreement will be appointed without permission of one of the three people mentioned in paragraph (C) "

From the stipulations quoted above the commission can come to no other conclusion than that it was the intention that the newspaper should support the party policy in regard to separate development of the ruling political party

Although Mulder tried with purposeful seriousness, supported in similar fashion by Rhoodie, to convince the commission to the contrary, the commission was not impressed

Copies of The Citizen which appeared on the days immediately preceding the November 1977 election were submitted to the commission from which it is indisputedly clear that the newspaper positively encouraged voters to vote for the ruling party. (See The Citizen of 30 November 1977, exhibit 12 F).

It was soon apparent that the interest on the investment of R12-million was hopelessly inadequate to meet the costs of the newspaper, even at the relatively high rate of interest of 12½% at which Luyt had invested the money in Triomf Kunsmis, a company in which he held control

Luyt was not prepared, nor was he supposed to, meet the costs attached to The Citizen from his own pocket. He therefore soon had to return to Dr Rhoodie for more funds

The acquisition of the printing press and other equipment for the proper running of the newspaper soon ran into astronomical amounts, even before the newspaper appeared on the streets

On September 10, 1976, Dr Rhoodie was obliged to pay over a further R1-million from the secret fund for The Citizen, and barely three days later an additional R150 000

Without taking any interest into account, the total capital expenditure from public funds on The Citizen therefore amounted to R13 150 000 by the end of the 1976-1977 financial year.

On September 7, 1976, the first Citizen appeared on the streets During April 1977 Mulder, Rhoodie, Luyt, Du Preez and Alberts met in a room in the Holiday Inn, Jan Smuts Airport

According to their evidence, it now for the first time became clear to Mulder, Rhoodie and Alberts that Luyt had invested the R12-million in a "pool" in his company Triomf Kunsmis, and they were bitterly dissatisfied

Hard words were spoken, there was recriminations from both sides and at the end of a stormy session between Rhoodie and Luyt the latter told Rhoodie in strong terms what he could do with his newspaper and left the meeting with Du Preez.

After they had left the meeting, Mulder, Rhoodie and Alberts discussed the

● To Page 13

bureau had nothing to do with such a newspaper but that Van den Bergh was to keep his ear to the ground and to inform Mr Vorster regularly

Mulder said that logically he interpreted this as approval of the project by Mr Vorster He is backed up in this by Rhoodie

To continue the story Luyt to decided to call the newspaper The Citizen, and announced the establishment of "his" newspaper Meanwhile, on December 29, 1975, a total of R4-million had already been paid from secret funds into trust with Luyt's firm of auditors, Malan and du Preez

On December 5, 1975, a further R2-million was paid into the said firm of auditors from the same source, on 29 March 1976, R3 680 000, and on 14 April 1976 a further amount of R320 000, bringing the total on the latter date up to R12-million

A loan between Rhoodie and Luyt was signed on April 7, 1976, in which Rhoodie purported to lend the amount of R12-million to Luyt The terms of that agreement were that the loan would be for a period of not less than 10 years, would be interest free for the first two years, after which interest would be payable at a rate of 3% a year

Since it would be patent to anyone that Rhoodie would not have R12-million to lend, Rhoodie arranged for a letter to be sent to Luyt by a respectable Swiss financial institution on August 10, 1976, "confirming" that R12-million had been lent to Luyt for the establishment of a newspaper, The Citizen.

In the meantime an amount of R220 000 had also been paid to Luyt from the secret funds on January 22, 1976, to enable The Citizen to sponsor the 1976 Grand Prix

At the meeting on December 4, 1975, it had already been discussed what policy the newspaper should follow The proposal submitted in writing by Alberts described its envisaged character as "independent, moderate conservative, non-aligned politically".

On April 2, 1976, however, an agreement, exhibit 3 (8), was entered into between Rhoodie and Luyt containing the following provisions on this aspect

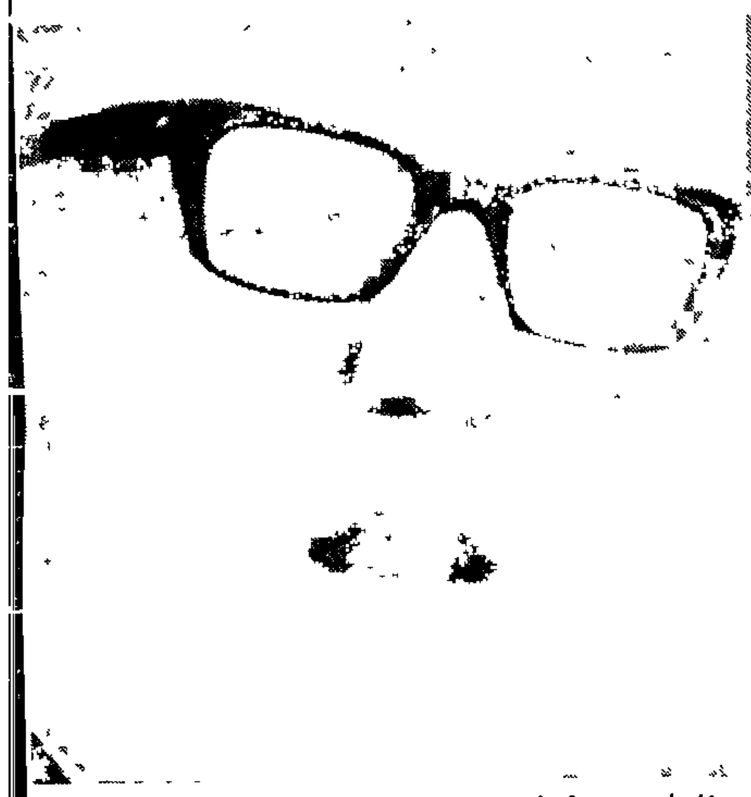
"(D) 1 The name of the newspaper may not be changed,

2 The paper will not undertake or publish anything which endangers the political, social, or economic position of the white popula-

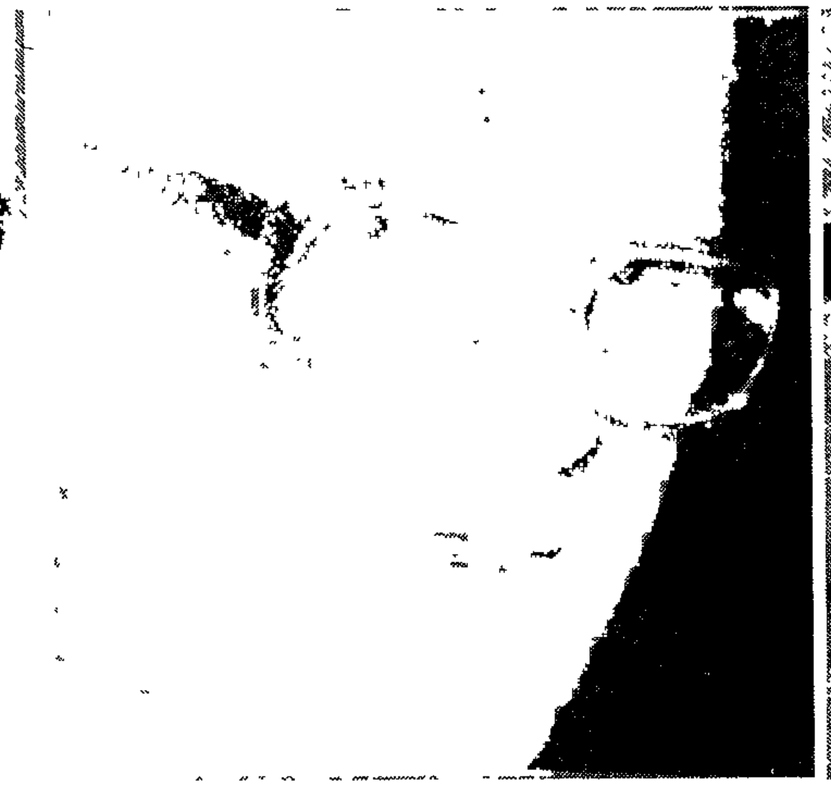
HIRE A TV for the School Holidays!
724-7281
MR TV Inc RADIO MANNIE
42 KOTZE ST HILLBROW

Secret Project Annemarie:

THE CITIZEN
Johannesburg - [illegible] December [illegible] 1978 [illegible]



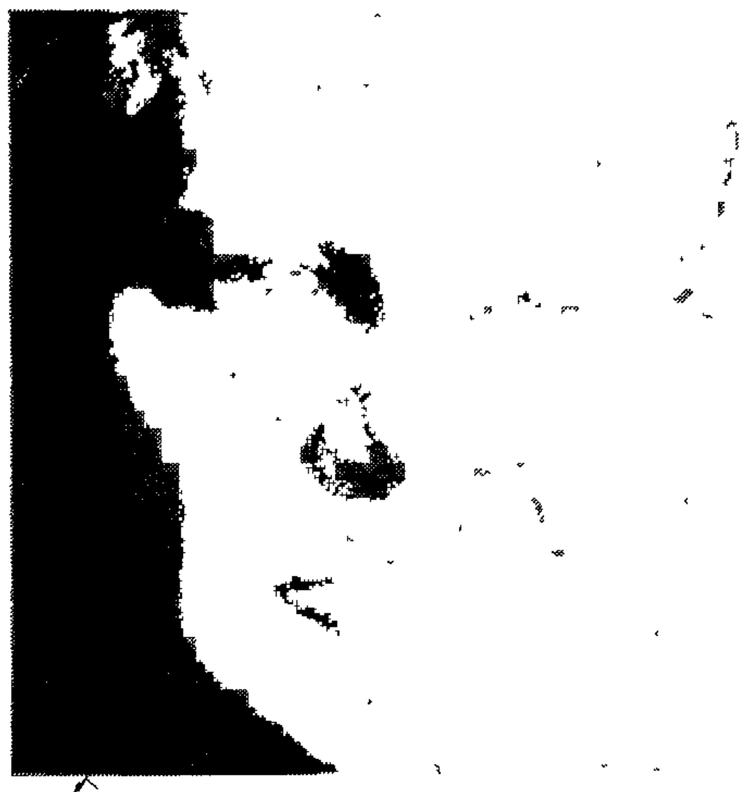
Mr B J Vorster ". . kept informed ".



General H J van den Berg ". . . explored idea"



Dr Jan van Zyl Alberts ". . . well equipped".



Dr Connie Mulder " . . closely involved"



Dr Eschel Rhoodie " tremendous harm".

● From Page 10

Chapter 9: Project Annemarie — The Citizen

Project Annemarie — The Citizen.

South Africa every year and that they were almost totally dependent on the English language newspapers for an evaluation of the South African situation

To sum up, their view was (and is) that there were virtually only two alternatives to counter these problems — either Press censorship or the establishment of an English-language newspaper which would as far as possible present the objective facts to English speakers independently of the Government.

Mulder was also of the opinion that the Government should not be involved in the establishment of such a newspaper.

Rhoodie was of the opinion that the Government should be involved in the establishment of such a newspaper.

Mulder was

RDM 6/12/78

IN order to determine how this secret project of the department orginated the commission had to consider in particular the evidence of Mr Vorster, Mulder, Rhoodie, Van den Bergh, Alberts, and all available documentation.

Mulder and Rhoodie, backed up to a large extent by Alberts, testified that as early as the beginning of 1973 a conviction had been growing in their minds that tremendous harm was being done to South Africa by reports and comment in the South African English-language newspapers, which presented a selective image of South Africa to the world.

In their view this was a distorted and incorrect image and a method had to be found to place the true, objective picture in perspective for those who had access to Press reports and comment only through the medium of English.

In their evidence before the commission they pointed out that thousands of immigrants and tourist, among others, entered

pendently Mulder's view may therefore be summed up more or less as being that the eventual cost to the State of The Citizen was in a sense the price South Africa had to pay to avoid Press censorship

With this idea uppermost, they further saw it as the task of the department to put the picture in the correct perspective A start was made early in 1973 with an attempt to take over the Natal Mercury with the assistance of a certain Mr Morgan According to Rhoodie, Dr Piet Koornhof, one of your Cabinet Ministers, Mr Morgan and Van den Bergh explored the idea However, nothing came of it.

(The offer of R7-million for the Natal Mercury was ostensibly made by Mr Lawrence Morgan, then business editor of the Perskor-owned Financial Gazette, and unnamed "backers" Interestingly, Perskor is reported to be involved in a current attempt to take over The Citizen.)

According to Rhoodie, the idea was to gain control of

obtain control of one of the most powerful groups of English-language publications in South Africa at a reasonable price It was realised right from the start by all concerned that such a takeover would not be possible without the use of funds from the Exchequer

Alberts, who had formerly held an executive position in the Rentmeester group of companies, was by this time already employed by the Department's secret fund at their remuneration of R15 000 a year (tax free) to act as an agent, or front, for the Department in carrying out secret projects

As a proven businessman, as well as a chartered accountant, he was well equipped to handle the financial interests of the secret project outwardly, and, with his knowledge of the share market, he saw the opportunity to take over SAAN

It had also come to his knowledge that the heirs of the Bailey Trust, who held the key shares in SAAN, were dissatisfied with the dividend they were receiv-

its own would be proceeded with According to Rhoodie, Mr Vorster's reaction to this was that it was all right, but that they should be careful that they did not get caught ("julle moet pas op dat julle nie julle jas in the deur vasdraai nie")

Later in this report the commission will revert to and deal fully with Mr Vorster's knowledge of the planning and execution of a project by the Department to control English-language newspapers, or alternatively a newspaper, with funds from the exchequer

Shortly after Rhoodie's discussion with Mulder, referred to above, the former told Mulder in the presence of Van den Bergh that Alberts required R200 000 to buy a block of SAAN shares and that the matter was decided ("die saak uitgeklaar is") The amount was provided from the secret fund with Mulder's approval and Alberts bought the available shares Project Annemarie had begun

Mulder accounts for his actions in attempting to take over SAAN and subsequently in establishing The Citizen on the strength of a letter from Mr Vorster in December 1973 to the Ministers of Finance, Defence, Foreign Affairs, Bantu Administration, Economic Affairs, Police, Mines, Immigration and Sport and Recreation.

Under the title "Responsibilities and Duties of the Department of Information Abroad", the letter reads as follows:

"In the light of the increase in political and propaganda onslaughts against the Republic, both in intensity and scope, as well as the unorthodox and sophisticated forms they are assuming, it has become necessary, in the interests of the country in general and national security in particular, to adapt the functions of the Department of Information accordingly.

"This situation is making higher and newer demands, and the Department's organisation, operating methods and means will therefore be adapted to this

"The instruction to the Department of Information and its aim abroad is to convey announced Government policy as well as all relevant facts regarding the Republic and South West Africa and their population groups to the peoples of other countries and especially opinion-formers and decision-makers in every possible way

"This instruction emanates from the State President's notice of the establishment of a Department

of Information In the State President's notice, contained in Government Notice No 1142 of 1.12.61, the supply of information about the population groups of South Africa and South West Africa and their development into the population groups of South Africa and the peoples of other countries is assigned to the Department of Information (paragraph b and c), as well as the co-ordination, internally and externally, of all State publicity services (paragraph d), the execution of all additional ser-

sion, further strained relations with Luyt, a serious attempt was made to find other persons to take over the newspaper

Mr John McGoff, hereinafter referred to as McGoff, and Mr Vic Jones from the USA were then invited by Dr Rhoodie in about October 1977 to take over from Luyt.

McGoff consulted Alberts and Van Rooyen on the desirability of doing so, but both of them advised him against it

He was perturbed because he could not get past Van den Bergh to Mr Vorster The solution to this problem presented itself when he happened to meet Van Rooyen during August-September 1977 and the latter promised him that the would arrange for Reynders to see Mr Vorster

Van Rooyen confirmed this conversation and also the fact that he then personally asked Mr Vorster to speak to Alberts

RDM
6/12/78

According to Reynders, the meeting had been called so that Mr Vorster could confront those concerned with the detailed information with which Reynders had already furnished Mr Vorster According to Van Rooyen, he had also already at that stage informed Mr Vorster of the fact that the department was financing a daily newspaper

At the meeting Reynders proceeded to give a detailed explanation, with reference to written notes, of a number of projects including Annemarie, in which after investigation he was prima facie of the opinion that irregularities could have been committed.

Although these notes (exhibit 7D) bear the date 30 November 1977, Reynders maintains the meeting took place before that date

According to Reynders all these facts had a very depressing effect on Mr Vorster so much so that he was taken ill at about 11,30 that evening and excused himself Mulder and Rhoodie tried to justify their actions to Mr Vorster that evening, according to Reynders. No conclusion was, however, reached because Mr Vorster became ill (508).

Mr Vorster confirmed that this meeting had taken place and that Reynders had informed him on that occasion that over R20-million had already been spent on The Citizen

He testified further that Mulder then assured him the money was safe, and that on

possession for another project for the account of The Citizen

During August 1978 a guarantee was given to Volkskas Industriele Bank by means of an investment of secret funds for the printing costs of The Citizen to the amount of R450 000 The Commission regards this as expenditure on behalf of The Citizen

After August 1978 a further amount of R705 000 was used by Alberts from secret funds in other projects on behalf of The Citizen

The total amount utilised from public funds during the period of Alberts' management up to the date of the appointment of the commission therefore amounted to R5 11 470,73

All in all, from the date of establishment of The Citizen up to the date of the commission's appointment, The Citizen cost the State R26 792 262 during the Luyt period and R5 115 470,73 according to the paragraph above, ie R31 907 732,73

To recover the initial investment of R12-million from Triomf after Luyt had left The Citizen an agreement between Rhoodie and Luyt was signed on June 8, 1978 under which the amount of R13 983 022 would be repayed by Luyt over a period of seven years into a bank account stipulated by Rhoodie

The instalments were to be paid as follows

Date	Amount
2 March 1979	R505 904
2 March 1980	R505 904
2 March 1981	R1 005 904
2 March 1982	R2 644 446
2 March 1983	R2 494 446

Jussen were approached to take over the newspaper and run it as a front for the department. At first they were reluctant to do so but later agreed and decided to do it "in lands belang (in the interests of the country)"

So far as the outside world was concerned a consortium consisting of Alberts and Jussen took over The Citizen in February 1978 The department undertook to supply the newspaper with funds from the exchequer from at least two years, after which Alberts and Jussen would try to run it for their own profit if they could get it on to a profitable basis.

When Alberts and Jussen took over The Citizen it was still costing the State the following

1. Total of direct payment referred to above, R15 825 000
2. Total of overdrawn account with Volkskas utilised for the benefit of The Citizen, R7 468 0341
3. Payment to sponsor Grand Prix 1976 R220 000
4. Guarantee to Volkskas for MGD Graphic Systems for Rotary Press equipment R594 770
5. Interest received from Triomf Kunsmis for investment of R12-million, R2 684 461

Total R26 782 262

This was still not the end of it On February 14, 1978 an amount of R399 857,21 was paid into Alberts' account at Volkskas for the account of The Citizen from the proceeds of the sale of shares held by the department.

On 17 February 1978 and 14 March 1978 the balance of the proceeds from the sale of the shares was transferred to Alberts' account with Volkskas through a Swiss bank for the account of the Citizen in two instalments of R897 605,78 and R2 179 408,90, respectively On 14 June 1978 a further amount of R443 470,73 was transferred from a secret account of the department in Switzerland for the account of the newspaper.

During August 1978 Van den Bergh authorised the payment of R50 000 from funds of the department already in Alberts'

HE ERASMUS REPORT

RDM
6/12/78

Vorster told of plan'

From Page 12

ıility of finding someone act as a front for the ıper in Luyt's place, as possible ways of prun- operating costs of the per

ous meetings took place ıently at which these ects were discussed and lly Mulder, Rhoodie, Al- Fourie and Du Preez

Mulder's office in Ad Buildings on July 28, id had a serious discus- out the costs of the er, as well as a possi- over by someone else s decided to create an ft facility with a bank current losses, which at ge proved to be in the urhood of R500 000 a

die arranged with s, Pretoria, for an open ft facility for current s, guaranteed by the de- t (Information), and in for R1 200 000 to be r from secret funds to ızen's account through t company Thor

the sale of Luyt's jet in which the secret d a half share through further amount of ıllion of the proceeds alf share was paid into zen's account on De- 16, 1977

that date, all in all 00 had been paid over payments from State or the account of the This does not include 000 provided to spon- 976 Grand Prix

s had already been act as financial advis- om July 1977 and to eye on the expenses of en by checking state- ach month Because eems to the commis-

Rhoodie alleges that at that stage he discussed costs and a possible takeover of the newspaper with Mr Vorster and that it was felt that a legal man should be brought in to keep the newspaper's affairs on an even keel According to Rhoodie, Mr Vorster recommended that Van Rooyen be approached to fulfil this function

Van Rooyen was approached by Dr Rhoodie to function as general manager of the newspaper if McGoff took over According to Alberts, the McGoff takeover fell through, however, as a result of various factors, one being that Mr Vorster and the SA Press had an agreement that no foreign company or person should gain control over a South African newspaper, McGoff, however, was in any case only interested more than 50% of the shares in The Citizen

According to Rhoodie, the department could in any case not allow control of the newspaper to pass out of its hands Both Alberts and Van Rooyen advised McGoff to have nothing to do with the newspaper

The newspaper had by now become a headache to all concerned Luyt wanted to get out and was in any case no longer so welcome to Mulder, Rhoodie and Alberts

At that critical stage Reynders appeared on the scene After Barrie had reported to Mr Vorster in about July 1977 that he had come upon irregular expenditure of funds in the (Information) department, Reynders was asked by Mr Vorster in August 1977 to investigate and report to him

Reynders commenced his investigation in the course of which he also came upon facts in connection with Project Annemarie

Reynders himself Reynders testified that Mr Vorster did in fact send for him at Libertas one evening somewhere in September 1977

Reynders told Mr Vorster of Van den Bergh's instructions that he was not to see Mr Vorster without Van den Bergh's permission and he also informed Mr Vorster of a number of irregularities he had come upon in the department He could not remember whether he also informed Mr Vorster about The Citizen on that occasion

Reynders is certain he informed Mr Vorster about The Citizen, but he is not quite sure of the date when he did so for the first time He said, for example, that he had had so many interviews with Mr Vorster that it was impossible for him to say whether he had informed Mr Vorster of the matter the first time he had seen him (496) He said that he had visited Mr Vorster from time to time from August 1977 to April-May 1978

According to Reynders he had, however, kept Mr Vorster regularly informed of how the expenditure from the Exchequer was mounting month by month, that at one stage it had exceeded R18-million, and that in addition there was an overdrawn account at Volkskas from which The Citizen supplemented its deficits monthly He also testified that Mr Vorster regularly questioned him about the state of the newspaper's finances

During November 1977, before the general election, a meeting was convened at the home of Mr Vorster at Libertas, Pretoria, where the following were present that evening Mr Vorster, Reynders, Mulder, Rhoodie, Van den Bergh and Alberts

that and various other occasions he had debated the principle with Dr Mulder of utilising public funds for an undertaking of that kind He had put it clearly to Mulder that it was not morally or ethically justifiable

Mulder held the opposite view and pointed out to Mr Vorster that the fact that there was no objective English newspaper in South Africa constituted a lack

Mr Vorster also made it clear that Dr Mulder had continued to run the newspaper against Mr Vorster's wishes, but that he, Mr Vorster, could do nothing about it because he regarded it as spilled milk The following excerpt from the record is quoted verbatim by the commission

Question "Ja, maar melk was steeds daar nog elke dag gestort"

Reply Mr Vorster "Precisely, because there was a consideration of the responsibility of the State as regards to the contractual duties which the State landed itself in as a result of this situation " (794) "to bear this in mind, as I understand, I speak now completely from hearsay What arose after I was out of this situation if it were advantageous for the State to end it or for the State to end it later"

This was November 1977 When Mr Vorster retired as Prime Minister on September 28, 1978, The Citizen was still fully controlled by the State and the State was still subsidising a monthly loss of up to about R400 000

Mulder and Rhoodie's consensus of opinion at the beginning of 1978 was that the newspaper should be taken away from Luyt

That is why Alberts and one Jussen were approached to

2 March 1985	R2 194 4
2 March 1986	R2 287 5
Total	R13 983 0

(Exhibit 3)

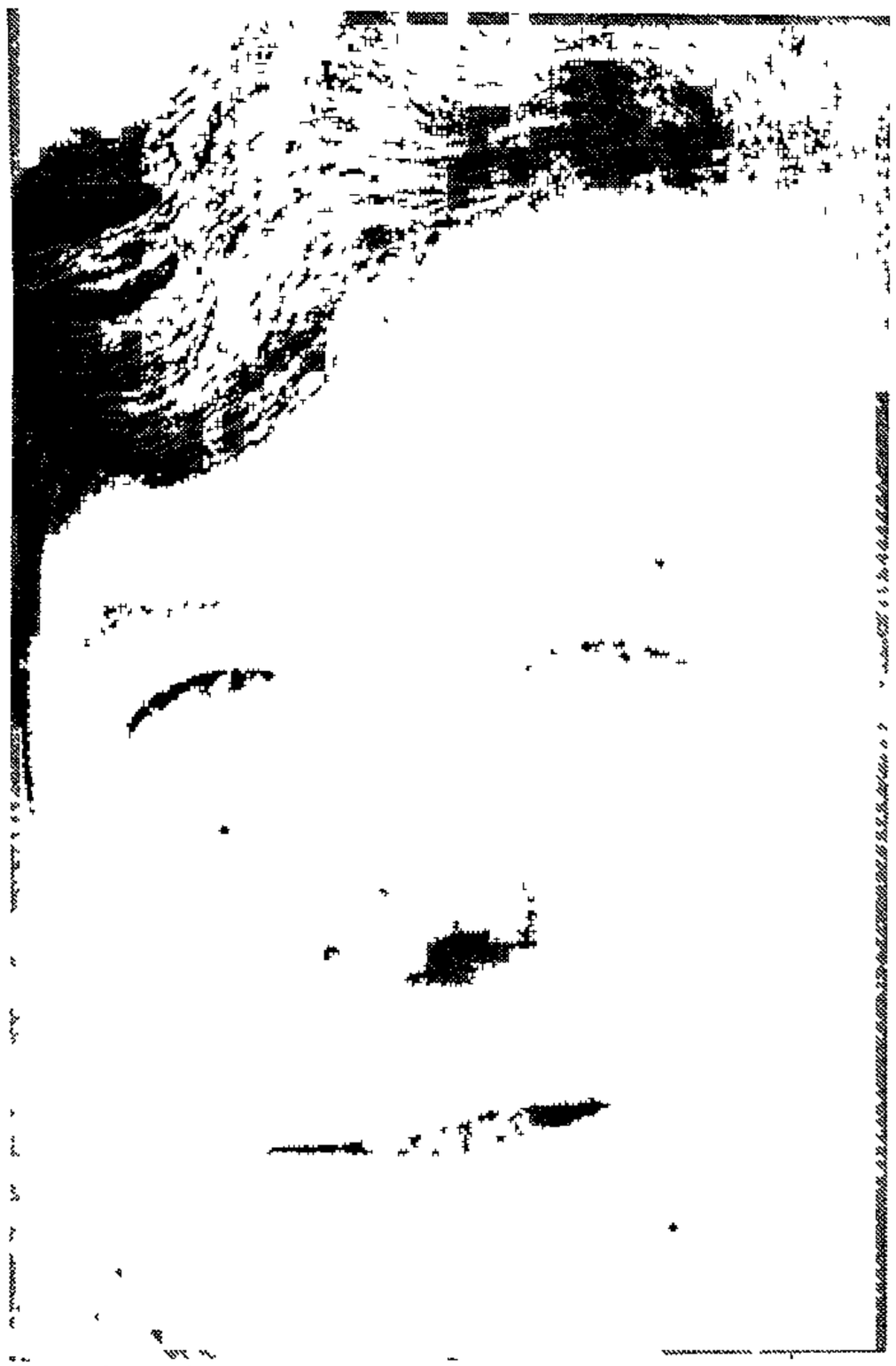
The total of R13 983 022 co sists of a capital sum R10 118 080,00, plus interest the sum for the period

The difference between th R12-million and th R10 118 080,00 appears to b due to a loss of interest su fered by Luyt because Standar Bank has raised their rate interest on a foreign loan Luyt from 3% to 12% whe Luyt's involvement becam known to them Because th Department had given the un dertaking that Luyt would no suffer any loss from his ow pocket as a result of his con nection with The Citizen, h was compensated for the los by its deduction from the R1 million debt



RAND DAILY MAIL, Wednesday, Dec. 6, 1978

'Reynders gave Vorster false report'



Senator Owen Horwood, Minister of Finance . . . "exonerated of all blame".

● From Page 13

Chapter 10: Findings of innocence

A. Introduction

1. General

IT IS NEEDLESS to say that the commission realises that for the survival and development of a country it is essential to provide for secret funds in order to combat the evils threatening the country At the same time, however, it is of cardinal importance that the control over such funds be constitutionally secured and that they will be used administratively only for the purpose for which they were voted in the national interest

In order to ensure security at all times with regard to administration of such funds, this administration must be entrusted to honourable people who have been tried and tested and whose integrity has withstood the test of time and rectitude Appointments on the strength of considerations of friendship or political expediency, and even insight and intelligence, but without regard to the modesty of the person concerned, may not take place in this sphere

2. Co-operation from bodies outside the commission:

The commission wishes to point out that it appealed to the public and the Press to testify before it should they have knowledge of the matters under investigation, but that there were only a few responses to this appeal

The English Press apparently prefers to write about the information at its disposal rather than present it as evidence This is a pity

Eleven Government departments, offices and individuals who were approached directly by the commission itself to testify reported voluntarily for this purpose

The State President and the Prime Minister testified of their own accord and expressed their desire to do so even before any request was made

3. Restriction of the terms of reference to the former Department of Information:

The commission's terms of reference are restricted to an inquiry into irregularities in the former Department of Information

During its inquiry the commission adhered strictly to this restriction, and where reference is made to officers and persons in other departments, this is done in terms of item (d) of the terms of reference, viz "any matters relating to (a), (b) and (c) above", that is the other terms of reference of the commission which referred to irregularities, unlawful gaining of advantage by individuals or bodies, methods and malpractices connected therewith and steps to put an end to such malpractices in that department

It therefore follows that persons outside the former department who had a part in or according to the evidence allegedly had a part in malpractices within the department also came under the searchlight

4. General finding:

The commission regrets to report the fact that after consideration of a mass of evidence, its comprehensive finding is that there are irrebuttable indications of large-scale irregularities and exploition of the secret fund under the control of the former department by officers and others who, as far as its inquiry for the present is concerned, will be mentioned later herein by name

5. Extent of the waste and damage to the State:

At this stage and in the short time available it is impossible to say precisely how much money the State lost owing to maladministration and irregular action, but the situation should be seen in the light of the amounts allocated to the Department's secret fund from 1974 to 1978 which are given in chapter II.

RDM 6/12/78

B. Persons not guilty of irregularities:

1. Mr Vorster's role

Mr Vorster requested that he be allowed to testify before the commission The request was acceded to because he had become involved in the affairs of the department by virtue of his former office of Prime Minister during the period in which the events under investigation took place After he had testified, the commission heard evidence which might have detracted from his credibility as a witness On 24 November 1978 the commission therefore invited him to testify a second time and he availed himself of the opportunity

The commission considered whether it would be proper and permissible for it to make findings on the credibility of the State President The commission also obtained legal advice on the latter aspect of the matter The conclusion reached by the State law advisers was that the State President, when testifying before the commission, is, like any other witness, in the position of a "debtor to justice" and that, as far as they could establish, there is no rule according to which his testimony should be dealt with or judged on a different basis from that of any other witness The commission agreed, and so the question of propriety, about which it had been in doubt initially, was cleared up

Because the provision of monies for the secret fund from the Special Defence Account played such a major role in the carrying out of the department's activities, the part played by the State President in this regard will be dealt with first

As is shown in Chapter II, monies for the secret fund for the 1973-1974 financial year were provided from the Security Services special account and for the 1974-75, 1976-1977 and 1977-78 financial years from the special Defence account As is further shown in the said chapter, Mr P W Botha, the ies 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.

Generally speaking it may be said that the monies in the secret fund were not used for the said activities There was no such thing as approval by the Minister of Defence

In the second place the said account was audited only to the extent determined by the Minister of Finance acting in consultation with the Minister of Defence And, for the purposes for his audit, the Auditor General had to accept the certificate of the Minister of Defence in regard to any expenditure from the said account, who in fact could not furnish any such certificate

Finally, the said arrangement had the highly unsatisfactory result that the expending of monies transferred to the secret fund was not made subject to any statutory provisions whatsoever. As Accounting Officer of the Department Dr Rhoodie was, however, bound by his obligations prescribed for such persons in connection with spending of the secret fund

Mr Vorster's actions after he learned of alleged irregularities in the department will now be discussed.

The alleged irregularity in the department was first brought to Mr Vorster's attention by (the Auditor-General Mr G) Barrie on 27 June 1977 at Mr Vorster's official residence Libertas On 13 July 1977 Barrie visited Mr Vorster in the game reserve and told him that his findings regarding the affairs of the Department were disquieting Mr Vorster was shocked at the information which he received and told Barrie that he could not prescribe to him what he should do, but that he assumed that he would continue with his investigation. It may be mentioned that Mr Vorster perhaps sometimes found it difficult to separate the would not be able to cover up the matter

Reynders testified that one evening, probably in November 1977 before the General Election of 30 November, he, Dr Mulder, Dr Rhoodie, (General Hendrik) Van den Bergh and (Mr Van Zyl) Alberts met Mr Vorster at Libertas The latter wanted to confront others with the information relating to the secret fund which had been made available to him up to that date Many of the projects referred to in the said exhibit were discussed. According to Reynders Mr Vorster became very depressed, was taken ill at about 23h30 and asked to be excused

According to Reynders Dr Mulder asked him about March 1978 when he could expect his report. He replied that he could not release the report until he had discussed the matter with Mr Vorster

Dr Mulder then asked him to discuss the report with Mr Vorster as soon as possible He informed the latter of Dr Mulder's request and Mr Vorster instructed him not to issue a certificate at all Reynders also contends that Van den Bergh exerted pressure on him to bring out the report and eventually he handed it to Mr Vorster on 19 September 1978 The report reads as follows

(This is a translation of the report mentioned It is addressed to the Prime Minister and headed "Audit report on the financial investigation carried out in connection with the secret projects of the former Department of Information")

"I examined the funds made available from April 1 1973 to March 31 1978 to the Department of Information, now the Bureau for National and International Communication, for secret projects

"According to the registers and documents submitted and the explanations provided to me, in my opinion a proper account was kept of all income and expenditure during the aforementioned period and in the detailed tests which I carried out, no misspending 1978, to investigate and evaluate the projects of the Department

Mr Vorster stated that he circulated the report among his colleagues The report was released by means of a Press statement on 26 September The Press release stated that Reynders's investigation was still in progress

Mr Vorster stated that, despite information which he had already received, he was not surprised at the contents of the second paragraph of Reynders's report because he was only concerned about theft and embezzlement by officers and other persons attached to the Department, and Reynders had found nothing in this connection Nor did Reynders's report deal with the efficacy of the expenditure It seemed to the commission that here Mr Vorster was leaning on a broken reed, namely Reynders Mr Vorster was in possession of the report but did not realise under what circumstances it had been submitted to him, for example that pressure had been exerted on Reynders. In other words, a false report was submitted to Mr Vorster and was published without his realising that the report was false

According to various witness Mr Vorster was also involved in the irregular use of public funds in connection with the Citizen.

After careful consideration of the evidence on all the matters the Commission accepted Mr Vorster's testimony as truth and rejected the evidence which directly contradicted him, the most important of which was that of Van den Bergh, Dr Mulder and Dr Rhoodie, for reasons which will be given later when dealing with those witnesses and their testimony

In order to make a finding regarding Mr Vorster's actions with regard to the Commission's terms of reference the following factors must be taken into account That the events did not take place in the Department (that is subject to the technical constitutional position), whether he had

then Minister of Defence, objected strongly, first to the Minister of Finance and then to Mr Vorster

The present Minister of Finance, Senator O Horwood, also objected to this arrangement, which he inherited from his predecessor

In his evidence Mr Vorster denied that he was in the first instance involved in this arrangement and said that it was an arrangement between the late Dr Diederichs and his department In a statement which he issued on 8 May 1978 Mr Vorster stated, however, that he assumed full responsibility for the way in which funds for the Department were made available because he considered this to be in the best interests of South Africa And the commission finds that the Prime Minister was in fact responsible for this arrangement. It would, however, point out that the opposition parties never questioned this arrangement in Parliament

Apart from Mr Vorster's own share in the matter, the commission considers a reminder fitting at this stage that Ministers are jointly responsible for the exercise of executive authority Verlooren van Themaat's Staatsreg (second edition, page 159, paragraph 6) states "'n Konvensie is volgens Engelse skrywers oor die Staatsreg dat die Ministers gesamentlik teenoor die parlement verantwoordelik is vir die uitoefening van die uitvoerende gesag Die gebruik in Suid Afrika is ooreenstemmend (A convention is, according to English writers on constitutional law, that the Ministers are jointly responsible to Parliament for the exercise of executive power)" And the following comes from Constitutional Law by Wade and Phillips (seventh edition, page 83) "There is, however, one convention upon which rests the whole doctorate of Ministerial responsibility 'The Cabinet is responsible to Parliament as a body for the general conduct of affairs' as Freedman put it"

To return to the provisions of money 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 ordered point of view To begin with, Section 2 of the Defence Special Account Act (Act 6 of 1974), stipulates the purposes for which the money in the Special Defence account may be utilised No provision is made for monwheat from the chaff, because he smilingly told the commission how senior officers managed to find reasons for coming to see him in the game reserve

On 29 July 1977, however, Barrie submitted a secret report to Mr Vorster This report refers to certain irregularities in the department On 1 August 1977, Barrie submitted a second report to Mr Vorster in which he pointed out further irregularities in the Department On the strength of the two reports Mr Vorster instructed (Mr L) Reynders on 8 August 1977 to investigate the affairs of the Department

The idea was that the Auditor-General should continue with his investigation and that Reynders should investigate "alle beweerde onreelmatighete, aantygings, stories en gerugte sover dit die misbruik van fondse betref" (all alleged irregularities, accusations, stories and rumours concerning the misuse of funds) because there was a dispute between the Department and the Auditor-General as to whether the latter had the right to investigate secret projects and whether his staff were reliable enough to be entrusted with such an investigation Mr Vorster said that he himself had done everything a man in his position could do and the Commission agrees that he is right

Reynders started his investigation and subsequently had many interviews with Mr Vorster According to him Mr Vorster had little knowledge of the Department, but he agrees he was informed of various projects Reynders said further that he had repeatedly pointed out the misapproation of monies in the secret fund to Mr Vorster and that after a while the latter knew about all the irregularities Mr Vorster admitted that Reynders had informed him of the alleged irregularities

Reynders said further that he had told Mr Vorster repeatedly that an exhaustive investigation should be instituted He also told him that unless an investigation was instituted "na buite" (on the outside), it would not be possible to report fully on what had happened to the monies in the secret fund He told Mr Vorster that "hy die geld tot by die deur van die Department gevolg het" (he traced the money to the door of the Department) but that he would not be able to say what had happened thereafter unless he investigated the matter in depth He also urged Mr Vorster

came to light

"According to my brief, I am not expected to go into the merits and evaluation of policy decisions in connection with the various secret projects Consequently I make no comment on the ultimate expenditure of the payments made

"(Signed) L S v d V Reynders"

When Reynders handed this report to Mr Vorster the latter asked if he was satisfied that money had not found its way into wrong pockets He asked Mr Vorster to look at the third paragraph of the report He also told him that he had followed the money to the door but that without an in-depth inquiry he could not establish what had happened.

In the meantime Mr Vorster had appointed Van den Bergh as a commission, with effect from 1 June,

knowledge thereof, when the information came to his knowledge, and whether or not he was then in a position to take immediate action. As regards the technical constitutional aspect, even the wisest person in the world can err unwittingly As regards the factual aspects, the evidence show irrefutably that he was shocked when he learned at a late stage of the irregularities and that he immediately had inquiries instituted He allowed Barrie to submit a further report, he appointed Reynders to investigate the matter and he later appointed Van den Bergh.

The commission gave careful consideration to the question whether he should not have terminated the financing of The Citizen immediately He was alerted

● To Page 15

GREENOAKS
SECRETARIAL FINISHING SCHOOL



WE ARE MOVING...
ON 7th DECEMBER
our phone will change to 37-1648.
Our New Address will be:
2nd FLOOR, AFRICAN LIFE CENTRE,
111 COMMISSIONER STREET
(Corner Eloff)

Post-matric and Non-matric Secretarial courses offering a choice of Shorthand, Typing, Business Economics, Accountancy, Deportment, Public Relations and Communication, Flower Arranging, Travel, Home management, Dressmaking, etc
We also have a Commercial Matric Course offering Shorthand, Typing and Housecraft as three of the subjects required (Stds 8, 9 and 10).

PRINCIPALS
Mildred Bloom and Joseph Bloom, M A., B Ed., S T D
PHONE (UNTIL 7th DECEMBER — 838-2694)
103 FOX STREET (6th FLOOR)

THE ERASMUS REPORT

RDM 6/12/78

Mulder: 'Grave irregularity'

Chapter 11: Commission's specific findings in respect of irregularities

THE COMMISSION's specific findings in respect of irregularities

● a. Regulations — When a secret fund was created for a department by making monies available for it via the bureau and also via a vote of the Department of Defence, there was no legislation under which (the fund) could be even partially audited or statutorily controlled to any extent

(Chapter III of the report deals in detail with the lack of proper governing legislation)

It was not until April 1, 1978, that the Secret Services Acccount Act, 1978, came into operation, which covered secret funds and services of the department

That led to disregard of the Public Service and Financial Regulations, as well as Treasury Instructions

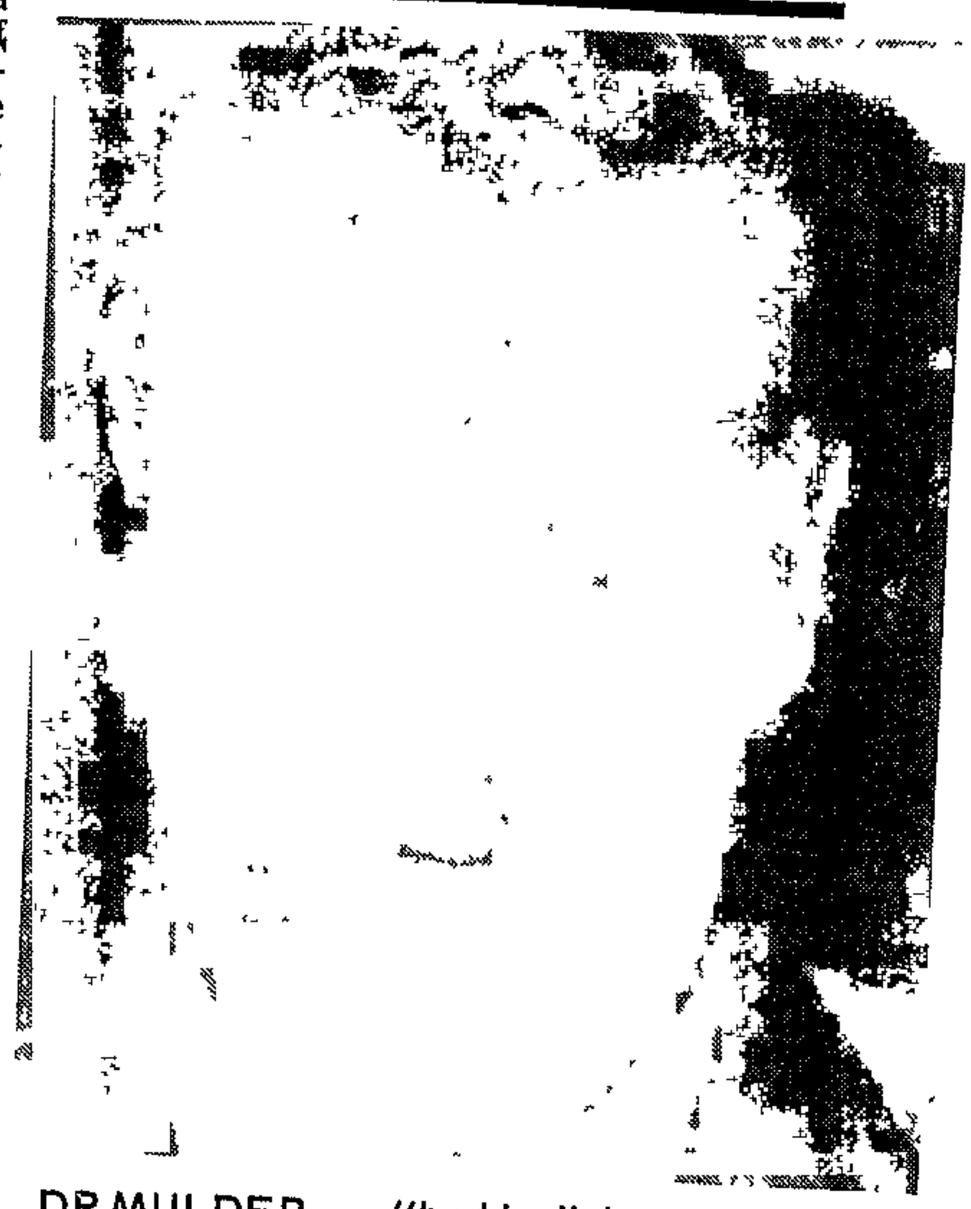
● b·Ministerial control — (1) Dr Mulder, according to his own evidence, wrongly interpreted his function as head of his department and, to say the least, fulfilled it incompetently

He was not only a political head of the Department, but in fact also the administrative head and accountable for the misdeeds of officials in the department

O Hood-Phillips says in his work "Constitutional and Administrative Law", 5th edition, p 273 "A Minister must accept responsibility for actions of the civil servants in his department"

J D B Mitchell says in his "Constitutional Law", p 164 "Even though a policy may have been determined by the Cabinet, a Minister remains individually responsible for the manner in which it is carried out and for the working of his own department He cannot rely exclusively on the more general responsibility"

In "The Union of South Africa The Development of its Laws and Constitution", the authors, Hahlo and Kahn, say on p 131 "Re-



DR MULDER . . . "had to distance himself".

sion had been made in the 1977-1978 budget for monies for his department's secret fund, owing to the final refusal of the Minister of Defence to make funds available to the department through the Special Defence Account.

He alleges further that he immediately went to see the Minister of Finance in this connection and that the latter promised him to "make a plan"

But from then on he left the matter entirely in the hands of Dr Eschel Rhoodie, who subsequently informed him that a foreign loan had been negotiated to provide the funds

Dr Mulder, however, regarded the matter as a total disregard of the Department of Finance, to be a serious irregularity

According to Mr G Browne, the then-Secretary for Finance, no application was made nor was permission granted by his department for the loans Such loans should only be channelled through the Department of Finance and, in any case, it is unheard of to negotiate such loans to finance a Government department

But correspondence between the Secretary for Information and the Treasury tells a completely different story

It appears from a letter dated December 13 1976

ing to Dr Mulder and would not provide the R3-million

It was clearly as a result of that refusal that the department decided to negotiate foreign loans

The commission finds it difficult to believe that Dr Mulder had no part in that decision, particularly as he subsequently admitted in evidence that he knew of the loans and that his original statements that the foreign loans were bridging finance for his secret requirements did not appear to be correct

(iii) Dr Mulder's role in the (attempted) takeover of South African Associated Newspapers (proprietors of the Rand Daily Mail) and the establishment and running of The Citizen newspaper was an irregularity

Dr Mulder took the line throughout that Mr Vorster had been aware from the start of his role and had approved the application of public funds to finance a newspaper upholding a party political point of view

He based his assertion firstly on the fact that Mr Vorster was prepared to negotiate in connection with, or showed interest in, the taking over of the "Natal Mercury"

But he was vague about that and did not say explicitly that Mr Vorster had shown interest or was prepared to take over the newspaper with public funds

Mr Vorster's version is that it was mentioned informally in conversation by Dr Piet Koornhof that the "Natal Mercury" might be up for sale, and there was some speculation about the possibility that one of the Afrikaans Press groups might take it over

Secondly, Dr Mulder based his assertion on the allegation that Mr Vorster had, as he saw it, already approved the principle that public funds could be used to finance a newspaper in a

False report to Vorster

RDM 1/12/78

● From Page 14

to the fact that public funds were involved and that it was running at a loss The only criticism that can possibly be levelled at Mr Vorster is that during the following nine months he did not take steps to get rid of the newspaper Here again the situation should not be judged from the point of view of an armchair critic, realities must be faced

He did, however, on the information then available, consider the pros and cons of getting rid of the newspaper. No evidence was placed before the commission to the effect that Mr Vorster at that stage had all the facts to enable him to make an correct and most advantageous decision to the State on the blunder which someone else had committed Had he closed the newspaper at once the State could have suffered irrecoverable damage What is more, a possible claim of roughly R13 000 000 could have been made by Perskor as printers for breach of contract The commission considers that the decision of Mr Vorster, then a sick man, that publication should continue temporarily to see whether the newspaper could not be sold at the least possible loss was, in the circumstances, a salvaging attempt in the interests of the State

It must be stated clearly and unequivocably that Mr Vorster's attitude and actions throughout all 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

2. Mr P W Botha's role:

Mr P W Botha, the present Prime Minister of South AFrica, was, at all relevant times when the monies for the Department's secret fund were placed on the vote of the Department of Defence, totally opposed to this step. His testimony before the commission is supported by documents in every respect

It is clear from the evidence that Mr P W Botha at no stage identified himself with or acquiesced in the arrangement in which funds from the Special Defence Account were transferred to the Department's secret fund He was intuitively against this arrangement and continued to object until the arrangement was changed by legislation in 1978 It went against his grain to have to pretend to Parliament that all funds in the Special Defence Account were spent on Defence activities while part of these funds went to the secret fund, even though a case could be made out for this since the secret funds were used to counter the total onslaught against South Africa

The commission according finds that 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

3. The role of Senator O B F Horwood:

Senator O B F Horwood was involved in the commission's inquiry because he was Minister of Finance at the time and because of his with Dr Mulder concerning funds for the Department He substantiated his testimony on the negotiations step by step with documents and 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.

the authors, Hanlo and Kahn, say on p 131 "Responsible government calls for the accountability of a Minister for the activities of public servants in his department, a rule recognised in occasional judicial dicta"

In "Wade and Phillips Consitutional Law", 7th edition, p 87, the authors say "While collective responsibility ensures that the Queen's Government presents a united front to Parliament, individual responsiblity in its political meaning ensures that for every act or neglect of his department a Minister must answer Hence the rule of anonymity in the Civil Service is important"

In the opinion of the commission, the position is no different in South Africa

The commission is of the opinion that Dr Mulder adopted the attitude **ex post facto** that he was only the political head of the department in order to escape responsibility for the mistakes made in his department

So, for example, he testified that, to his shock, he was informed that no provision had been made for the secret fund in the budget. Dr Mulder, however, regarded the matter as detail about which he did not have to concern himself — to such an extent that he himself never, after his visit to the Minister of Finance, personally satisfied himself as to whether or how the financing had been provided.

The commission finds it difficult to accept that a Cabinet Minister, when suddenly confronted with a crisis that no funds had been voted by Parliament for more than half the financial requirements of his Department, would leave the solution of the problem to his departmental secretary

It would appear to the commission that either Dr Mulder was not telling the truth, or that his actions testified to incompetence

The commission is, however, of the opinion that Dr Mulder was forced by his incompetence to give this version and thereby to distance himself as far as possible from the responsibility for the negotiation of foreign loans by Dr Rhoodie

(11) The commission finds Dr Mulder's part in the foreign loans, negotiated with [illegible] dated December 13, 1976, from the Treasury to Dr Rhoodie that, on that date, the Minister of Finance, Senator Horwood, had already approved the inclusion of an amount of R15-million for the department's secret fund in the 1977-78 budget

On January 21, 1977, the Treasury wrote to Dr Rhoodie that, after consultation between the then-Prime Minister Mr B J Vorster and Senator Horwood, a further R2-million was being allocated to the secret fund

There was no question that the Minister of Finance had, as early as the middle of December, 1976, made no provision for the secret fund

It appears from a letter dated January 24, 1977, and from Dr Rhoodie to the Secretary to the Treasury, that Dr Mulder had given him (Dr Rhoodie) to understand that provision for a further R3-million in the revised estimates could be applied for

The Treasury wrote to Dr Rhoodie on February 2, 1977 that the Minister of Finance had given no such undertaking to finance a newspaper in a circular of December, 1973, Project Annemarie-The Citizen

Once again, in the opinion of the commission, that viewpoint was based on shaky ground and only a person who was suiting his own purposes would attach such an interpretation to that circular

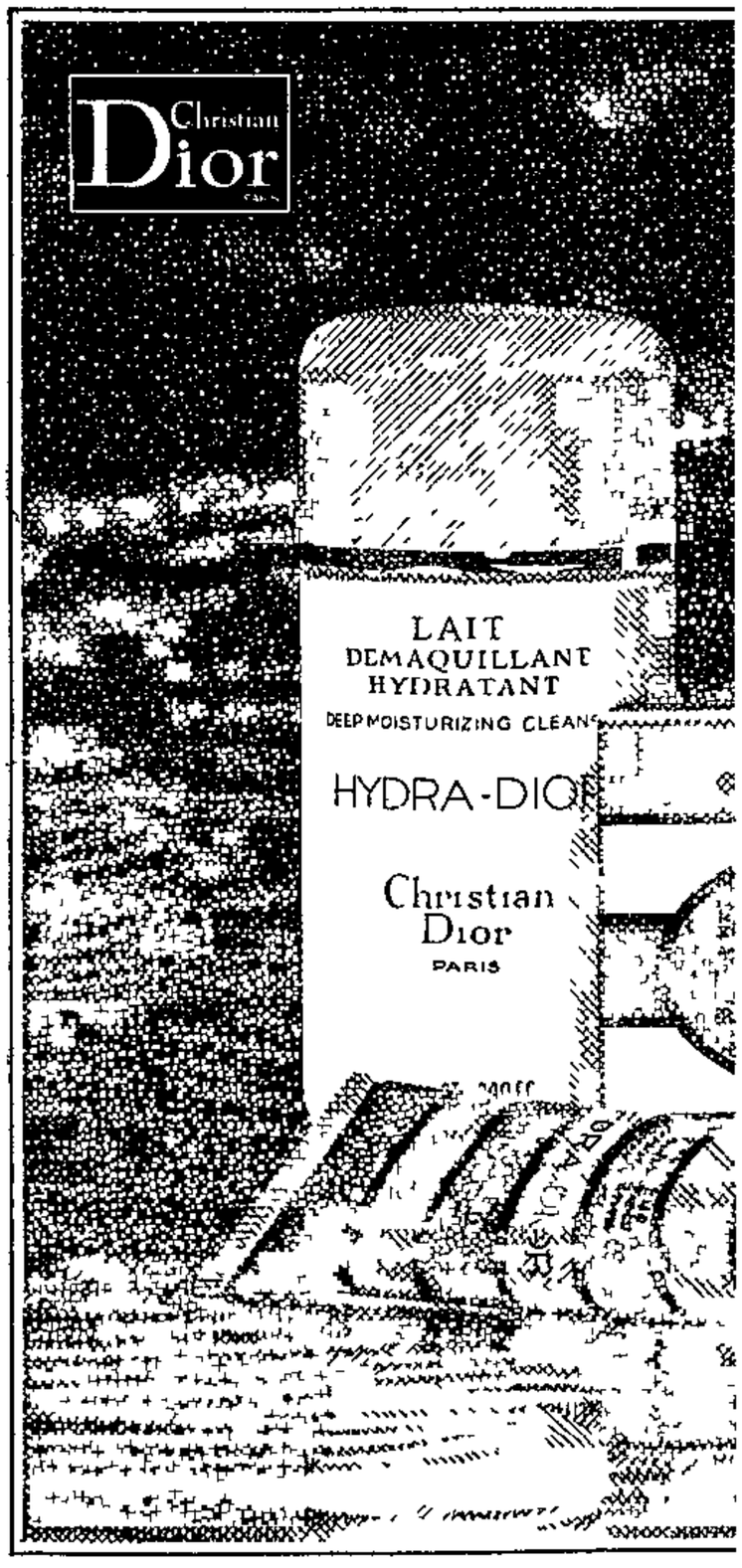
Thirdly, Dr Mulder alleged that Dr Rhoodie and General Hendrik van den Bergh had repeatedly assured him that Mr Vorster supported him in connection with The Citizen

Nowhere in his evidence did Dr Mulder bind himself to an unambiguous statement that he had personally ascertained from Mr Vorster before November, 1977, that the Prime Minister was aware of The Citizen and approved in principle of the use of public funds for the newspaper

The commission finds it strange that Dr Mulder could undertake such a radical and far-reaching step as The Citizen project without first personally obtaining clearance from Mr Vorster, but rely solely on what two officials informed him was the viewpoint of the Prime Minister

Either Dr Mulder was not

● To Page 16



RAND DAILY M

RDM 6/12/78

The Citizen: 'Party-political paper'

● From Page 15

telling the truth or he deliberately turned a blind eye to what Mr Vorster's attitude would be

On the balance of the probabilities, the commission can come to only one conclusion — that Dr Mulder went ahead with The Citizen project without consulting Mr Vorster

He testified he had never discussed The Citizen project with the so-called Cabinet Committee

(iv) Dr Mulder acted irregularly by lending Mr Louis Luyt R12-million Initially he tried to distance himself from the irregularity of placing the money — from public funds — in Mr Luyt's private possession by saying that Mr Luyt had taken it unlawfully and invested it in the Triomf fertiliser company

In other words, the money was not lent to Mr Luyt His evidence was

Advocate Lategan: Was that R12-million loaned to Luyt ?

Dr Mulder: My impression was that it was made available for Louis Luyt- where the interest was available

Lategan: I ask you again, I think it is a very simple question, was the R12-million loaned to Luyt or was it happened in your department

Were you at any stage under the impression that the money was loaned to Louis Luyt ?

Mulder: I was under the impression that Louis Luyt the money was loaned to Louis Luyt

That evidence shows clearly that Dr Mulder reluctantly veered under pressure of cross-examinaly on Dr Mulder's shoulders

He could not apparently be bothered with the affairs of his department as long as Dr Rhoodie was there He regarded virtually everything as detail

Further evidence of Dr Mulder's attitude is his testimony relative to the editorial manifesto of The Citizen

He said in evidence that larities might have taken place in his department

That was particularly the position after Mr Vorster had appointed Mr Reynders to investigate, and Mr Reynders had reported in the presence of Dr Mulder virtually in full on most of the irregularities at ameeting at Libertas during November 1977

In June 1978 the financial vote for Dr Mulder's de-

Page 6 THE CITIZEN Monday November 13 1978

THE CITIZEN COMMENT

Operation Rubbish

Page 6 THE CITIZEN Thursday November 9 1978

THE CITIZEN COMMENT

Connie did the right thing

DR CONNIE MULDER did the right thing

Page 6 THE CITIZEN Saturday November 25 1978

THE CITIZEN COMMENT

Such mush about "slush"

THEY CALL it slush funds.
And tainted money
And all that kind of bull.

ranged their programmes, who the people they met were, the nature of their contacts and inquiries, and so

Otherwise you have no morality whatsoever and you are a freeloader, on a free trip no matter under whose

Mr Schwarz went to Germany with an FAA group which successfully projected a positive image of South Africa.

I took no orders from Rhoodie or anybody says Citizen editor

RDM 3-11-78



The editor of the Citizen newspaper, Mr "Johnny" Johnson

aims of the Government is completely false At all times my staff and I have followed the highest standards of journalism — independence and integrity

The success of The Citizen has been due to its fair and balanced reporting and pro-South African views The fact that it has established itself so rapidly in the market is due to the professionalism and dedication of its staff

I am desperately sad that The Citizen so full of promise and high achievement, should now be the centre of so much controversy I can assure readers that my staff and I have made it our honest endeavour to present a newspaper which is bright informative and in keeping with the ideals which we all hold so dear

This was not a pro-Government newspaper as the wolf pack seeking its blood would have it It is and

Publisher: our own money

Citizen 30/10/78 By AIDA PARKER

MR HUBERT G Jussen, chairman of The Citizen, and Mr Jan van Zyl Alberts, publisher and managing director last night jointly and categorically stated "The Citizen was bought and is conducted as an independent business venture, operated on our capital funds."

Their statement reads

We bought The Citizen on [illegible] every 14 this year as a business venture, as a politically independent publication unaffiliated to any political party

"We were satisfied that any newspaper which could achieve a certified circulation of 62 618 (now 71 000) [illegible] at least than two years on the market clearly filled a major media vacuum.

"The Citizen was initially [illegible] because it was felt [illegible] to counter the dam-

● TO PAGE 2

'He also, in all seriousness, tried to convince the commission that the "Charter" between Luyt and Dr Rhoodie did not actually bind The Citizen to support Government policy; a view that is obviously untenable.'

The story he then told the commission bears the stamp of authenticity of someone who, under tremendous pressure — even in fear of his own life — had done something about which according to Gen Van den Bergh, and appeared in Die Transvaler on August 23, 1978

Dr W de Klerk, editor of Die Transvaler, said in evidence that Dr Mulder had with a schedule in respect of expenditure required in connection with secret projects

Dr Mulder had told him that it was of urgent importance that he immediately

not loaned ?

Mulder: It was not originally loaned to him It was an investment which he could drawn interest from

Lategan: Was it first loaned to him ?

Mulder: There was then a contract drawn up which would let it appear as a loan

Lategan: Dr Mulder, please, was the money ever loaned to Luyt ?

Mulder: You are now going into the detail which I really don't deal with every day

Lategan: Doctor, I just want, in all fairness to you, that the conclusion will not be made later that you view everything as detail — that you knew nothing of what

RDM 6/12/78
Damelin
CORRESPONDENCE COLLEGE.
Is your lack of education

tion from a total denial to an admission that it the money was a loan

The evidence is also a good example of how, when ever Dr Mulder wanted to distance himself from a possible irregularity, he resorted to the excuse that it was detail with which he did need nottconcern himself

Dr Mulder maintained further that he had made clear to all concerned that the R12-million should be regarded as a pool which could not be touched

In that way he tried to justify the loan of State money to a private individual in the sense that the money would be kept for the State

But he did not mind about the interest on the loan, because he said that it had to be used for the newspaper

The commission can see no qualitative difference, however, between the expenditure of capital and the expenditure of interest on the newspaper project

Dr Mulder was lax and negligent in giving Dr Rhoodie virtually unlimited discretion in dealing with public funds

Dr Mulder said that he had set no ceiling to Dr Rhoodie's power to spend out of the secret fund

As there was no independent auditing of the fund, the commission would have expected that Dr Mulder, as the Minister responsible, would have checked personally in some way that the funds were not being misspent

Through Dr Mulder's negligence, Dr Rhoodie was placed in total control, as if he were the owner of R14-million to R17-million.

In that sense the responsibility for the misappropriations by Dr Rhoodie must also be placed square-

he had only seen the original transcription of the character of The Citizen during a meeting at Mr Les de Villiers's home

But at that stage no newspaper had been established and everything was hanging in the air

He did not go through later documents which passed between Mr Luyt and Dr Rhoodie They, inter alia, covered the newspaper's political colour, the so-called editorial charter

Dr Mulder is not only a Minister, he is also a leader of a political party but intimates that he did not concern himself any further with the implementation of the newspaper's stand on the politics of South Africa

That was detail and left to Dr Rhoodie

He also, in all seriousness, tried to convince the commission that the agreement between Mr Luyt and Dr Rhoodie did not actually bind The Citizen to support Government policy, a view that is obviously untenable

That leaves the commission under the impression that he tried to justify (the agreement) because he felt that he himself would have to take responsibility for it

Dr Mulder exercised improper pressure on others to secure favourable results for himself

During July 1977 the Auditor-General, Mr Barrie reported in his secret reports to Mr Vorster that he had come across irregularities in the expenditure of the secret fund

Mr Barrie alleged that shortly afterwards he handed copy of his report to Dr Mulder Dr Mulder denied that

In any event, what can be accepted is that, during the latter half of 1977, Dr Mulder had already become aware that serious irregu-

partment came up for discussion in Parliament

According to Mr Reynders, Dr Mulder telephoned him some time in March and asked him when he could expect the report on his department

Dr Mulder urged him to bring out the report without delay because otherwise he would be greatly embarassed

He added "You did not find anything wrong in my department, did you ?"

It was at that stage that everything pointed to quite a lot being wrong in the department

Mr Reynders informed Dr Mulder that he had not yet completed his investigation Until then he had not been able to find evidence of theft of funds but could not bring out his report before he had consulted Mr Vorster

Mr Reynders said in evidence that he had reported his conversation with Dr Mulder to Mr Vorster, and that the Mr Vorster had forbidden him to bring out such a report

On August 31, 1978 Dr Mulder again telephoned Mr Reynders and said that he had to get that report out immediately

Shortly afterwards, Gen Van den Bergh also repeatedly told Mr Reynders that he had to get the report out without delay

Mr Reynders then brought out the report and, together with Gen Van den Bergh went to Mr Vorster's office where he handed the report over

Initially Mr Reynders tried to justify the report before the commission, but when the total lack of consistency of the report with the actual facts known at the time was pointed out, he burst into tears and made a clean breast of things

his conscience had plagued him ever since

Mr Reynders testified further that, if it had been left to him, he would never have brought out such a report, but that he was placed under tremendous pressure by the actions of Dr Mulder and Gen Van den Bergh

He even feared that, if he opposed Gen Van den Bergh, the general would crush (vergruis) him because few people understood what power Gen Van den Bergh had

The commission only really saw that statement by Mr Reynders in perspective when Gen Van den Bergh testified He had told the commission arrogantly that if he wanted to do something nobody would stop him and that he would stop at nothing

It is not quite clear to the commission whether Dr Mulder and Gen Van den Bergh deliberately collaborated to exert pressure on Mr Reynders

But what is clear is that Dr Mulder and Gen Van den Bergh insisted on the report at virtually the same time, both knowing full well that it would not reflect the truth

It was clear that, at that critical stage, everybody around Mr Vorster knew that he was a sick man and was to resign as Prime Minister within a few days

It was also clear that Dr Mulder would be a candidate for the post of Prime Minister, and that it would clearly be in his interest to be exonerated from responsibility for any irregularities

There was a subtle proviso in the report to the effect that Mr Reynders could not express an opinion on the merits and evaluation of policy decisions

The report was leaked,

given him the tip that he had been exonerated by Mr Reynders A reporter then verified the tip with a supporter of the Foreign Minister, Mr Pik Botha, and included the verification in a news item

The newspaper never saw the report itself, and only published Dr Mulder's version of it

That action constituted an improper attempt to conceal the true state of affairs in the department in order to gain political advantage

Dr Mulder denied that he had exerted improper pressure on Mr Reynders and asserted that, as far as he could remember, he had telephoned him only once, on June 15

He had no recollection of phoning him at the time of Mr Vorster's expected retirement The commission nevertheless gained the impression that Dr Mulder was shying away from such a recollection because, once again, he wished to distance himself from the implications of such a telephone call

The commission accepts Mr Reynders's evidence and finds that Dr Mulder, either in collaboration with Gen Van den Bergh or on his own, exerted pressure on Mr Reynders which resulted in a false report

That Dr Mulder was a master at the art of rushing somebody into a decision before the person could check up or think the consequences over, is illustrated by the leakage to Die Transvaler and also by an incident in April 1978 on which Senator Horwood gave evidence before the commission

Senator Horwood said that one day in April Dr Mulder had summoned him urgently to his office and laid before him a letter

approve the payments which amounted to R14,8-million, since payments were already due

Dr Mulder asked him quickly to initial the letter as well as each page of the schedule, because the Auditor-General would require that before payment could be made

He was not given the opportunity of going through the documents, because the matter was too urgent

Senator Horwood testified that he then, in good faith, complied with Dr Mulder's request as a result of the pressure exerted on him The letter was marked "Extremely Secret — No Copy"

On the face of it, the request contained in the letter was in order, an authority for repayment of R14,8-million which had already been approved in the budget

Senator Horwood said that he began to have misgivings almost immediately He asked the opinion of law advisors on the necessity of each specific project payment having to be approved and signed by him before the Auditor-General would allow payment

The opinion of the advisors was that it was not a requirement and that was later confirmed in writing

Senator Horwood immediately got into touch with Dr Mulder and informed him that he wished to cancel his initials and signature on the documents

He followed that up with a letter dated May 4, 1978, pointing out to Dr Mulder that he had had no knowledge of the projects when he had signed and that he did not wish the impression to be left that, by his initials he had approved the project

He confirmed once again

that he was cancelling the initials and signature and returned a copy of the documents that he had in the meantime received from Dr Mulder

It will be noted that, in spite of the fact that the document was so very secret, Dr Mulder did not return the letter itself to Senator Horwood, but a photocopy of it

It appeared subsequently that the original, on which Senator Horwood's initials and signature were not cancelled, was retained in the department's files.

That original was referred to in evidence before the commission by Dr Rhoodie, as proof that Senator Horwood had been informed of the details of all secret projects

Dr Mulder admitted the general course of events as recounted by Senator Horwood, but denied that he had exerted pressure on the Senator who, he alleged, was aware of the true facts in regard to The Citizen

Senator Horwood emphatically denied that he had been aware at that stage of the true facts of The Citizen

There is no reference to The Citizen in the letter itself

The commission accepts Senator Horwood's version for two reasons in particular He confirmed in writing to Dr Mulder that he had no knowledge of the contents of the project, and Dr Mulder did not react to that

Dr Mulder sent a copy of the letter to Senator Horwood for cancellation, retaining the original, on which the cancellation was not made

The only meaningful deduction from that must be that the uncancelled document was retained as alleged proof of Senator Horwood's knowledge of, and agreement with, the nature of the secret projects

The difference between Mr Reynders and Senator Horwood was that Senator Horwood, once he had thought about it, took immediate steps not to be caught in an easy trap whereas Mr Reynders had allowed himself to be so caught

● c Administrative Control

(1) The Minister, his Secretary and his internal accountant mostly did not even know what the other was doing in connection with the administration of secret funds

That was ascribed by Dr Mulder and Dr Rhoodie on the one hand falsely to the need for secrecy because secret projects and funds were at stake, and on the other hand, to the absolute confidence (volle vertroue) which Dr Mulder purported to have in Dr Rhoodie

(11) The Secretary for Information was, as accounting officer, quite apart from lack of legislation, obliged to comply with Treasury Instructions regarding the utilisation of funds for secret projects, pursuant to a resolution of the Select Committee on Public Accounts, and he grossly neglected to do so

The Treasury Instructions are

(a) No supplementation of the emoluments of an officer-employee, as defined in the Public Service Act, 1957, shall be made out of funds provided for secret services

(b) Unless essential secrecy will be violated, no expenditure which may normally be incurred under some other provision of a department's vote shall be incurred out of the moneys provided for secret services

(c) Proper control over stores and equipment procured or issued for purposes of secret services shall, as far as possible, be exercised in accordance with the instructions laid down in the Financial Regulations and Treasury Instructions

(d) As soon as the purpose for which a cash advance has been made has been carried out, any balance of such advance shall immediately be credited to the provision for secret services

(e) Proper accounting records shall be kept in such a form that the information essential to the proper control of the moneys is readily available. A separate cash book and ledger shall be kept

(f) Any loss of or damage to stores and equipment or loss of monies in the carrying out of a secret service which cannot be regarded as a direct result of the carrying out of such service shall be dealt with in accordance with the provisions of the Exchequer and Audit Act, 1975, and Treasury Instructions

(g) Approval of expenditure shall be granted only in accordance with the relevant provisions. The accounting officer shall be personally responsible for ensuring that all instructions are duly complied with

(111) Dr Rhoodie mislead the Department of Defence by promising that he would furnish a proper certificate in regard to the utilization of the Department of Information's secret funds and falsely intimated that the accountant would undertake the necessary internal audit of the fund

The certificate furnished by him was a bogus document

That deception must be regarded very seriously, particularly because it was done in the light of persistent objections from Mr P W Botha, namely that the South African Defence Force did not want the Department of Information's secret fund to carried on its vote, and that the Department of Defence could not and did not want to account for that fund

Gen Magnus Malan's letter of July 4, 1977 to Dr Rhoodie reflects the spirit of all the correspondence addressed by the Department of Defence to Dr Rhoodie in that connection

I shall quote only two

● To Page 17

RDM
6/12/78

'Rhoodie' ignored existing funding rules'

Chapter 13: Methods and malpractices used in connection with irregularities

THIS chapter concerns paragraph (b) of the Commission's terms of reference, which relates to methods employed in connection with malpractices. The Commission draws attention to the following.

i Broad interpretation of "secret funds"

It is clear from the evidence that the door to malpractices had been opened by the phrase "secret funds", which was so widely interpreted that any expenditure that had the slightest connection with a secret project was met from "secret funds". All regulations, and all existing guidelines drawing a distinction between ordinary and secret funds, were ignored by Dr Rhoodie

ii. Secrecy a cloak for irregularity

Secrecy gave rise to covert acts and malpractices, in other words, secrecy became a Judas cloak for all those who wished to act dishonestly to put in false claims and to steal

iii Destruction of documents

A most reprehensible method was to destroy vouchers and receipts on the pretext that Mr Vorster had ordered their destruction

iv. Inadequate vouchers

Vouchers with the necessary details were not submitted when claims for payment were made.

v Denials.

Once the documentary records had been destroyed, it was naturally difficult to trace irregularities, and this was indeed the biggest problem the commission had to contend with Denials were simply given to all questions relating to irregularities

vi. Conditional repayment

In a number of cases it came to light that considerable amounts had been paid out irregularly The payees refunded these amounts to the State without further ado, but with the stipulation that they would try to recover the amounts in question. This stipulation can only be some kind of cover-up, because no evidence was given to the commission that steps had ever been taken.

vii Documentary cover-up

Where a fixed property was bought with public funds and registered in Dr Rhoodie's name, a document to the effect that the property belonged to the State was signed more than a year after registration of the property and only after an inquiry into alleged irregularities in the department had begun. So far as the commission is concerned, this could just as well be an attempted cover-up of theft To this may be added changes made to flight bookings.

viii Uncertainty concerning the bookkeeping by front organisations

Much was said before the commission about front organisations, but we have no certainty concerning the manner in which books were kept of income and expenditure in these organisations

ix Lack of supervision and control

There was a lack of supervision and control of front organisations and collaborators

x. Unauthorised loans by the department

According to the evidence, foreign loans totalling 16-million dollars were negotiated, without authority having been obtained by Dr Rhoodie

xi Loans to individuals

Reference is made here to the loans to Luyt and Pieterse amounting to R12-million and R825 000 respectively

xii Cash payments.

This heading refers to the supply of cash to officers from public funds, a practice that may sometimes be unavoidable but that offers unlimited opportunities for the misappropriation of public funds.

xiii. Public funds for political party gain

Reference is made here to the financing of The Citizen

Probe names outsiders in Info scandal

Chapter 12: Persons outside the Department implicated in irregularities

RDM 6/12/78

A. Introduction

UP TO the point reached by the commission in its inquiry, the following persons outside the Department have also been found to be implicated in irregularities

Mr Jan van Zyl Alberts and General H J van den Bergh.

On the other hand Mr Andre Pieterse and Mr Louis Luyt, who were also outside the Department, cannot be accused of irregularities on the evidence before us The former, a South African film producer, owes the Department R825 000, this being the amount of a loan that he negotiated with Rhoodie as described in Chapter VII

Luyt, a well-known businessman in the Republic, owes the Department roughly R13 983 022 as a result of his negotiations in connection with The Citizen

B. Mr Van Zyl Alberts

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 Rhoodie thence forth to act as a front in several projects the Department wanted to launch In view of his position within an existing group of companies, he was eminently suitable for such a task See, for instance, the part played by him in the project, The Citizen (Chapter IX)

He accordingly established several new companies and trusts to serve as conduits for monies from the secret funds which had to be funnelled to, and financed, certain projects

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.

After the commission had been alerted to this danger by the evidence concerning the Valhalla Flats and the purchase of the farm, Vrekver, we deemed it advisable to ask a chartered accountant, Mr B O Truter, to carry out a quick examination of Alberts' books and his companies' books relative to this aspect

Because of the limited time at his disposal, Mr Truter could not carry out an investigation in depth He did testify, however, that ex facie the entries in the books, Alberts had properties in his private possession that had been acquired with funds from the Exchequer It also appears from Mr Truter's testimony that, in many cases where state monies might be involved, there was no documentary evidence of a transaction, an entry having been made by the bookkeeper merely on the strength of a telephone call from Alberts

C. Gen Van den Bergh

THE commission has already shown what part Van den Bergh played in The Citizen project.

Van den Bergh and Rhoodie were close friends and, although employed in different departments, co-operated closely in this sphere of secret projects According to Van den Bergh, Rhoodie frequently visited him in his office at the bureau In this way, Van den Bergh, with his wider experience and knowledge, was able to give Rhoodie sound advice whenever he consulted him, especially during the early stages of Rhoodie's career as Secretary of the Department.

By virtue of the nature of his functions as head of the bureau, Van den Bergh's role, to use his own words, was to know everything that was going on in South Africa and to report it to his Minister, i e Mr Vorster He was the man who had his ear to the ground.

However, having regard to all the evidence, the commission is strongly under the impression that Van den Bergh did not confine himself to this role, but actually used his office and his personal friendship with Mr Vorster to try to influence the course of events in South Africa himself

He saw himself as the power behind the throne; through the person of Mr Vorster, he tried to manipulate events in the direction that he wanted them to go For this reason, he sometimes withheld certain facts from Mr Vorster and sometimes gave him only selected facts Then, again, there were times when he ignored Mr Vorster's instructions. Sometimes he traded on the Prime Minister's name to gain his own ends

He was in charge of a formidable network of agents whose qualities he described in sinister terms.

According to Van den Bergh he not only exercised considerable influence over Mr Vorster, but at times made Mr Vorster's decisions for him

What is clearly apparent is the way in which Van den Bergh dominated Reynders and had him under his control As pointed out earlier in this report, he forbade Reynders at the very outset to report anything to Mr Vorster about his (Reynders') investigation without his (Van den Bergh's) permission.

The commission therefore considers that there was a real danger at all times of material irregularities being covered up through Van den Bergh's actions and interference

When, after the abolition of Rhoodie's post, the elegant furniture that had been installed for foreign visitors in Rhoodie's office in Die Meent, Pretoria, had to be sold on Mr Vorster's instructions, Mr Vorster instructed Van den Bergh not to sell this furniture to Rhoodie (799)

Dr Rhoodie had bought this furniture for R59 000 from the secret funds

In his evidence, Mr Vorster stated that he had expressly told Van den Bergh not to sell a single piece of this furniture to Rhoodie However, Van den Bergh calmly proceeded to sell the better part of this furniture to Rhoodie and then reported to Mr Vorster that he had sold it to a company (800) In his evidence under oath before the commission, however, Van den Bergh testified that Mr Vorster had had no objection to the furniture being sold to Rhoodie (989)

It seems to the commission that, in the last days of Mr Vorster's Prime Ministership, when Mr Vorster was already seriously ill and all those around him knew that he was on the point of retiring, Van den Bergh tried to influence the election of a new Prime Minister by forcing Reynders to report that there had not been any irregularities in the Department A "clean" report would have given Mulder an open road in the election (see par 11 387)

Van den Bergh himself admits that Reynders is an honest man (974) If that is so — and the commission itself is satisfied on this score — we have to accept on the probabilities alone apart from Reynders' evidence that pressure had been brought to bear upon him, that, with his knowledge of proven irregularities, he would not have presented such a misleading report at the time without duress

Van den Bergh stated that, after Rhoodie's retirement in July 1978, when he had to find money for the Department to keep The Citizen going, Senator Horwood told him that he (Horwood) still owed him R800 000 (950) Sen Horwood denies ever having said anything of the kind to Van den Bergh. Van den Bergh's statement strikes the commission as a flight of his imagination, as such an amount had in any case never been owing to either Van den Bergh or The Citizen, so that there was no reason for Sen Horwood to make such a statement

Viewing the evidence as a whole, the commission gained a clear picture of Van den Bergh as a man who played a double role On the one hand, he presented himself to Mr Vorster as the loyal comrade who had nothing but Mr Vorster's interests at heart, and carried out his wishes, but on the other hand he was an enthusiastic participant in Mulder's and Rhoodie's schemes (In this regard, see the double role played by him in the affair of The Citizen)

Consequently, Mr Vorster could to some extent remain blissfully under the mistaken belief that his disapproval of the financing of an English-language newspaper from public funds had been conveyed to Mulder, Rhoodie and others They, on the other hand, could gain the impression that Mr Vorster not only knew what they were up to but also approved their actions

Rhoodie may be charged

RDM 6/12/78

Chapter 14: Submissions, recommendations and acknowledgements

C. Auditing of secret funds.

IN REGARD to the proper expenditure of secret funds, the commission may mention that it considered a written suggestion made to it that a new post be created in the Public Service — among whose incumbents would be a high-ranking ombudsman, such as a judge, who was above politics and who could guard against irregularities in the Public Service (see exhibits 6A(1) and (2))

Under the Danish Constitution, for instance, which provides for such a post, this person is described as a parliamentary commissioner who supervises the civil and military administration of the State. The functions of such a person were discussed in Parliament on Friday, March 23, 1973 (Hansard, p 3321, Afrikaans). However, the commission has turned down the suggestion for the time being

The main reason for this was that the commission felt that such a post could serve a useful purpose only if irregularities were actually brought to this officer's notice, failing which, he would be powerless. Corruption and irregularities in the public service have to be eradicated, otherwise it will serve no purpose to appoint policeman over policeman over policeman

The commission has already pointed out elsewhere in this report that the Auditor-General was not properly informed about funds for secret projects that were channelled to the bureau via the Department of Defence for use by the department

It appears from evidence before the commission that, until August 1977, there was not even a proper internal auditor to check the department's disbursements from secret funds.

The commission found that disbursements from secret funds and from the department's open budget were made without regard to the public service financial regulations or to Treasury Instructions. Considerable irregular disbursements of money were made that were wasteful and not in the best interest of the State Officers of the department benefited by certain disbursements An amount of R21 637,78 which was queried by the Auditor-General, was recovered from the officers concerned by the Secretary for Information. In addition, there were allowances and overtime payments to certain officers that were made irregularly from secret funds and that were not recovered

These irregularities were a direct consequence of secrecy, which made it possible to by-pass the Auditor-General, and serve to substantiate the contention that secrecy gives rise to arrogance and inefficiency

Because independent auditing by the Auditor-General is excluded by legislation in certain cases, the Government exposes itself to criticism and deprives itself of adequate defence when charges of misappropriation are made

Any truly democratic system of government must provide for an absolutely independent Auditor-General

Statutory provisions aimed at restricting the Auditor-General in the performance of his duty amounts to erosion of the democratic system of government, as we know it

By having internal checks or internal audits, as they are also known, any organisation seeks to ensure that its accounts are accurate and reliable and that relevant legislation and regulations are being complied with as well as to promote efficiency in general In other words, internal audits are merely an administrative aide and do not in any way replace auditing by an independent authority So far as the State is concerned, the Auditor-General is the independent person who, subject to anything to the contrary contained in any other Act, checks and audits all the accounts of all accounting officers in terms of the Exchequer and Audit Act, No 66 of 1975

The Auditor-General is essentially an officer of Parliament, and it is his statutory duty to inform Parliament of the findings of his audits (See previous correspondence in this regard, exhibits 6 X, Y and Z)

So far as accounts for secret services are concerned, the Auditor-General is restricted in the proper performance of his duties by the Foreign Affairs Special Account Act, No 38 of 1967, the Security Services Special Account Act, No 81 of 1969, the Defence Special Account Act, No 6 of 1974, and the Secret Services Account Act, No 56 of 1978

The commission accepts that the State has to regard certain projects an expenditure as being secret Since government departments charge officers with the execution of secret projects, there is no reason why the Auditor-General and specially selected members of his staff should not audit the accounts relating to secret projects If this were allowed, it would place the actions of the government and of accounting officers above suspicion

The commission considered, on the strength of the evidence submitted to it, that the restrictions placed by the aforementioned Acts on the Auditor-General's functions in regard to the auditing of secret funds should be removed from the statute book and that accounts relating to secret funds should be audited by the Auditor-General as well.

This does not mean that anything that should be kept secret in the national interest will be reported to Parliament As a first step, the Auditor-General may report his findings to the Minister of Finance who, after consultation with the Prime Minister, may indicate which findings the Auditor-General is to include in his report to Parliament.

The commission therefore wishes to recommend that, subject to Section 42 (7) of the Exchequer and Audit Act, No 66 of 1975, accounts relating to secret funds be also audited by the Auditor-General, and that the Auditor-General first submit his report to the Minister of Finance who, after consultation with the Auditor-General and the Prime Minister, shall decide which findings the Auditor-General is to disclose to Parliament in his report

A. Recommendations concerning specific persons.

THE commission recommends.

1. That the above-mentioned irregularities permitted by Drs Rhoodie and D Rhoodie (Eschel Rhoodie and Deneys Rhoodie) with monies from the secret fund be referred to the Attorney-General for investigation and evaluation with a view to possible criminal proceedings.

2 That the State-Attorney be requested to go into the question of the extent to which the State's assets have been unlawfully alienated or affected by any one of the following

Mr Luyt, Mr Van Zyl Alberts, Dr E Rhoodie, Dr D O Rhoodie, Mr L E S de Villiers and Mr Pieterse, and to what extent the State's interests or assets that prove to have been affected, may be secured or recovered, and so to secure and recover the monies

B. Honoraria.

IT APPEARS from the evidence that Dr Rhoodie paid out considerable sums of money to persons as remuneration over and above their salaries, and that they never showed this remuneration as income for tax purposes. In many cases, it emerged from the evidence that these honoraria were in no way related to the recipients' expenses in connection with the tasks they performed and there is consequently no good reason why these monies should not be shown as income for tax purposes

The submission that makes mention of these honoraria to the Receiver of Revenue may reveal that frequent projects do not hold water in the commission's view

The commission recommends that the Department of Inland Revenue check to what extent the amounts, which were paid to persons from the secret fund and on which no tax was paid, are subject to taxation in order that tax may be collected from them, and that such tax be collected To the extent that this has not already been done, the commission recommends that the payment of tax on remuneration from secret funds be placed on a sound basis

RDM
6/12/78

does not already exist) by some measure or other for a prohibition of the putting of questions to, and the answering of questions by Ministers in Parliament if such questions relate to any department's secret funds

D. Questions in Parliament.

THE commission recommends that Parliament considers providing (to the extent that such provision

E. Extension of the commission's term with a view to the investigation of new aspects.

THE commission has penetrated to the core and essence of its terms of reference, and reports its findings and makes its recommendations as required by its terms of reference.

The new aspects and fields for investigation that have been brought to light by the inquiry make it necessary that consideration be given to an extension of the commission's commission to May 30, 1979, in order that evidence may be heard on these aspects and to permit an investigation being undertaken by an independent chartered accountant and auditor and by the Commercial Branch of the South African Police

If this is agreed to, it will be desirable for Advocate H G Klem, SC, and Advocate H F van Zyl, who have coordinated and led the evidence for the commission up to now, to continue in that capacity until May 30 1979. Their interviews with witnesses and potential witnesses have made them fully conversant with the nature and scope of the aspect requiring further investigation They will act under the immediate direction and instructions of the chairman of the commission, who will convene the commission to hear witnesses who are available.

Meanwhile, the commissioners and secretary will continue with their normal daily tasks, except when they are periodically summoned by the chairman to hear and evaluate the available evidence with a view to the finalisation of the commission's mandate

The said two advocates will, however, devote themselves full-time to the tracing and co-ordinating of evidence and will keep in touch with the chairman with a view to the successful discharge of this task.

F. Release

THE commission wishes to recommend that its report be released in its entirety.

In view of Recommendation E, the commission cannot make any recommendation at this stage in regard to the release of evidence and will have to leave consideration of this matter in abeyance.

G. Acknowledgements.

THE commission can state categorically that it has had full co-operation of all concerned with its terms of reference The commissioners convey their special thanks to Advocates H G Klem and H F van Zyl for the capable manner in which they assisted the commission and presented the evidence A special word of thanks to Mrs L M Allaway of Lubbe Recordings, who did not mind sitting up till late at night sometimes to see that the evidence was being properly recorded.

Finally, we wish to express our sincere thanks to Mr Johan Geyser, assisted by Mr Deon Meyer, who was responsible for the commission's domestic arrangements, for making appointments, for the excellent way he dealt with the commission's correspondence and acted as Press liaison officer

H. Submission.

MR State President, the undersigned commissioners have the honour and pleasure to present a unanimous report to you herewith

Signed, R P B Erasmus (chairman), C F Smallberger (member) and A J Lategan (member)

Public's R31m

Citizen bill still not paid

● From Page 16

paragraphs from the letter

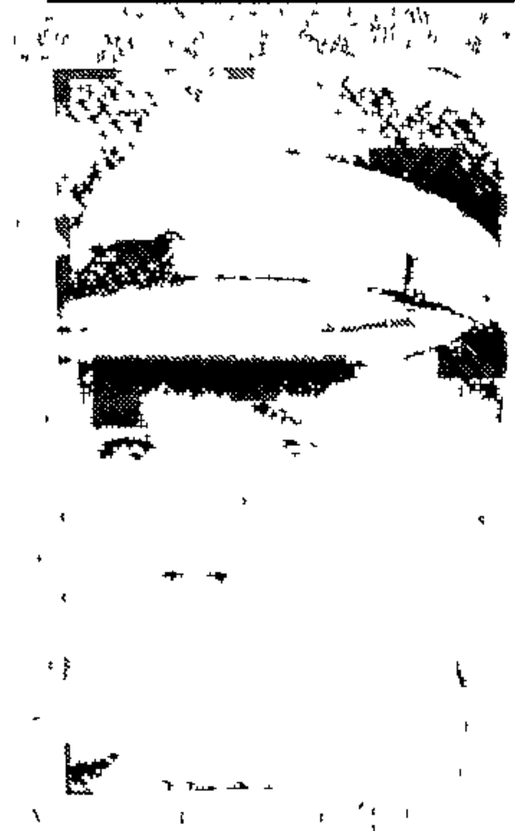
"In regard to the fact that I regard the procedure as unethical and irregular I wish to point out that you would surely also feel like that if your Minister had to stand up in Parliament in a budget debate and present untruths in order to obtain additional funds

"I am not prepared to have him placed in such an invidious position in the future I am also not prepared to have my department used as an excuse or explanation for State expenditure which in no way could be linked to us I am prepared to motivate every cent which my department needs and spends, but I am not prepared to do so for another department"

(iv) According to Mr Fourie's evidence, which the commission regards as credible and which was not contradicted, it appears, however, that Dr Rhoodie did not lift a finger to inform him properly, or have him properly informed, so that he could fulfil his duties as accountant and auditor

(v) Dr Rhoodie was guilty of neglect of his duties as Secretary of Infor-

RDM 6/12/78



"In regard to the fact that I regard the procedure as unethical and irregular I wish to point out that you would surely also feel like that if your Minister had to stand up in Parliament in a budget debate and present untruths in order to obtain additional funds.I am not prepared to have him placed in such an invidious position in the future. I am also not prepared to have my Department used as an excuse or explanation for State expenditure which in no way could be linked with us. I am prepared to motivate every cent which my department needs and spends, but I am not prepared to do it for another Department."

—Gen Magnus Malan in a letter to Dr Rhoodie

mation and of gross negligence

He neither exercised nor caused to be exercised any control or check whatever of the claims submitted by his officials in respect of subsistence and travelling or other expenses for which they are alleged to have claimed

When he gave evidence, he submitted no document to the commission to substantiate that claims had to be properly completed or submitted

Mr Fourie testified that the atmosphere in the office was such that he was afraid to ask questions or to make enquiries in connection with claims

(A chapter of the report deals in particular with the irregular claims submitted in those connections by Dr Rhoodie's brother, Dr Deneys Rhoodie, and others as a result of failure to exercise supervision and control)

(vi) Dr Rhoodie was guilty of a contravention of the Archives Act, in that he was instrumental in destroying or having destroyed, documents and departmental records

(vii) Dr Rhoodie's instructions to destroy documents and not to show them to others were, the commission finds, an attempt to conceal irregularities pointing to fraud and theft

The circumstances in which this took place were discussed in the evidence of Mr Barrie and Mr Fourie The Auditor-General's enquiries in November 1976 brought Dr Rhoodie to the rude awakening that his maladministration had been uncovered

It seems clear that, before Mr Barrie began making enquiries, thereewere no complaints in the department that secrets had been leaked — and that after secret projects haa been carried out since before 1973.

The conclusion of the Commission is supported by the fact that Mr Vorster emphatically denied that the instructions had emanated from him

(viii) Irregularities committed by Dr Rhoodie which point to theft as well as complicity in theft and fraud through which the State suffered great losses, are evident from the numerous examples in the report

(Those aspects are singled out and discussed the report, particularly dishonest utilization of funds and investments of public funds in fixed property)

(ix) The Citizen, a party-political newspaper, was financed by Dr Rhoodie with public funds amounting to R31 907 732,73 which has still not been recovered

(x) Dr Deneys Rhoodie is a brother of Dr ESchel Rhoodie and was appointed Deputy Secretary of the department Claims submitted by him feature in the examples discussed in the section of the report on subsistence and travelling expenses, additional remuneration, Werkloon, anonymous collaborators and trips abroad, all of which point to irregularities.

(xi) The commission found that Mr Fourie could not properly carry out his duties as internal accountant and auditor as a result of the conditions under which he worked

He was afraid — and had good reason to be afraid — that he would loose his job if he were to make the necessary enquiries about accounts.

No evidence was given before the commission that he was directly involved in dishonesties or that he gained any advantage for himself with funds belonging to the State

The Erasmus Report

The Natal Mercury 6/12/78

259

Judge mentions theft and fraud

Report shock as it lists State 'great losses'

THE irregularities committed by the former Secretary of the now defunct Department of Information, Dr. Eschel Rhoodie, "which point to theft as well as complicity in theft and fraud" through which the State suffered great losses were evident from numerous examples, the Erasmus Commission found.

The chairman, Mr Justice Erasmus, said in his report that these aspects were singled out and discussed in two separate chapters in connection with irregularities and dishonest utilisation of funds and investments in fixed property with public funds

The commission also found that the Citizen, "a party political newspaper, was financed by Dr Rhoodie with public funds amounting to R31 907 732,73 which have still not been recovered"

These remarks are noted in the chapter of the report dealing with the commission's specific finding in connection with irregularities

The commission found that inadequate legislation existed in respect of the handling of secret funds

"When a secret fund was created for the Department of Information by making moneys available for it via the Bureau of State Security and later also via the vote of the Department of Defence, there was no legislation under which it could be even partially audited or statutorily controlled to any extent"

Disregard of regulations

The report said it was not until April 1, 1978, that the Secret Services Account Act came into operation which also covered secret funds and services of the department

"This led to disregard of public service and financial regulations as well as Treasury instructions."

After dealing in detail with ministerial control for which Dr Connie Mulder had been responsible, the commission made the following finding in respect of administrative control

"The minister, his secretary and his internal accountant mostly did not even know what the other was doing in connection with the administration of secret funds, and this was ascribed by Drs Mulder and Rhoodie, on the one hand, falsely to the need for secrecy because secret projects and funds were at stake and, on the other hand, to the 'absolute confidence' (volle vertroue) which Dr Mulder purported to have in Dr Rhoodie"

These aspects were dealt with more fully in another invidious position in future I am also not prepared that my department is used as excuse or explanation for State expenditure which in no way could be linked with us I am prepared to motivate each cent which my department needs and spends, but I am not prepared to do it for another department'"

The commission also found that Dr Rhoodie had been guilty of neglect of his duty as secretary of the department and of "gross negligence"

Claims for expenses

Commenting on this finding the report said "He neither exercised nor caused to be exercised any control or check whatsoever of the claims submitted by his officials in respect of subsistence and travelling expenses of payments in connection with other costs for which they are alleged to have

After this comment the commission made the following finding "The irregularities committed by Dr Rhoodie which point to theft as well as complicity in theft and fraud through which the State suffered great losses, are evident from the numerous examples in the report"

The commission said these aspects were singled out and discussed in two previous chapters "in connection with irregularities and dishonest utilisation of funds and investments in fixed property with public funds"

The commission further found that "the Citizen, a party political newspaper was financed by Dr Rhoodie with public funds amounting to R31 907 733,73 which have still not been recovered"

Denys Rhoodie

Commenting on the role

SALE OF OFFICE FURNITURE!
● DESKS ● CHAIRS
● BOOKCASES ● STEEL CABINETS
● SAFES ● CUPBOARDS

EXAMPLE 6 DRAWER DESKS R69 PLUS G.S.T (AS AT 1.12.78)
ALL PRICES DRASTICALLY REDUCED
21 ALIWAL ST., DURBAN. TEL. 64567
CHARTWELL OFFICE FURNITURE

The Natal Mercury

259

6/12/78

Very serious

The commission commented on this as follows "This deception must be regarded in a very serious light, particularly because it was done in the light of persistent objections from Mr P W Botha, namely that the SADF did not want the department's secret fund to be carried on its vote and that the Department of Defence would not and did not want to account for it."

The commission quoted a letter by General Magnus Malan, Chief of the Defence Force, to Dr Rhoodie dated July 4, 1977, reflecting the spirit of all the correspondence addressed by the Department of Defence to Dr Rhoodie in this connection

'Untruths' for funds

"I shall quote only two paragraphs from it General Malan wrote 'As regards the fact that I regard the procedure as unethical and irregular, I wish to point out that you surely also would feel like that if your ministers were to rise in a budget debate and present untruths in order to obtain additional funds

" 'I am not prepared that he be placed in a similarly

"Dr Rhoodie's instructions to destroy documents and not to show them to others were, the commission finds, an attempt to conceal irregularities pointing to fraud and theft"

Rude awakening

In respect of this finding the commission said "The circumstances in which this took place were discussed in the evidence of Barrie and Fourie Barrie's inquiries in November, 1976, brought Dr Rhoodie to the rude awakening that his maladministration had been discovered

"It seems clear to the commission that, before Barrie began making inquiries in connection with irregularities, there were no complaints in the department that secrets had leaked out, and this after secret projects had been carried out since before 1973 No evidence was given that secrets had in fact leaked out before these instructions were issued

"The conclusion of the commission under this head is supported by the fact that Mr Vorster emphatically denied that the instructions had emanated from him as stated in a previous paragraph of this report"

had good reason to be afraid, that he would lose his job if he were to make the necessary inquiries about accounts No evidence was given before the commission that he was directly involved in dishonesties or that he gained any advantage for himself with funds belonging to the State" — (Sapa)

Perskor move

PRETORIA — A new company called The Citizen (1978) (Pty) Ltd, was registered here yesterday with the top executives of Perskor as directors

The three directors are: Mr Marius Visser Jooste chairman of Perskor, Mr Jacobus Machiel Buitendag, joint managing director of Perskor, and Dr Willem Johannes de Klerk also Perskor's join managing director — (Sapa)

'Madam' ill

SACRAMENTO — Miss Sally Stanford, the former brothel owner who became Mayor of Sausalito, was reported in a critical condition in hospital yesterday after a possible heart attack The 76-year-old former madam of a San Francisco brothel was the subject of the recent television movie — (Sapa-AP)

The full story . . .

• FROM PAGE 1

and his integrity remains unblemished for his great task as Prime Minister."

The report reveals an astonishing series of manoeuvres to "launder" money from the Department of Defence secret account to the former Department of Information and its various "front" organisations

It reveals too that Mr Lood Reynders, appointed to investigate the affairs of the department, knowingly submitted a report vindicating Dr. Mulder because he feared being "crushed" by General van den Bergh

At one stage the commission refers to Mr Reynders changing his attitude and says. "The story he then told the commission bears the stamp of authenticity of someone who, under tremendous pressure, even in fear of his own life, had to tell something about which his conscience had plagued him ever since"

The Natal Mercury

259 6/12/78

These aspects were dealt with more fully in another chapter of the report, Mr Justice Erasmus said

Gross neglect

He then further found "The Secretary for Information was, as accounting officer, quite apart from lack of legislation, obliged to comply with Treasury instructions regarding the utilisation of funds for secret services, purusant to Resolution No X2 of 1966 of the Select Committee on Public Accounts, and he grossly neglected to do so."

The commission also made the following finding "Dr Rhoodie misled the Department of Defence by promising it that he would furnish a proper certificate in regard to the utilisation of the department's secret funds and falsely intimated that the accountant would undertake the necessary internal audit of the secret fund. The certificate furnished by him was a bogus document"

are alleged to have claimed

"When he gave evidence, he submitted no document or circular to the commission to substantiate that claims had to be properly completed or submitted Mr Fourie testified that the atmosphere in the office was such that he was afraid to ask questions or to make inquiries in connection with claims"

'Rhoodie was guilty'

The commission pointed out that a separate chapter dealt in particular with irregular claims submitted in this connection by Dr Rhoodie's brother, Dr Denys Rhoodie, and others, as a result of failure to exercise supervision and control

The commission further found that "Dr Rhoodie was guilty of a contravention of Section 12 (1) (B) of the Archives Act of 1962 in that he was instrumental in destroying or having destroyed documents and departmental records

"Dr Rhoodie's instructions to destroy documents and not to show them to others were, the commission finds, an attempt to conceal irregularities pointing to fraud and theft"

Commenting on the role of Dr Denys Rhoodie, who had been appointed deputy secretary of the former Department of Information, the commission said "Claims submitted by him feature in the examples discussed in the report in the chapter entitled 'Subsistence, and travelling expenses,' 'Additional remuneration,' 'Werkloon,' 'Anonymous Collaborators' and 'Trips Abroad' all of which point to irregularities"

The commission made the following comment on the role of Mr Braam Fourie who had been employed in the Department of Information since May 1950, was appointed internal accountant of the secret fund and functioned in that capacity until the department was disbanded earlier this year

"The commission found that Fourie could not carry out his duties as internal accountant and auditor properly as a result of the conditions under which he worked He was afraid and had good reason to be afraid, that he would lose his job if he were to make the necessary inquiries about accounts No evidence was given before the commission that he was directly involved in dishonesties or that he gained any advantage for himself with funds belonging to the State" — (Sapa)

The Natal Mercury 6/12/78 (259)

LEASE A MERCEDES
"The key to quality motoring"
PHONE 378272
NMI NATAL MOTOR INDUSTRIES

The Natal Mercury

127th YEAR

INDEPENDENT AND DEPENDABLE

No 35045 Registered at GPO as a Newspaper DURBAN, WEDNESDAY, DECEMBER 6, 1978. PRICE 12 cents

LATE

Stuttafords
HEIDI
CHILDREN'S
FASHION PARADE
TOMORROW & FRIDAY 10.30 a.m.
SATURDAY
at 10 a.m.
Third Floor Phone 32D231

(259)

The full story

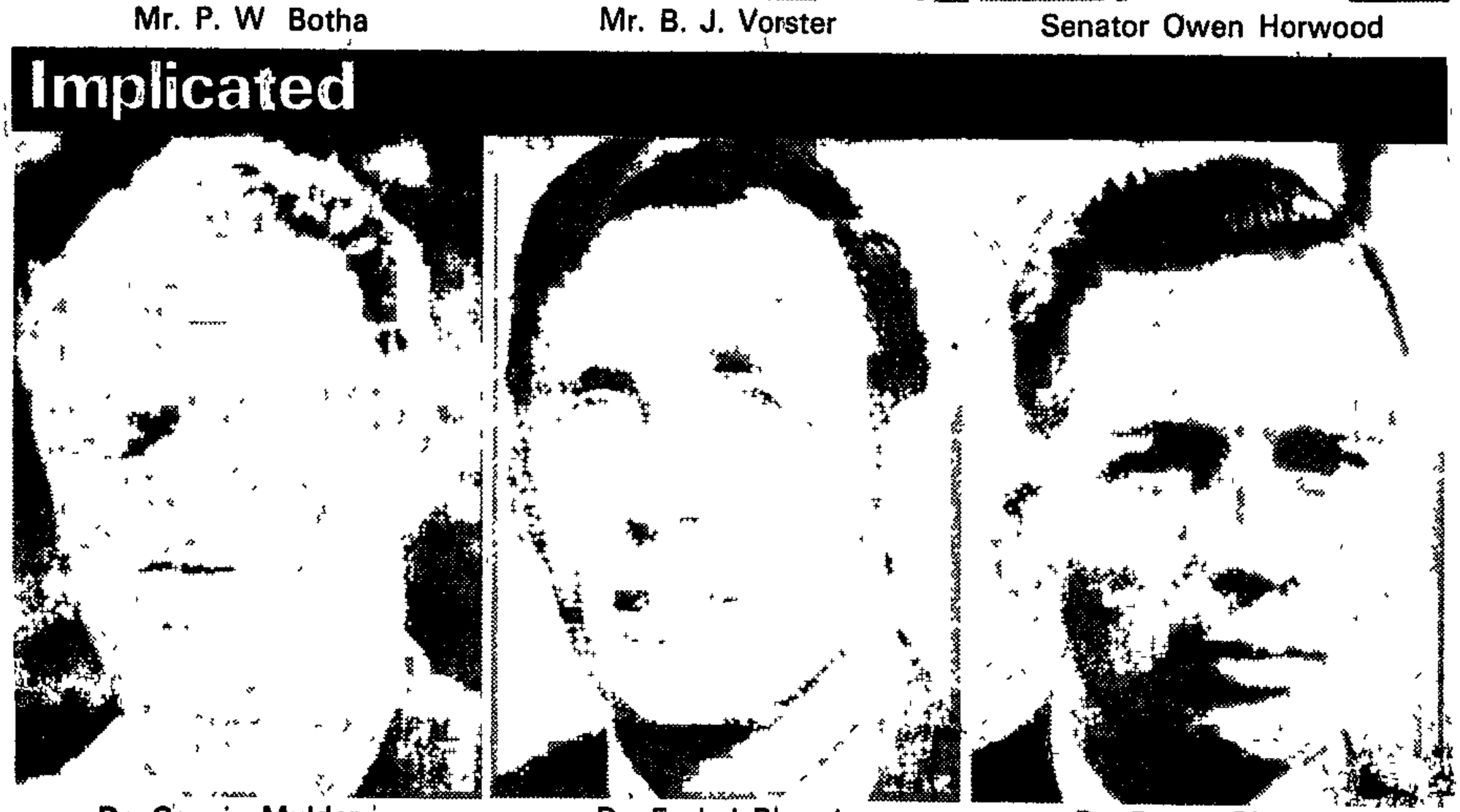
The Natal Mercury
6/12/78
259

Cleared



Mr. P. W Botha | Mr. B. J. Vorster | Senator Owen Horwood

Implicated



Dr. Connie Mulder | Dr Eschel Rhoodie | Dr. Denys Rhoodie

The Natal Mercury 6/12/78

259

BOSS man lied 'for fear of life'

Mercury Correspondent

JOHANNESBURG — Mr. Lood Reynders, the Bureau for State Security man who carried out a probe into the Department of Information, released a false report "under tremendous pressure, even in fear of his own life."

In saying this, the Erasmus Commission reports that Mr Reynders had been under constant pressure from Dr. Connie Mulder and General Hendrik van den Bergh, head of the Bureau to bring out a report without delay.

The report, leaked to the Press in September, was designed to help Dr. Mulder become Prime Minister.

"Initially, Reynders tried to justify the report before the commission, but when the total irreconcilability of the report and the actual facts was pointed out to him, he burst into tears and, like a lanced boil, made a clean breast of things.

"The story he then told the commission bears the stamp of authenticity, of someone who, under tremendous pressure, even in fear of his own life, had to do something about which his conscience has plagued him ever since.

"He testified that, if it had been left to him, he would never have brought out such a report, but he was placed under tremendous pressure by the actions of Dr. Mulder and Van den Bergh. He even feared that, if he opposed Van den Bergh, the general would crush him."



GENERAL Hendrik van den Bergh . . . "he saw himself as the power behind the throne"

The commission also found that General van den Bergh did not keep to his watchdog role but used his office and personal friendship with Mr. B J Vorster to try to influence the course of events in South Africa.

To do this he withheld facts from Mr Vorster and sometimes gave him only selected facts. There were times when he ignored the Prime Minister's instructions and times when he traded on Mr. Vorster's name to gain his own ends.

He told the commission that he not only exercised considerable influence over the Prime Minister, but at times made Mr. Vorster's decisions for him.

"The commission has gained a clear picture of Van den Bergh as a man who played a double role.

"Consequently, Mr. Vorster could, to some extent, remain blissfully under the mistaken belief that his disapproval of the financing of an English newspaper from public funds had been conveyed to Drs Mulder and Rhoodie and others. They, on the other hand, could gain the impression that Mr Vorster not only knew what they were up to but also approved of their actions."

The Natal Mercury 6/12/78 259

South Africa faces its biggest scandal

ORMANDE POLLOK
Political Correspondent

CAPE TOWN — The Erasmus commission report last night revealed the biggest scandal in South Africa's political history.

It has revealed an amazing web of intrigue, corruption, deception and misuse of millions of rands of public funds and has confirmed the controversial evidence, released against the Government's wishes, by Mr. Justice Anton Mostert.

Among the sensational disclosures yesterday were:

That not R13 million, not R27 million, but R32 million of public money had been spent on the Citizen and is still going to it;

Unfettered control

That one man, Dr Eschel Rhoodie, who faces legal action, had unfettered control over R62 million of secret funds over the past five years,

That Dr Connie Mulder, former Minister of Information, was guilty of "irregularities," that he was incompetent, this his credibility as a witness was questionable and that he had used "pressure" to further his own ends;

That General Hendrik van den Bergh, former head of the Bureau for State Security, had seen himself as the "power behind the throne", that he had "played a double role" and that he had presented himself as a "loyal comrade" of Mr John Vorster but was an enthusiastic participant in the schemes;

Search for Dr Rhoodie

Mercury Correspondent

LONDON — The international Press search for Dr. Eschel Rhoodie was concentrating on Paris last night but he appears to have dodged reporters again.

South African embassies in Paris, London and The Hague reported he had not presented himself to them.

But business contacts in Paris say he will probably visit the embassy soon.

That Dr. Rhoodie, whose passport has been withdrawn and who is still being sought in Europe, raised R16 million in foreign loans for his department when secret funds were cut off, without Treasury approval; and

That at this stage there is no indication just of how much State money has actually been lost.

It is clear from the report that there will be far-reaching political repercussions flowing and that the special session of Parliament which starts tomorrow will be one of the stormiest in the country's history.

'Horrific, incredible — Govt should resign'

Political Correspondent

CAPE TOWN — Opposition leaders last night described the revelations in the Erasmus report as "horrific" and "incredible"

Mr. Colin Eglin, Leader of the Opposition, said that if the parliamentary convention of collective and Cabinet responsibility meant anything to the Prime Minister, Mr. P W Botha, "the Government should resign"

Mr. Vause Raw, leader of the New Republic Party, said that the scandal which had "humiliated" the nation had more than justified calls for a judicial commission of inquiry and a special session of Parliament.

Mr. Eglin said that the Progressive Federal Party would press for a full disclosure of the evidence and cross-examination.

"However, the evidence which has been released is horrific," he said.

Unprecedented

"It reveals a story of deception and corruption and dereliction of duty on a scale unprecedented in the history of our country."

Mr. Eglin said: "The judicial findings uphold the personal integrity of those cleared of guilt and it is now up to Parliament and the people to judge their political responsibility for the incredible situation where bureaucrats and faceless secret agents pulled the strings of government while the Cabinet obviously exercised no proper control.

Commission report 'destroys' Mulder

The Natal Mercury 6/12/79

259

Political Correspondent

CAPE TOWN — Dr. Connie Mulder, who almost became Prime Minister, has been totally destroyed by the Erasmus commission.

Its sensational report, published yesterday, found him guilty of irregularities and incompetence, questioned his credibility as a witness and said he had used pressure to vindicate himself.

Though not political, the report is expected to have sweeping and widespread consequences, particularly for those who supported his bid to become Prime Minister and who discounted his involvement in the Information scandal as exaggerated attempts to foil his becoming Premier.

It will certainly totally wreck attempts now being made to undermine supporters of Foreign Minister Pik Botha in a bid to prepare the way for Dr. Mulder's re-emergence as a political power.

It could also have a backlash on the influence of Dr. Andries Treurnicht.

Dealing with specific findings on irregularities, the Erasmus report said "Dr. Mulder, according to his own evidence, if this could be accepted, wrongly interpreted his function as head of his department and, to say the least of it, fulfilled it incompetently."

It said Dr. Mulder had attempted to suggest that he had been only the political head of the department "to escape responsibility for the mistakes made in his department."

It also said of Dr. Mulder's evidence on one incident. "It would appear that either Dr. Mulder was not telling the truth, or that his actions testified to incompetence."

It said too that "Dr. Mulder's role in the bid to take over SAAN and the establishment and running of the Citizen was an irregularity."

The commission could also come to the only conclusion that Dr. Mulder had gone ahead with the Citizen project without consulting the then Prime Minister, Mr John Vorster

"Dr Mulder acted irregularly by lending Mr. Louis Luyt R12 million," said the report

It also said Dr. Mulder had "veered" under "pressure of cross-examination from a total denial to an admission that it was in fact a loan.

"It is a good example of how, whenever Dr. Mulder wanted to distance himself from a possible irregularity, he resorted to the excuse that this was detail with which he did not concern himself."

The report said "Dr. Mulder was lax and negligent in giving Dr. Eschel Rhoodie virtually unlimited discretion in dealing with public funds."

It also said: "Through Dr. Mulder's negligence, Dr Rhoodie was placed annually in total control, as if he were the owner of R14 million to R17 million.

"In this sense the responsibility for the misappropriation by Dr. Rhoodie out of the secret fund must also be placed squarely on Dr. Mulder's shoulders."

In another part of the report Dr. Mulder was said to have exercised "improper pressure on others to secure favourable results for himself."

In Pretoria last night, Dr. Mulder said he had examined the report, but it was not the time to comment.

He was of the opinion that the report would not implicate his good faith and integrity regarding decision-making in the affairs of the department.

To allow an unbiased and open-hearted discussion in the party caucus and Parliament, he had decided not to take part.

He accepted full responsibility for those policy decisions which he had taken.

His conscience was clear that every policy decision which he had taken had been done, according to his judgment, in the interests of the country.

Pressure

The Opposition is expected to put pressure on the entire Government for the Information debacle and will use a particular reference in the commission's report to joint Cabinet responsibility for execution action.

The former Prime Minister, Mr. Vorster, is mildly criticised for not stopping the Citizen when he became aware of what was happening.

But the report said: "It must be stated clearly and unequivocally 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."

It also found in respect of the Prime Minister, Mr. P. W. Botha, that "his hands are clean in every respect

• TURN TO PAGE 2

Inside

TV, RADIO, WEATHER, TODAY AND SHIPPING	8
SURFING	9
HERS	10, 11
ENTERTAINMENT	18, 19
OPINION	20
PRODUCE PRICES	28
BUSINESS	29, 30
RACING	31
SPORT	32, 33



The Erasmus Report
Pages 2, 12, 13, 14, 15, 16 and 17

Niece (4) sees uncle shot

Mercury Reporter

A FOUR-YEAR-OLD girl watched while her uncle was shot at point-blank range and rolled under the back wheels of a car, before she was kidnapped by two hitchhikers.

Dianne Buckley was being given a lift from Ixopo by her uncle, Mr. Ramduth Giani (50), on Monday night when the incident occurred.

He had earlier picked up two African hitchhikers from a petrol station at Donnington where he hawks vegetables.

At the Braemar School turnoff where he and his niece live, Mr. Giani told the men that he would drop them before he turned.

The one man opened the door and climbed out and the other made as if to follow him but suddenly drew a gun and shot Mr. Giani at point blank range over Dianne's head.

"The shot hit me in the cheek," Mr. Giani said from his bed in King Edward VIII Hospital yesterday.

"I then recall being dragged out of my car and another shot was fired."

Dianne's father, Mr. Robert Buckley, said at their house in Braemar yesterday that she was unable to speak at all until late yesterday morning.



FOUR-year-old Dianne Buckley who saw uncle shot.

'Secret funds' open door to corrupted

Political Staff

THE DOOR to malpractices was opened by the phrase "secret funds", which was so widely interpreted that any expenditure that had the slightest connection with a secret project was met from secret funds.

This was one of the findings of the Erasmus commission, whose report was released on Tuesday.

Summing up methods used in the perpetration of irregularities, Mr Justice Erasmus says secrecy gave rise to covert acts and malpractices.

"In other words, secrecy became a Judas cloak for all those who wished to act dishonestly, to put in false claims and to steal."

He says Dr Eschel Rhoodie, former Secretary for Information, simply ignored all regulations and existing guidelines, drawing a distinction between ordinary and secret funds.

One of the biggest problems that faced the Erasmus commission was the destruction of documents, which made it difficult to trace irregularities.

Judge Erasmus labelled the destruction of documents as a most reprehensible method.

"Denials were simply given to all questions relating to irregularities," says Judge Erasmus. The commission found that in many cases considerable amounts had been paid out irregularly and then refunded to the state by the officials concerned with the stipulation that they would later try to recover the money.

"This stipulation can only be some kind of cover-up, because no evidence was given to the commission that such steps had ever been taken."

The loose links in SA's chain

THE strong chain which had to draw South Africa through the troubled waters and rough seas of hostile world opinion unfortunately had three loose links, according to the Erasmus Commission: Braam Fourie, Dr Eschel Rhoodie and Dr Connie Mulder.

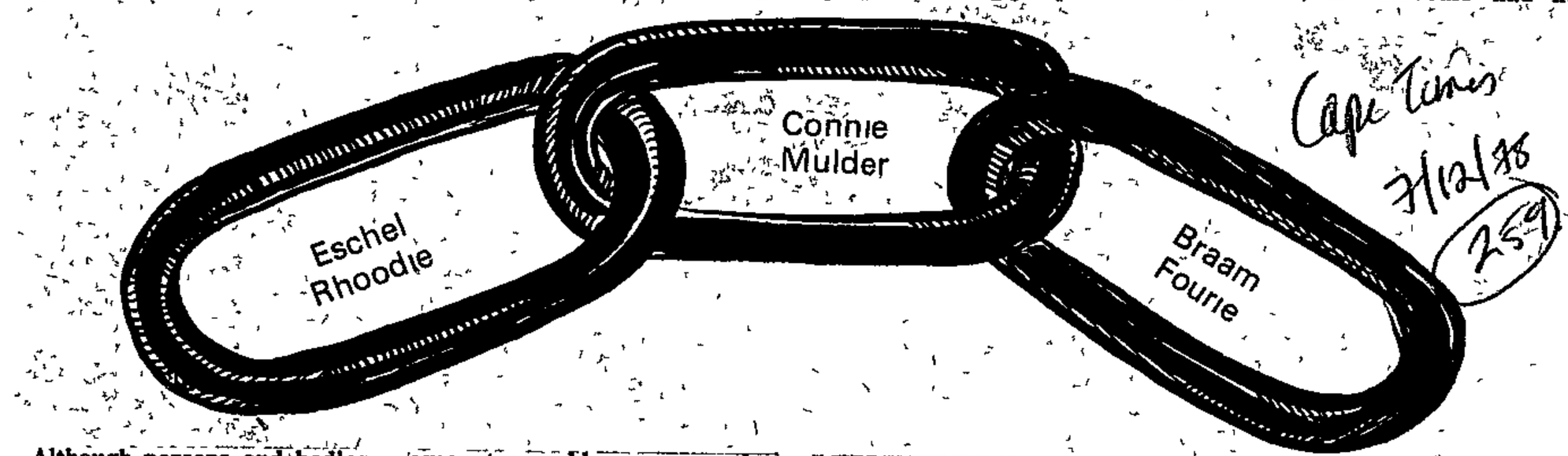
One did not always know what the others were doing, says a chapter in the Commission's report entitled "Three loose links in the chain".

"According to evidence each of them trusted and protected the others, but because they kept themselves and their respective functions to themselves, the task they had to carry out foundered."

Mr Fourie testified that he was a senior accountant in the department in 1973 when he first had to deal with the secret fund. He was appointed by Dr Rhoodie to control it.

"Fourie was the only person in the department who could complete and check claims. Apart from being the accountant, he was also the auditor but he testified it was impossible for one person to fill this dual role"

Mr Fourie could not, nor was he expected to, ask questions about what the money claimed was required for, nor to make inquiries about the amounts and why they had to be remitted to certain persons or bodies or transferred to banks.



Cape Times 31/12/78 259

Although persons and bodies had been expected to submit receipts and vouchers to show that money paid out had been received, they often neglected to do so.

He tried to keep account of monies paid out on certain projects but he could obtain little or no information as to whether such monies had in fact been utilized for such projects.

One of his greatest problems in connection with claims and subsistence and travelling expenses.

Minimum particulars were submitted and sometimes large amounts could appear under "miscellaneous" without any details.

"He could not really ask for more particulars because they could simply say: 'pay out'," the report says

Some claims were six months old and sometimes older than a year before they were submitted for payment. By that time all records in connection with such claims had been destroyed and their correctness could not be established.

Sometimes he could not establish whether claims were for travelling expenses of guests or members of the family.

Officers involved in secret projects were advanced substantial sums. If an officer had an advance of, say, R10 000 and spent only R5 000, he could submit an account for R9 000, carry forward R1 000 and pocket R4 000.

No proof was submitted to Fourie to enable him to establish the correctness of the claim. "This witness (Fourie) testified further that Dr Rhoodie raised five loans abroad to the amount of $16,6 m and as far as he could establish from records, Dr Rhoodie had no authority to do so."

Mr Fourie discussed his difficulties with Dr Rhoodie who said he was not bound by rules and regulations.

Dr Rhoodie testified at length before the commission on a variety of projects but nowhere did he contradict Mr Fourie's testimony in connection with his problems as an accountant

"Dr Rhoodie's attitude throughout was that everything that had anything to do with the secret fund was secret. For that reason it was not possible to keep conventional books and to let other officers into secrets.

"He admitted straight out that he had not discussed all projects with Dr Mulder or informed him in detail how money at his disposal would be utilized."

According to Dr Mulder, the report says, he was the political or ministerial head of the department and not the administrative head. He therefore moved on a different and higher plane from Dr Rhoodie, Dr Denys Rhoodie, Mr L E S de Villiers and Mr Waldeck

"That he was exclusively a political head of the department, is not quite correct however," the report says.

Dr Mulder admitted to the commission that he had set no ceiling for Dr Rhoodie for expenditure on secret projects

Morgan denies Erasmus report



Lawrence Morgan

Own Correspondent

DURBAN — Former Mercury agricultural writer Mr Lawrence Morgan last night emphatically denied that his R7 m offer in 1973 to buy the Mercury was connected with the Department of Information's attempt — at the same time — to acquire the newspaper with public funds

His denial conflicts with the interim report of the Erasmus Commission which links Mr Morgan's mysterious bid directly with the department

At the time Mr Morgan claimed that he was representing an anonymous consortium of English-speaking businessmen, but according to the report, Mr Morgan was the "front-man"

In evidence given by Dr Eschel Rhoodie, who was secretary of the now disbanded department, Mr Morgan, along with Dr Piet Koornhof and General Hendrik van den Bergh, "explored" the possible takeover of the Mercury

When Mr Morgan was confronted with this evidence at his home in England on Tuesday night, he rejected the testimony as being "untrue"

"I have never met Van den Bergh nor have I ever had any contact with him or Dr Rhoodie," Mr Morgan said

He said his offer to the Mercury in May 1973 "had absolutely no connection" with the Department of Information, General Van den Bergh or with Dr Rhoodie

Challenged to name the people he claimed to have been representing in 1973 Mr Morgan said he was not prepared to do so

"That was a long time ago and no purpose would be served by revealing their names now I'm afraid I can't help you," said Mr Morgan.

Film magnate Andre Pieterse welcomes report

259



Mr Andre Pieterse

JOHANNESBURG — Film magnate Mr Andre Pieterse said in a statement yesterday that he welcomed the news that the Erasmus Commission confirmed that he was not involved in any irregularities concerning the Department of Information

The statement from Mr Pieterse, director of Film Trust Overseas (Pty) Ltd, reads "I welcome the news that the Erasmus Commission of Enquiry confirms that I was not involved in any irregularities concerning the Department of Information, and that the funds allocated to my company were invested in the production of Golden Rendezvous, after first having received the approval from Dr Eschel Rhoodie, the then Secretary for Information"

The commission recommended that the State Attorney go into the question of the extent to which the state's assets had been "unlawfully alienated" or affected by Mr Louis Luyt, Mr Van Zyl Alberts (of The Citizen), Dr Eschel Rhoodie, Dr Denys Rhoodie, Mr L E S de Villiers and Mr Andre Pieterse — and how the assets could be recovered — Sapa

6. stration Form
er made
the Registration
if applicable,
Cape Town, Private

7. at the above

B: DETA

Satu es) Beattie Building

		Venue
9 -	Sociology	Beattie Theatre
10 -	Afrikaans/Nederlands	Room B. 115
10 -	Social Anthropology	B. 114
10 -	Archaeology	B. 105
10 -	Classics	B. 106
11 -	Cultural History	Beattie Theatre
11 -	Philosophy	Room B. 27
2 -	Economic History	B. 106
2 -	German	Beattie Theatre
3 -	Hebrew	Beattie Theatre
4 -	History	Beattie Theatre
5 -	Political Science	
8 - 8.50 p.m.	Religious Studies	Beattie Theatre
9 - 9.50 p.m.	African Languages	Room B. 114

Sunday, 18th February (Student Workshop) Arts Block

10 - 12.00 p.m.	Afrikaans/Nederlands	Room A. 2
"	Social Anthropology	A. 4
"	Archaeology	A. 6
"	Classics	A. 8
"	Cultural History	A. 102
"	Philosophy	A. 10
"	Economic History	A. 12
"	German	A. 16
"	Hebrew	A. 105
"	History	A. 107
"	Political Science	A. 111
"	French/Italian	A. 117
"	Speech and Drama	A. 101
"	Religious Studies	A. 109
"	Public Administration	A. 113
"	Librarianship/Music	A. 201

Monday, 19th February (Course Information Lectures) Beattie Building

9 - 9.50 a.m.	Afrikaans/Nederlands	Beattie Theatre
10 - 10.50 a.m.	French Intensive	Room B. 115
10 - 10.50 a.m.	French I	B. 105
10 - 10.50 a.m.	Education	B. 106
10 - 10.50 a.m.	Law	B. 11[illegible]

Dr Eschel Rhoodie



National Security and BSS front organizations



Mr Louis Luyt



THE CITIZEN

PFP SET TO JOIN CASH PROBE

They tried to kill me says pilot

Smith says S Africa 'not happy'



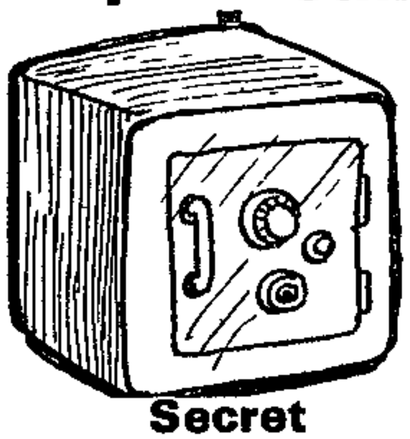
The Citizen



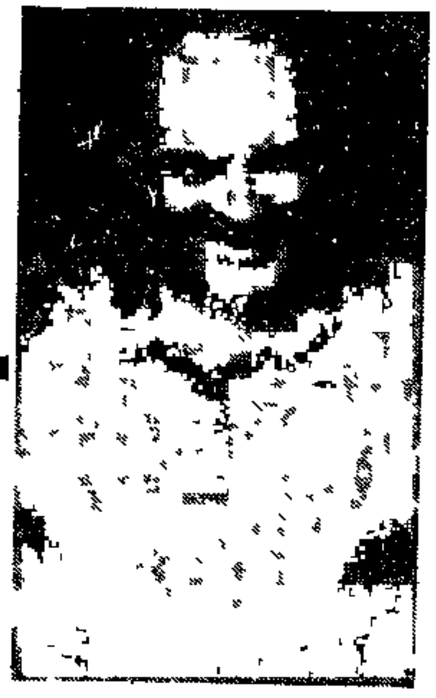
"I will stop at nothing . . ."



Dr Connie Mulder



Secret



Mr Lood Reynders



Mr Vorster

Cape Times 7/12/78 259

Cape Times
7/12/78 (259)

Some of the individuals and areas over which or through whom General Hendrik van den Bergh is said to have wielded tremendous influence while he headed the Bureau for State Security. According to the Erasmus Commission report, General Van den Bergh "not only exercised considerable influence over Mr Vorster, but at times made Mr Vorster's decisions for him".

Van den Bergh — sinister manipulator

By Roger Williams
Chief Reporter

GENERAL HENDRIK van den Bergh, former head of the Bureau for State Security, has emerged from the Erasmus commission report as a sinister, secretive manipulator of people and events — and till recently as the most powerful unelected force on the South African political scene

This tall, unsmiling man who had to be kept behind barbed wire in World War II as a prominent member of a subversive organization, was till recently in charge of this country's national security.

The Erasmus report refers to Van den Bergh's "arrogance" in telling the commission that if he wanted to do something, nobody would stop him — and he would stop at nothing.

It notes that this former policeman was in charge of "a formidable network of agents whose qualities he described in sinister terms".

And it adds that: "According to Van den Bergh he not only exercised considerable influence over Mr Vorster, but at times made Mr Vorster's decisions for him. There are illuminating passages in this regard in Van den Bergh's testimony, which it would serve no purpose to repeat here . . "

The report refers to the way General Van den Bergh "threw his weight about in the whole affair of the Reynders report", and makes it clear that the former BSS chief pressurized Mr Lood Reynders, a BSS subordinate appointed by Mr Vorster to investigate the possible misappropriation of secret funds, to produce a false report "clearing" Dr Connie Mulder, former Minister of Information.

This "exoneration" was leaked to a Nationalist newspaper on the eve of the election of a new prime minister — an election in which Dr Mulder was one of the candidates.

Mr Reynders, in his evidence, tearfully told the commission of his fear of General Van den Bergh who, he said, would "crush" him if he knew what he was telling the commission.

Throughout the Erasmus report, General Van den Bergh lurks like an evil genius, scheming and manipulating, and pressurizing people into carrying out his wishes

"By virtue of the nature of his functions as head of the Bureau (BSS)", it says, "Van den Bergh's role, to use his own words, was to know everything that was going on in South Africa and to report it to his minister — ie Mr Vorster.

"He was the man who had his ear to the ground.

"However, having regard to all the evidence, the commission is strongly under the impression that Van den Bergh did not confine himself to this role, but actually used his office and his personal friendship with Mr Vorster to try to influence the course of events in South Africa himself."

In his determination to manipulate events in the direction he wanted them to go General Van den Bergh, according to the Erasmus commission, sometimes withheld certain facts from Mr Vorster, and sometimes gave him only selected facts.

"Then again, there were times when he ignored Mr Vorster's instructions. Sometimes he traded on the Prime Minister's name to gain his own ends"

And, the report says, "The commission considers there was a real danger at all times of material irregularities being covered up through Van den Bergh's actions and interference."

"Lang Hendrik" Van den Bergh's arrogance showed itself outside as well as within the offices in which the Erasmus commission heard evidence in Pretoria When he arrived at the Department of Justice offices last month, within minutes of his friend Dr Eschel Rhoodie, he reacted violently to his photograph being taken, and threatened a photographer: "If you take another photo I'll donder you!"

A man whose lifestyle has been stealth and secrecy, Hendrik Van den Bergh did not want it known when, in 1963, he was appointed head of the Security Branch. And little was known about his subsequent travels abroad to visit BSS agents employed in foreign missions

During World War II General Van den Bergh was, as a member of the anti-war Ossewa Brandwag organization, interned at Koffiefontein. Also in the camp was Mr John Vorster, and a strong friendship developed between the two men.

After their release, and after the National Party's victory at the polls in 1948, Hendrik van den Bergh's rise to the top was rapid — a rise that took him, as the Erasmus commission report indicates, to a position of tremendous behind-the-scenes political influence.

NM 7/12/78 (259)

Top men to trace 'secret money'

CAPE TOWN — The foreign destination of money paid from the secret fund administered by the Department of Information was being investigated by the Erasmus Commission, the Attorney-General of the Cape, Mr. A. J. (Braam) Lategan, SC, said yesterday.

Mr. Lategan, a member of the three-man commission, said Mr. H. G. Klem, SC, Deputy Attorney-General of Natal, and Mr. H. F. van Zyl, senior State advocate of Windhoek, had been helping the commission and would probably soon go abroad for the investigation.

Mr. Klem and Mr. van Zyl would continue their investigation until the commission met again, probably next April.

One of their immediate tasks was to trace money after it had left the Department of Information.

Two "very capable" Commercial Branch detectives, one from Bloemfontein and the other from Johannesburg, would also continue investigating.

"We should be in a position by April to continue with formal sittings and evaluate the information which has been collected on our behalf in the interim."

Commenting on the statement by former Minister of Information Dr. Connie Mulder that the commission's report "showed clearly the impossible pressure under which the commission had worked," Mr. Lategan said: "Dr. Mulder is entitled to his opinion and I agree that at times we did work under tremendous pressure. But there is no doubt as to the report's truthfulness."

Meanwhile, our Cape Town correspondent reports that Dr. Mulder is widely expected to resign his parliamentary seat this week.

The former "crown prince" of the National Party flew in to Cape Town on Tuesday, shortly before the party caucus met to discuss the Erasmus Commission's report.

Dr. Mulder didn't attend the two-and-a-half hour meeting enabling the party to paper over its deep differences and adopt a common line for today's historic parliamentary debate. — (Sapa.)

Govt will face 'resign' demand

Commission wants De Villiers to testify

Mercury Correspondent

CAPE TOWN — Arrangements were being made to bring the former joint deputy secretary of the Department of Information, Mr. Les de Villiers, back to South Africa to testify before the Erasmus commission, Mr. Justice Erasmus said last night.

Judge Erasmus travelled to Cape Town yesterday by military aircraft with the chief of the Defence Force, General Magnus Malan, for today's special sitting of Parliament.

In an interview with the Cape Times, he said he already knew the names of "quite a number" of people who would be called before the commission when it sat again in January. These included prominent personalities.

Certain "arrangements" were being made with regard to Mr. de Villiers who is in New York, Judge Erasmus said.

"We are trying to get him back and I am sure he will return of his own accord to give evidence."

He said Mr. de Villiers was one of the three most important personalities in the Information affair, and it was not fair to leave him out.

The Commission already had clues to possible further malpractices and the lines of investigation it would take when it reconvened.

He said he did not know where Dr. Eschel Rhoodie was — but it would not be necessary for the Commission to hear further evidence from him.

He described the Commission's interim report released yesterday as a "straight report" from which little was held back.

"Not a great deal has had to be held back in the national interest so far."

On a comment that the report read like a novel, Judge Erasmus said: "Yes, a James Hadley Chase novel."

He will follow today's debate from the secretaries' bay on the floor of the House of Assembly "close to the Prime Minister," he said.



Judge Erasmus . . . his report read like "a James Hadley Chase novel."

ORMANDE POLLOK
Political Correspondent

CAPE TOWN — Backed by the Erasmus commission's revelations of misappropriation of taxpayers' money and deception of Parliament, the Opposition will make the two-day Information debate one of the toughest and tensest for years.

Armed with the biggest scandal in South Africa's public life, they will not be content to let the Government off the hook with arguments that it has now done everything possible to clear it up and promises of further action.

In spite of commission clearing the former Prime Minister, Mr John Vorster, and the present Prime Minister, Mr. P. W. Botha, the Opposition can be expected to press for the Government's resignation and the immediate closure of the Citizen which has already cost the taxpayer R32 million.

Mr Japie Basson, chairman of the official Opposition's parliamentary caucus, said yesterday that the continuation of the Citizen would be "as big a scandal as anything uncovered by the commission"

The Government should close it, he said, with special legislation if necessary

The two-day session will be opened at a joint sitting of the Senate and Assembly at 9.30 a.m. by the State President, and the debate will start in the Assembly at 10

Not clear

It is not clear at this stage how the Opposition will handle the role of Mr. Vorster in setting up the secret funds for the now defunct department and for allowing the Citizen to carry on after learning how it had been financed.

But the activities of the main characters in the Information intrigues, General Hendrik van den Bergh, Dr Eschel Rhoodie, former Secretary for Information, and his brother, and deputy secretary, Dr. Denys Rhoodie, will be condemned all round.

● See also Page 18

RDM
7/12/78
(259)

Mulder should resign, say Nat papers

THE AFRIKAANS newspaper Die Transvaler says in an editorial today that Dr Connie Mulder, former Minister of Information, should resign his seat in Parliament as soon as possible.

"This viewpoint might be seen as cruel. It might look as if a man who is lying on the ground is being kicked. Yet we believe it is in his own interest and that of the National Party," the Transvaler says.

The newspaper says Dr Mulder was a man of standing in politics. He nearly became Prime Minister.

"Especially in his post as Minister of Plural Relations he will be remembered as a man of courage and initiative and fired with a calling to remove much of the antagonism and mistrust, particularly of the black people of Soweto.

"Because of these reasons — and particularly the seniority which he enjoyed in the NP — it will be virtually impossible for him to take up his seat as an ordinary MP and member of the NP.

"His position is even more untenable if the damning judgment of the Erasmus Commission is taken into consideration.

"Considering all this, the question which involuntarily arises is — what role can Dr Mulder still play in the country's politics and, more specifically, in the NP?

"We do not believe he will go down in history as a 'jukskei-breker' (trouble-maker).

"If he should choose the honourable path of withdrawing from politics completely, he will far rather be remembered for what he actually achieved."

Another Afrikaans paper, Die Burger, said in an editorial yesterday: "In less than a month the Erasmus Commission has succeeded in its investigation into alleged irregularities in the former Department of Information, in knifing through to the root of the evil.

"The evidence and conclusions indicate who is — and who is not — responsible for one of the ugliest series of happenings in the country's history.

"One of the most shocking revelations of the report is that attempts at a cover-up were made — not by the government as such, but by those who were then still in high positions of trust.

"The most shameful of all is that two people — in the opinion of the commission — tried to obscure or excuse their actions and, by implication, to shovel the blame on the shoulders of others, including the former Prime Minister. This bespeaks an arrogance which staggers one.

"Harsh judgment is expressed in the report over the weakness of some of those involved. This was unavoidable because the conduct of some of the accused was consistently challenging and gave no indication that there was any substance in the suspicion or earlier evidence against them.

"That Dr Connie Mulder, in the light of his own and others' evidence, still saw fit to make himself available in the premiership stakes, makes one's senses reel. That even now, after resigning as Transvaal leader of the National Party and as a Cabinet Minister, he wants to remain an MP, is equally astounding.

"The commission voices an equally damning judgment over the role of the second person referred to, Gen Van Den Bergh. He stands accused of playing a double role before the former Prime Minister — a friend of long-standing," Die Burger said.

Meanwhile, Hoofstad said no healthy argument could be put forward to explain away the uncontrolled spending of millions of rands by officials of the former Department of Information. — Sapa

RDM
7/12/78
259

Parliament —all seats booked up

Political Correspondent

CAPE TOWN — All seats in the Parliamentary gallery were fully booked yesterday for today's debate on the Information scandal.

Two rooms where proceedings will be relayed on closed-circuit television were also fully booked. The 200-seat auditorium at the H F Verwoerd building in Parliament Street was equipped with closed-circuit TV and this was the only place where a few seats were still available.

Foreign correspondents were among numerous people who applied for seats yesterday after publication of the Erasmus report.

The House of Assembly will convene at 9.05 am today for formalities including swearing in of members elected since the last Parliamentary session.

The State President, Mr Vorster, will open the special session at a joint sitting of both Houses of Parliament at 9.30 am. The opening will be informal, without a procession through the streets of Cape Town, and Mr Vorster's speech is expected to be brief.

The debate on the Erasmus report is due to begin at 10 am. The Assembly will sit until 10.30 tonight and will reconvene tomorrow morning. There will be no formal adjournment time tomorrow night.

RDM 7/12/78

259

De Villiers prepared to talk

By MERVYN REES

NEW YORK — Mr Les de Villiers, former head of the Information Department's secret planning section, is prepared to give evidence to the Erasmus Commission — if asked

He wassnot available this week to comment on the Erasumus Commission's recommendation that the State Attorney be asked to examine the extent to which the State's assets had been unlawfully alienated or affected by the Rhoodie brothers and himself

But Mr De Villiers told me 10 days ago "I have already submitted certain evidence but, naturally, should they require further information I would be prepared to appear before the commission"

Attempts to contact Mr De Villiers where he has worked since late 1977 — the luxury offices of the New York public relations consultant, Sydney S Baron, which handles the South African Government account in the United States — were unsuccessful

A receptionist at the offices said he was out but that she would leave a message for him to return the Rand Daily Mail's call He did not call back

Mr De Villiers told me in the interview that he had not only submitted evidence to the Erasmus Commission, but had also communicated other evidence to the other previous bodies appointed to inquire into the allegations surrounding the defunct Department of Information

He refused to disclose what his evidence consisted of, and added that if the Rand Daily Mail had evidence of irregularities concerning himself, then that evidence should be submitted to the commission

Mr De Villiers, who is on a normal visitor's visa to the United States after an earlier controversy surrounding his application to enter the country and work at the offices of Sydney S Baron, is president of the company's Johannesburg office

He indicated during the interview that he would be returning to South Africa in the normal course of his duties

RDM 7/12/78
259

Metrowich backed despite scandal

By GRAHAM BROWN
Municipal Reporter

THE Parkmore ratepayers' [illegible] its councillor [illegible] whose [illegible] mission that [illegible] Government link-man led to calls for his resignation from the Sandton Town Council.

After a closed-door meeting last night the [illegible] committee of the [illegible] Ratepayers Association issued a statement expressing their "unanimous appreciation" for Mr Metrowich's [illegible] the council.

"Any outside comment of a political nature is irrelevant to his decision to continue as an elected councillor," the statement said.

But Mr Horace van Rensburg, MP for Bryanston, said the committee's decision was "deplorable" in view of Mr Metrowich's connection with the defunct Department of Information and his Government pay cheques.

Mr Van Rensburg, whose constituency covers half of Ward Five, accused Mr Metrowich of bringing politics into the council by being "a secretly paid agent" of the Government.

The Sandton Town Council is non-political.

But Mr Metrowich has denied ever being influenced by politics in his council activities.

Two weeks ago he admitted that his two Sandton publishing companies had received R520 000 from the Government and that the Government had paid him R17 000 a year.

The ratepayers' association's chairman, Mr W J C Kennerley, said the committee had not discussed holding an open meeting for ratepayers to voice their views.

'The dangers of secret powers...'

THE South African Council of Churches has sent a letter to the Prime Minister, Mr P W Botha, expressing its concern about the Erasmus Commission's disclosures.

The letter says "Because of our human inclination to failure and disobedience the Bible clearly enjoins us to walk in the light and reminds us that we will all one day have to account for our deeds.

"Because of human fallibility it is necessary that public officials be accountable for their actions, for if corruption results when money is dealt with in secret, how much more serious is the danger of abuse when human lives are dealt with in secret?

"Bannings, detentions without trial and house arrests all flow from secret reports and decisions. The deaths of numerous people in detention without trial or judicial supervision further underlines this concern.

"We are appalled that the man who has now been shown to have misled even the former Prime Minister, had, together with other trusted senior State officials, the power — uncontrolled by the courts — to ensure that people were banned, detained and deprived of their freedom.

"Equally distressing is the disclosure that for at least 18 months some Cabinet Ministers and senior Government officials have sought to prevent the full disclosure of facts now revealed by the commission.

"Also of concern to us is the disclosure that a senior State official was able to intimidate one of his junior officials into issuing a false report. This indicates that the security forces have enormous power to influence lives and obtain statements under duress.

"Those who voted for the ruling party must now question seriously the actions of the Government relating to State security.

"It has become clear that many senior members of a Government which claims to have been upholding Western Christian values have not paid sufficient regard to Christian moral standards" — Sapa.

Phone abuse for Rhoodie families

Pretoria Bureau

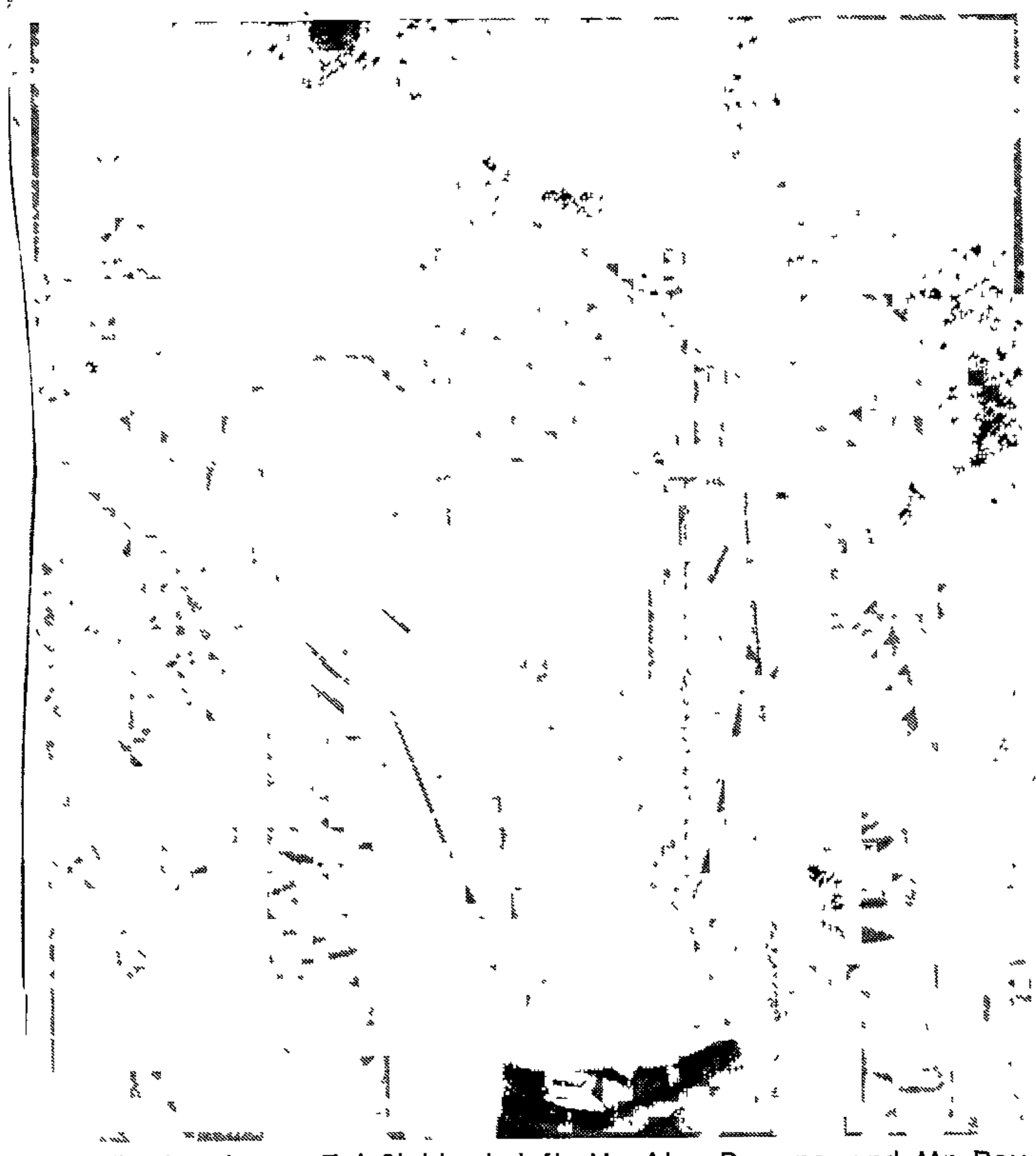
TWO of the men at the centre of the Information storm and their families are being increasingly subjected to abusive telephone calls.

Dr. Eschel Rhoodie, who is overseas at the moment, and his brother, Dr Denys Rhoodie, have apparently had to deal with a barrage of angry calls since their part in the affair was first made public earlier this year.

Although both families are reluctant to discuss anything related to the Information scandal, it is understood that Dr Eschel Rhoodie's household has received most of the calls.

One thing that has particularly upset both families is that almost all the calls have been from Afrikaans speakers.

There are also fears that the two brothers' children may suffer in the wake of the extensive coverage given to the scandal.



Dr Frederick van Zyl Slabbert, left, Mr Alex Boraine, and Mr Ray Swart, three Members of Parliament, arrive at a Progressive Federal Party parliamentary caucus meeting in Cape Town yesterday, in preparation for the special session of Parliament today

Mercury chief refused talks

Political Staff

DURBAN — Mr John Robinson, chairman of the Natal Mercury, yesterday said he refused to negotiate the possible takeover of the newspaper with Mr Lawrence Morgan in 1973 after the journalist had refused to name principals behind the R7-million offer

Mr Robinson speaking from his holiday cottage in the Cape Province said

"When Mr Lawrence Morgan, a journalist formerly employed on the Natal Mercury, approached me during the second half of 1973, he said he was representing a committee of top South African businessmen

"He said the committee was willing to purchase the Natal Mercury for R7-million provided the committee was satisfied with an audit of my company's affairs He offered a price of R35 a share

"I told Mr Morgan I refused to discuss the matter further with a committee of would-be anonymous purchasers I told him I must be given the names of his principals

"After a week of silence Mr Morgan announced the offer had been withdrawn because of the atmosphere of suspicion and propaganda that had been created in the nation's Press

"Had Mr Morgan's offer been accepted Natal's largest morning newspaper would have been converted into a sectional party organ and a heritage that has been jealously guarded in Natal for 125 years would have been jettisoned"

Meanwhile, last night Mr Morgan denied his R7-million offer to buy the Natal Mercury was in any way connected with the Department of Information's attempt — at the same time — to acquire the newspaper with public funds

His denial conflicts with the interim report of the Erasmus Commission which links Mr Morgan's mysterious bid directly with the Department

At the time, Mr Morgan claimed he was representing an anonymous consortium of English-speaking businessmen

In evidence Dr Eschel Rhoodie, the former Secretary of the defunct Department, said Mr Morgan, Dr Piet Koornhof, the Minister of Plural Relations and former Minister of Sport and National Education, and General Hendrik van den Bergh, retired chief of the re-named Bureau for State Security, "explored" the possibility of a takeover of the Natal Mercury

RSM 7/12/78 259

RDM 7/12/78

259

Power may have shifted the General

By PATRICK LAURENCE
Deputy Political Editor

GENERAL Hendrik van den Bergh, the former Secretary for Security Intelligence, may have joined the Mulder-Rhoodie axis in the Information Department secret fund operation because his own power base, the Bureau for State Security, was declining in importance

This was the view yesterday of Dr Andre du Toit, of the University of Stellenbosch.

Dr Du Toit, a leading political philosopher, was speculating on what many observers regard as a surprising element in the Information Department saga — the emergence of Gen Van den Bergh as the third member of the Information scandal triumvirate

He said the explanation may be traceable to the decision in 1972 to make Gen Van den Bergh — at that time the confidant of the then Prime Minister, Mr Vorster — the "generalissimo" of intelligence

In that year the Security Intelligence and State Security Council Act made BOSS the supreme intelligence organisation.

BOSS's supremacy was underwritten by provisions in the law which

● Made it responsible for the collation, evaluation and interpretation of all intelligence data relating to national security.

● Gave it the prerogative to gather intelligence covertly within and outside South Africa

Though meant to eliminate existing rivalries between intelligence services, BOSS's new status may have intensified them by arousing envy in military intelligence and the Security Police

BOSS, however, did not have powers of arrest or detention or to take direct counteraction against security threats — and that may have led to its relative decline in importance as sabotage and terrorism increased in South Africa and on the border

BOSS was the pipeline through which Defence Force money was channelled to Information's secret fund This inevitably brought BOSS and Information men into contact.

But was Gen Van den Bergh's deecision to join the Mulder-Rhoodie camp prompted by the rise in power of the Defence Force and the police and the eroding of BOSS as a power base?

"I continually hear people saying that BOSS is becoming less and less important," Dr Du Toit said

"It would have to be investigated more closely to see whether Gen Van den Bergh had begun to read the signs of the times and therefore decided to throw his lot in with Mulder and Rhoodie to give himself an alternative power base"

Dr Du Toit drew attention to an important aspect of the Information Department saga — the bitter rivalries within the National Party

The rivalry between the Information Department and the Foreign Affairs Department is well known, originating in the new policy of aggressive selling of South Africa overseas which Foreign Affairs viewed as trespassing on its territory

The channelling of Defence Force money via BOSS, a rival of military intelligence, did not help matters.

A letter quoted in the Erasmus Report from General Magnus Malan, Chief of the Defence Force, to Dr Eschel Rhoodie, then Secretary for Information, on the matter points to hard feelings in the Defence Force

Dr Du Toit believes Mr Vorster's style of premiership — he compares it to the approach of a company chairman — encouraged the growth of rival "empires", particularly during his illness in his last months as Prime Minister

Mulder reacts

Pretoria Bureau

THIS is not the time to comment on the report of the Erasmus Commission, says a statement issued by Dr Connie Mulder in Pretoria last night.

The former Minister of Plural Relations and Development did, however, say he had examined the report

Certain unfavourable findings had been made about the manner in which he had administered the Department of Information, but he believed the report would not reflect upon his good faith and integrity in decision making in the department

The commission had not suggested he had done anything or taken a decision in the department for his own benefit or for personal gain

Two going overseas to track down cash

CAPE TOWN — The Erasmus Commission was trying to find out what had happened to money sent overseas from the secret fund administered by the former Department of Information, the Attorney General of the Cape, Mr A J Lategan, said yesterday

Mr Lategan, a member of the three-man commission, said Mr H G Klem, Deputy Attorney General of Natal, and Mr H F van Zyl, senior State advocate in Windhoek, who have been helping the commission, would probably go abroad soon to investigate

They would continue the commission's investigations until the commission met again, probably in April

"They will have to try to trace the money to its destination to find out if it was used for purposes within the department's mandate," said Mr Lategan

"They will probably have to visit several countries to do this effectively"

Two "very capable" Commercial Branch detectives, one from Bloemfontein and the other from Johannesburg, would also continue investigating

"We should be in a position by April to continue with formal sittings and evaluate the information collected on our behalf"

The Erasmus Commission's schedule was complete for the time being, but the members would attend today's parliamentary debate to be on hand to advise the Prime Minister, Mr P W Botha, when necessary

Commenting on the statement by the former Minister of Information, Dr Connie Mulder, that the commission's report clearly showed "the impossible pressure" under which it had worked, Mr Lategan said "Dr Mulder is entitled to his opinion and I agree that at times we did work under tremendous pressure

"But this does not mean it is a false report We have documentary and other proof to back up all our statements

"If we had had more time, we might have been able to word it with more finesse and go into more detail But there is no doubt as to its truthfulness"

Mr Lategan said the scandal had saddened him as an Afrikaner, "but I am also a lawyer, and no man can stop the legal process

"I feel we have justified our existence and, although people may differ with our findings, the evidence is irrefutable" — Sapa

POLITICAL comment in this issue by Allister Sparks and Benjamin Pogrund, newsbills by Trevor Bisseker, headlines and DE Edition by Mike Stent, cartoons by Bop Connolly, all of 171 Main Street, Johannesburg

Hundreds queue for copies

Pretoria Bureau

AN emergency printing of the Afrikaans edition of the Erasmus Comission report was ordered by the Government Printer in Pretoria yesterday, after more than 700 people had, at times, queued to get copies

The Afrikaans edition was sold out by lunchtime but a few hundred copies of the English edition were still available.

The Government Printer produced a further 1 000 copies of the Afrikaans edition to try to meet some of the extra demand

They will be available today at R3,20 each, or R4 if sent overseas

The relative lack of demand for the English version of the report may be ascribed to the fact that The Pretoria News published a verbatim tabloid supplement of it, which was not available in any of the Afrikaans newspapers

● The verbatim report of the Erasmus Commission was published in the Rand Daily Mail yesterday.

What's in a name? — ask these people

Pretoria Bureau

Having a surname like Reynders or Van den Bergh at the height of the Department of Information scandal is not much fun.

This is especially so when your husband is a general and you live in the same exclusive Pretoria suburb as a man with the same rank and name.

Mrs Frieda van den Bergh of Polaris Avenue, Waterkloof Ridge, has received about 65 telephone calls since the Erasmus Commission Report was released at 11 pm on Tuesday.

The callers think, mistakenly, she is the wife of General Hendrik van den Bergh, the former head of BOSS, who featured strongly in the commission's report.

The problem is that her husband, who retired as chief of the CID about 12 years ago, is also listed in the directory with his rank next to his name.

All the calls, which went on until about 7 pm yesterday, were anonymous.

Then there is Mrs E M Reynders of Queenswood, Pretoria, who has had enough of being confused with the wife of Mr I S Reynders, a figure who also featured extensively in the commission's report.

"They also live in Queenswood and I am sick of people telephoning us asking for him. The calls started when he was appointed to investigate the Department of Information, and have gone on since," she said.

"It could make one a wreck. . . I am now going to be even shorter with callers who want Mr I S Reynders. My husband is listed in the book as Loot Reynders."

25 Star 7/12/78

Botha arrives at Parliament



The Prime Minister, Mr P W Botha and the National Party face two crucial days in Parliament with calls from the Opposition for the Government to resign. Here Mr and Mrs Botha arrive at Parliament this morning

259

State has recovered money on properties'

Print firms in secret projects'

Political Staff

THE ASSEMBLY. — The Prime Minister, Mr P W Botha, disclosed in the Assembly today that the State has already recovered 820 000 US dollars (about R730 000) of its money spent by former officials of the Department of Information on properties in Cannes, France and the United States

Reading from the report of the Pretorius Committee, Mr Botha also disclosed that the title deeds of 10 remaining flats and one residence acquired with State money by Information officals were in the hands of the State and that the properties were now in the possession of the State.

He said a flat in Canes had been sold recently for 500 000 United States dollars and the money would soon be deposited in a State Account

A house in the United States had been sold for 320 000 United States dollars and this money was in the process of being channelled into a State account.

ATTENTION

Mr Botha said the department of public works was investigating the possibility of using the ten flats and residence for State purposes

The assurance of State interests in a third residence was receiving active attention and the necessary arrangements were being made to recover a R1 500 loan which had been used to acquire a house in a black residential area with a view to the possible takeover of the building by the Department of Plural Relations

Through other secret projects the State had acquired shares in 49 companies in South Africa and overseas. Arrangements were being made to sell these shares in companies which were involved in projects due to be terminated.

Reacting to Opposition interjections and laughter Mr Botha said: "Before you laugh yourselves to death I would like to say something in this regard.

"It's not just us that are doing this. Other countries are doing it as well It is nothing new"

Mr Botha said that all that had to be ensured was that it should be done in an oderly and controlled manner

Mr Botha said the Pretorius committee had also found that certain irregularities had been committed in certain payments to anonymous collaborators

Because the committee did not have the power to subpoena witnesses, it recommended that a judicial commission of inquiry be appointed to investigate this aspect With the appointment of the Erasmus Commission, this portion of the recommendation fell away

Further suspected irregularities in the companies Morgan Grampian and Hortors were referred to the Erasmus and Van der Walt commissions

By Kevin Stocks

CAPE TOWN — The giant Hortors printing and publishing group and the British publishing house Morgan Grampian were both part of Department of Information secret projects, it was revealed in Parliament today.

The confirmation came in one paragraph of the report of the Pretorius Committee read to the House by the Prime Minister, Mr P W Botha.

The paragraph also confirmed there were "irregularities" in connection with the projects that had been brought to the attention of the Erasmus Commission.

It read "Further irregularities that were found during the investigation into the projects Morgan Grampian and Hortors have been brought to the attention of the Erasmus Commission and the Van der Walt Commission.'

FOREIGN EXCHANGE

The fact that some alleged irregularities were brought to the attention of the Van der Walt Commission indicates that they concerned possible foreign exchange violations, since that is the subject being investigated by the commission.

Morgan Grampian had as one of its major shareholders Mr David Abramson.

Mr Abramson, in partnership with Mr Stuart Pegg, bought shares with the help of an overseas loan which was guaranteed by Volkskas with Treasury permission

It was stated that Mr Abramson and Mr Pegg used their profits to buy control of Hortors — one of the major companies in the printing field in South Africa

I asked Mulder to resign—Botha

Star 7/12/78 (259)

From page 1

Louis Luyt were unacceptable,

● The loan given to Mr Andre Pieterse (for the film "Golden Rendezvous") was unacceptable

DIDN'T KNOW

The Cabinet, Mr Botha said, had not been aware that The Citizen was Government-funded.

The Government was not prepared to take collective responsibility for the irregular activities of the Department of Information

The principle of collective responsibility applied to collective decision-making, not something the Government did not know about

As long as the Government was in power it would not hesitate to safeguard the State — "even against traitors"

ESSENTIAL

Mr Botha said the step to convene the special session of Parliament had been an extraordinary but essential step.

The Government had done this because it wanted to tell the country it regarded Parliament as the highest authority in the land.

He introduced a motion which.

● Thanked the Erasmus Commission for its work

● Expressed appreciation for the work of the Pretorius Committee evaluating the Government's secret projects

● Accepted the findings of the Erasmus Commission

● Expressed a determination to continue projects for which secret funds would have to be made available

● Said consultation would take place between the Government and the Auditor General to find a way of satisfactorily auditing secret funds

● Expressing Government earnestness in punishing those guilty of irregularities

PRIVILEGE

Rising just before the big debate started, the chief whip of the PFP, Mr B R Bamford, said he was addressing the Speaker on a matter affecting the privilege of the House.

"I refer to statements made in this House by the honourable member for Randfontein (Dr Mulder) that the Government had not given any financial assistance to The Citizen newspaper"

"It appears from the Erasmus Commission report that these statements were untrue

"I respectfully ask you whether you will accept a motion for a select committee to be appointed in this regard"

The Speaker, Mr Loots, said he would give his ruling tomorrow



A cheerful Dr Connie Mulder on the steps of Parliament today. He went out of his way to assist the barrage of pressmen and obligingly posed for this picture before shaking hands with photographers.

Citizen support was withdrawn

Political Staff

ASSEMBLY — The Prime Minister, Mr P W Botha, disclosed in the Assembly today that State participation in the Citizen project had been immediately terminated once the Pretorius Committee reported that the State had an interest in SA Today, publishers of the newspaper

Reading from the report of the committee, which began its investigations on October 23, Mr Botha said it had become clear immediately to the committee that the State had an interest in SA Today

The Government had acted immediately on urgent recommendations made by the committee in this regard.

An amount of R450 000 which the State had guaranteed for the printing of the newspaper was withdrawn and the owners of SA Today were given the opportunity of continuing to operate The Citizen for its own gain or loss

The owners had also been made responsible for the payment of the R360 000 which was owed by SA Today to an overseas company

On November 17 the R450 000 was repaid to the State

The report states that investigations were instituted into the R10-million loan to Mr Louis Luyt for investment purposes so that the interest that accrued from the amount couuld be used to support SA Today.

The loan was valid for 10 years, but with the termination of Mr Luyt's two-year association with SA Today, Mr Luyt provided cheques for the repayment of the amount plus interest over a period of eight years

Eglin calls on Govt to resign

From page 1

relationship between the executive and the judiciary.

The only redeeming features of the distressing affair were:

● The courage and independence of Judge Mostert who upheld the best judicial traditions

● The tenacity and expertise of the free Press in its exposure of the scandal.

● The revulsion of South Africans of all political parties at the smell of corruption

SECRET FUNDS

Turning to Senator Horwood, Mr Eglin asked why he continued with the secret funding arrangement that he inherited and objected to, as well as what arrangements he had made for the audit of secret funds.

He said Senator Horwood should surely have known that expenditure he had approved was being spent on The Citizen.

Those involved in the Information Department scandal had succeeded where the country's enemies had not in destroying the faith of millions of South Africans in the integrity of government.

CONCLUSIONS

Mr Eglin congratulated the Erasmus Commission on how much it had been able to compress into a short space of time and said many of its conclusions were relatively easy to follow.

But in other issues, such as the alleged involvement of the former Prime Minister in the secret funding of the Citizen, the conclusions were far from obvious from the commission's report.

The public was entitled to have evidence because this was clearly not a matter of State security and it was essential that Parliament should have this evidence.

PM tells of Info funding objections

Star 7/12/78

259

Political Staff

THE ASSEMBLY — The Prime Minister, Mr P W Botha, said today he had never objected to the establishment of secret funds, which he considered essential, but he had objected repeatedly to the method of budgeting for secret projects of the defunct Department of Information.

Mr Botha made it clear that he personally felt that there should be proper control of secret funds and that their allocation should be subject to parliamentary control.

Mr Botha said he had in the first instance had an assurance from the previous Minister of Finance, Dr Diederichs, that an amount budgeted for Department of Information projects from the Special Defence Fund Account would be a once-only amount

"But where I differed with the former Minister of Finance was the way in which it was budgeted for There was nothing scandalous about it, but I felt that the Department of Information should go direct to Parliament and request secret funds The Special Defence Account should not be used for it," Mr Botha said

SECOND

Mr Botha said, however, that when a second request was made for secret funds from the Special Defence Account, he had objected to it and asked for it to be budgeted for as a separate item.

He said this had in fact been done and the amount was budgeted for as a separate item under the code-name "Operation Senekal" which the Treasury undertook to stipulate as an item which was not for defence purposes Money for the Information secret fund had already been budgeted for as a separate item in the 1976 Budget, he said

Mr Botha said, however, that he was still not happy and wanted proof that the money was being used for the purposes for which it was intended

FINANCE

He had then discussed the matter with the Minister of Finance, Senator Owen Horwood, and it had been decided to put an end to the arrangement through legislation which was passed during the last session of Parliament

Mr Botha said it was not his duty to deal with the degree of confusion and paralysis that had set in in the Government towards the end of his predecessor's term of office when he had become ill

However, as soon as he became Prime Minister, he had had talks with Mr Koos Kemp and Mr Loot Reynders of the former Bureau for State Security, and had immediately decided to extend the committee under the chairmanship of Mr Pretorius, Secretary of the Treasury, with Mr Kemp, the State Attorney, the Chief State Law Adviser and the Secretary of the Bureau for National and International Communications

The Pretorius Committee, whose task it was to investigate and evaluate secret projects of the defunct department and to safeguard State funds and assets which might have been alienated by the secret projects, began its work on October 23 and on November 30 had brought out a report which had been of great help to the Government

Citizen takeover could mean three-week wait

The Citizen newspaper may have to disappear from the streets for up to three weeks if it is taken over by the Afrikaans Press group, Perskor.

The Newspaper and Imprint Registration Act states that no new newspaper may be published unless it has been registered with the Department of the Interior The Act also states that an application for re-registration also has to be made where there is a change of ownership

The Internal Security Act, however, stipulates that a period of 21 days has to expire after the date of the application to publish.

It has been revealed that on Friday last week the chairman of Perskor, Mr Marius Jooste, and his joint managing directors, established a company called The Citizen (1978).

SCHWARZ

It is widely expected that if the Government closes down The Citizen, the pro-Nationalist Perskorgroup will then make a move to start a new newspaper, also called The Citizen

Mr Harry Schwarz, Progressive Federal Party MP for Yeoville, said today if Perskor intended doing this, it should be made to comply with all provisions of the law — including giving three weeks' notice of intention to start a newspaper.

The Secretary for the Interior, Mr T J Booysens, could not be reached earlier today to confirm whether The Citizen (1978) had lodged an application to publish

It is possible for the present owners to continue publication until the three weeks have elapsed

Mr Schwarz said a Perskor takeover would achieve the original objectives of Dr Connie Mulder, and former Minister of Information and his secretary, Dr Eschel Rhoodie

The Citizen would still be a party political newspaper supporting the ruling party and enjoying a circulation of about 60 000 that was built up with more than R31-million of taxpayers' money.

He pointed out that the new Citizen could only be produced by permission of the Government

"I understand that Perskor's company, The Citizen (1978) (Pty) Ltd, is called that by kind permission of The Citizen (Pty) Ltd, which is controlled by people who were Department of Information fronts and were financed by the Government.

"In other words, a newspaper built up at vast public expense, seems as if it is being donated to Perskor," Mr Schwarz said

Morale at The Citizen reached an all-time low today as members of staff awaited news of the Information debate

Sunday Times

THE PAPER FOR THE PEOPLE

(259)

Only way out of the swamp of deceit

THIS week's special session of Parliament will give the Government the opportunity, if it so chooses, to shake the Information Department monkey off its back and to rescue the South African political system from the swamp of secrecy, connivance, deceit and general sleaziness into which it has fallen. But it can succeed only if is willing to rip away the secrecy behind which the Information scandal grew.

Parliament will be helped in this task by the work of the Erasmus Commission which, in the words of the Prime Minister, has penetrated to the "core and essence" of its terms of reference. Precisely what that means will become clearer next week, but in the meantime the decision to call in the police and other experts has vindicated those who have pursued the matter with such tenacity for the past year

The commission could hardly be expected, in the short time available, to complete an investigation of this magnitude and the decision to extend its terms of reference until next May is proper. But that makes the coming Parliamentary debate even more important because the commission's existence will serve to inhibit public debate outside Parliament — and particularly in the public media — for another half-year

In other words, Parliament offers this one opportunity to exorcise the Information scandals, to answer all the questions, to rid the Government of those responsible, to examine the causes of the affair, and to outline safeguards for the future

The need for new safeguards on all secret operations of the Government is an overriding priority Human nature is frail, and the political system which produced these scandals will produce new scandals unless the system itself is reformed. For 30 years Nationalist governments have been transferring power from the legislature to the executive, from courts to Cabinet, from elected officials to appointed public servants, from the light to the dark

Of course, the excuse is always that South Africa is in a battle for survival That is the classical excuse of authoritarians, and it is always a poor excuse. The furtive actions of the Information Department, the front companies, the secret transactions, the oral contracts with foreign lobbyists, the conspiracies, have left the country weaker than it has been for many a year — its credibility lost, its people shocked and bewildered, its Government in virtual paralysis. This is what secrecy spawns

In the last resort, the best safeguard is to focus the light of public scrutiny on the use of public funds, and — in the minimum of cases where secrecy is inescapable — to let the Opposition share control of the secret funds about which we still know nothing.

This is outrageous!

COMING on top of what is already known about the murky secret machinations of the defunct Information Department, reports that the Citizen newspaper may be sold to Perskor will, understandably, outrage most South African taxpayers.

Quite simply, it is possible to question whether the newspaper is anyone's to sell

According to the Mostert papers it was launched and sustained by taxpayers' money. Subsequently it was sold to a company of largely unknown ownership

Now this company's assets (not the least of them a potential tax benefit), built up through the investment of huge public expenditure, are reportedly to be sold to a Nationalist publishing house — that has Dr Connie Mulder, as well as a clutch of other ex-Ministers, on its board!

For one thing, it does not require much imagination to speculate on how Perskor could employ that tax benefit in its commercial (and political!) battle against the Cape based Nasionale Pers.

At the very least the Government should try to block the sale until the Erasmus report has been published Or, if the legal position following the last change of ownership makes such intervention problematical, the Government should leave any potential buyer in no doubt that, once the Erasmus commission has untangled the mess, the State will act ruthlessly to retrieve State assets.

If Perskor has the desire, and the resources, to launch a new newspaper — in whatever language — it is free to do so in its own right and to accept the normal commercial risks attached to such ventures.

But the taxpaying public, similarly, has a right to object when it learns that a newspaper launched at taxpayers' expense may be taken over by a commercial concern without any known prior guarantee that the public funds invested in its creation will be recovered, down to the last cent, by the public exchequer

47

6.2.2 Class Factors

6.2.2.1 Projects benefitting richer people

(a) The rich have resources

detailed studies ~

demonstrate this trend.

(b) Projects are designed to benefit richer "more progressive" farmers

In all the homelands the policy is to help the

48

Now Harris sues for R2m over 'drunkard' tag

SUPERSTAR Richard Harris has summoned South African film magnate Andre Pieterse for R2-million, alleging that the once golden boy of South African films has defamed him by telling the Mostert Commission of Inquiry that he drank a bottle of vodka a day and was "a drunkard".



● Richard Harris: 'why the delay?'

By DESMOND BLOW
Chief Reporter

The summons was issued against Mr Pieterse last Friday by Mr Harris's Johannesburg attorney, Mr Montague Koppel, and gives Mr Pieterse 21 days in which to enter an intention to defend

Mr Harris, described in the summons as Richard St John Francis Harris, adult male, film actor of Nassau, Bahamas, alleges that Andre Pieterse, director of companies, of Jan Smuts Avenue, Parktown, Johannesburg, had caused him to suffer substantial damages amounting to R2-million.

The star claims that Mr Pieterse's allegations against him to the Mostert Commission, and in an application to the Rand Supreme Court 10 days ago, meant he was a drunkard, that his drinking incapacitated him as an actor, and that this had caused harm to the film "Golden Rendezvous" which he had made for Mr Pieterse

Mr Pieterse's evidence, released by Mr Justice Mostert, revealed that the now defunct Department of Information had contributed R825 000 of taxpayers' money towards the making of the film "Golden Rendezvous" and that the film had been a failure.

Mr Harris is also bringing an action against Mr Pieterse in New York for "a substantial sum" for breach of contract

These actions by Mr Harris follow an application in the Rand Supreme Court by Mr Pieterse about 10 days ago for Mr Harris's arrest pending a court action against him by Mr Pieterse for a claim of R1 391 000

Mr Pieterse alleged that Mr Harris's intoxicated state and refusal to carry out reasonable instructions during the making of "Golden Rendezvous" delayed its completion by 44 days.

A writ for Mr Harris's arrest was withdrawn after he handed over R100 to his lawyers — an attachment of part of his property which gives the court the right to recall him from anywhere outside South Africa

Mr Harris said in the summons issued against Mr Pieterse that he was a well-known actor with an international reputation, and the allegations had greatly injured that reputation

Mr Harris said that on October 4, when Mr Pieterse gave evidence before the Mostert Commission concerning exchange control, Mr Pieterse "maliciously published" statements that Mr Harris had drunk a bottle of vodka a day during the filming of "Golden Rendezvous" and that this had made it practically impossible for Mr Pieterse to leave the set

Mr Pieterse had said that because of Mr Harris's drinking he (Mr Pieterse) had been obliged to remain on the set daily and was unable to seek further finances abroad

At a Press conference last week following Mr Pieterse's application for his arrest, Mr Harris said that it was significant that Mr Pieterse's action against him had come since the Mostert Commissions revelations and not immediately after the making of "Golden Rendezvous".

"Mr Pieterse had ample time to do it earlier. I was in Mossel Bay for 10 days after the movie was completed, and I've been back in the country since to make 'The Wild Geese'," Mr Harris said.

"If 'Golden Rendezvous' had been a success would he have brought this action?"

Citizen tax shock as talk of a takeover goes on

3/12/78 (259) Sunday Express

SOUTH AFRICAN taxpayers — who unknown to themselves paid millions towards the establishment of The Citizen newspaper — now face yet another multi-million rand tax shock on that front with the reported takeover of the newspaper by the Nationalist Perskor group.

The takeover could mean a free gift to Perskor from the country's taxpayers in the form of an R8-million tax saving

That saving would be of tremendous benefit to Perskor in its present battle with the other big Afrikaans Press group, the Cape-based Nasionale Pers And it would be a benefit that has major political as well as financial significance since it would strengthen the Transvaal Nationalists — who centre largely around Dr Connie Mulder and Dr Andries Treurnicht — against the Cape Nats, who centre around the Prime Minister, Mr P W Botha

By JEAN LE MAY

This week there were major cutbacks in staff and expenditure at The Citizen

There is as yet no confirmation of who now owns the newspaper, although in authoritative circles there is little doubt that Perskor is taking over

The editor, Mr Meyer Johnson, did not tell the staff at a meeting he addressed.

Reports about the shakeup at The Citizen said senior administrative employees, including the financial manager, were among staff axed in a dramatic day for the 300 people working for the newspaper

Five journalists were axed, including representatives in out of town bureaux, and another two are said to have resigned.

But the heaviest retrenchments were among non-editorial workers, including 16 out of 54 advertising staff, a large number of the accounting staff of 50, five out of six librarians, 16 Black workers in the transport department and two darkroom workers

This encourages speculation that Perskor will continue to publish The Citizen in one form or another, using remaining editorial staff (who have been told, however, that their salaries will be brought into line with those paid by other newspapers) and making use of existing Perskor facilities in other departments such as advertising, administration and the library

To collect on the tax saving Perskor will in any case have to continue publishing The Citizen, at least for a certain time

The saving comes about because The Citizen's holding company, S A Today, declared an accumulated loss of R17-million on November 15

A tax expert told the Sunday Express that if Perskor, by cutting costs and increasing advertising revenue, could switch The Citizen from loss to profit it would not pay any taxes on the profits until it had made R17-million — which could take many years

In hard cash this amounts to a tax saving worth roughly R8-million.

These are reckoned at 40% of assessed profits, plus a 2% surcharge, plus a 6% loan levy — which last is normally refunded within six or seven years.

Erasmus report tonight

CAPE Times 5/12/78

259

● The charge sheet
See page 12

DETAILS TOMORROW

COMPREHENSIVE details of the Erasmus report into the activities of the former department of Information will be carried in all editions of the Cape Times tomorrow. Readers will be given separate reports on the commission's findings, recommendations and disclosures in addition to verbatim extracts from the report itself.

By MICHAEL ACOTT
Political Correspondent

WHAT could be one of the most sensational commission reports in South Africa's history is to be published tonight, with the release of the interim results of the Erasmus commission's investigation into the former Department of Information.

Its findings and revelations about the alleged misuse of millions of rand of public money could have far-reaching political effects.

Mr Justice Erasmus himself has warned that new shocks and "startling" disclosures are in store.

He doubted that the two-day parliamentary session convened specially to consider the report would be sufficient to debate the information it contained

The Erasmus report will be released for publication tonight and full details, including verbatim extracts, will appear in all editions of the Cape Times tomorrow

Since the commission was appointed on November 3, it has heard evidence from 24 witnesses, including the State President and former Prime Minister, Mr. Vorster, the present Prime Minister, Mr P. W. Botha, the former Minister of Information, Dr Connie Mulder, the former Secretary for Information, Dr Eschel Rhoodie, and the former head of the Bureau for State Security, General Hendrik van den Bergh

The report is expected to include the full story of the founding and funding of the Citizen newspaper and details of hitherto secret projects undertaken by Dr Rhoodie

There is widespread speculation that legal action against some of those involved will be recommended either in today's report or when the commission produces its final report, next May after further investigation

It is not known how much verbatim evidence will be reproduced in the report of about 100 pages The Prime Minister has given repeated assurances that no attempt will be made to cover up irregularities, and has said the commission can publish what it wants to with the exception of information that could jeopardise national security

Mr Justice Erasmus has expressed his determination to "clean up this scandal", and eliminate maladministration and corruption

He also revealed that the month-long investigation had opened up new and unsuspected areas which would be more deeply explored in the continued investigation

Key aspects of the report will include the involvement of Dr Mulder The former minister will attend this week's debate as an ordinary member of Parliament and has steadfastly maintained his actions were taken to protect South Africa in a struggle to which no rules applied

Dr Mulder testified before the commission for more than nine hours, having been recalled for further testimony after his first evidence

The Cabinet met yesterday morning and afternoon for discussions believed to centre on government tactics for this week's debate

The Cape Nationalist newspaper, the Burger, called yesterday for a full disclosure of irregularities

"Things have happened which make it neccessary for the National Party to take its medicine in public," it said in a editorial

"Everything indicates that an appreciable dose will have to be taken this week There is no other way to get rid of the illness and repair the damage"

Cape Times
259
5/12/78

THE PRINCIPAL task of the Erasmus commission and of members of parliament is to debate and pass judgment on the indictment as presented by Mr Justice Mostert: that the evidence given to him showed misappropriation of taxpayers' money running into millions of rands and corruption (in the wider sense of that word) relating to public funds. It would be unreasonable to expect the Erasmus commission in the time available to have sifted and examined every aspect in legal and accounting detail But most of the matters in the sorry story concern questions of fact and principles of government administration and parliamentary practice These can be dealt with at once if the prime minister and the cabinet ministers concerned wish frankly and fully to inform and reassure the public. There is no reason to wait until May 1979. These are some of the matters that require to be explicitly dealt with

The establishment of the Citizen newspaper with public money.

The amount of money involved, reported to be anything between R10 million and R27 million. Where these millions came from The facts of the intricate financial arrangements What has been or can be recovered and what is the loss incurred by the state The diversion of R12 million to Mr Luyt's Trioml running losses (said to be in the neighbourhood of R500 000 a month) The remuneration, commission or other financial reward going to those involved in the transactions

The apparently deliberate misleading of parliament.

How can the provision of R12 million at three percent interest in terms of a comprehensive contract signed by Dr Rhoodie be reconciled with categorical ministerial statements to parliament like. "The information department hasn't a cent in a newspaper", "The government doesn't give funds to the Citizen", "The department owns no newspaper, operates no newspaper, in South Africa We have nothing to do with them"

According to sworn testimony Dr Mulder was present at the discussions, took part in the negotiations, approved the Rhoodie contract, was directly involved in the argument with Mr Luyt over financial matters, promised that Mr Luyt would not lose a cent

The status, operations and expenditures of a number of companies, some with one-man directorates.

S A Today, the company that served for the accommodation of the Citizen One witness thought that the shares belonged to the department of information

Thor Communicators (Pty) Ltd figured in currency transactions, bought property, bought half a jet aircraft. The directors signed a blank transfer form and handed it to lawyers in the interests of Dr Rhoodie An amount of $3,5 million arrived from Switzerland and the director concerned had to ask Dr Rhoodie what to do with it One of the directors, Mr Andre Pieterse, received an honorarium of R10 000 for serving as a director. Another director, Mr Retief van Rooyen, received R1 200

Tesaurus Kontinentale Effektengesellschaft was the Swiss company that sent the $3,5 million Evidence suggested that this was a front company for BSS and that the transaction was a transfer of funds from one state department to another A loan of R12 million was confirmed in writing by Tesaurus Continental

Other associated companies have names like Valiant Publishers, Visual Publications, Erudita Publishing Company, Visorama, Chris van Rensburg Publications, Lotonyanda The general question arises did these businesses make profits, provide directors' fees, run company cars, pay allowances or honoraria . ?

Various property and other deals.

Six flats at Clifton, known as Valhalla, were bought through Thor for R256 000 and paid for before registration of title deeds This led Mr Van Rooyen to ask was it possible for the state to purchase property in this way

A half share in Mr Luyt's jet aircraft was bought by the information department for R1,5 million

A box at Loftus Versveld was hired for R8 000 for two years Mr Van Rooyen thinks it was used for the Rhoodies, their relatives and friends

An amount of R825 000 was paid to Mr Andre Pieterse for the development of a black movie industry and diverted to the production of "Golden Rendezvous" to save it from financial collapse The money has not been repaid and is not likely to be repaid in the short term Mr Reynders commented "In heaven's name, get that money back"

The hiring and furnishing of palatial offices

There have been irregularities, expensive travels, trips abroad for wives and so on.

Six official trips by Dr Deneys Rhoodie were said by the auditor-general to have been wasteful and badly planned One 21-day trip to London cost R11 151 Mrs Eschel Rhoodie had six trips abroad, Dr Rhoodie explaining that the occasions had been approved by the minister

A letter by a publisher was falsified A voucher was obliterated in circumstances that the auditor-general said amounted to falsification

A photographer employed by Visiorama got R3 000 for filming for a Barkly East church congregation Another Rhoodie brother was said to be on the govenment pay-roll at R7 000 a year and was required to repay R556 after he had been paid twice for the same contribution

Other projects.

About R1 million is involved in the South African Freedom Foundation The chief executive is on the government pay-roll to the extent of R17 000 a year This fact was not known to any of the trustees. Some of the trustees did not know that the money for which they were trustees came from the government. There is a motor-car, referred to as "my company car" This is presumably supplied by the South African taxpayer.

The Foreign Affairs Association disposes of a budget from state money of about R500 000 a year It bought a house in Pretoria for R95 000 and spent R30 000 on renovations Motor-cars of appropriate dignity were bought

The Club of Ten had as its man of business one Judge Sparrow He has said that as agent for the department he had spent R400 000. Plus "personal costs" of R50 000

There are some curious and some serious allegations in the Mostert commission testimony.

Mr Les de Villiers, the former deputy secretary of the information department, is said to have said to Mr Van Rooyen "They are stealing money left and right from the secret funds all around me"

According to Mr Van Rooyen, Mr De Villiers was given R10 000 for secret projects Later, asked to do some extravagant (*uitspattige*) thing, he said he didn't have the money. Dr Rhoodie asked "But where is the R10 000 I gave you?" Mr De Villiers replied that he had used it for projects Dr Rhoodie is alleged to have replied "But you are stupid I gave it to YOU"

In reply to a question from the judge,

The Cape Times

TUESDAY, DECEMBER 5, 1978

259

5/12/78

The charge sheet

Mr Van Rooyen, who had a friend who could get cut diamonds cheaply, said Mr McGoff bought diamonds Dr Rhoodie wanted to but was interested only in blue, whites. Mr McGoff's diamonds are out of the country. Mr Les de Villiers from New York denied that he had "smuggled" diamonds in South Africa

Apart from the Citizen there are reports of other departmental ventures into the newspaper field.

An attempt, led by General Van den Bergh, was made to take over South African Associated Newspapers Some R12 million was available The attempt failed because some shareholders would not co-operate

Reports link the Saturday Evening Post, the United States journal There are also reports suggesting a project for getting control of the Washington Star

The Namibian National Front has demanded to know whether South African taxpayers' money was being used to take over or gain the support of any Windhoek newspaper. Two newspapers, the Windhoek Advertiser and the Algemeine Zeitung, were taken over this year by Dr Dieter Lauenstein, a former West German publisher. An amount of R1,6 million is mentioned Dr Lauenstein denies receiving South African government money

The apparent attempts over a long period to cover up the scandal.

The auditor-general was instructed to keep his nose out of what officials chose to label as "secret", with ministerial approval for this refusal to provide audit information.

The auditor-general found "alarming degrees" of misappropriation of state funds and irregularities of a dimension that have never taken place in the existence of the civil service Dr Rhoodie talked of a "treacherous act" in relation to a leak to the newspapers A Nationalist newspaper referred to Dr Rhoodie's "astonishing attack, his sharp personal attack", on the auditor-general

Fine distinctions between "governmental money" and "departmental money" cloaked the expenditure of public money on the Seychelles jaunt

The appointment of "a competent and qualified person" (unnamed) to investigate and reassure This turned out to be Mr Loot Reynders, himself intimately involved with the transactions he was appointed to investigate Mr Reynders pleaded the Official Secrets Act in refusing to testify before the Mostert commission The prime minister rejected the judge's request for the formal permission that would have enabled Mr Reynders to give evidence

"A civil servant of the highest integrity" was appointed to investigate and to reassure the public. He turned out to be Mr Koos Kemp, also intimately associated with the events he was called on to examine He also successfully pleaded the Official Secrets Act and declined to give evidence His report, exonerating Dr Mulder, was leaked to a Transvaal newspaper on the day before the prime ministerial election

General Van den Bergh was appointed to "evaluate" the department's secret activities General Van den Bergh was a prime mover in the Citizen, SAAN and other secret deals According to the testimony of Mr Van Rooyen, he was the man in real charge of the secret funds

Mr Koos Waldeck, the chief of administration in the department, was abruptly retired

The prime minister apparently moved to prevent or postpone the disclosure of the Mostert evidence and was said by the commissioner to be the first prime minister who had tried to dictate to a judge

The Mostert commission was summarily cancelled and attempts made to serve an interdict on the judge

The terms of reference of the Erasmus commission did not require that evidence shall be heard in public

The SABC, apart from the briefest statement in a mid-afternoon news headline broadcast, refused — alone among the media — to broadcast details of the judicial disclosures The SABC was singled out for praise by the prime minister

The prime minster ruled that the Mostert evidence ought not to be made public until a process called "testing", "evaluation" and/or "verification" had taken place

At various times threats were made to gag the newspapers by invoking the Official Secrets Act

Exaggerated interpretations of the sub judice rule were used in an attempt to stifle discussion

The regulations were invoked in an attempt to prevent the newspapers publishing the Mostert evidence

Mr Van Rooyen said he had heard from Dr Rhoodie that he and Dr Deneys Rhoodie were not going to resign They would see it through They had "protection"

The position of the former prime minister needs to be unambiguously clarified in the light of the sworn testimony that is on the public record. (In a statement on May 8, 1978, Mr Vorster accepted full responsibility for the allocation of secret funds.)

Mr Luyt was told that Mr Vorster had chosen him to do the Citizen deal The then prime minster was "shocked" when told about the Seychelles trip and the jet aircraft Through Mr Van Rooyen Mr Les de Villiers was advised by the then prime minister to put as much distance as possible between himself and the Rhoodies Mr Vorster is said to have promised Mr Van Rooyen that the whole "cat's nest" would be cleaned up after the election He was advised not to reappoint Dr Mulder to the cabinet and to get rid of Dr Rhoodie from the department He is said to have replied that in the situation he could not afford not to reappoint the responsible minister because if he did so the successor would come to him within a week with shock over the sort of child he had to inherit

The position, authority and activities of General Van den Bergh.

He played a leading part in the establishment of the Citizen and proposed the taking over of SAAN Mr Pieterse was referred to him when there was a question about money for the film. According to Mr Van Rooyen he said he would "save" Messrs Mulder and Rhoodie He allegedly offered to drag out his investigations into the department's activities, to keep things going, for two years if necessary until all was forgotten He said he had misled Mr Schwarz (*om die bos gelei*) He gave an assurance to Mr Schwarz that there was no government money in the Citizen.

And finally:

The identity of the mysterious cabinet committee of three, invoked in justification of departmental procedures Nothing definite is known except the names of some cabinet ministers who disclaim knowledge and membership Dr Rhoodie "The fund was overseen by a secret though unofficial three-man cabinet committee from which I received approval for secret projects and to whom verbal reports were made annually and often every six months"

The responsibility of the Erasmus commission, whose report appears tomorrow, and of the parliamentarians who begin to debate the matter on Thursday is to ensure that more than the tip of the iceberg is brought into public view.

with the system of farming-on-the half".[21]

"Tomlinson records (p. 84) that in 1938 a scheme for the subsidised purchase of ploughs, harrows, planters and cultivators by black farmers was introduced 'and considerable use was made of it until it was discontinued in 1947'. Among those who objected to such schemes was former Prime Minister Strijdom who complained in Parliament that, 'If the Government went on in this way, blacks would soon cease to be labourers and become farmers, with disastrous effects on white farming, where the problem of markets was already serious'".[22]

Colin Bundy has shown that between the 1830s and the end of the century a class of black peasant farmers emerged and then declined, who, in their heyday, were generally at least as good as white farmers of that period and in many instances, better.[23] Farming in black areas only degenerated to its present condition as restrictions were placed on blacks, and whites were provided with more services. Bundy cites[24] the main factors against black farmers as:

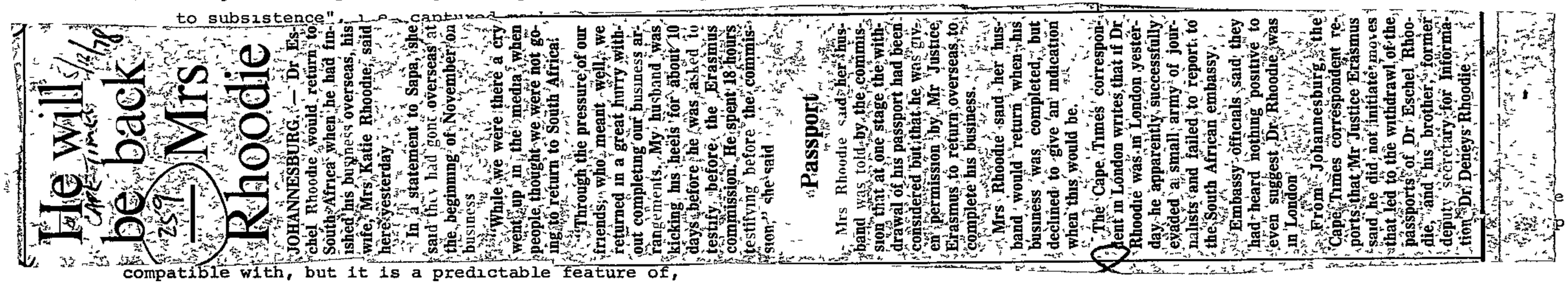
1) Lack of land
2) New goods to buy "which gradually became necessary to subsistence", i.e. captured

the underdevelopment of the society as a whole".[25] This process of differentiation was accelerated by specific government legislation and also by the restrictions which, while they applied to all blacks, tended to affect the poorest most quickly.

Discussing the class of successful farmers that emerged, Bundy writes, "The Glen Grey Act contributed to the definition of that class; to the overlapping of the categories of bureaucrat and well-to-do peasant, to the enjoyment by the headmen and their favourites of the choice land, to the circulation of funds and skills at the upper strata and to the heightened pressure on the young and landless to sell their labour."[26]

Differentiation continued: "In 1936, Councillor Ntlatla from Idutywa in the Transkei told the Bunga that 'the people who are landless in the surveyed districts are equal to these who have land if not more ...'"[27]

"In one location 3 out of 1000 stock owners held 70% of the sheep and 50% of the cattle. Some of the councillors had as many as 3000 sheep and most had 200 sheep and 50 cattle." (This was in 1953)[28]



He will be back — Mrs Rhoodie

JOHANNESBURG. — Dr Eschel Rhoodie would return to South Africa when he had finished his business overseas, his wife, Mrs Katie Rhoodie, said here yesterday.

In a statement to Sapa, she said they had gone overseas at the beginning of November on business.

"While we were there a cry went up in the media when people thought we were not going to return to South Africa.

"Through the pressure of our friends, who, meant well, we returned in a great hurry without completing our business arrangements. My husband was kicking his heels for about 10 days before he was asked to testify before the Erasmus commission. He spent 18 hours testifying before the commission," she said.

Passport

Mrs Rhoodie said her husband was told by the commission that at one stage the withdrawal of his passport had been considered but that he was given permission by Mr Justice Erasmus to return overseas to complete his business.

Mrs Rhoodie said her husband would return when his business was completed, but declined to give an indication when this would be.

The Cape Times' correspondent in London writes that if Dr Rhoodie was in London yesterday he apparently successfully evaded a small army of journalists and failed to report to the South African embassy.

Embassy officials said they had heard nothing positive to even suggest Dr Rhoodie was in London.

From Johannesburg, the Cape Times correspondent reports that Mr Justice Erasmus said he did not initiate moves that led to the withdrawl of the passports of Dr Eschel Rhoodie, and his brother, former deputy secretary for Information, Dr Deneys Rhoodie.

South African Railways and Harbours - has its own health system and looks after its own industrial health affairs. But the Department of Health should have overall control.

Department of Water Affairs - is responsible for the supply of water and should exercise direct control over industrial health problems pertaining to such a supply.

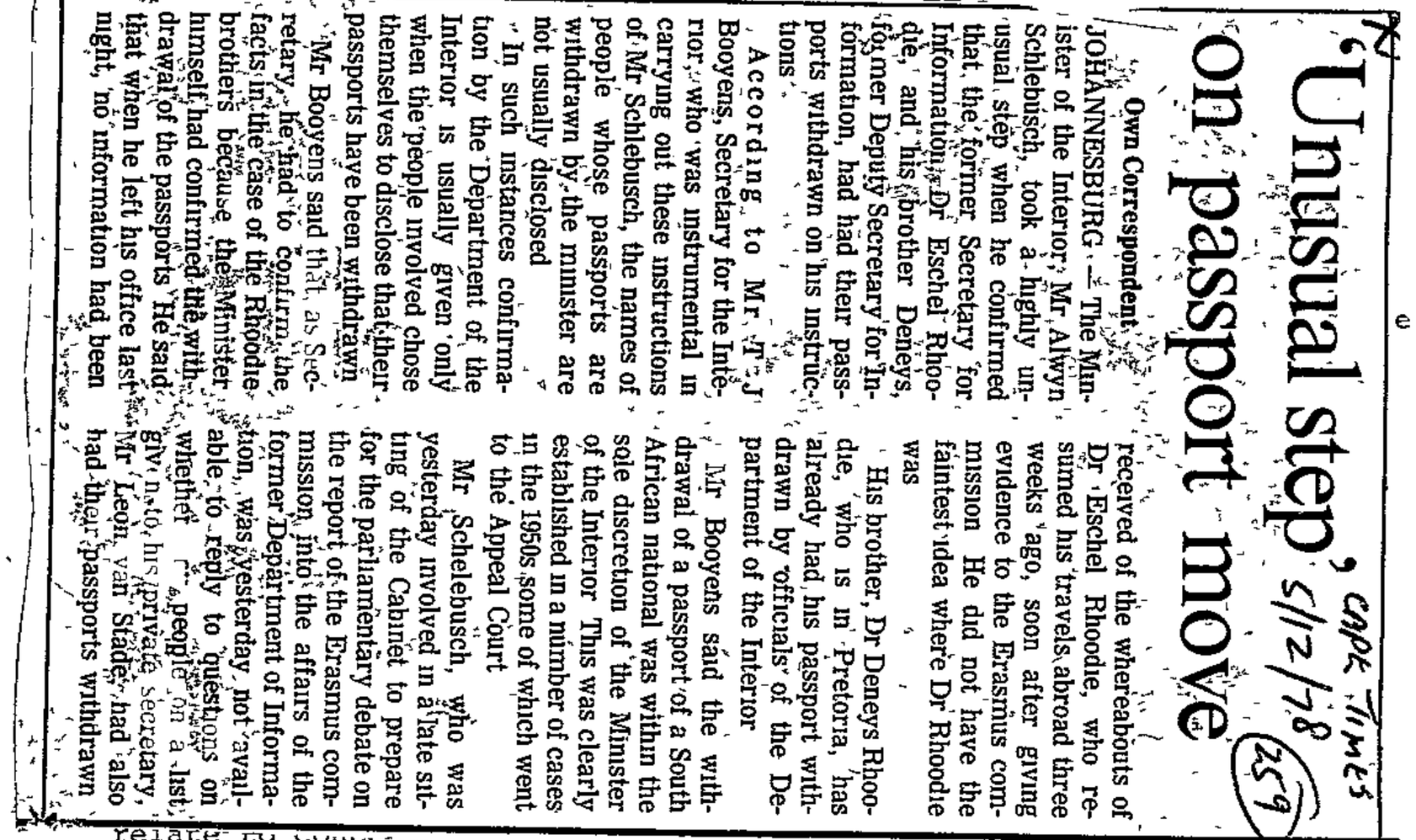
Department of Defence
Department of Industries } the Commission recommends that these Departments retain direct control.

Chapter XIX. Department of Health and Local Authorities.

The Public Health Act provides that local authorities are empowered to take steps to prevent the occurence of infectious or preventible disease. They are also empowered to appoint medical officers of health and sanitary inspectors.
The Commission sees no reason why sanitary inspectors cannot be used as industrial health inspectors after a little more training. Local authorities should be charged with direct control of industrial health in their areas, except in the case of factories, surface 'mines' or works.

Chapter XX. Functions of the Department of Health as a Unified Industrial Health Administration.

It is essential that a unified industrial health inspectorate be established. This inspectorate should be able to exercise overall controll over all types of industries.
The Health Services Administration of Los Angeles may be taken as an example of an efficient industrial health inspectorate. They inspect factories, consult managements, train staff, make recommendations with respect to industrial health, but have no power to enforce regulations. The inspectorate acts in the interests of three million workers. Working on the same proportions, the Department of Health should appoint six industrial hygienists.
The Commission recommended that a unified health inspectorate be formed as an Industrial Health Inspectorate Branch within the Department of Health.
The Department of Health should be responsible for the determination



'Unusual step' on passport move

Own Correspondent

JOHANNESBURG — The Minister of the Interior, Mr Alwyn Schlebusch, took a highly unusual step when he confirmed that the former Secretary for Information, Dr Eschel Rhoodie, and his brother Deneys, former Deputy Secretary for Information, had had their passports withdrawn on his instructions.

According to Mr T J Booyens, Secretary for the Interior, who was instrumental in carrying out these instructions of Mr Schlebusch, the names of people whose passports are withdrawn by the minister are not usually disclosed

In such instances confirmation by the Department of the Interior is usually given only when the people involved chose themselves to disclose that their passports have been withdrawn

Mr Booyens said that, as Secretary, he had to confirm the facts in the case of the Rhoodie brothers because the Minister himself had confirmed the withdrawal of the passports. He said that when he left his office last night, no information had been received of the whereabouts of Dr Eschel Rhoodie, who resumed his travels abroad three weeks ago, soon after giving evidence to the Erasmus commission. He did not have the faintest idea where Dr Rhoodie was

His brother, Dr Deneys Rhoodie, who is in Pretoria, has already had his passport withdrawn by officials of the Department of the Interior

Mr Booyens said the withdrawal of a passport of a South African national was within the sole discretion of the Minister of the Interior. This was clearly established in a number of cases in the 1950s some of which went to the Appeal Court

Mr Schlebusch, who was yesterday involved in a late sitting of the Cabinet to prepare for the parliamentary debate on the report of the Erasmus commission into the affairs of the former Department of Information, was yesterday not available to reply to questions on whether people on a list given to his private secretary, Mr Leon van Staden, had also had their passports withdrawn

Cape Times 5/12/78

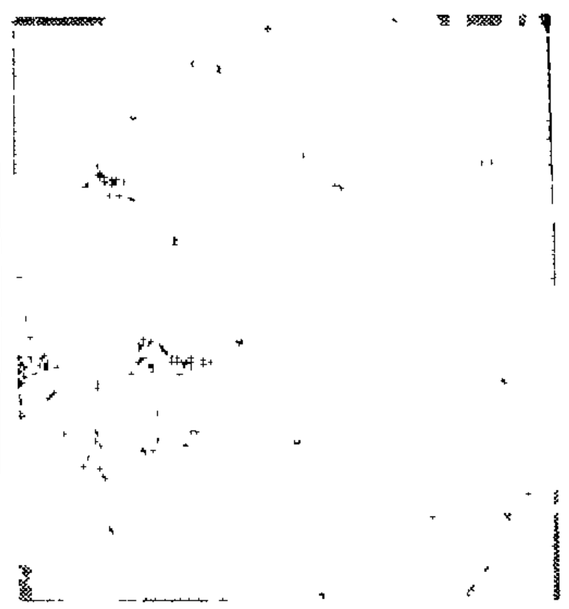
represent those conditions to which workers may be repeatedly exposed without harmful consequences.
Maximum threshold limit should be used as indices in control of health hazards and not as fine dividing lines.
In biological monitoring, the maximum threshold limit values represent the maximum permissible quantity of hazardous substance (or metabolite produced by it) in blood or body fluids. When the threshold limit value is reached, the worker must be withdrawn from work and given the necessary medical treatment.
The determination of maximum threshold values are based on information obtained from experience in industry, limited experimentation in industry and extensive experimentation on animals. They can be determined only by experienced scientists, under the direction of medical practitioners. Whenever the maximum threshold limit values are reached, corrective measures should be taken with discretion.
The object of industrial hygiene is to keep these concentrations (of hazardous substances) as far below these values as possible.
In South Africa, there is no schedule of maximum threshold limit values for hazardous substances used in various industries.
Much has been done to lower the concentration of dust in mines, but no system for determining dust concentration, the type of particles

PHONE NUMBERS
Classified Ads . 25581
All Other EL Depts 26141
King William's Town . 23282
Queenstown 2431
Umtata 2509

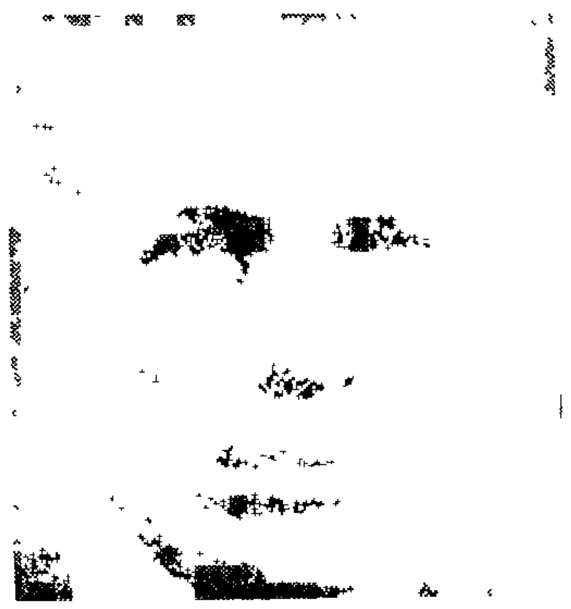
DAILY DISPATCH

Wednesday, December 6, 1978 (259) Founded 1872 Price 12c

Garlicks
BREAKFAST WITH SANTA
HI KIDS . . .
Mornings at 8 35 from 8th Dec until Christmas you can have this Super Breakfast with Santa at Garlicks Restaurant for 75c (excl tax)



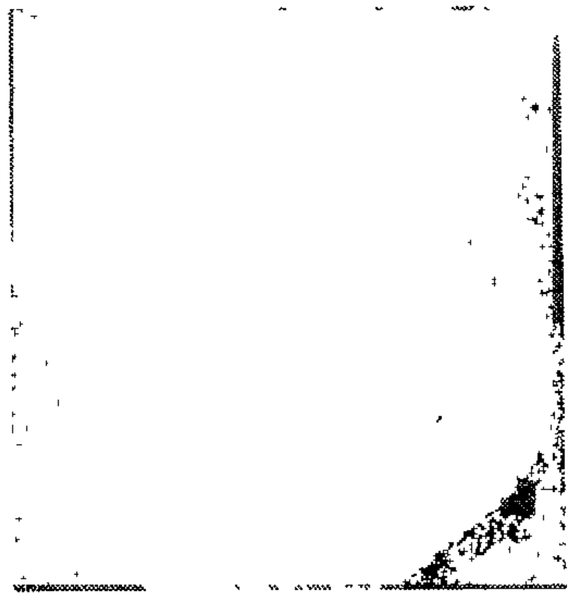
Eschel Rhoodie . . . criminal proceedings?



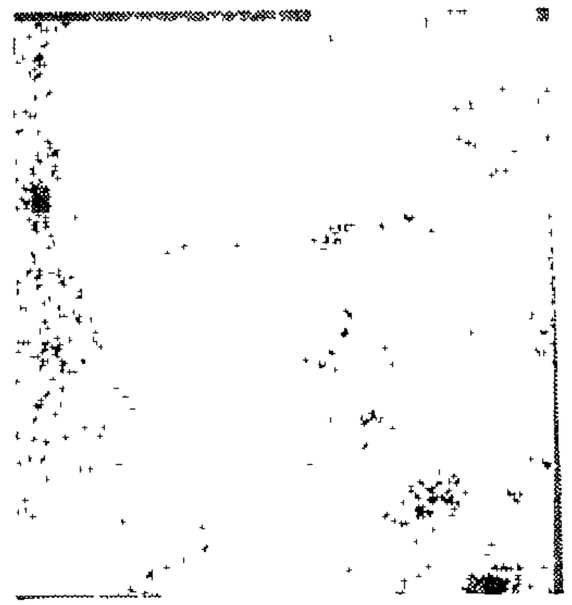
Deneys Rhoodie . . . accused.



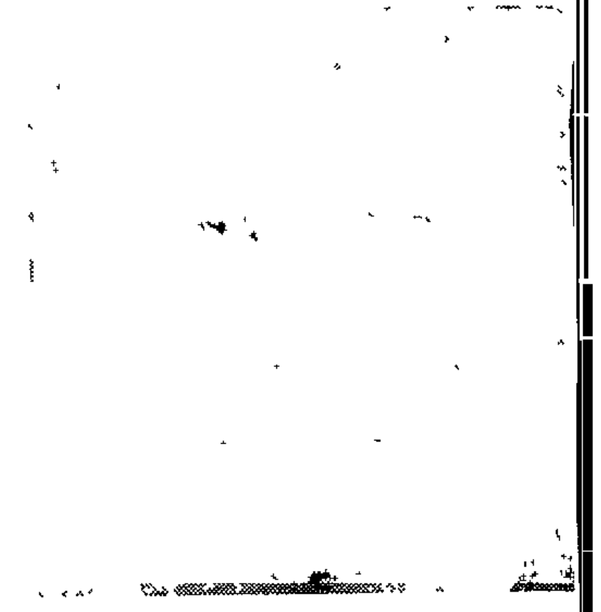
Van den Bergh . . . influencing events.



Vorster . . . criticised.



Mulder . . . irregular actions.



P. W. Botha . . . integrity.

Erasmus bombshell

General Van den Bergh "used office to try to influence events in South Africa."

Mr Vorster criticised over Citizen — but "actions were honest, devoid of personal gain."

Report tells of massive misappropriation of State funds . . . recommends possible criminal action against Rhoodies.

Former Minister Dr Connie Mulder criticised by Commission for incompetence and irregular actions.

Secrecy a Judas cloak for dishonesty

CAPE TOWN — The Department of Information bombshell dramatically burst yesterday when the Erasmus Commission confirmed massive misappropriation of State funds, active cover-up moves and recommended possible criminal action against the Rhoodie brothers.

By BARRY STREEK

In a shattering report of wideranging political implications, the Commission made a scathing attack on the former Transvaal leader of the National Party, Dr Connie Mulder, for incompetence and irregular actions.

It also said the former head of the Bureau for State Security (Boss), Gen Hendrik van den Bergh, "used his office and his personal friendship with Mr Vorster to try to influence the course of events in South Africa himself."

The Commission criticised the former Prime Minister, Mr Vorster, for not taking steps to get rid of The Citizen newspaper for nine months after he became fully aware that secret funds had been used to finance it.

But, it added, "it must be stated clearly and unequivocally 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."

It also found in respect of Mr P W. Botha, that "his hands are clean in every respect and his integrity remains unblemished for his great task as Prime Minister."

The report completely destroys the credibility of Dr Mulder, whose future even as an MP must come under doubt.

It also crushes the myth about Gen Van den Bergh who at the height of his career as head of Boss was undoubtedly the most powerful behind-the-scenes figure in South African politics.

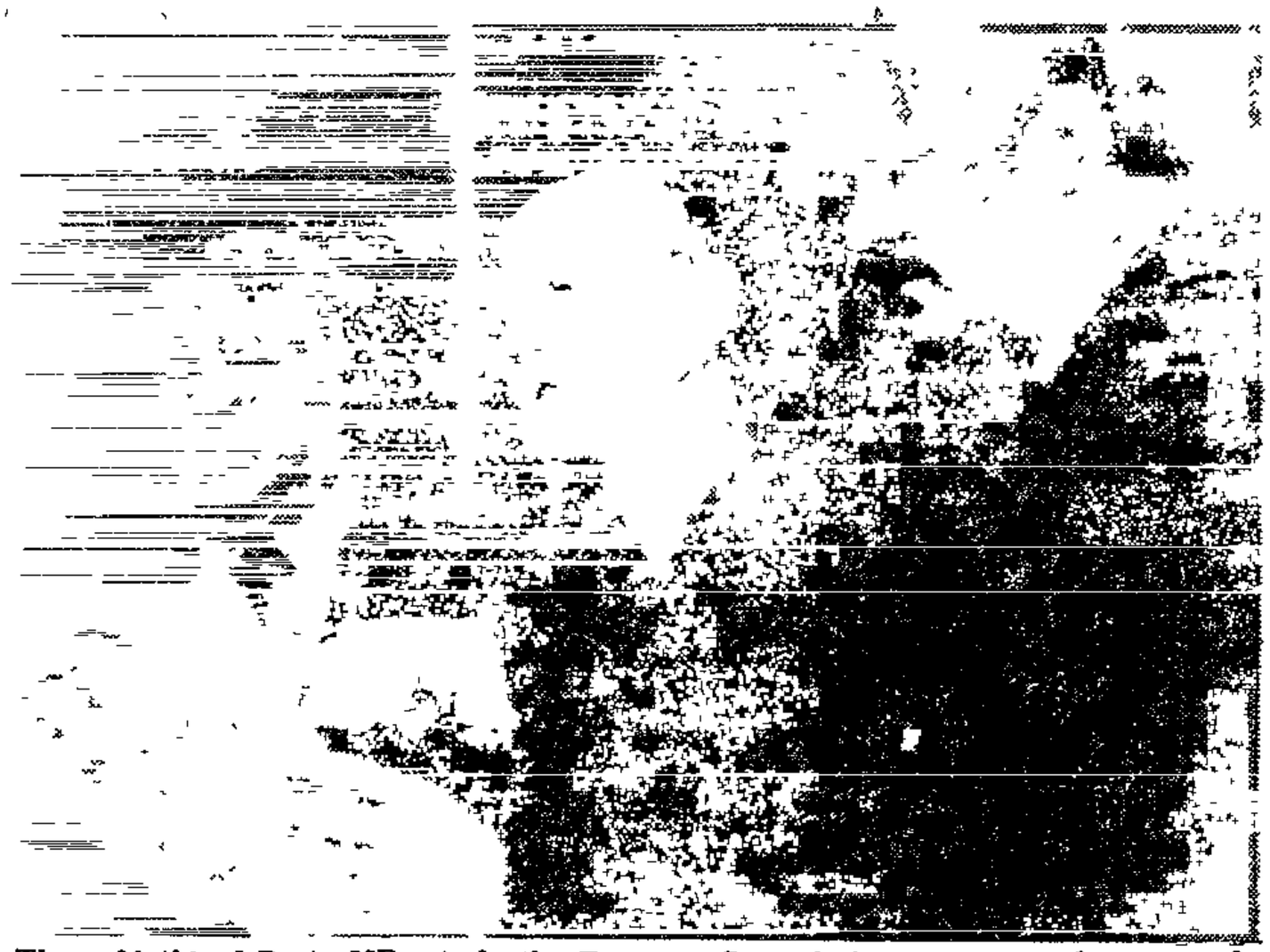
Gen Van den Bergh "told the Commission arrogantly that if he wanted to do something nobody would stop him and that he would stop at nothing," but the Commission "gained a clear picture of Van den Bergh as a man who played a double role."

In short, the political hierarchy which has dominated South African politics in the 1970s has been severely tarnished

Highlights of the Commission's report include:

- The expenditure of R64,1m by the Department of Information on secret projects between 1973 and 1978.
- R31,9m was spent by the Department of Information in secret funds on the Citizen newspaper.
- The former Secretary of Information, Dr Eschel Rhoodie, raised five loans overseas totalling R16,6m without the authority to do so.
- The Commission "frequently learned with consternation of indications that positive attempts had been made to conceal or cover up irregularities."
- Dr Eschel Rhoodie invested R934 901 in fixed property including a farm, from secret funds in South Africa, Britain, France and the United States
- Once Mr Vorster discovered the State had financed The Citizen, he regarded it as spilt milk
- "Dr Mulder, according to his own evidence, if this could be accepted, wrongly interpreted his function as head of his department and, to say the least of it, fulfilled it incompetently."
- Department of Defence secret funds were used by the Department of Information and Dr Eschel Rhoodie mislead Defence about the necessary certificates
- "The irregularities committed by Dr (Eschel) Rhoodie, which point to theft as well as complicity in theft and fraud through which the State suffered great losses, are evident from the numerous examples in the report."
- "Secrecy gave rise to covert acts and malpractices In other words, secrecy became a Judas cloak for all those who wished to act dishonestly, to put in false claims and to steal."
- "A most reprehensible method was to destroy vouchers and receipts on the pretext that Mr Vorster had ordered their destruction."
- "A fixed property bought with public funds and registered in Dr Eschel Rhoodie's name as "so far as the Commission is concerned; this could just as well be an attempted cover-up of theft."
- "There was lack of supervision and control of front organisations and collaborators".
- "According to Van den Bergh he not only exercised considerable influence over Mr Vorster, but at times made Mr Vorster's decisions for him."
- It recommended that the Auditor - General has control over secret funds because "any truly democratic system of government must provide for an absolutely independent Auditor - General."

AP
6/12/78
284



Three National Party MPs study the Erasmus Commission report on the steps of Parliament yesterday. From left are Mr S. P. Barnard (Langlaagte), Mr Willie van der Merwe (Meyerton) and Mr Koos van der Merwe (Jeppe).

Commission's disclosures called horrific

CAPE TOWN — Opposition leaders described revelations in the Erasmus report last night as "horrific" and "incredible"

Mr Colin Eglin, Leader of the Opposition, said that if the parliamentary convention of collective and Cabinet responsibility meant anything to the Prime Minister, Mr P W Botha, "the government should resign"

Mr Vause Raw, leader of the New Republic Party, said the scandal, which had humiliated the nation, had more than justified calls for a judicial commission of inquiry and a special session of Parliament

Mr Eglin said the Progressive Federal Party would press for a "full disclosure of the evidence and cross - examination"

"However, the evidence which has been released is horrific," he said

"It vindicates to the full the attitude which has been taken by the opposition and the free press

"It reveals a story of deception and corruption and dereliction of duty on a scale unprecedented in the history of our country"

He said it revealed

- Massive misappropriation of public funds.
- Deception of the public and Parliament on a grand scale.
- An ongoing Government - directed cover - up of The Citizen scandal
- A breakdown in Cabinet control and responsibility.

Mr Raw said Mr Justice Erasmus had exposed known issues in the short time available

"But it is clear from the extension of his inquiries that we have not heard the end of scandals involving the misappropriation of millions of rands of taxes paid by the citizens of South Africa," he said.

"The judicial findings uphold the personal integrity of those cleared of guilt and it is now up to Parliament and the people to judge their political responsibility for the incredible situation where bureaucrats and faceless secret agents pulled the strings of government while the Cabinet obviously exercised no proper control

"It is equally incredible that the government could have held a general election without revealing to the electorate what it already knew about the affairs" — DDC

Citizen company formed

PRETORIA — A new company called The Citizen (1978) (Pty) was registered here yesterday with top executives of Perskor as directors. According to documents filed with the Registrar of Companies, the object of the new company is "to do business as publishers, printers and distributors of newspapers and publications"

The holding company of The Citizen (1978) (Pty) is registered as Die Pers Korporasie van Suid Afrika Beperk.

The three directors of the company are Mr Marius Visser Jooste, chairman of Perskor, Mr Jacobus Machiel Buitendag, joint managing director of Perskor; and Dr Willem Johannes de Klerk, also joint MD of Perskor.

The share capital of the company consists of 4 000 R1 units. Each of the three directors has taken one share.

According to the letter from the firm of attorneys who handled the registration, the name of the new company was being registered with the permission of "The Citizen Pty".

The registered and postal address of the new company is given as 28 Height Street, Doornfontein, Johannesburg — the same address as Perskor headquarters.

Mr Jooste's and Mr Buitendag's occupations are given as publishers and Dr De Klerk's as editor. - SAPA

Reynders gave false report

JOHANNESBURG — Mr Loot Reynders, the Boss man who carried out a probe into the Department of Information, released a false report "under tremendous pressure, even in fear of his own life"

In saying this, the Erasmus Commission reports that Mr Reynders had been under constant pressure from Dr Connie Mulder and Gen Hendrik van den Bergh to bring out a report without delay.

The report, leaked to the press in September, was designed to help Dr Mulder become Prime Minister

"Initially Reynders tried to justify the report before the Commission, but when the total irreconcilability of the report and the actual facts that were known at the time was pointed out to him, he burst into tears and like a lanced boil, made a clean breast of things

"The story he then told the commission bears the stamp of authenticity, of someone who, under tremendous pressure, even in fear of his own life, had to do something about which his conscience had plagued him ever since.

"He testified further that if it had been left to him, he would never have brought out such a report, but he was placed under tremendous pressure by the actions of Dr Mulder and Van den Bergh He even feared that if he opposed Van den Bergh, the general would crush him"

Last night, at his home in Pretoria, Mr Reynders laughed and said. "Well, I'm not so sure about actually breaking out in tears, but I was overemotional at the time"

When asked about the pressure from Dr Mulder and Gen Van den Bergh and his fear of the general, he said. "Well, I'm not going to comment on that now. Why don't we wait until they've talked it out in Parliament?" — DDC

Windhoek bomb

WINDHOEK — A bomb exploded yesterday at a huge petrol depot here.

The bomb was thrown over a security fence at the fuel storage tanks, but no damage was caused and no one was injured

The two blocks of explosives, each containing 400 g of TNT, separated on impact and the force of the explosion was diminished.

It was the third bomb blast in Windhoek during the past four days At least 14 people were injured in the previous two explosions.

Meanwhile, nearly half the 412 000 registered voters in the election for a constituent assembly had cast their votes when yesterday's second day of polling closed.

The election lasts until Friday. — DDC.

Editor's mission

EAST LONDON — The Editor of the Daily Dispatch, Mr G. A Farr, left East London yesterday for visits to South West Africa and Rhodesia.

He will have talks with the newspaper's correspondents in Windhoek and Salisbury and will also meet political leaders.

During Mr Farr's month-long absence, the Deputy Editor, Mr J G Williams, will act as Editor. — DDR.

THE ERASMUS FILE



259

6/12/78

DD

AG didn't know Info had secret funds

CAPE TOWN — The Erasmus Commission learnt "with consternation" from the evidence it heard of positive attempts made to conceal or cover up irregularities

The Department of the Auditor - General had not been aware that the Information Department had secret funds The Auditor - General, Mr F G Barrie, deduced from Press reports and questions asked in Parliament that the department had such funds and started to search for claims on overseas trips, but none could be traced.

He could find no ministerial authority for these journeys either and queried Dr Rhoodie After an exchange of letters Dr Rhoodie sent him a reply marked "Secret" saying he could not reveal the work he was doing in terms of the Official Secrets Act on behalf of others

Mr Barrie should have added two and two together from his earlier replies to queries.

Mr Barrie later told Mr Vorster and the commission that he added two and two and came to the conclusion that the Secretary for Information was doing all he could to keep information from audit.

When it became known to Dr Rhoodie that Mr Barrie was making inquiries about records of journeys and travelling expenses, he gave his accountant, Mr Braam Fourie, verbal instructions to destroy documents of the department connected with the secret funds.

Rhoodie sent his officers a circular telling them to destroy all letters, receipts, expenditure chits, etc relating to secret projects which were not current

The only documents to be retained were those that gave the department a hold on collaborators, contracts for current projects and documents on hostile organisations and individuals.

In the circular he claimed the approval for destruction came from the Prime Minister with the approval of Gen Van den Bergh

Mr Fourie did not want to obey the verbal instructions as it was against all rules to destroy records after such a short period and he knew things were going wrong and expected problems.

He also did not react immediately to the written instructions and did so only after being asked several times when he was going to destroy the records

Even then he did not destroy all the records as he wanted to keep something as evidence.

Later he received a further instruction from Rhoodie not to show any records to any person. He knew that Barrie was investigating matters and he thought they were stopping him from having access to records.

Mr L Reynders, called in by Mr Vorster to investigate Mr Barrie's report, told the commission that he issued a certificate to the Prime Minister that he had found no irregularities, under pressure from Gen Van den Bergh and Dr Connie Mulder.

Questioned by the commission, he admitted that he knew of the irregularities when he issued the certificate to the Prime Minister, saying proper books had been kept and expenditure properly accounted for

He admitted that he already knew of R20 000 recovered from the Rhoodies which had been paid to them irregularly and of a loan to Mr Andre Pieterse from State funds totalling R825 000, which Mr Pieterse used incorrectly.

Van den Bergh had advised him not to write a detailed report, but to issue a brief certificate only Dr Mulder asked him to bring out his report immediately or else he (Mulder) would be considerably embarrassed.

When he told the Minister he had not completed his investigation, Dr Mulder then said: "But you have not found anything wrong with the department."

Mr Reynders burst into tears before the commission and told it that Gen Van den Bergh would pulverise him if he knew what he (Reynders) was saying to the commission. — SAPA

Thousands of rands paid to anonymous collaborators on scraps of paper

259

6/12/78

DD

CAPE TOWN — Thousands of rands were paid to many "anonymous collaborators" with no authorisation other than scraps of note paper or telephonic instructions to the accounts from Dr Eschel Rhoodie, according to the Erasmus commission report.

His brother, Dr Denys Rhoodie, regularly claimed a large sum under the heading "work pay" (werkloon) in his expense accounts which were paid out even though there is no provision made for such payments in any regulation

In one account after a trip to the United States in May, 1976, Denys Rhoodie claimed 2 300 dollars "werkloon" in his expenses after the trip He calculated this unauthorised fee at 50 dollars a day while abroad

The notes Dr Eschel Rhoodie passed to the accountant for payment were mostly handwritten and often gave no indication as to why the funds were required

Examples were. March 21, 1977: "Please pay Thor R79 000

The note was written on a slip of paper from a notebook with the heading "Re Thor"

Further examples were. "Please make cheque out to Van Zyl, Le Roux and Hurter for R217 850 — debit Thor communicators.

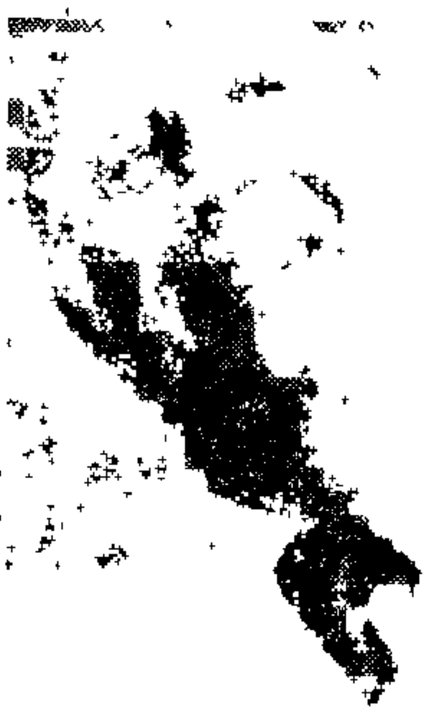
"Also cheque of R32 000 to Mrs Van Zyl, Le Roux and Hurter

"Get receipt from Mr E le Roux that the amount is being held in trust for Thor Communicators' use"

On January 15, 1976, Dr Rhoodie issued the following instructions

"Will you please arrange the following (X already done).

R3 000 — cash — anonymous collaborator



Mr Colin Eglin with the report yesterday.

R10 000 — cash — anonymous collaborator

Cheque (X) R5 000 — made out to Nedbank, Church Street, anonymous collaborator.

Cheque R5 000 — made out to Trust Bank Pta, anonymous collaborator

Cheque R10 000 — made out to Standard Bank, Plein "

The note authorised eight payments totalling R76 205 of which R33 205 was allocated to "Project Annemarie."

Large sums of cash were drawn from the secret fund for anonymous collaborators without vouchers being filed to prove the moneys were in fact paid to such persons.

The payments were made to Dr Rhoodie and he received R76 750 000 in this way between March 1974 and June 1975.

His brother received a total of R9 994,51 in "work pay" which was later recovered from him but which was claimed to have been paid to collaborators

The Public Service Commission had been approached to approve special non-pensionable allowances to Mr Les de Villiers and Dr Denys Rhoodie to supplement their normal remuneration The application for Denys Rhoodie was turned down.

But his brother, the departmental secretary, then irregularly authorised payments of the allowance from the secret funds

Denys Rhoodie paid no tax on these amounts Similar allowances, ranging from R187,50 to R55,00 a month were paid without Public Service Commission approval to five other employees of the department

Dr Connie Mulder gave Dr Denys Rhoodie permission to take his wife with him abroad once a year on official visits but his brother, Eschel, alleged he and Mr Les de Villiers were given similar permission

Dr Eschel Rhoodie's wife accompanied him on four trips to Europe and the Seychelles in 1976 and two in 1977, Mr Les de Villiers's twice in 1976 and once in 1977; Dr Denys Rhoodie's wife accompanied him once to the USA in 1976 and to the USA and Seychelles in 1977.

On the Seychelles trip, a jet aircraft was hired although SAA takes normal flights to the island The charter cost R6 037,55 to take a party of 14 adults from January 9 to 11.

Seven double rooms with baths were taken at Mahe Beach, but so far it had been possible to trace only the hotel account of Mr and Mrs Les de Villiers for R115,22 — SAPA

Rhoodie accused of covering up fraud and theft

CAPE TOWN — Dr Eschel Rhoodie emerged from the report of investigations released by the Erasmus Commission as a figure stripped of credibility and accused of covering up theft and fraud.

In the final analysis of the commission it is recommended that the alleged irregularities committed by Dr Rhoodie be referred to the Attorney-General for investigation and evaluation pending possible criminal proceedings

The commission found that

The Citizen, a party-political newspaper, was financed by Dr Rhoodie with public funds amounting to R31 907 732,73, which have still not been recovered.

Dr Rhoodie's instructions to destroy documents and not to show them to others were an attempt to conceal irregularities pointing to fraud and theft

These irregularities led to the state suffering huge losses

Dr Rhoodie was guilty of a contravention of Section 12 (1B) of the Archives Act, No 6 of 1962, in that he was instrumental in destroying, or having destroyed, documents and department records.

Misled the Department of Defence by promising to provide a proper certificate covering the use of the department's secret funds and issuing a bogus document

Dr Rhoodie was guilty of neglect of his duty as Secretary for Information and of gross negligence

Dr Rhoodie was, as accounting officer, obliged to comply with Treasury instructions governing the use of funds for secret services and grossly neglected to do so

The commission noted that Dr Rhoodie's deception in misleading the Department of Defence over the use of secret funds was viewed in a very serious light

"Particularly because it was done in the light of persistent objections from Mr P W Botha, namely that the SADF did not want the department's secret funds to be carried on its vote and that the department could not and did not want to account for it"

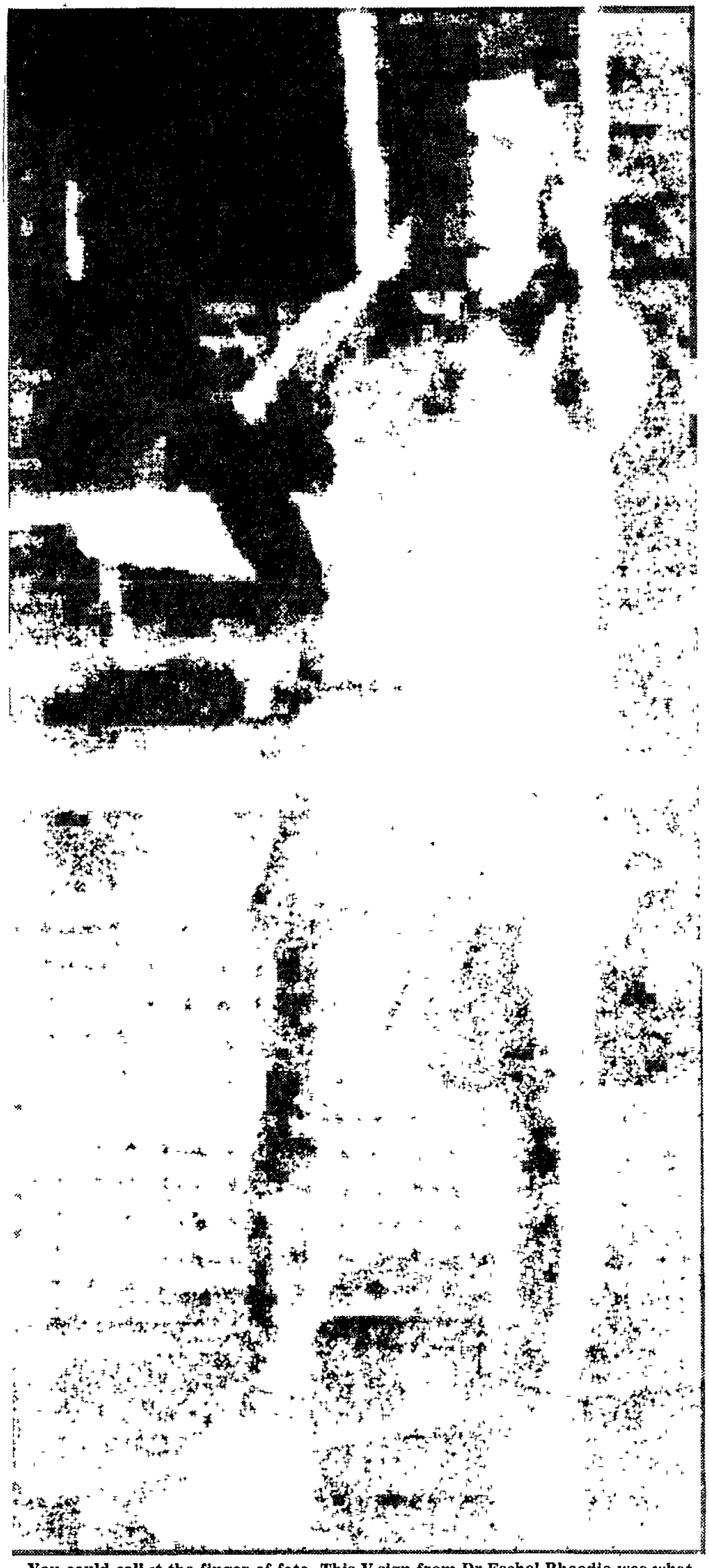
The commission's report refers to a letter written on July 4, 1977, by General Magnus Malan to Dr Rhoodie

In it Gen Malan said he was prepared to motivate every cent spent by his department but was not prepared to do it for another department

259

6/12/78

DD



Claims handed in on bits of paper

CAPE TOWN — An internal accountant of the secret fund, Mr Braam Fourie, told the Erasmus Commission one of his greatest problems connected with claims against the fund was with subsistence and travelling allowances.

He said officers involved in secret projects were advanced substantial sums

"If any officer had an advance of say R10 000 in his pocket and then spent only R5 000, he could submit an account of R9 000, carry forward R1 000 of the advance and pocket the R4 000," he said

No proof was submitted to Mr Fourie to enable him to establish the correctness of a claim

Dr Rhoodie's testimony to the commission at no time contradicted Mr Fourie's evidence in connection with his problems as an accountant Dr Rhoodie's attitude throughout was that anything connected with the secret fund was secret

Mr Fourie could not ask for particulars because he was simply told "Pay out"

In the reconciliation of the bureau's accounts, Mr Fourie said sometimes he found claims had been passed and paid out behind his back

Sometimes claims were put in for rounded off and lump sums Sometimes they were up to a year old before being submitted for payment By that time records had been destroyed and their correctness could not be established

"Sometimes he could not establish whether claims were in respect of the travelling expenses of guests or members of the family Hotel tariffs per day were not given

"Sometimes amounts were claimed according to open and sometimes according to secret tariffs Sometimes claims were handed in on bits of paper with notes and one document contained five different instructions," Mr Fourie said — SAPA

You could call it the finger of fate. This V-sign from Dr Eschel Rhoodie was what greeted Sunday Express reporter Kitt Katzin when he went to interview Dr Rhoodie about his involvement in the Information affair.

259
1/12/78
DD

Rhoodies may face prosecution

CAPE TOWN — The Erasmus Commission has recommended that irregularities committed by Dr Eschel Rhoodie and Dr Deneys Rhoodie with secret fund monies be referred to the Attorney-General with a view to possible criminal proceedings

The report recommends that the State Attorney be requested to go into the question of the extent to which the State's assets have been unlawfully alienated or affected by Mr Louis Luyt, Dr van Zyl Alberts, Dr Eschel Rhoodie, Dr Deneys Rhoodie, Mr L E. S. de Villiers and Mr Andre Pieterse, and to what extent the State's interests or assets that prove to have been affected may be secured or recovered, and so to secure and recover them.

The report says the commission wishes to recommend that its report be released in its entirety.

"The commission has penetrated to the core and essence of its terms of reference and reports its findings and makes its recommendations as required by its terms of reference"

In view of this, the commission says it cannot make any recommendation at this stage in regard to the release of evidence and will have to leave consideration of this matter in abeyance. — SAPA

259

DD

6/12/78

Loftus box: Pieterse's wife was go-between

CAPE TOWN — The first year's rental for Thor Communicators' box at Loftus Versfeld — R4 000 — was laundered through the bank account of the wife of film magnate, Mr Andre Pieterse, the Erasmus Commission reports

Mrs Pieterse received R500 for the use of her bank account and issued a personal cheque to the Northern Transvaal Rugby Union for the rental of a box

The commission says "At the beginning of 1977 Dr Rhoodie decided to rent a private box at Loftus Versfeld from the Northern Transvaal Rugby Union in the name of Thor.

"An amount of R4 000 was payable, being the rental for the first year

"The payment of this amount clearly posed a problem to Dr Rhoodie and he telephoned Pieterse in America. Arrangements were made for the transfer of R4 000 to Pieterse's bank account in George. On receipt of this amount, Pieterse was to issue a cheque for R4 000 to the NTRU

"On October 7, 1977, Dr Rhoodie issued the following instructions to his accountant, Mr Braam Fourie.

- An amount of R4 500 most please go to Mr Andre Pieterse when he returns from overseas,
- Debit budget of department It is an amount which he is going to pay to (name deleted) as part payment for his work in the anti-communist film A signature from (name deleted) cannot be obtained, but I will control via (name deleted) that it did take place."

The names in the instruction from Dr Rhoodie were mentioned but deleted by the commission.

"A bank cheque was subsequently obtained by the accountant on November 3 for R4 500 and sent by registered post to Pieterse's address in George.

"On November 3, 1977. Mrs Pieterse issued a cheque in her name to the NTRU

"The cheque for R4 500 was deposited on November 8 in Mrs Pieterse's bank account.

"Pieterse was under the impression that the extra R500 was a payment to his wife for the use of her bank account.

"This transaction is a striking illustration of the way in which the accountant could be misled in regard to the use to which monies that he had to draw and pay out were ultimately put," the report says. — DDC.

DD
ESD
6/12/78

Department of Defence misled by Rhoodie

'APE TOWN — The regularities committed the former Secretary of he now defunct Department of Information, Dr schel Rhoodie, "which nt to theft as well as mplicity in theft and aud" through which the tate suffered great losses ere evident from nerous examples, the rasmus Commission und in its report on the mer department

The chairman of the mmission, Mr Justice rasmus, said these ects were singled out nd discussed in two arate chapters in connection with irregularities dishonest utilisation f funds and investments in fixed property with public funds

The commission also found that The Citizen, "a party-political newspaper, was financed by Dr Rhoodie with public funds amounting to R31 907 732 which have still not been recovered "

These remarks are noted in a chapter of the report dealing with the commission's specific finding in connection with irregularities

The commission found that inadequate legislation existed in respect of the handling of secret funds.

"When a secret fund was created for the Department of Information by making monies available for it via the Bureau (of State Security) and later also via the vote of the Department of Defence, there was no legislation under which it could be even partially audited or statutorily controlled to any extent "

"The Minister, his Secretary and his internal accountant mostly did not even know what the other was doing in connection with the administration of secret funds, and this was ascribed by Dr Mulder and Dr Rhoodie on the one hand falsely to the need for secrecy because secret projects and funds were at stake and, on the other hand, to the 'absolute confidence' which Dr Mulder purported to have in Dr Rhoodie "

These aspects were dealt with more fully in another chapter of the report, Mr Justice Erasmus said

He also found that "the Secretary for Information (Dr Eschel Rhoodie) was, as accounting officer, quite apart from lack of legislation, obliged to comply with Treasury instructions regarding the utilisation of funds for secret services and he grossly neglected to do so "

The commission also made the following finding "Dr Rhoodie misled the Department of Defence by promising it that he would furnish a proper certificate in regard to the utilisation of the department's secret funds and falsely intimated that the accountant would undertake the necessary internal audit of the secret fund The certificate furnished by him was a bogus document "

The commission commented on this as follows "This deception must be regarded in a very serious light, particularly because it was done in the light of persistent objections from Mr P W Botha, namely that the SADF did not want the Department's (of Information) secret fund to be carried on its vote and that the Department of Defence would not and did not want to account for it "

The commission quoted a letter by General Magnus Malan, Chief of the Defence Force, to Dr Rhoodie dated July 4, 1977, reflecting the spirit of all the correspondence addressed by the Department of Defence to Dr Rhoodie in this connection.

Gen Malan wrote· "As regards the fact that I regard the procedure as unethical and irregular, I wish to point out that you surely also would feel like that if your Minister were to rise in a budget debate and present untruths in order to obtain additional funds

"I am not prepared that he be placed in a similarly invidious position in the future I am also not prepared that my department is used as excuse or explanation for State expenditure which in no way could be linked with us. I am prepared to motivate each cent which my department needs and spends, but I am not prepared to do it for another department "

The commission also found that Dr Rhoodie had been guilty of neglect of his duty as secretary of the department and of "gross negligence".

"He neither exercised nor caused to be exercised any control or check whatsoever on the claims submitted by his officials in respect of subsistence and travelling expenses of payments in connection with other costs for which they are alleged to have claimed

"When he gave evidence, he submitted no document or circular to the commission to substantiate that claims had to be properly completed or submitted Mr Fourie (an accounting officer of the former Department of Information) testified that the atmosphere in the office was such that he was afraid to ask questions or to make inquiries in connection with claims "

The commission pointed out that a separate chapter dealt in particular with irregular claims submitted in this connection by Dr Rhoodie's brother, Dr Deneys Rhoodie, and others, as a result of failure to exercise supervision and control.

The commission further found that Dr Rhoodie's instructions to destroy documents and not to show them to others were an attempt to conceal irregularities pointing to fraud and theft

In respect of this finding, the commission said. "The circumstances in which this took place were discussed in the evidence of Mr Barrie and Mr Fourie Mr Barrie's inquiries in November 1976 brought Dr Rhoodie to the rude awakening that his maladministration had been discovered.

"The conclusion of the commission under this head is supported by the fact that Mr Vorster emphatically denied that the instructions had emanated from him as stated in a previous paragraph of this report "

After this comment the commission made the following finding. "The irregularities committed by Dr Rhoodie, which point to theft as well as complicity in theft and fraud through which the State suffered great losses, are evident from the numerous examples in the report "

Commenting on the role of Dr Deneys Rhoodie who had been appointed Deputy Secretary of the former department, the commission said "Claims submitted by him feature in the examples discussed in the report in the chapter entitled 'Subsistence and travelling expenses', 'Additional remuneration', 'Salaries', 'Anonymous collaborators' and 'Trips abroad' — all of which point to irregularities."

The commission made the following commnt on the role of Mr Braam Fourie who had been employed in the department since May 1950, was appointed internal accountant of the secret fund and functioned in that capacity until the department was disbanded earlier this year:

"The commission found that Mr Fourie could not carry out his duties as internal accountant and auditor properly as a result of the conditions under which he worked. He was afraid and had good reason to be afraid, that he would lose his job if he were to make the necessary inquiries about accounts.

"No evidence was given before the commission that he was directly involved in dishonesties or that he gained any advantage for himself with funds belonging to the State." — SAPA

259

Vorster is criticised over not getting rid of Citizen

CAPE TOWN — The only criticism that could possibly be levelled at the former Prime Minister, Mr Vorster, for his role in the use of public funds was that after being alerted to the fact that public funds were involved in The Citizen newspaper he did not take steps to get rid of the newspaper.

This is stated in the Erasmus Commission's report released yesterday.

"Mr Vorster did, however, on the information then available, consider the pros and cons of getting rid of the newspaper. No evidence was placed before the commission to the effect that Mr Vorster at that stage had all the facts to enable him to make a correct and most advantageous decision to the State on a blunder which someone else had committed.

"Had he closed the newspaper at once the State could have suffered irrecoverable damage.

"What is more, a possible claim of roughly R13 million would have been made by Perskor as printers for breach of contract The commission considers that the decision of Mr Vorster, then a sick man, that publication should continue temporarily to see whether the newspaper could not be sold at the least possible loss was, in the circumstances, a salvaging attempt in the interests of the State."

It must be stated clearly and unequivocably, the report says, 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."

According to the report Mr Vorster requested that he be allowed to testify before the commission. The request was acceded to because he had become involved in the affairs of the department by virtue of his former office He was Prime Minister during the period in which the events under investigation took place

After he had testified, the commission heard evidence which might have detracted from his credibility as a witness.

Barrie visited Mr Vorster in the game reserve and told him that his findings regarding the affairs of the department were disquieting Mr Vorster was shocked at the information which he received and told Mr Barrie that he could not prescribe to him what he should do, but that he assumed that he would continue with his investigation.

On July 29, 1977, Mr Barrie submitted a secret report to Mr Vorster This report referred to certain irregularities in the Department.

On August 1, 1977, Mr Barrie submitted a second report to Mr Vorster in which he pointed out further irregularities in the department. On the strength of the two reports Mr Vorster instructed Mr L Reynders, now a senior official of the Department of National Security, on August 8 1977, to investigate the affairs of the department.

Because of the dispute between the department and the Auditor-General as to whether the Auditor-General had the right to investigate secret projects and whether his staff were the information relating to the secret fund which had been made available to him up to that date

According to Mr Reynders, Mr Vorster became very depressed, was taken ill at about 11,30 pm and asked to be excused

Mr Reynders said Dr Mulder had asked him in about March 1978 when he could expect his report He replied that he could not release the report before he had discussed the matter with Mr Vorster

Dr Mulder then asked him to discuss the report with Mr Vorster as soon as possible. He informed the Prime Minister of Dr Mulder's request and Mr Vorster instructed him not to issue a certificate at all

Mr Reynders also contended that Gen Van den Bergh exerted pressure on him to bring out the report and eventually he handed it to Mr Vorster on September 19, 1978

When Mr Reynders handed the report to the Prime Minister Mr Vorster had asked if he was satisfied that money had not found its way into wrong pockets

irregular use of public funds in connection with The Citizen" the report says

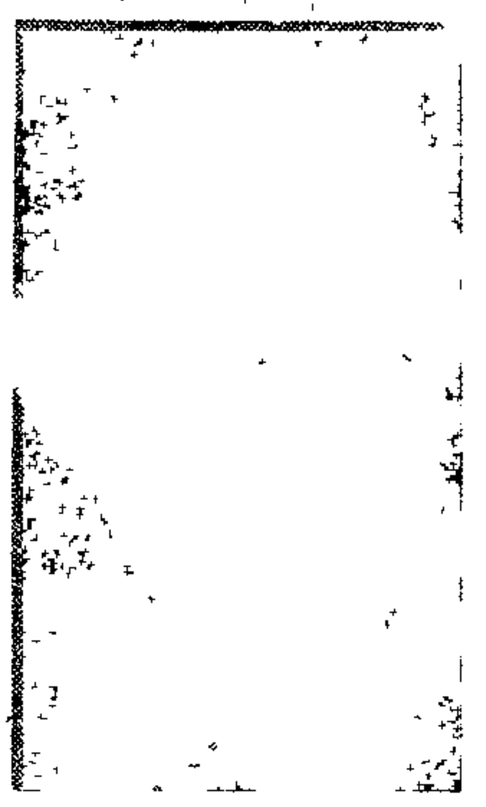
After careful consideration of the evidence on all the matters the commission accepted Mr Vorster's testimony as the truth and rejected the evidence which directly contradicted him, the most important of which was that of Gen Van den Bergh, Dr Mulder and Dr Rhoodie

The report says that in order to make a finding regarding Mr Vorster's actions with regard to the commission's terms of reference, the following factors must be taken into account.

- That the events did not take place in his department (that is subject to the technical constitutional position)
- Whether he had knowledge thereof, when the information came to his knowledge, and whether or not he was then in a position to take immediate action

"As regards the technical constitutional aspect, even the wisest person in the world can err unwittingly As regards the factual

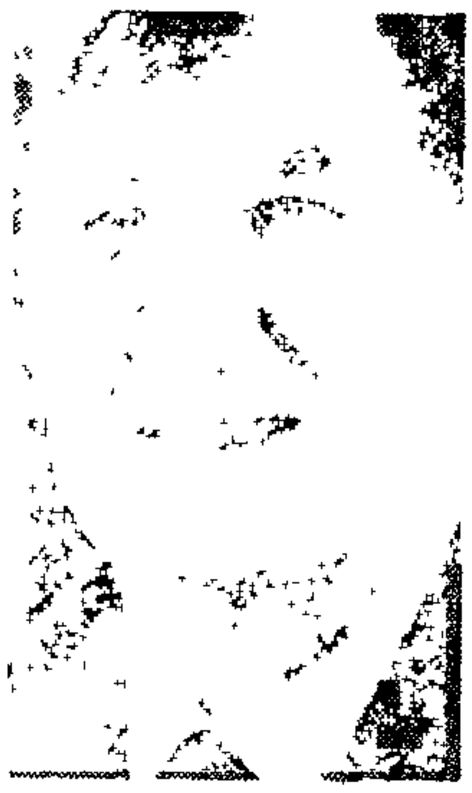
THE ERASMUS FILE



MR P. W. BOTHA



MR VORSTER



SEN HORWOOD

Premier, Vorster and Horwood all exonerated of blame

CAPE TOWN — The Erasmus Commission has found that the Prime Minister, Mr P W. Botha, at all times acted honourably, in the best interests of the country, and that he was at no stage aware of any irregularities in the handling of secret funds

The commission also found that the former Prime Minister, Mr B. J. Vorster, and the Minister of Finance, Sen Horwood, also were not guilty of irregularities in the use of secret funds

The report of the commission of inquiry into alleged irregularities in the former Department of Information says the commission realised that for the survival and development of a country it was essential to provide for secret funds in order to combat the evils threatening South Africa

"At the same time, however, it is of cardinal importance that the control over such funds be constitutionally secured and that they will be used administratively only for the purpose for which they were voted in the national interest

"In order to ensure security at all times with regard to the administration of such funds, this administration must be entrusted to honourable people who have been tried and tested and whose integrity has withstood the tests of time and rectitude.

"Appointments on the strength of considerations of friendship or political expediency and even insight and intelligence, but without regard to the honesty of the person concerned, may not take place in this sphere"

The commission adds it appealed to the public and the Press to testify before it should they have knowledge of the matters under investigation, but that there were only a few responses to that appeal

"The English Press apparently prefers to write about the information at its disposal rather than present it as evidence This is a pity"

The report says the State President, Mr Vorster, and the Prime Minister testified of their own accord and expressed the desire to do so even before any request was made.

Mr Vorster's request to testify was acceded to because he had become involved in the affairs of the Department of Information by virtue of his former office He was Prime Minister during the period in which the events under investigation took place.

"After he had testified, the commission heard evidence which might have detracted from his credibility as a witness" The commission therefore invited him to testify a second time and he availed himself of the opportunity

After assessing the evidence before it, the commission said it must be stated clearly and unequivocally 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"

Sen Horwood, the report says, was involved in the inquiry because he was Minister of Finance and because of his negotiations with Dr Mulder, the former Minister of Information, concerning funds for the Department

He substantiated his testimony on the negotiations step by step with documents and there could not 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" — SAPA

CAPE TOWN — Because of vagueness in governing legislation, it was "hardly strange" that irregularities arose in the expenditure of the former Department of Information's secret fund and its accounting, according to the report of the Erasmus Commission

"The purpose of the secret fund had all the attractiveness of a lovely fresh apple, but the germ which could cause complete rot to set in was already there at the flowering stage because of lack of clarity in the existing statutary control" the report says in a chapter headed "Consequences of vagueness in governing legislation."

It says the Department of the Prime Minister (then Mr Vorster) did not want to carry the secret fund for the Department of Information on its vote and shifted it to the Department of Defence "because it did not know to what extent it wsa exempt from audit"

The Defence Department did not want the secret fund on its vote "because Mr P W Botha rightly realised the dangers involved"

"When he had to accept it against his will, he insisted on an internal accountant and proper auditing of the secret fund under the Department (of Information.)

The report notes that the accountant/auditor was not appointed from outside the Information Department The job was given to Mr Braam Fourie, who had been employed by the Department since 1950

"Apart from the approval of some projects by the Minister, the utilisation and control of the secret fund were therefore de facto exclusively in the discretion of Dr (Eschel) Rhoodie as Secretary for Information or accounting officer

"As the projects increased, he was not able to cope with everything on his own and he delegated his powers to obtain payments from the special account kept by the Bureau (for State Security) on behalf of the Department (of Information) to two senior officers in his department"

These were the Deputy-Secretary, Dr Deneys Rhoodie, and the Deputy Secretary (Planning), Mr L E S de Villiers

"As a result of lack of clarity in legislation, however, Dr Rhoodie was faced at an early stage after the creation of the secret fund for the department under his supervision with a problem, namely which aspects of his administration had to be paid with monies from the secret fund, which was beyond the control of the Auditor General, and which expenditure had to be defrayed under the ordinary public service open account and accounted for to the Auditor General"

The report says this is evident from a letter from Dr Rhoodie, to the Treasury, which it quotes

The letter is headed "Official travels abroad by officials in connection with extraordinary and sensitive services"

Dr Rhoodie wrote that while it had originally been intended to create a special senior post in Europe to help execute the extraordinary tasks

DD
6/12/78
259

Q57 DJ 6/12/78

The properties that Info bought

Clothes bill of R332

CAPE TOWN — The former Secretary for Information, Dr Eschel Rhoodie, spent R332,26 at Harrod's, the luxury London department store, on clothes and a suitcase after R55,10 had been spent returning clothes from Athens to South Africa.

This was disclosed in an expenses claim made by Dr Rhoodie after the former Minister of Information, Dr Connie Mulder, their wives and four other officials went on a secret trip to Europe between October 17, 1976 and November 4, 1976

The expense claim, which was paid out of secret funds, was published as an example in the Erasmus Commission report

The trip, which included visits to Athens, Rome, Innsbruck, Salzburg, Munich, Oslo, London, and Zurich, also involved a R92 meal in Rome.

The report revealed that R9 994-51 had been paid to the former Deputy Secretary of Information, Dr Deneys Rhoodie's "werkloon" (fees) for trips abroad.

However, "the full amount was later recovered from him and it was paid subject to the proviso that it would be reclaimed subsequently on production of proof that it was not owing."

CAPE TOWN — Dr Eschel Rhoodie bought a flat in Plettenberg Bay for R33 000 which was paid for with a bank cheque drawn for use in The Citizen project

According to evidence before the Erasmus Commission, Dr Rhoodie gave Mr Braam Fourie instructions to obtain a cheque for R33 205 on January 16, 1976 Dr Rhoodie signed personally for receipt of the cheque However, no such payment could be traced at The Citizen.

"An investigation by the commission revealed that the cheque was paid into the accourt of Oscardee Investments (Pty)

"Further investigation revealed that on February 1, 1976, Dr Rhoodie entered into a purchase agreement in his own name with Oscardee for the purchase of a flat at Plettenberg Bay for a total price of R33 250 The balance of R250 was paid over to Oscardee on February 5, 1976

"Before the flat was registered in Dr Rhoodie's name, he resold it to Mr Arnon Milchan of Paris for 51 800 dollars On the same date an amount of R44 928 was paid into Dr Rhoodie's personal bank account, being a telegraphic transfer of 51 800 dollars from the Swiss Bank Corporation

"Despite efforts by Dr Rhoodie to have the property registered directly in Mr Milchan's name, the property was first registered in his name on September 20, 1978 and subsequently in Mr Milchan's name "

The report says this transaction came to the commission's attention very late and Dr Rhoodie, who had left for overseas, could not be confronted with the facts

Dr Rhoodie had, however, testified that the only transaction in which he bought property in his own name on behalf of the Department of Information involved a stand at Plettenberg Bay.

"The commission is of the opinion that the facts of this case point to a serious irregularity "

A chapter on investments by the Department of Information in fixed property lists the department's properties as ten flats in Valhalla, Clifton, a stand at Plettenberg Bay; two houses in Pretoria, a house in Soweto, a house in London; a house in the United States, two flats in France, business premises in Johannesburg, and a share in the farm, Vrekver.

Four of the Valhalla flats, the house in London and one of the flats in France had already been sold for the price for which they were bought.

"It is difficult to establish whether the fixed property was used to the best advantage Some properties were let, others were used for the purposes of the department's secret projects, while some were not fully used

"The interest was acquired in the farm Vrekver for entertaining guests from abroad

"Together with the interest on the farm, however, a number of cattle were acquired Farming was continued for two years, during which time a loss of R50 000 was sustained, R24 000 of which had to be borne by the department."

In the case of the stand at Plettenberg Bay, bought for R49 000 in 1976, Dr Rhoodie's explanation was unacceptable to the commission and the matter was regarded as a serious irregularity

The Plettenberg Bay stand was bought and registered in the name of Dr Rhoodie in May, 1976

Dr Rhoodie stated that during a visit to Plettenberg Bay he had heard a stand was for sale and, according to expert advice, it would be a good investment for the emergency fund — a fund established to make provision for secret collaborators who had given up their jobs to work for the department

Because he had to act immediately, he decided to buy it in his own name. He subsequently drew up and signed a document stating that the stand belonged to the department

"The document is dated 18-9-76 and the dates after the signatures of the two witnesses are in the same handwriting, while the date after Dr Rhoodie's signature is in different handwriting

"Fourie definitely denies that any of these dates are in his handwriting. Fourie further points out that the admission that the stand did not belong to Dr Rhoodie was signed after June 1977 and that this was done only after Dr Barrie had started to investigate the affairs of the department " — PC

Secret fund cash misappropriated, said Reynders

25 6/12/78

On November 24, 1978, the commission, therefore, invited him to testify a second time and he availed himself of the opportunity.

The commission considered whether it would be proper and permissible for it to make findings on the credibility of the State President The commission also obtained legal advice on the latter aspect of the matter.

"The conclusion reached by the State law advisers was that the State President, when testifying before the commission, is, like any other witness, in the position of a 'debtor to justice' and that, as far as they could establish, there is no rule according to which his testimony should be dealt with or judged on a different basis from that of any other witness.

"The commission agreed and thus the question of propriety, about which it had been in doubt initially, was cleared up"

Referring to the provision of monies for the secret fund from the Special Defence Account, the report says that in his evidence Mr Vorster denied he was in the first instance involved in this arrangement and said it was an arrangement between the late Dr Diederichs (former State President) and the Department.

In a statement which he issued on May 8, 1978, Mr Vorster stated, however, that he assumed full responsibility for the way in which funds for the partment were made available because he considered this to be in the best interests of South Africa

"And the commission finds that Mr Vorster was, in fact, responsible for the arrangement. It would, however, point out that the Opposition parties never questioned this arrangement — the provision of monies for the secret fund from the Special Defence Account — in Parliament."

The report says 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.

According to the report, the arrangement had the highly unsatisfactory result that the spending of monies transferred to the secret fund was not made subject to any statutory provisions whatsoever.

The report says the alleged irregularities in the Department of Information were first brought to Mr Vorster's attention by the former Auditor-General, Mr Gerald Barrie, on June 27, 1977, at Mr Vorster's official residence Libertas.

On July 13, 1977, Mr Barrie reported to Mr Vorster that he was not reliable enough to be entrusted with such an investigation the idea was that the Auditor-General should continue with his investigation and that Mr Reynders should investigate all alleged irregularities, accusations, stories and rumours as far as the funds were concerned.

Mr Vorster said that he felt he had done everything a man in his position could do and the commission agrees that he is right"

Mr Reynders started his investigation and subsequently had many interviews with Mr Vorster.

Mr Reynders said further that he had repeatedly pointed out this misappropriation of monies in the secret fund to Mr Vorster and that after a while the Prime Minister knew about all the irregularities

Mr Vorster admitted that Mr Reynders had informed him of the alleged irregularities.

According to the report, Mr Reynders added that he had told Mr Vorster repeatedly that an exhaustive investigation should be instituted

He also told him that unless an investigation was instituted, it would not be possible to report fully on what had happened to the monies in the secret fund

Mr Reynders had told Mr Vorster that he had traced the money right to the door of the Department of Information, but that he would not be able to say what had happened thereafter unless he investigated the matter in depth He also warned Mr Vorster that he would not be able to cover up the matter

Mr Reynders testified that one evening, probably in November, 1977, before the general election of November 30, he, Dr Mulder, Dr Rhoodie, Gen Van den Bergh, and Mr J van Zyl Alberts, of S A. Today, the company controlling The Citizen newspaper, met Mr Vorster at Libertas.

Mr Vorster wanted to confront the others with

He asked Mr Vorster to look at the third paragraph of the report in which he said that in terms of his instruction it was not expected of him to go into the merits and evaluations of policy decisions in regard to the different secret projects.

In the meantime, the report says, Mr Vorster had appointed Gen Van den Bergh as a commission, with effect from June 1, 1978, to investigate and evaluate the projects of the Department.

Mr Vorster stated that he had circulated the report among his colleagues The report was released by means of a Press statement on September 26. The Press release stated that Mr Reynders' investigation was still in progress

The Prime Minister stated that, despite the information which he had already received, he was not surprised at the contents of the second paragraph of Mr Reynders' report in which he stated that according to the registers, explanations and evidence before him, as well as intensive tests carried out by him, no evidence of any improper spending had come to light

Mr Reynders was only concerned about theft and embezzlement by officers and other persons attached to the department and Mr Reynders had found nothing in this connection

Nor did Mr Reynders' report deal with the efficacy of the expenditure

"It seems to the commission that here Mr Vorster was leaning on a broken reed, namely Reynders Mr Vorster was in possession of the report but he did not realise under what circumstances it had been submitted to him, for example that pressure had been exerted on Reynders. In other words, a false report was submitted to Mr Vorster and was published without his realising that the report was false.

"According to various witnesses, Mr Vorster was also involved in the aspects, the evidence shows irrefutably that he was shocked when he learned at a late stage of the irregularities and that he immediately had various inquiries instituted," the report says

He allowed Mr Barrie to submit a further report, he appointed Mr Reynders to investigate the matter, and he later appointed Gen Van den Bergh — SAPA

8/12/78 25A

Mulder opts out of debate in Parliament

PRETORIA — The former Minister of Plural Relations and Development, Dr Connie Mulder, said in a statement released here last night he had examined the report of the Erasmus Commission It was not the time to comment on the matter now

Certain unfavourable findings had been made about the manner in which he had administered the Department of Information

The commission, however, did not suggest that he had done anything or taken a decision in the department with the purpose of benefitting himself or obtaining personal gain

Despite certain unfavourable findings, he believed the report would not implicate his good faith and integrity regarding decision - making in the affairs of the department

In order to allow an unbiased and open - hearted discussion in both the caucus and Parliament, he had decided not to take part in the debates His participation in a debate in the caucus might affect harmony in the party. He would avoid this at all costs

Dr Mulder said he accepted full responsibility for those policy decisions which he had taken in the department. He was prepared to defend these decisions on any forum

His conscience was clear that every policy decision which he had taken had been done, according to his judgment, in the interests of the country

His power of judgment might be questioned by some, but this did not apply to his bona fides and honest intentions

In his view, the report showed clearly the impossible pressure under which the commission had worked Naturally, he did not agree unqualifiedly with all the findings of the commission There were aspects of which he might find it necessary to comment on later

Despite his decision not to take part in the debates, he was available to his caucus colleagues to make his modest contributions to help clear up possible obscurities. — SAPA.



MR LATEGAN

The truth is out says AG

CAPE TOWN — "We've brought the truth out. It's all there for every intelligent person to assess," the Attorney-General for the Cape, Mr A J Lategan, said last night.

Mr Lategan, who led evidence before the Erasmus Commission, said he was "satisfied" with the work of the commission

Speaking from his home where he was relaxing with friends, Mr Lategan added "We had our mandate and that is what we've done "

Mr Lategan, who sounded in good spirits, said he was extremely tired and was about to go on holiday to a cottage "where I can see my family again " — DDC.

Vorster order defied

CAPE TOWN — Gen H. J. van den Bergh deliberately ignored an order by the then Prime Minister, Mr Vorster, about not selling furniture to Dr Eschel Rhoodie.

The commission's report notes that after the abolition of Dr Rhoodie's post as Secretary for Information, the elegant furniture — bought for R59 000 from secret funds — installed for foreign visitors in his Pretoria office had to be sold on Mr Vorster's instructions.

Mr Vorster told the commission he had expressly told Gen Van den Bergh not to sell a single piece of this furniture to Dr Rhoodie.

"However," says the commission, 'Van den Bergh calmly proceeded to sell the better part of this furniture to Dr Rhoodie and then reported to Mr Vorster that he had sold it to a company."

In his evidence under oath to the commission, the General testified "Mr Vorster had no objection to the furniture being sold to Dr Rhoodie." — PC.

Control laws on secret fund were vague

entrusted to the department, it had been decided after consultation with the Minister, Dr Mulder, that the new programme was so sensitive that only the three most senior officials in the department ought to control it

It would also be more economical to have the three travel from South Africa to Europe than to create a new post there at a cost of between R40 000 and R60 000 a year

"Provision for official travels abroad normally comes from subsection B of this department's budget For security reasons the department would prefer these specific journeys to be unobtrusive as possible The intention is that the official involved stay away from the office for a few days almost unnoticed and make his overseas visit"

Dr Rhoodie wrote that, for security reasons, it was preferable for the official concerned to make his own travel arrangements as an individual and reclaim his costs by providing the accountant personally with receipts

South African embassies abroad must not be coupled with these visits and contact with the embassies must occur extremely unobtrucively

"Consequently your approval in principle is requested for the Minister of Information personally to approve that the costs of the overseas visits of the three officials concerned in connection with the control and execution of the new extraordinary and sensitive services are also provided from the requested additional secret fund"

The Secretary to the Treasury replied that in terms of the provisions of the Security Services Special Account Act, the Treasury had no say over the utilisation of monies from that account.

The report notes that when the Treasury Secretary wrote his reply, dated September 21, 1973 the money granted to the Department of Information for the year 1973-4 came from the Department of the Prime Minister In the next financial year, however, it wsa placed on the Defence vote and was therefore not subject to audit in terms of the Act

The report says Dr Rhoodie was apparently expected to be guided in the matter by the general policy applying to the Department of Defence in connection with travelling expenses for secret purposes that unless essential secrecy would be violated, no expenditure which may normally be incurred from some other provision on the vote of a department may be defrayed from monies provided under the item "secret services"

"As will appear later from the report, Dr Rhoodie did not take much notice of the requirements of the Department of Defence and continued under his own steam because there was no legislation in respect of his department in this connection," the report says.

"It would hardly be strange if, under the above-mentioned circumstances, irregularities were to arise, if Fourie were not to be kept fully informed on accounts, and if the implementation of projects were to be left virtually exclusively to Dr Rhoodie by the Minister of Information Dr Mulder" it concludes — SAPA

[illegible]

[illegible]

[illegible]

Daily Dispatch
6/12/78 (259)

Van den Bergh called the power behind the throne

CAPE TOWN — The former head of the Bureau for State Security, Gen Hendrik van den Bergh, saw himself as the power behind the throne who tried to manipulate events through the former Prime Minister, Mr Vorster, according to the Erasmus Commission

The General "actually used his office and his personal friendship with Mr Vorster to try to influence the course of events in South Africa," the commission said in its report released yesterday

And the former Boss official, Mr L S Reynders, who shortly before the election of the new Prime Minister in September issued what the commission described as a "false" report on the former Department of Information's secret activities, feared Gen Van den Bergh would "crush" him

He told the commission he feared this because "few people realise in this country what power Van den Bergh holds"

The report added 'The commission only really saw this statement by Mr Reynders in perspective when Gen Van den Bergh testified before us He told the commission arrogantly that if he wanted to do something nobody would stop him and that he would stop at nothing"

Initially, Mr Reynders tried to justify his report to the commission, "but when the total irreconcilability of the report and actual facts that were known at the time was pointed out he burst into tears and, like a lanced boil, made a clean breast of things

"The story he then told the commission bears the stamp of authenticity, of someone who, under tremendous pressure, even in fear of his own life, had to do something about which his conscience had plagued him ever since"

Later, the commission said that Gen Van den Bergh "saw himself as the power behind the throne who, through the person of Mr Vorster, tried to manipulate events in the direction he wanted them to go

"For this reason, he sometimes withheld certain facts from Mr Vorster and sometimes gave him only selected facts

"Then, again, there were times when he ignored Mr Vorster's instructions. Sometimes he traded on the Prime Minister's name to gain his own ends

"He was in charge of a formidable network of agents whose qualities he described in sinister terms

"According to Van den Bergh he not only exercised considerable influence over Mr Vorster, but at times made Mr Vorster's decisions for him," the commission said

It was clearly apparent that Gen Van den Bergh dominated Mr Reynders and "had him under his control"

"The commission therefore considers there was a real danger at all times of material irregularities being covered up through Van den Bergh's actions and interference

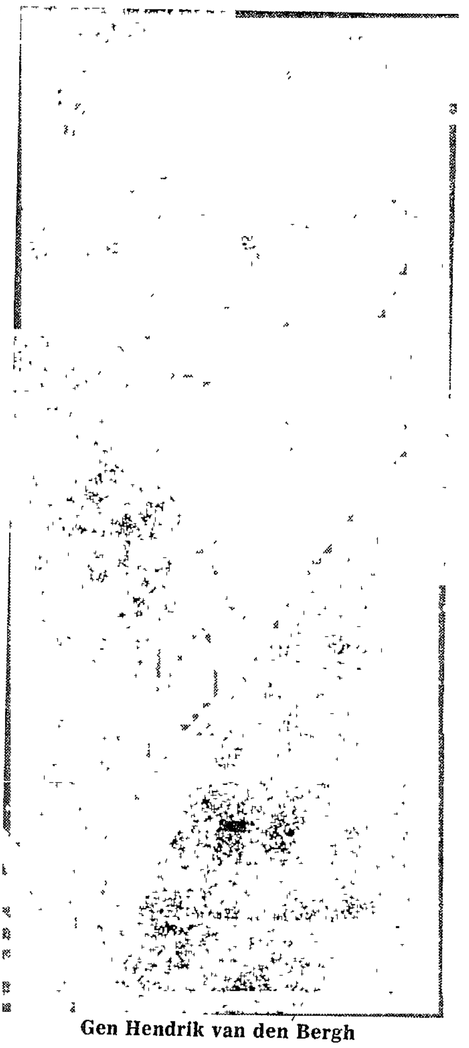
"Viewing the evidence as a whole, the commission gained a clear picture of Van den Bergh as a man who played a double role

"On the one hand, he presented himself to Mr Vorster as the loyal comrade who had nothing but Mr Vorster's interests at heart and carried out his wishes, but on the other hand he was an enthusiastic participant in Dr Mulder's and Dr Rhoodie's schemes

"He told Mr Vorster one thing and Drs Mulder and Rhoodie another

"Consequently, Mr Vorster could to some extent remain blissfully under the mistaken belief that his disapproval of the financing of an English-language newspaper from public funds had been conveyed to Drs Mulder and Rhoodie and others

"They, on the other hand, could gain the impression that Mr Vorster were up to, but also approved their actions," the commission said



Gen Hendrik van den Bergh

It also reported that "the elegant furniture" which had been installed in Dr Rhoodie's offices for foreign visitors had been sold to him after his retirement by Gen Van den Bergh, in spite of instructions by Mr Vorster not to sell the furniture to Dr Rhoodie Dr Rhoodie had bought the furniture for R59 000 from secret funds

"In his evidence, Mr Vorster stated that he had expressly told Van den Bergh not to sell a single piece of this furniture to Dr Rhoodie However, Van den Bergh calmly proceeded to sell the better part of this furniture to Dr Rhoodie and then reported to Mr Vorster that he had sold it to a company

"In his evidence before the commission, however, Van den Bergh testified that Mr Vorster had had no objection to the furniture being sold to Dr Rhoodie," the commission said

The commission also said it seemed that Gen Van den Bergh had tried to influence the election of a new Prime Minister to succeed Mr Vorster

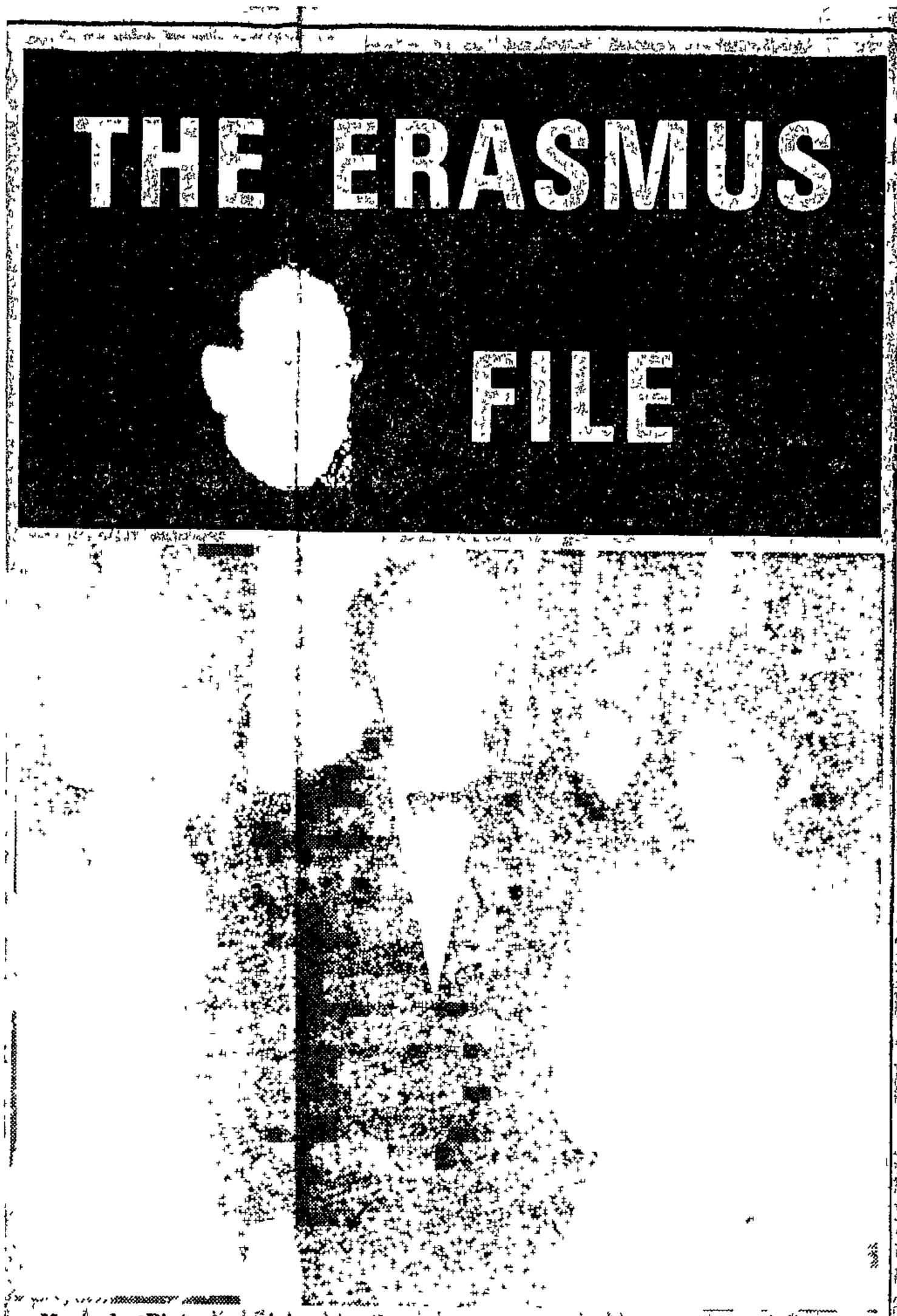
"It seems to the commission that, in the last days of Mr Vorster's Prime Ministership, when Mr Vorster was already seriously ill and all those around him knew that he was on the point of retiring, Van den Bergh tried to influence the election of a new Prime Minister by forcing Reynders to report that there had not been any irregularities in the department

"A 'clean' report would have given Dr Mulder an open road in the election

"Van den Bergh himself admits that Reynders is an honest man If that is so — and the commission itself is satisfied on that score — we have to accept on the probabilities alone, apart from Reynders' evidence, that pressure had been brought to bear on him that, with his knowledge of proven irregularities, he would not have presented such a misleading report at the time without duress"

The commission found that Gen Van den Bergh had played a leading role in The Citizen project, the attempted take-over of South African Associated Newspapers and an abortive attempt to buy the Natal Mercury — PC

Daily Dispatch
6/12/78 (259)



Mr Andre Pieterse arriving at a theatre for the gala opening of a film premiere.

Pieterse used Info loan to pay debts

CAPE TOWN — Film magnate Andre Pieterse used R825 000, originally loaned to him by Thor Communications on behalf of the former Department of Information to help finance the establishment of a black film industry in South Africa, to pay debts incurred in producing the

the principal sum owed, "but the relevant provision is not quite clear. Mr Pieterse contends that expenditure already incurred as well as future expenditure could be deducted from the principal sum.

"He stated further that he did not want to pay in-

Netherlands Bank would make available.

As security Mr Pieterse gave guarantees from himself and two of his companies at Dr Rhoodie's request.

"Mr Pieterse also gave Dr Rhoodie the assurance that it would not be

pre
ve
was
ed

commission
With this
start was
1973 with
take over t
cury with th
a certain M
cording to I
Piet Koc
Morgan, an
Bergh expl
However, n
it.

Then the
Informati
attempt t
South Afric
Newspaper
the Rand I
Cape Time
Province H
day Times
Express an
Mail.

They cho
Alberts to
"He was
already be
by the d
secret fund
tion of R15
free) to act
front, for t
in the ca
secret proj

The co
that "acco
evidence,
closely in
take-over
start Acc
and Dr
Vorster wa
formed of t
in wh
arried ou
Dr Rhoodi
reaction w
ight, but
watch out
catch you
door."

Then D
Dr Mulder
of Gen van
Mr Albert
000 to buy
shares.

"The
provided
fund wit
approval
bought
shares.
Annemar
menced"
said.

Mr A
approache
Hill Samu
negotiatio

Daily Dispatch
6/12/78 (259)

...r a black film industry in ...outh Africa, to pay debts ...ncurred in producing the ...ilm, Golden Rendezvous, ...ccording to the report of ...he Erasmus Commission

The former Secretary of ...he Information ...Department, Dr Eschel ...Rhoodie, also paid Mr ...Pieterse R10 000 on which ...Mr Pieterse paid no tax on ...he assurance that Dr Rhoodie had arranged non-payment, the report said

It added that Mr Pieterse had confirmed the 18 pages of evidence he had given before the Mostert Commission and had added to and explained that evidence in 44 pages before the Erasmus Commission

"Pieterse, and certain companies in which he had an interest, had been planning the establishment of a black film industry in the Republic since 1970 and submitted various memoranda and reports in that connection to various Government authorities," the Erasmus report said in a section entitled" A loan of R825 000 from the secret fund "

After discussion with the then Minister of Bantu Affairs Mr M C Botha, the Minister of Information, Dr Connie Mulder, and the Minister of Justice, Mr Jimmy Kruger, as well as various senior public servants, it was decided to proceed with the plan

Two companies had been established for this purpose "The idea was always that Pieterse would tackle the operation as a private enterprise "

The objects of the companies had come to the attention of Dr Rhoodie and, because difficulties were being experienced with the financing, Dr Rhoodie had decided to assist with financing from the secret fund

"An amount of R825 000 was agreed on for the first year after which further amounts would be made available as required by the expansion of the undertaking

"A loan agreement was entered into between Thor, acting for the Department of Information, and one of the two above-mentioned companies for the loan, interest free, of an amount of R825 000 from the secret fund "

The report said the agreement made provision for the deduction of certain expenditure from

"He stated further that he did not want to pay interest because he considered the money was "vir werk wat ons reeds gelewer het en wat ons steeds gaan lever" "For work we have already done and are still going to do)"

He said hundreds of thousands of rands had already been spent on scripting, training, architects' fees and research

The report said that shortly after the agreement had been concluded, all negotiations with various black administration boards and the Department of Plural Relations had ended The government had wanted to go into the matter further

"Mr Pieterse was sitting waiting with a large staff and in the meantime expenditure was mounting He tells a sorry story of delay and indecision on the part of the then Department of Bantu Administration and Development and various black administration Boards The commission did not consider it necessary to investigate this further "

Meanwhile, Mr Pieterse and his companies were planning the production of the film, Golden Rendezvous, in the Republic for private purposes Rights were sold in about 32 countries for 3,2 million dollars (about R1,-95 million) The contract was given to Trust Bank as negotiable security to finance the film

"By then production costs already amounted to 2,8 million dollars (about R2,38 million)"

The Trust Bank had later told Mr Pieterse that, as a result of considerable losses it had sustained in with another matter, it could not negotiate the contract

"There were therefore financing problems before the production of the film in question was started

"Mr Pieterse considered that suspension of the filming of the production would have an adverse effect on the industry in the Republic and that, in the event of insolvency, the loan from Thor would be embarrassing," the report said

"At his wit's end he went to Dr Rhoodie in about January, 1977 and persuaded him to agree to the use of the amount of R825 000 as security which Barclays Bank and the

that it would not be necessary to use the R825 000 because insurance had been taken out against losses in the event of non-completion of the film and because the proceeds from the sale of the film rights would at least cover its production costs

"These costs mounted steadily and eventually exceeded the initial estimates Dr Rhoodie asked Mr Pieterse to do everything in his power to prevent the amount of R825 000 being called up by the banks

"Mr Pieterse's efforts were, however, in vain since none of the big film companies would buy the film rights The result was that obligations could not be met and the R825 000 was used to pay debts

"This amount , or as much of it as is payable under the relevant contract, is still owing to Thor

"According to Dr Rhoodie, he sanctioned the use of the amount of R825 000 as security as a rescue operation because otherwise, had the Pieterse companies involved gone under, valuable work which had been done would be fruitless

"This explanation does not detract from the fact that State monies, whatever the amount may be under the loan agreement concerned, were made available and used for private purposes," the report added

"In this regard mention may also be made of the payment of an amount of R10 000 by Dr Rhoodie to Mr Pieterse on which Mr Pieterse paid no income tax on the assurance that Dr Rhoodie had arranged for this

"According to them the amount was paid partly as remuneration for work done by Mr Pieterse abroad in connection with the filming of a book and partly as a refund on expenditure incurred in connection with that work

"The evidence concerning the work done and the expenditure incurred is so lacking in particulars that it is impossible to establish whether Mr Pieterse was properly remunerated, whether the remuneration was to his advantage, or whether he was wronged

"The matter is mentioned as an example of the ill-considered manner in which money in the secret fund was spent " — SAPA

...appointed
Hill Samuel to undertake negotiations as the broker in the takeover bid Shortly afterwards, Mr Louis Luyt was approached and his name "was then submitted to Hill Samuel by Mr Alberts as the person behind the takeover "

Then began the well-publicised attempt, which involved the former Leader of the Opposition, Sir De Villiers Graaff, to win control over SAAN

The commission said "Although, according to Dr Rhoodie, Mr Vorster did not like Mr Luyt he was persuaded that Mr Luyt would be the best man "

When the SAAN bid failed, the department through Mr Luyt launched The Citizen as the next effort to counter the English-language press. — PC

...ation

...dd

...illion

...partment's secret fund
... which the
...partment's accountant
...uld requisition from
...ne to time and from
...ich it could withdraw
...nies as and when in-
...ucted by Dr Rhoodie "
...he reconciliation
...tements show that the
...partment of Infor-
...ion's spending spree
...ched its peak in 1975
...n it disbursed R23,3
...ion on projects

1976-77 the depart-
...t overdrew its alloca-
... by more than R500
It spent R17,2 million
...e funds available
...inted to only R16,7
...on

...e following year dis-
...ements on loans and
...rest alone totalled
...million while projects
R12,6 million.

...its detailed analysis
...oject Annemarie, the
...name for The Citizen,
...mmission states that
...ewspaper cost the
R26,7 million during
'Luyt period" and
...illion later — a total
...,9 million. — DDC

Daily Dispatch
6/12/78

259

Report says Mulder was incompetent

CAPE TOWN — The former Minister of Information, Dr Mulder, wrongly interpreted his function as head of his department and, "to say the least of it, fulfilled it incompetently," the Erasmus Commission found in its report released yesterday

The commission noted that Dr Mulder had not only been the political head of the department, but also, in fact, the administrative head and he had been accountable for the misdeeds of the officials in the department

"The commission finds Dr Mulder's part in the foreign loans, to a total sum of about R16 million, with a total disregard of the Department of Finance, to be a serious irregularity."

These were some of the specific findings noted in a chapter titled "Specific findings in connection with irregularities"

The commission also found that Dr Mulder's role in the attempted takeover of Saan and the establishment and running of The Citizen were irregular

"Dr Mulder acted irregularly by lending Mr Louis Luyt R12 million"

Dr Mulder had been lax and negligent in giving Dr Eschel Rhoodie, former Secretary of Information, virtually unlimited discretion in dealing with public funds

In this respect the commission said Gerald Barrie, the then Auditor-General, reported in his secret reports to Mr Vorster that he had come across irregularities in the expenditure of the secret fund Mr Barrie alleged that shortly afterwards he handed a copy of his report to Dr Mulder Dr Mulder denied this

"In any event, what can be accepted is that during the latter half of 1977, Dr Mulder had already become aware that serious irregularities might have taken place in his department

"This was particularly the position after Mr Vorster had appointed Mr Reynders to investigate and the latter had reported virtually in full at the meeting at Libertas during November, 1977, most of the irregularities in the presence of Dr Mulder

"In June, 1978, Dr Mulder's vote came up for discussion in Parliament According to Mr Reynders, Dr Mulder telephoned him sometime in March and asked him when he could expect his report on his department

"Dr Mulder urged him to bring out the report without delay because he would be greatly embarrassed if Mr Reynders did not bring out his report then and added "Jy het mos niks in my departement verkeerd gevind nie, het jy?" ("Of course, you did not find anything wrong in my

"It is not quite clear to the commission whether Dr Mulder and Gen Van den Bergh deliberately collaborated to exert this pressure on Mr Reynders But what is clear is that Dr Mulder and Gen Van den Bergh insisted on the report at virtually the same time, knowing full well that it would not reflect the truth

"It was also clear that, at that critical stage, everybody around Mr Vorster knew that he was a sick man and was to resign as Prime Minister within a few days It was also clear that Dr Mulder would be a candidate for the vacant post of Prime Minister and that it would clearly be in his interest to be exonerated by Mr Reynders of any irregularities

"As will be observed, there is a subtle proviso in paragraph three of the certificate which, at the insistence of Mr Reynders as a last compromise with his conscience, was to the effect that he could not express an opinion on the merits and evaluation of policy decisions

"This report was 'leaked', according to Gen Van den Bergh, and appeared in Die Transvaler on August 23, 1978 Dr W de Klerk, the editor, said in evidence that Dr Mulder had given him the tip that he had been exonerated by Mr Reynders from irregularities in the,

"He (Sen Horwood) was not given the opportunity of going through the documents because the matter was too urgent

"Sen Horwood testified that in good faith, he complied with Dr Mulder's request as a result of the pressure The letter was marked 'uiters geheim — geen afskrif' ('Extremely secret — no copy ')

On the face of it, the request contained in the letter was in order, namely for authority for the payment of R14,8 million which had already been approved in the budget

"Sen Horwood testified that he began to have misgivings almost immediately and then asked the opinion of the law advisers on the necessity of each specific project payment having to be approved and signed by the Minister of Finance before the Auditor-General permitted payment to be made

"The opinion of the law advisers was that it was not a requirement and this was later confirmed in writing

"Thereupon Sen Horwood immediately got in touch with Dr Mulder and informed him that he wished to cancel his initials and signature on the documents

"He followed this up with a letter dated May 4, 1978, pointing out to Dr Mulder that he had had no knowledge of the projects

Daily Dispatch
6/12/78
259

tion in dealing with part of funds

In this respect the commission noted ' Dr Mulder said that he had set no ceiling to Dr Rhoodie's power to spend any sum out of the secret fund on his own

"In the light of the fact that there was no independent auditing of the funds, the commission would have expected that Dr Mulder, as a responsible minister, would personally have checked in some way that the funds were not being misspent "

The commission said that through Dr Mulder's negligence, Dr Rhoodie had actually been placed in total control "as if he were the owner of R14 to R17 million

"In this sense the responsibility for misappropriations by Dr Rhoodie out of the secret fund must also be placed squarely on Dr Mulder's shoulders

"Dr Mulder apparently could not be bothered with the affairs of his department as long as Dr Rhoodie was there He regarded virtually everything as 'detail' "

As a further example the commission referred to Dr Mulder's evidence on the editorial manifesto of The Citizen

"Dr Mulder said in evidence that he had only seen the original description of the Charter of The Citizen during the meeting of December 4, 1977, at Mr L E S de Villiers' home At that stage, however, no newspaper had been established and everything was hanging in the air

"Then Dr Mulder decided that the newspaper should be established But he did not go through later documents between Mr Luyt and Dr Rhoodie which, inter alia, covered the newspaper's political colour, the so-called 'editorial charter'

"Dr Mulder is not only a minister He is also a leader of a political party But now he intimates that he did not concern himself any further with the implementation of the newspaper's stance in South Africa's politics, that this was 'detail' that was left to Dr Rhoodie

"It is therefore striking, in this connection, that Dr Mulder made a determined effort in his evidence to convince the commission that, in actual fact, The Citizen never one-sidedly supported the governing party "

The commission found that Dr Mulder had exercised improper pressure on others to secure favourable results for himself

"During July 1977, Mr Vlind Ike, het jy?' ('Of course, you did not find anything wrong in my department, did you?")

"It was at that very stage that everything pointed to quite a lot being wrong in the department Mr Reynders informed Dr Mulder that he had not yet completed his investigation, that up to then he had not been able to find theft of funds, but he could not bring out his report before he had consulted Mr Vorster

"Mr Reynders said further in evidence that he had reported his conversation with Dr Mulder to Mr Vorster and that Mr Vorster had forbidden him to bring out such a report

"On August 31, 1978, Dr Mulder again telephoned Mr Reynders and said that he had to get the report out immediately Shortly afterwards, General Hendrik van den Bergh also repeatedly told Mr Reynders that he had to get out the report without delay

"Mr Reynders then brought out the report and with Gen van Den Bergh went to Mr Vorster's office where he handed it over to him

"Initially Mr Reynders tried to justify the report before the commission, but when the total irreconcilability of the report and the actual facts that were known at the time was pointed out to him, he burst into tears and, like a lanced boil, made a clean breast of things

"The story he then told the commission bears the stamp of authenticity, of someone who, under tremendous pressure, even in fear of his own life, had to do something about which his conscience had plagued him ever since

"He testified further that, if it had been left to him, he would never have brought out such a report, but he was placed under tremendous pressure by the actions of Dr Mulder and Gen Van den Bergh

"He even feared that if he opposed Gen Van den Bergh, the General would crush him, because 'min mense besef in hierdie land oor watter mag Van den Bergh beskik ' (Few people in this country realise what power Van den Bergh has at his disposal')

"The commission only really saw this statement by Mr Reynders in perspective when Gen Van den Bergh himself testified before us He told the commission arrogantly that if he wanted to do something nobody would stop him and that he would stop at nothing

operated by Mr Reynders from irregularities in the department and that as a result of this a reporter then verified the tip with a supporter of Minister Pik Botha, and included this verification in the news item

"The qualifying paragraph three of the report was not mentioned to the newspaper by Dr Mulder and for that reason it was also not included in the news item The newspaper never saw the report itself and only published Dr Mulder's version of it

"This action constitutes an improper attempt to conceal the true state of affairs in the department in order to gain political advantage

"Dr Mulder denied that he had exerted improper pressure on Mr Reynders and asserted that, as far as he could remember, he had telephoned Mr Reynders only once — on June 15 He had no recollection of phoning Mr Reynders at the time of Mr Vorster's expected retirement

"The commission nevertheless gained the impression Dr Mulder was shying away from such a recollection because he wished to distance himself from the implications of such a telephone call

"The commission accepts Mr Reynders' evidence and finds Dr Mulder, either in collaboration with Gen Van den Bergh or on his own, exerted pressure on Mr Reynders which resulted in a false report

"That Dr Mulder was a master at the art of rushing somebody into a decision before such a person could check up or think over the consequences is illustrated by the leakage to Die Transvaler and also by an incident in April 1978 on which Senator Horwood gave evidence before the commission

"Sen Horwood said in evidence that one day in April Dr Mulder had summoned him urgently to his office and laid before him a letter with a schedule in respect of expenditure required in connection with secret projects

Dr Mulder told him it was of urgent importance that he immediately approve the payments to the amount of R14 8 million, since the payments were already due Dr Mulder asked him quickly to initial the letter as well as each page of the schedule, because the Auditor-General would require this before payment could be made

1978, pointing out to Dr Mulder that he had had no knowledge of the projects when he had signed and that he did not wish the impression to be left that, by his initials, he had approved the project

"Sen Horwood confirmed again that he was cancelling the initials and signature and returned the copy of the documents that he had in the meantime received from Dr Mulder on which he had made the cancellation

"It will be noted that, in spite of the fact that the document was so very secret that 'geen afskrifte' (no copies) was typed on it, Dr Mulder did not return the letter itself to Sen Horwood, but in fact a photocopy of it

"It appeared subsequently that the original, on which Sen Horwood's initials and signature were not cancelled, was retained in the department's files This last-mentioned original was then referred to in evidence before the commission by Dr Rhoodie as proof that Sen Horwood had been informed of the details of all secret projects

"Dr Mulder admitted in general the course of events as recounted by Sen Horwood, but denied that he had exerted pressure on Sen Horwood and alleged that at that stage, Sen Horwood was aware of the true facts in regard to The Citizen

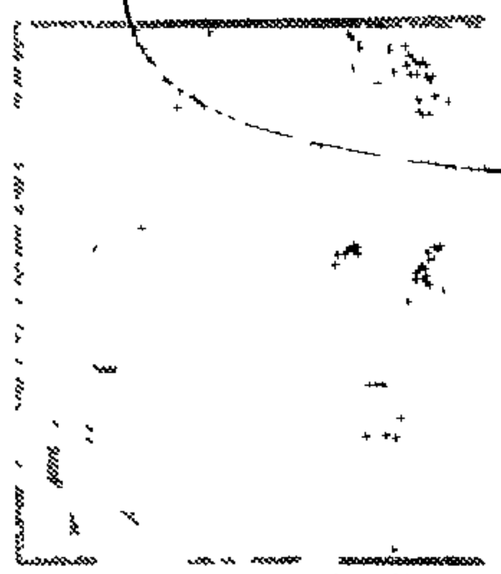
"Sen Horwood emphatically denied he had been aware at that stage of the true facts of The Citizen There is no reference to The Citizen in the letter itself

"The commission accepts Sen Horwood's version for two reasons in particular he confirmed in writing to Dr Mulder that he had no knowledge of the contents of the project and Dr Mulder did not react to this

"Dr Mulder sent a copy, as indicated above, back to Sen Horwood for cancellation, retaining the original on which the cancellation was not made The only meaningful deduction from this must be that the uncancelled document was retained as proof of Sen Horwood's knowledge of, and agreement with, the nature of the secret projects

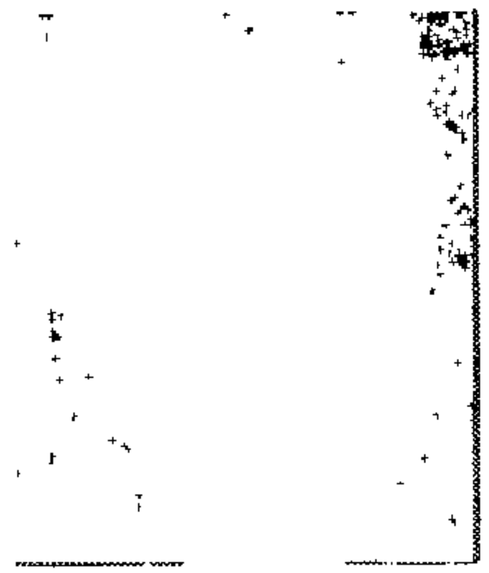
"The difference between Mr Reynders and Sen Horwood was that Sen Horwood, once he had thought about it, took immediate steps not to be caught in an easy trap, whereas Mr Reynders did allow himself to be caught," — SAPA

259



ESCHEL RHOODIE

Subsistence, travelling expenses a big problem



CONNIE MULDER

Chain had three loose links

CAPE TOWN — The strong chain which had to draw South Africa through the troubled waters and rough seas of hostile world opinion unfortunately had three loose links, according to the Erasmus Commission — Braam Fourie, Dr Eschel Rhoodie and Dr Connie Mulder

One did not always know what the others were doing says a chapter in the commission's report entitled "Three loose links in the chain"

"According to evidence each of them trusted and protected the others, but because they kept themselves and their respective functions to themselves, the task they had to carry out foundered"

Mr Fourie testified that he was a senior accountant in the Department of Information in 1973 when he first had to deal with the Secret Fund He was appointed by Dr Rhoodie to control it

"Mr Fourie was the only person in the department who could complete and check claims. Apart from being the accountant, he was also the auditor, but he testified it was impossible for one person to fill this dual role"

Mr Fourie could not, nor was he expected to, ask questions about what the money claimed was required for, nor to make inquiries about the amounts and why they had to be remitted certain persons or bodies or transferred to banks

Although persons and bodies had been expected to submit receipts and vouchers to show that monies paid out had been received, they often neglected to do so

He tried to keep account of monies paid out on certain projects, but he could obtain little or no information as to whether such monies had, in fact, been used for such projects

One of his greatest problems in connection with claims was subsistence and travelling expenses

Minimum particulars were submitted and sometimes large amounts could appear under "miscellaneous" without any details.

"He could not really ask for more particulars because they could simply say 'Pay out'," the report said.

Some claims were six months old and sometimes older than a year before they were submitted for payment By that time all records in connection with such claims had been destroyed and their correctness could not be established

Sometimes he could not establish whether claims were for travelling expenses of guests or members of the family

Officers involved in secret projects were advanced substantial sums If an officer had an advance of, say, R10 000 and spent only R5 000, he could submit an account for R9 000, carry forward R1 000 and pocket R4 000

No proof was submitted to Mr Fourie to enable him to establish the correctness of the claim "Mr Fourie testified further that Dr Rhoodie raised five loans abroad to the amount of 16,6 million dollars and as far as he could establish from records, Dr Rhoodie had no authority to do so"

Mr Fourie had discussed his difficulties with Dr Rhoodie, who said he was not bound by rules and regulations

Dr Rhoodie testified at length before the commission on a variety of projects, but nowhere did he contradict Mr Fourie's testimony in connection with his problems as an accountant

"Dr Rhoodie's attitude throughout was that everything that had anything to do with the secret fund was secret For that reason it was not possible to keep conventional books and to let other officers into secrets

"He admitted straight out that he had not discussed all projects with Dr Mulder or informed him in detail how money at his disposal would be used"

According to Dr Mulder, the report says, he was the political or ministerial head of the department and not the administrative head He therefore moved on a different and higher plane from Dr Rhoodie, Dr Deneys Rhoodie, Mr L E de Villiers and Mr Waldeck

"That he was exclusively a political head of the department is not quite correct, however," the report says

Dr Mulder admitted to the commission that he had set no ceiling for Dr Rhoodie for expenditure on secret projects.

"The commission can arrive at no other finding than that there was a real lack of exchange of information between the department's responsible minister and officers in regard to expenditure from the secret fund and that no good came of this for the taxpayer

"Dr Mulder regarded virtually all the activities of his department, except certain matters of policy, especially the expenditure of monies, as matters of detail and did not concern himself with them" — PC

DD
6/12/78
259

THE ERASMUS FILE



The Citizen cost R31m

CAPE TOWN — 'Project Annemarie — the code name for the establishment of The Citizen newspaper' — cost the State R31 907 732

This is revealed in the report of the Erasmus Commission of inquiry

According to the report, all in all, from the date of establishment of The Citizen up to the date of the commission's appointment, The Citizen cost the State R26 792 262 during the period it was owned by Mr Louis Luyt, and R5 115 470 during the period of Mr Van Zyl Alberts' management

The commission has found it was the intention that The Citizen should support the party policy in regard to separate development of the ruling National Party

"Although Dr Mulder tried with purposeful seriousness, supported in similar fashion by Dr Eschel Rhoodie, to convince the commission to the contrary, the commission was not impressed

"Copies of The Citizen which appeared on the days immediately preceding the November 1977 election were submitted to the commission from which it is indisputably clear that the newspaper positively encouraged voters to vote for the ruling party."

According to the report, Mr Lood Reynders, a senior member of the Bureau for State Security, appointed by Mr Vorster to investigate the affairs of the former Department of Information, told the commission that when he gave a detailed explanation of the Department of Information projects, including Annemarie, to the then Prime Minister, Mr Vorster, these had a very depressing effect

"So much so that he (Mr Vorster) was taken ill at about 11 30 that evening and excused himself"

The report says that during November 1977, before the general election, a meeting was convened at the home of Mr Vorster, Libertas, where Mr Vorster, Mr Reynders, Dr Mulder, Dr Rhoodie, Gen Hendrik van den Bergh (then head of the Bureau for State Security) and Mr Van Zyl Alberts were present

"According to Mr Reynders the meeting had been called so that Mr Vorster could confront those concerned with the detailed information with which Mr Reynders had already furnished Mr Vorster

"According to Advocate Retief van Rooyen, a director of one of the Department of Information's front organisations, he had also already informed Mr Vorster of the fact that the department was financing a daily newspaper

"At the meeting Mr Reynders proceeded to give a detailed explanation, with reference to written notes, of a number of projects, including Project Annemarie, in which, after investigation, he was prima facie of the opinion that irregularities could have been committed

"Although these notes bear the date November 30, 1977, Mr Reynders maintains that the meeting took place before that date

"According to Mr Reynders all these facts had a very depressing effect on Mr Vorster, so much so that he was taken ill that night

Dr Mulder and Dr Rhoodie tried to justify their actions to Mr Vorster that evening, according to Mr Reynders. No conclusion was, however, reached because Mr Vorster became ill

Mr Vorster confirmed this meeting had taken place and that Mr Reynders had informed him on that occasion that over R20 million had already been spent on The Citizen He testified further that Dr Mulder then assured him that the money was safe, and that on that and various other occasions, he had debated the principle with Dr Mulder of utilising public funds for an undertaking of that kind He had put it clearly to Dr Mulder that it was not morally or ethically justifiable

"Dr Mulder held the opposite view and pointed out to Mr Vorster that the fact that there was no objective English language newspaper in South Africa constituted a lack

"Mr Vorster also made it clear that Dr Mulder had continued to run the newspaper against his (Mr Vorster's) wishes, but that he (Mr Vorster) could do nothing about it because he regarded it as spilt milk"

According to the report a question was then put to Mr Vorster "Yes, but milk was still being spilt every day afterwards?"

Mr Vorster replied "Precisely, because calculation had to be made of the responsibility of the State in regard to the contractual obligations and in regard to the contractual responsibilities in which the State had landed itself as a result of the situation

Mr Vorster said he understood a decision — as to what was most beneficial to the State — had to be made, whether to end the matter there and then or at some later stage

The report continues "This was November 1977 When Mr Vorster retired as Prime Minister on September 28, 1978, The Citizen was still fully controlled by the State and the State was still subsidising a monthly loss of up to about R400 000"

The report says that early on the morning of December 4, 1975, Dr Mulder, Gen van den Bergh, Dr Rhoodie and his Brother, Deneys, Mr Louis Luyt, Mr Du Preez (Mr Luyt's accountant), Mr Alberts and Mr L E de Villiers, met in secret at Mr De Villiers' home

The report says Gen van den Berg "alleges that immediately after the meeting he reported to Mr Vorster what had taken place and told him that Dr Mulder, Dr Rhoodie and Mr De Villiers, among others, had been there

"He contends that Mr Vorster instructed him not to become involved in the matter, to stay away from the whole thing, but to keep his ear to the ground Mr Vorster contends that on the strength of what Gen Van den Bergh had told him he had not the slightest reason to believe that the department was involved in the establishment of the newspaper, and that he had forbidden Gen Van den Bergh to become involved with Mr Luyt in any way in this regard, and that he was therefore to keep away from any discussions of the matter

"He furthermore said that he had told Gen Van den Bergh that it was not Gen Van den Bergh's function to become involved with the publication of any newspaper, either English or Afrikaans

"Mr Vorster also alleges that Gen Van den Bergh did not on this occasion tell him that Dr Mulder had been present at the discussion on the establishment of a newspaper Mr Vorster alleges further that, had he been informed of this, he would have spoken to Dr Mulder and asked him not to concern himself with the matter any further

"Gen Van den Bergh stated further that after that he did keep his ear on the ground and became aware almost immediately that Dr Mulder and Dr Rhoodie were establishing an English language newspaper for the department with State funds

"He declares that he kept Mr Vorster constantly informed of this and that he repeatedly told Dr Mulder and Dr Rhoodie that Mr Vorster did not approve Dr Mulder and Dr Rhoodie were said then to have assured him every time that Mr Vorster was aware of their actions and approved"

Every time Gen Van den Bergh then confronted Mr Vorster with this, Mr Vorster was alleged to have given him the assurance that all he knew about the newspaper was what he had heard from him (Gen Van den Bergh)

"Mr Vorster denied that he had known before 1977 that Dr Mulder was officially involved in the newspaper Dr Mulder testified that he was told by Gen Van den Bergh that he had fully informed Mr Vorster and that Mr Vorster's reaction had been that the bureau had nothing to do with such a newspaper, but that Gen Van den Bergh was to keep his ear to the ground and inform Mr Vorster regularly

"Dr Mulder said that logically he interpreted this as approval of the project by Mr Vorster He is backed up in this by Dr Rhoodie"

In terms of an agreement between Mr Luyt and Dr Rhoodie, Mr Luyt owed the State R13 983 022 which he would repay in instalments over a period of seven years

The amount consisted of a capital sum of R10 118 080 plus interest for this period

The difference between the R12 million loaned to Mr Luyt to start The Citizen, and the outstanding amount, appeared to be due to a loss of interest suffered by Mr Luyt because of an increase in bank rates of interest on a foreign loan when Mr Luyt's involvement with The Citizen became known

"Because the department had given the undertaking that Mr Luyt would not suffer any loss from his own pocket as a result of his connection with The Citizen, he was compensated for the loss by its deduction from the R12 million debt" — SAPA

DD
2597
6/12/78

How press take-over plan was hatched

CAPE TOWN — In an attempt to counter the "tremendous harm" being done to South Africa by the English Press, the Department of Information masterminded a plan to take over both the Natal Mercury and South African Associated Newspapers

When this failed, the department launched The Citizen — which has so far cost R31,9 million to the state — as "project Annemarie" without the knowledge of the then Prime Minister, Mr Vorster.

This has been disclosed in the report of the Erasmus Commission of inquiry

In November, 1977, over a year after The Citizen first appeared and shortly before the general election, Mr Vorster confronted the former Minister of Information, Dr Mulder, at a meeting and put it clearly to him "that it was not morally or ethically justifiable.

"Dr Mulder held the opposite view and pointed out to Mr Vorster that the fact that there was no objective English-language newspaper in South African constituted a lack.

"Mr Vorster also made it clear that Dr Mulder had continued to run the newspaper against his (Mr Vorster's) wishes, but that he (Mr Vorster) could do nothing about it because he regarded it as spilt milk," the commission said.

The strategy to counter the English Press was hatched at the beginning of 1973 shortly after Dr Eschel Rhoodie became Secretary for Information because both he and Dr Muldder were convinced that "tremendous harm was being done to South Africa by reporting and comment in the South African-English-language newspapers which presented a selective image of South Africa to the world.

commission said

With this aim in mind, a start was made early in 1973 with an attempt to take over the Natal Mercury with the assistance of a certain Mr Morgan According to Dr Rhoodie, Dr Piet Koornhof, Mr Morgan, and Gen Van den Bergh explored the idea. However, nothing came of it

Then the Department of Information moved to attempt to take over South African Associated Newspapers which owns the Rand Daily Mail, the Cape Times, the Eastern Province Herald, the Sunday Times, The Sunday Express and the Financial Mail.

They chose Mr J.Van Zyl Alberts to act for them "He was at this stage already being employed by the department's secret fund at a renumeration of R15 000 a year (tax free) to act as an agent, or front, for the department in the carrying out of secret projects"

The commission said that "according to his own evidence, Dr Mulder was closely involved in the take-over plan from the start According to him and Dr Rhoodie, Mr Vorster was also kept informed of the plan and the way in which it would be carried out. According to Dr Rhoodie, Mr Vorster's reaction was that it was all right, but that 'you must watch out that you do not catch your jacket in the door' "

Then Dr Rhoodie told Dr Mulder in the presence of Gen van Den Bergh that Mr Alberts needed R200 000 to buy a block of SAAN shares

"The amount was provided from the secret fund with Dr Mulder's approval and Mr Alberts bought the available shares Project Annemarie had commenced"" the commission said.

Mr Alberts then approached the firm of Hill Samuel to undertake negotiations as the broker in the takeover bid Shortly afterwards, Mr Louis Luyt was approached and his name "was then submitted to Hill Samuel by Mr Alberts as the person behind the takeover"

Then began the well-publicised attempt, which involved the former Leader of the Opposition, Sir De Villiers Graaff, to win control over SAAN.

The commission said: "Although, according to Dr Rhoodie, Mr Vorster did not like Mr Luyt he was persuaded that Mr Luyt would be the best man"

When the SAAN bid failed, the department through Mr Luyt launched The Citizen as the next effort to counter the English-language press. — PC

"In their view this was a distorted and incorrect image and a method had to be found of placing the true objective picture in perspective for those who had access to press reports and comment only through the medium of English

"To sum up, their view was (and is) that there were virtually only two alternatives to counter these problems, either press censorship or the establishment of an English-language daily newspaper which would as far as possible present the objective facts to English-speakers independently.

"Dr Mulder's view may therefore be summed up more or less as being that the eventual cost to the state of The Citizen was in a sense the price South Africa had to pay to avoid press censorship," the

End of road for Mulder?

CAPE TOWN — Dr Connie Mulder, who almost became South Africa's Prime Minister, appears to have been totally destroyed by the Erasmus Commission of inquiry

The sensational report published yesterday found him guilty of irregularities, incompetent, questioned his credibility as a witness and said that he had used pressure to vindicate himself

Though not political, the report is expected to have sweeping and widespread consequences, particularly for those who supported his efforts to become Prime Minister and who discounted his involvement in the Information scandal as exaggerated attempts to foil his becoming Premier

It will certainly totally wreck attempts which are now being made to undermine supporters of the Foreign Minister, Mr Pik Botha, in order to prepare the way for Dr Mulder's re-emergence as a political power

It could also have a backlash on the influence of Dr Andries Treurnicht, the new Transvaal leader of the National Party who, while not even mentioned in the report, drew most of his support from Mulder disciples

Dealing with specific findings on irregularities, the Erasmus report said "Dr Mulder, according to his own evidence, if this could be accepted, wrongly interpreted his function as head of his department and, to say the least of it, fulfilled it incompetently"

It said that ex post facto, Dr Mulder had attempted to suggest that he had been only the political head of the Department "to escape responsibility for the mistakes made in his department"

Dr Mulder had said that he had not dealt with all the details concerned with his department

Giving one example the report said that Dr Mulder, when faced with a final refusal of the Department of Defence to make provision for secret funds for the department, had gone to see the Minister of Finance who had promised "to make a plan"

But from then on he had left the entire matter to Dr Eschel Rhoodie, the Secretary of the Department, who subsequently said that a foreign loan had been raised to tide the department over

"The commission finds it difficult to accept that a Cabinet Minister when suddenly confronted with the crisis that no funds had been voted by Parliament for more than half of the financial requirements of his department, would leave it to his departmental secretary to find a way out," the report said

"It would appear to the commission that either Dr Mulder was not telling the truth, or that his actions testified to incompetence

"The commission is, however, of the opinion that Dr Mulder was forced by his incompetence to give this version and thereby to distance himself as far as possible from the responsibility for the negotiations of foreign loans by Dr Rhoodie"

In another part of the report it is said that a R6 million loan was raised overseas without proper approval

Opening the chapter on irregularities the commission said that when secret funds were created for the Department of Information via the Bureau for State Security, there was no legislation under which it could be even partially audited or statutorily controlled to any extent

Later it said that the commission found "Dr Mulder's part in the foreign loans to a total sum of about R16 million, with a total disregard of the department of finance, to be a serious irregularity"

After explaining the background to the loan, the commission said that it found it "difficult to believe that Dr Mulder had no part in this decision"

It said too that "Dr Mulder's role in the takeover of SAAN and the establishment and running of The Citizen project without consulting the then Prime Minister, Mr Vorster, was an irregularity.

"Dr Mulder acted irregularly by lending Mr Louis Luyt R12 million," said the report

"Initially he tried to distance himself from the irregularity of placing the sum from public funds in Mr Luyt's private possession by saying that Luyt had taken it unlawfully and invested it in Triomf"

It said later that Dr Mulder had "veered" under pressure of cross-examination from a total denial to an admission that it was in fact a loan

"It is also a good example of how, whenever Dr Mulder wanted to distance himself from a possible irregularity, he resorted to the excuse that this was detail with which he did not concern himself"

The report said too that "Dr Mulder was lax and negligent in giving Dr Rhoodie virtually unlimited discretion in dealing with public funds

Later it said "Through Dr Mulder's negligence, Dr Rhoodie was placed annually in total control as if he were the owner of R14 million to R17 million

"In this sense the responsibility for the misappropriation by Dr Rhoodie out of the secret fund must also be placed squarely on Dr Mulder's shoulders"

It said too that Dr Mulder had made a determined effort to convince the commission that The Citizen never one-sidedly supported the governing party

In another part of the report the commission said that "Dr Mulder exercised improper pressure on others to secure favourable results for himself"

It specifically mentions Dr Mulder telephoning Mr L S Reynders and saying he should complete a report on the department as soon as posssible, but that he had not found anything wrong — DDC

DD
6/12/78
259

Secrecy led to malpractice

CAPE TOWN — The door to malpractises was opened by the phrase "Secret Funds", which was so widely interpreted that any expenditure that had the slightest connection with a secret project was met from secret funds

This was one of the findings of the Erasmus Commission, whose report was released yesterday

In summing up methods used in the perpetration of irregularities, Mr Justice Erasmus says secrecy gave rise to covert acts and malpractices

"In other words, secrecy became a Judas cloak for all those who wished to act dishonestly, to put in false claims and to steal" He says Dr Eschel Rhoodie, former Secretary for Information, simply ignored all regulations and existing guidelines, drawing a distinction between ordinary and secret funds

One of the biggest problems that faced the Erasmus Commission was the destruction of documents, which made it difficult to trace irregularities

Mr Justice Erasmus labelled the destruction of documents a "most reprehensible method"

"Denials were simply given to all questions relating to irregularities," says Mr Justice Erasmus. — PC

Information received

R64 million

CAPE TOWN — The Erasmus Commission finds it impossible at this stage to state precisely how much money the State lost owing to maladministration and irregular action

However, according to the report, the "situation should be seen in the light of the amounts allocated to the department's secret fund from 1974 to 1978."

The allocation statements show that the Department of Information received a massive R64,1 million in funds between 1973 and 1978.

Of this, R56,9 million came via the Department of Defence — R10,9 million in 1973-74, R15 million in 1975-76, R14 million in 1976-77 and R17 million in 1977-78.

A total of R13,4 million was allocated via the Bureau for State Security in 1974-75 and 1976-77

"The allocation statements," says the report, "gives a picture of the size of the department's secret fund on which the department's accountant could requisition from time to time and from which it could withdraw monies as and when instructed by Dr Rhoodie."

The reconciliation statements show that the Department of Information's spending spree reached its peak in 1975 when it disbursed R23,3 million on projects

In 1976-77 the department overdrew its allocation by more than R500 000. It spent R17,2 million while funds available amounted to only R16,7 million

The following year disbursements on loans and interest alone totalled R5,8 million while projects cost R12,6 million.

In its detailed analysis of Project Annemarie, the code name for The Citizen, the commission states that the newspaper cost the State R26,7 million during the "Luyt period" and R5,1 million later — a total of R31,9 million — DDC

Botha's hands clean

CAPE TOWN — It was clear from evidence before the Erasmus Commission that the Prime Minister, Mr P W Botha, at no stage identified himself with, or acquiesced in, the arrangement by which funds from the Special Defence Account were transferred to the Department of Information's secret funds

In finding that Mr Botha at all times acted honourably, the report says he was intuitively against this arrangement and continued to object until the arrangement was changed by legislation in 1978

"It went against his grain to have to pretend to Parliament that all funds in the Special Defence Account were spent on defence activities, while part of these funds went to the secret fund, even though a case could be made out for this since the secret funds were used to counter the total onslaught against South Africa"

The report says that Mr Botha, who at the time was Minister of Defence, was at all relevant times, when the monies for the department's secret fund were placed on the Vote of the Department of Defence, totally opposed to this step

"His testimony before the commission is supported by documents in every respect"

The report says Mr Botha 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"

Insecticide poisoning Deaths from agricultural chemicals in 2.5 milli
have dropped from 1 in 1 million to 1 in 10 million since 1964.

In addition to 2.5 million agricultural workers exposed, may be added t
Not sure yet if pesticides carcinogenic but evidence seems to be positi
DDT and others. Their use has been restricted to a minimum.

Zoonoses Farm workers exposed to contact with farm animals and thus a
mittable diseases known as zoonoses. Commission undecided as to whethe
consitute an occupational disease. Possibly it is justified in cases o
inspectors and farm workers. Zoonosis includes anthrax, brucellosis, T
spirosis, Glandes, foot and mouth, herpes, virus infection, marburg vir
malaria, trypanosomiosis, tick bite fever. Because there has been no f
patients who have been discharged from hospital, almost impossible to de
any permanent damage. Workers exposed to zoonoses include those in abba
canneries, plant and animal oils and fats by-products, i.e. in 790 conce
workers.

Forestry Workers also in contact with insects and vermin. Because agri
forestry workers are so regularly exposed to diseases such as malaria a
there is a strong case for their inclusion as an occupational disease.
of Forestry avers that 80 - 90% of all blacks in E. Transvaal suffer fro
Difficulat to ascertain without pre-employment medical examination wheth
contract disease in course of employment.

Power saw operators in forestry industry may contract a vibration disease known as Raynaud's disease.

CHAPTER IX Overlapping of existing laws in Occupational diseases among various departments

The following Acts in some way have some affect on Industrial Health

Department of Health
Public Health Act, 36 of 1919 as amended
Medical, Dental and Pharmacy Act, 1928
The following Acts include some Acts administered by the Minister of Health :
Department of Labour
Factories, Machinery and Building Act 22 of 1941 as amended by Act 77 of 1967.
Atmosphere Pollution Act of 1965
Animal Diseases and Hazards Act 15 of 1956
Animal Slaughter, Meat and Animal Products Hygiene Act 87 of 1967
Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act 36 of 1947
Department of Agricultural Economics and Marketing
Dairy Industry Act of 1961
Department of Community Development
Slums Act of 1934
Department of Forestry
Forest Act of 1968
Department of Industries
Fishing Industries Development Act 44 of 1944 (under Minister of Economic Affairs)
Sea Fisheries Act 58 of 1973
Saldhana Bay Harbour Construction Act 29 of 1973


The Star
Thursday December 7 1978
Info: the news isn't all bad
(25)
TWO brighter sides become is another plus in favour of South
evident amid the shock and African democracy, imperfect as
squalor of the latest Information it may be.
Department revelations. The Indeed, it can be said that
first, hopefully, will be a great this open display of the rule of
cleansing of South African law in action has done South
public life so that such abuses of Africa's image a great deal more
power will not be allowed to good than all those furtive cloak-
happen again. The second is a and-dagger Information Depart-
more unexpected spin-off—the ment operations.
very fact of the revelations has Rhoodie-style unorthodox di-
actually done South Africa's plomacy" emerges as little more
name some good abroad. than a ham-fisted exercise in
Americans, as our Washing- public relations in its lowest
ton Bureau reports, are admiring form. It has embarrassed some
our ability to "let it all hang foreign guests brought out here
out." As an informed United under false pretences It has done
States official remarked: "South considerable harm to the legiti-
Africa is probably the only coun- mate image-building operations
try on the continent where the of the Foreign Affairs Depart-
public disclosure of a scandal in ment.
the Government could take In the end the message may
place." be trite but nonetheless true.
Outsiders note and applaud Honesty is the best policy. Also:
the role played by the Press and image-building begins at home.
judiciary in exposing the rot. One must have a worthwhile
(Although the frankness of "product" to sell. In this regard
Judge Erasmus may not have at least, South Africa's reputa-
quite expunged the bad taste tion will reap some benefit as
left by the abrupt termination of the scruffy Infogate chicken
Judge Mostert's inquiry) The come home to roost.
airing of the affair in Parliament

BOSS 'a monster'

Beyond law

He described the former Bureau for State Security as having grown, under General Hendrik van den Bergh, into a monster which put itself beyond the law and attempted to manipulate the Government

He said the Department of National Security should revert to being an instrument to serve South Africa in a vital field instead of being a clique using the country for its own ends.

Mr Eglin demanded to know why the former Prime Minister, when told that the Department of Information was planning to establish a newspaper, "did not do all he could to prevent this."

He also wanted to know why, when Mr Vorster was fully briefed, The Citizen had been allowed to continue its anti-Progressive Federal Party and pro-Nationalist propaganda during the 1977 election campaign and to increase the loss to the State from R16-million to R31-million

Umbrage

Mr Eglin also attacked the Prime Minister for taking umbrage at the actions of Mr Justice Mostert and at the Press.

The circumstances surrounding the dismissal of Judge Mostert showed all the outward evidence of dipue and temperament and did much to undo the positive impact of the setting up of the Erasmus Commission

The Prime Minister did South Africa a disservice by abruptly closing down the Mostert Commission and a disservice to the

To Page 3, Col 7

Star 7/12/78 (259)

Government must quit, says Eglin

Political Staff



MR EGLIN

The Assembly

The Government had to resign over the Information Department debacle, the Leader of the Opposition, Mr Colin Eglin, told the Assembly today.

Mr Eglin said three Ministers — the former Prime Minister, Mr John Vorster, his successor, Mr P W Botha, and the Minister of Finance, Senator Horwood — should share the blame for the Information Department affair

He said the former Minister of Information, Dr Connie Mulder, should not be the scapegoat for the Cabinet It had to accept collective responsibility for what took place

Mr Eglin was speaking to his amendment to the Government motion accepting the Erasmus Commission report — call on the Government to resign and for a parliamentary select committee to examine all the implications of the Information Department scandal.

I asked Mulder to resign – Botha

Political Staff

THE ASSEMBLY — The Prime Minister, Mr P W Botha, said today the Information Department affair was a painful experience for the Government — an experience which should not be allowed to happen again

He said the Government wanted to distance itself from matters covered in the Erasmus Commission's report.

He regretted that "we have lost the services of Dr Connie Mulder"

But he revealed for the first time that he had asked for Dr Mulder's resignation from the Cabinet for the following reasons

- The fact that he had not informed his Cabinet colleagues about certain secret activities was unacceptable,
- The financial help given to The Citizen was unacceptable,
- Loans given to Mr

To Page 3 Col

Press won't break us – PW

Political Staff

THE ASSEMBLY — In an attack on the English-language Press today, the Prime Minister, Mr P W Botha, said. "You will not break us"

Speaking in the Assembly, he warned newspapers that if they continued to "smear" the Government they would "unleash forces as you have never seen before"

Mr Botha accused certain newspapers of having published "blatant untruths" and of practising double standards.

It seemed as if these newspapers had learned their methods from South Africa's enemies in the United Nations, he said.

Certain Press attitudes towards The Citizen newspaper had been "ruthless" and "to a large extent unfair."

FREEDOM

Mr Botha said he was a protagonist of the freedom of the Press and had himself intervened when measures against the Press were considered last year.

Mr Botha said there was a "dangerous tendency" towards "trial by the Press"

There was "something deeper" behind the agitation about secret funds, he said.

Mr Botha said a danger against which South Africa had to guard was the idea that the Government could do without secret funds.

Rapport 7/1/79 259

Connie

VERVOLG VAN BL. EEN

tredes die party in verleentheid stel.

As dr. Mulder as minister onbekwaam bevind is, beteken dit nie dat hy die partybeginsels geskaad het nie. Sy integriteit as Nasionalis is nie deur die Erasmus-verslag onder verdenking gebring nie, word gesê.

Dr Mulder kan net as lid van die koukus geskors word as hy hom nie by 'n koukusbesluit wil neerlê nie. As destydse Eer te Minister is pres John Vorster op rekord dat hy gesê het die koukus is 'n plek waar 'n man van die Regering mag verskil. Wanneer die koukus egter besluit, moet elke lid hom by die besluit neerlê. Op hierdie reg kan dr Mulder aandring, word gesê.

Daar word verder daarop gewys dat die koukus van die N P en die parlement net die aanbevelinge van die Erasmus-verslag aanvaar het en nie in soveel woorde elke paragraaf van die verslag nie. Die aanbevelinge is van so 'n aard dat dr Mulder daar mee kan saamleef, word gesê.

Indien die koukus die verslag in sy geheel aanvaar en dr Mulder nie, is daar grond vir skorsing.

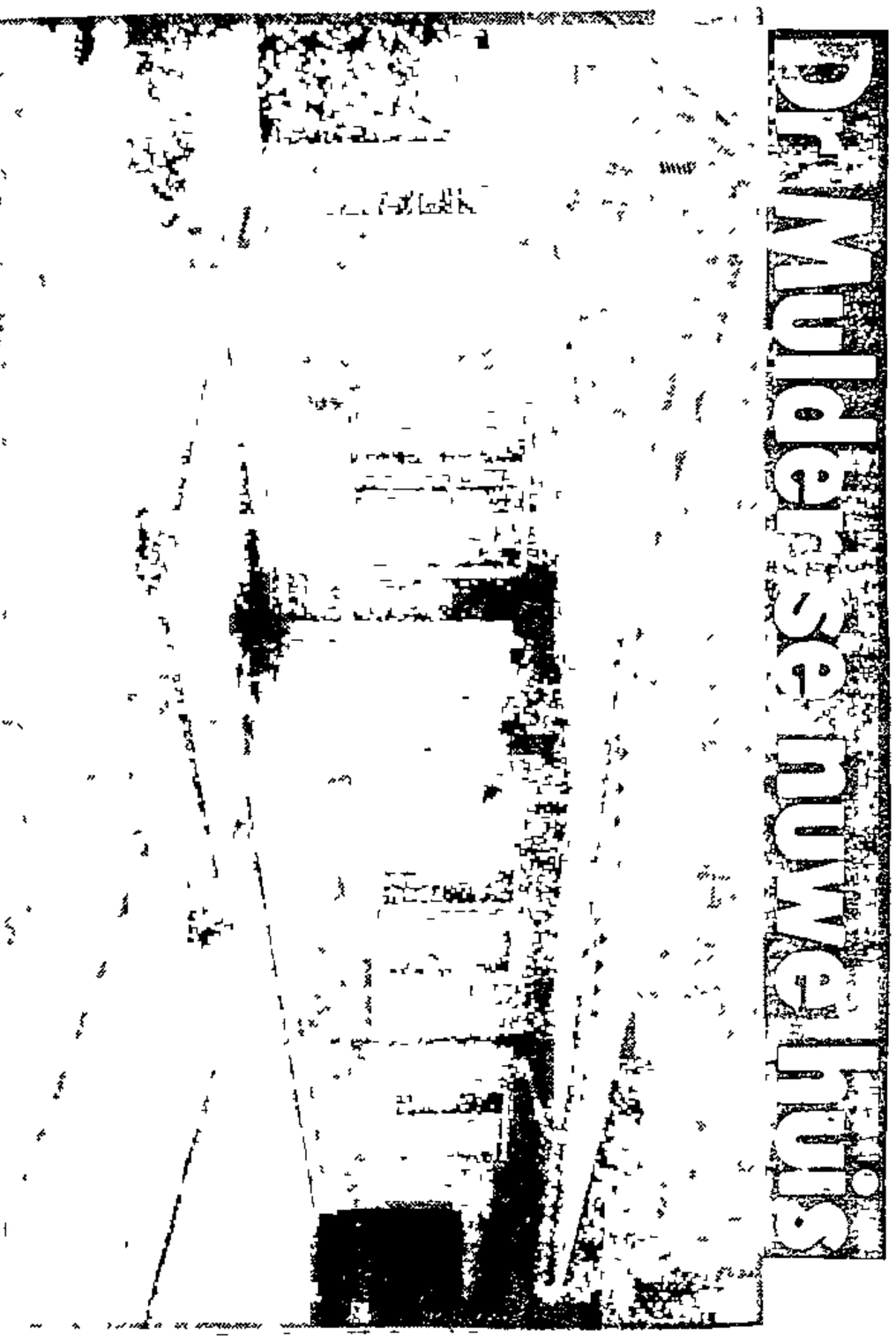
Maar al word hy uit die koukus geskors, is daar niks wat verhinder dat dr. Mulder sitting in die parlement neem nie.

Hy het 'n mandaat van sy kiesers. Hy sal net nie meer die beskerming van die partyswepe van die N P geniet nie.

Soos destyds in die geval van mev Helen Suzman as enigste verteenwoordiger van die Progge in die parlement, sal die Speaker wel dr. Mulder „sien" en hom spreekbeurte gun. Hy sal ook in die sogenaamde dwarsbanke 'n voorbanksitplek toegesê word.

Die onus om as Volksraadslid te bedank, rus hoofsaaklik op dr Mulder self. Daar kan druk wees van sy provinsiale leier, dr A. P. Treurnicht, en die party. Maar die een wat sal moet besluit of hy weer vanjaar in die parlement sal sit, is net dr Mulder. Dit lyk of hy klaar besluit het.

Sowat drie weke gelede het dr Mulder sy vakansiehuis by Yzerfontein aan die Weskus in die mark gesit. Dit is gister deur 'n agentskap bevestig. Of dit verband hou met 'n moontlike uittrede uit die politiek en of dit 'n menslike oorweging is, is nie duidelik nie.



DR MULDER se nuwe huis

SO lyk die huis in Akasiapark, Nr D14, wat aan dr Connie Mulder toegeken is Hy sal na verwagting tussen 10 en 15 Januarie intrek Die kleinerige huis het grys asbesmure en 'n asbesdak Die naaste bome is sowat 20 meter van die huis Daar is geen motorhuis nie, maar 'n skakelafdak wat met die huis langsaan gedeel word.



DR CONNIE MULDER se ampswoning as Minister van Plurale Betrekkinge en Ontwikkeling, waar hy op die oomblik nog woon Die adres is Brynterion no. 19, Pretoria, en is skuins onderkant Libertas, woning van die Eerste Minister. Die dubbelverdiepinghuis met sy rooi teeldak het sy eie tennisbaan, staan op 'n groot erf en is omring met groot skaduberge

Rapport 7/1/79 (2/59)

Dr Connie kom terug

Deur JOHAN VOSLOO

EEN van die kleinere huise in die parlementêre dorpie Akasiepark is aan die gewese Minister van Plurale Betrekkinge en Ontwikkeling, dr. Connie Mulder, toegesê. Hy en sy vrou vertrek moontlik reeds dié week na die Kaap om in te trek by hul nuwe woonplek.

Dit sal vanjaar net meer as tien jaar wees sedert dr. Mulder laas in Akasiepark saam met gewone Volksraadslede en staatsamptenare gewoon het. Dit was voor hy in 1968 Minister van Volkswelsyn, Pensioene en Immigrasie geword het.

Een van die kleinere huisies is nou aan hom toegesê omdat sy kinders reeds almal uit die huis is.

Alles dui daarop dat dr. Mulder ondanks druk uit eie vriendekring nie van plan is om as Volksraadslid vir Randfontein te bedank nie en dat hy as 'n gewone lid vanjaar se sitting wil bywoon.

Die voorsitter van dr. Mulder se afdelingsbestuur in Randfontein, mnr. Nic Smuts, het aan RAPPORT gesê dat dr. Mulder nog steeds die mandaat van die bestuur en die kiesafdeling het om die setel in die Parlement te verteenwoordig.

Op die oomblik is daar geen definitiewe planne dat die afdelingsbestuur nog voor die sitting, wat op 3 Februarie begin, sal vergader om dr. Mulder se posisie te oorweeg nie. Mnr. Smuts sê dat daar einde verlede jaar besluit is om eers in die nuwe jaar te kyk „hoe die wind waai".

Volgens hom het daar nog geen versoek uit die kiesafdeling gekom dat dr. Mulder moet bedank nie. Hy sê daar is ook nog geen druk van „bo-af" toegepas om dr. Mulder te vra om te bedank nie.

Dr Mulder het verlede jaar voor die spesiale sitting in 'n brief aan die Nasionale Party-koukus 'n geleentheid gevra om sy saak ten opsigte van sekere paragrawe in die Erasmus-verslag voor die koukus te stel.

In partygeledere was daar destyds 'n sterk gevoel dat dr. Mulder, wat deur die Inligtingskandaal 'n verleentheid vir die party geword het, hom liewer heeltemal aan die politiek moet onttrek.

Daar is gesê as dr. Mulder, wat buitendien meer as tien uur voor die kommissie getuig het, in die koukus sy saak probeer stel dit nie sonder emosie sal kan geskied nie en dat party-eenheid in die gedrang sal kom. Van sy beste vriende het hom aangeraai om ook as Volksraadslid te bedank.

Ander het hom weer aangeraai om eers te gaan rus voordat hy besluit. Van hulle het agterna aan RAPPORT gesê hulle wil nie hê dat alles gelyk op dr. Mulder se kop afkom nie. Hulle sal hom vroeg in die nuwe jaar probeer oorhaal om uit die politiek te tree.

Nou lyk dit of dr. Mulder nie sulke planne het nie en dat hy die geleentheid soek om sy naam skoon te kry. Nasionaliste vrees die nadraai van so 'n „naam-skoonmaaktoespraak".

Die vraag wat politici nou stel, is of daar genoeg rede is om dr. Mulder as koukuslid van die party te skors. 'n Verleentheid vir die party is nie genoeg rede nie, het een opgemerk. Daar is baie ander politici wat soms met hul op-

*** VERVOLG OP BL. 15 ***

Rapport 7 JAN 1979

Tax department and Treasury take note of Erasmus Report

Staff Reporter

THE DEPARTMENT of Inland Revenue has "taken cognisance" of the Erasmus Commission's report, which disclosed that several people who worked on secret projects for the former Department of Information had received tax-free income and benefits from its secret funds

The report said Mr Johann van Zyl Alberts had received a tax-free income of R15 000 a year for several years from secret funds

Mr Van Zyl Alberts, managing director of The Citizen newspaper, resigned as publisher and managing director of To The Point magazine on Tuesday

The report further said Mr Andre Pieterse, head of Film Trust, received R10 000 tax-free from secret funds

Several officials of the Department of Information were also named as having received tax-free income

The Department of Inland Revenue had taken cognisance of the report, a spokesman said in Pretoria

It was against the law for him to say what his department might do about the reported irregularities, he said

A spokesman for the Treasury said it was still too early to say what action the Treasury would take to recover State funds and assets

Among the State funds and assets mentioned in the report were a R13-million loan to Mr Louis Luyt for the running of The Citizen, R825 000 lent to Mr Andre Pieterse for a black threatre project, and flats and houses bought from the secret funds, including properties obtained in the name of the former Secretary for Information, Dr Eschel Rhoodie

The report also said certain assets bought with State funds were put into companies of Mr Van Zyl Alberts

The report recommended that the State Attorney be requested to investigate the extent to which the State's assets had been unlawfully alienated or affected by these people, including Dr Deneys Rhoodie, former Deputy Secretary for Information, and another former deputy secretary, Mr L E S de Villiers

● Although Mr Justice Rudolph Erasmus, chairman of the Erasmus Commission, has said he intends seeking the assistance of the commercial branch of the South African Police, no call has yet been made on the branch to help, according to its head, Colonel Theo Scherman

It is expected that the commercial branch will be called in once the Erasmus Commission's report has been dealt with by Parliament

Tell SA about good work — Barnard

Own Correspondent

CAPE TOWN — Professor Chris Barnard yesterday called for an extension of the terms of reference of the Erasmus Commission

He declared that the commission should investigate the good that the Department of Information had done for South Africa

"Like the majority of South Africans I have followed the saga of the former Department of Information

"Now that the final chapters are being written, I am neither filled with excitement nor joy, but only with deep sadness," Professor Barnard said

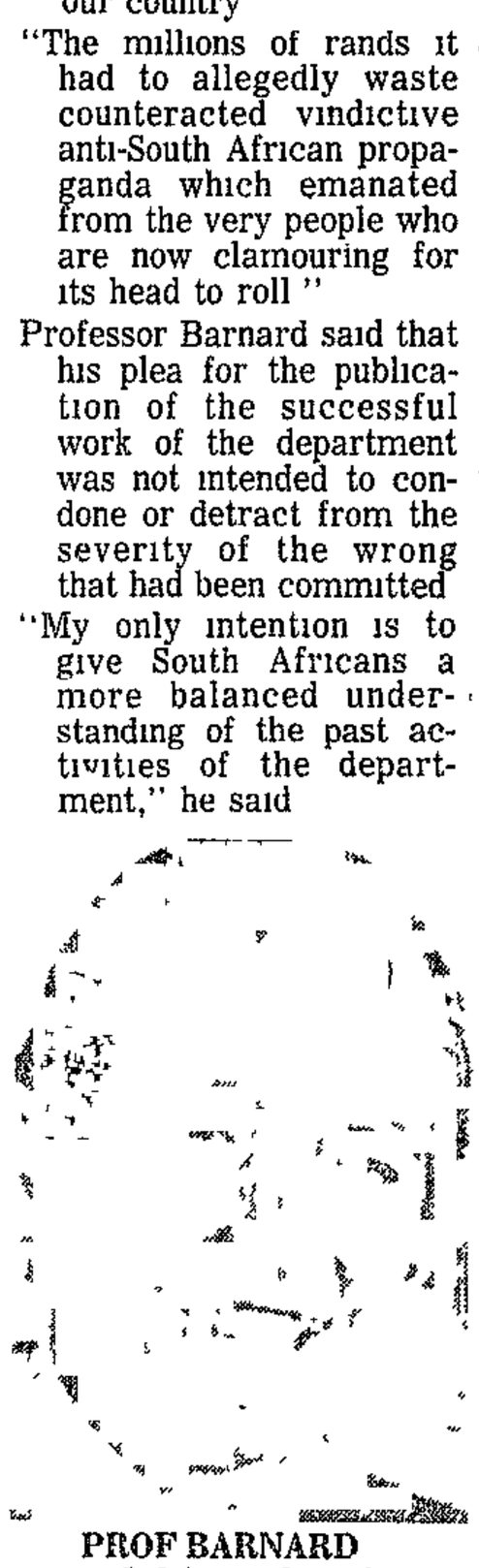
He was in full agreement that mismanagement should be investigated and the culprits punished, but said he was proud that he lived in a country where such an investigation was still possible

"I feel that the average man should know about the billions of rands that the department saved South Africa by successfully counteracting the worldwide onslaught on our country

"The millions of rands it had to allegedly waste counteracted vindictive anti-South African propaganda which emanated from the very people who are now clamouring for its head to roll"

Professor Barnard said that his plea for the publication of the successful work of the department was not intended to condone or detract from the severity of the wrong that had been committed

"My only intention is to give South Africans a more balanced understanding of the past activities of the department," he said



PROF BARNARD
. . .Info's good work

Info man to testify

CAPE TOWN — The former joint Deputy Secretary of Information, Mr L E S de Villiers, has offered to give evidence before the Erasmus Commission and will be called as soon as possible, Mr Justice Erasmus said in Cape Town yesterday

"Mr De Villiers will be called as soon as we can get hold of him," he said

Mr Justice Erasmus added that the Department of Information front organisation, Homerus Finance Corporation, should not have been mentioned in his first report

"I'm sorry it was mentioned We didn't want to report on matters still being investigated" — Sapa

Heinrich says he's innocent

Staff Reporter

RESTAURANTEUR and businessman, Mr John Heinrich, said yesterday that he was a completely innocent party in the former Information Department's secret front company, Homerus Finance Corporation

"I have volunteered to give evidence before the commission I am a completely innocent party in this matter Regretably I have not been called to give evidence," he said

Mr Heinrich said he had nothing further to say on the matter at this stage

He was named as a director of the company in a report in yesterday's Rand Daily Mail, along with Mr David Abramson, the chairman of the Hortors printing and publishing empire The two jointly control the shares of Homerus

Mr Justice Erasmus, chairman of the commission of inquiry into the disbanded Department of Information, confirmed to the "Mail" that Homerus, which received R200 000 from the department in 1977/78 and which is to be the vehicle of repayment to the Government of Mr Louis Luyt's R13-million loan, is one of the fronts of the former department

Gatsha: KwaZulu must feed itself

Own Correspondent

DURBAN — As long as the Zulu nation could not feed itself it could not expect its liberation struggle to be taken seriously, KwaZulu's Chief Minister, Chief Gatsha Buthelezi told graduates of the Cwaka Agricultural College near Empangeni yesterday

Speaking at the Graduation Ceremony he said that black people wanted their dignity recognised but the key to that recognition lay in their owns hands

He said that while KwaZulu clearly had a land shortage it could not be denied that "even the little bit of land we have has hardly been scratched"

But KwaZulu could not exploit its agricultural potential in full unless its people had training Cwaka had produced 224 graduates but only 152 were in Government service

Chief Buthelezi found this alarming The training of students cost Kwazulu R4000 each for the period that they spent at the college Many graduates went into other fields and were lost to the service of their people

Chief Buthelezi said he was aware that some white officials "frustrate these black people"

He also realised that many young black people resented being supervised by whites and some had falsely accused white officials of frustrating them

These young people wanted whites dismissed but the chief rejected "racism whether it be white or black"

He did however feel that the situation might merit a departmental inquiry

RDM 289

8/12/78

Release it all, says angry general

Staff Reporteres

GENERAL Hendrik van den Bergh, head of the former Bureau for State Security, yesterday called on the Erasmus Commission to release the full details of his evidence.

The report described Gen Van den Bergh as a man who saw himself as the "power behind the throne" and who tried to use his position to influence the course of events in South Africa.

He had given the impression that he would stop at nothing, Judge Erasmus reported.

Reacting to the report yesterday, Gen Van den Bergh said: "I am shocked right into my soul".

According to the report, he had been the biggest liar to appear before the Erasmus Commission.

But the commission should release the tape-recordings, not a transcript of what he had said, Gen Van den Bergh declared.

Last night HELEN ZILLE reported from Cape Town that Judge Erasmus said he would look into Gen Van den Bergh's remarks.

"The commission will look into the matter, but I cannot make any further comment at this stage," he said.

During the debate Mr Alwyn Schlebusch, the powerful leader of the National Party in the Free State, called on the Prime Minister, Mr P W Botha, to consider limiting the power of the successor to BOSS — the Department of National Security.

Speaking after news of Gen Van den Bergh's remarks, Mr Schlebusch warned the General to stop making questionable, cynical and unbalanced statements.

"In his field he has done a lot for South Africa, but I want to advise him to stop talking," he said.

It was clear that Gen Van den bergh had been the mastermind behind several aspects of the Information scandal.

But at his Waterkloof, Pretoria, home Gen Van den Bergh denounced the criticisms and accusations levelled at him in the Erasmus Commission report.

He said that the commission should specify what facts he had been reported as witholding from former Prime Minister — and and what facts he had reportedly given to Mr Vorster.

"I trust that the commission will cover throughly the almost two decades that I worked directly under Mr Vorster," he said.

He rejected that he had traded on Mr Vorster's name in order to further his own ends and called on the commission to supply factual examples, with the names of witnesses.

He denied that he had ever confronted Mr Vorster with anything. He had merely informed the then Prime Minister.

All his powers had been subject to the approval of Mr Vorster.

He repeatedly drew attention to the sections of the report which stated that Mr Vorster, had been briefed on the former Department of Information's secret projects and about the misappropriation of funds.

Relaxed, Gen Van den Bergh read a one-and-a-quarter hour statement in a quiet but firm voice to 30 journalists clustered in his lounge.

His voice rose once, as he damned as a liar his former BOSS colleague, Mr Loot Reynders, who had testified to being afraid of the general.

KDM
259 8/12/78

Anger at Swart

THE ASSEMBLY — Government members objected loudly in the Assembly last night when Mr Ray Swart (PFP Musgrave) said the "fear for his life" mentioned in the Erasmus report with reference to Mr Lood Reynders was a fear of being murdered

"The Erasmus Commission report is no more than a catalogue of every common law crime in the book and it had confirmed in every sense the reports of the Mostert Commission." — Sapa.

Breakfast Quip



"The next time the Goverment wants to play with money, let it use Monopoly money instead of ours."

Hortors was secret Information project

By TONY STIRLING

HORTORS, the rapidly expanding printing and publishing group, is a secret project of the former Department of Information And the acquisition of a sizeable block of shares in the British printing and publishing house, Morgan-Grampian, was another secret project

In a brief reference to the two fronts, the Pretorius Committee of Inquiry, which was evaluating the projects of the former department, said that suspected irregularities relating to "the projects Morgan-Grampian and Hortors" had been brought to the attention of the Erasmus Commission and the Van der Walt Commission.

The Pretorius report was handed in to Parliament by the Prime Minister yesterday.

The key figures in the Hortors takeover were Mr David Abramson, the company's new chairman, and Mr Stuart Pegg, the well known motor rallyist, partner of Mr Abramson and



Hortors' executive jet

director of the Hortor's holding company

The takeover was achieved in May, 1977, when the Pegg-Abramson consortium bought 1 100 000 shares, 59% of the total, from the Hortors' chairman, Mr Ian MacPherson, who is also chairman of South African Associated newspapers, and Mr Eric Tenderini's Unisec - Nominees.

At the takeover price, well over the market value, these shares would have cost R4 500 000. The remainder of the shares were then bought at the same price, costing about R3 700 000

The key to the takeover was the acquisition by Mr Abramson and Mr Pegg of about 28% of the shares of the British company, Morgan and Grampian, in 1976.

The United States-registered Lockheed Jetstar executive aircraft N7782 is operating from Lanseria airport under the banner of Hortors The plane was used by Dr Eschel Rhoodie, former secretary of the now defunct Department of Information, several times.

It was bought from the Delaware Corporation for about R1 350 000.

● The Pretorius report in full — Page 17

R1-m jackpot pool is Inns hope

BY DAVID MOLLETT
Racing Editor

THE Turffontein racecourse hopes to achieve the first R1-million jackpot pool at tomorrow's Holiday Inns meeting

"We'll be trying for that magical figure," the course chief executive, Mr Sandy Christie, said yesterday

"We would love to be the first course to make it but it seems more likely the final total will be between R900 000 and R1-million — and we won't be unhappy with that"

There's no competition from golf, tennis or football this weekend so a record crowd of around 37 000 is expected at South Africa's richest race

The big race favourite, Bold Monarch, arrived in Johannesburg yesterday afternoon along with three other Natal challengers.

"There isn't a horse that can beat Bold Monarch at these weights," was the confident prediction of trainer Herman Brown

Most racing tipsters agree Ninety per cent have cast their vote in favour of the favourite who was runner-up in the race last year

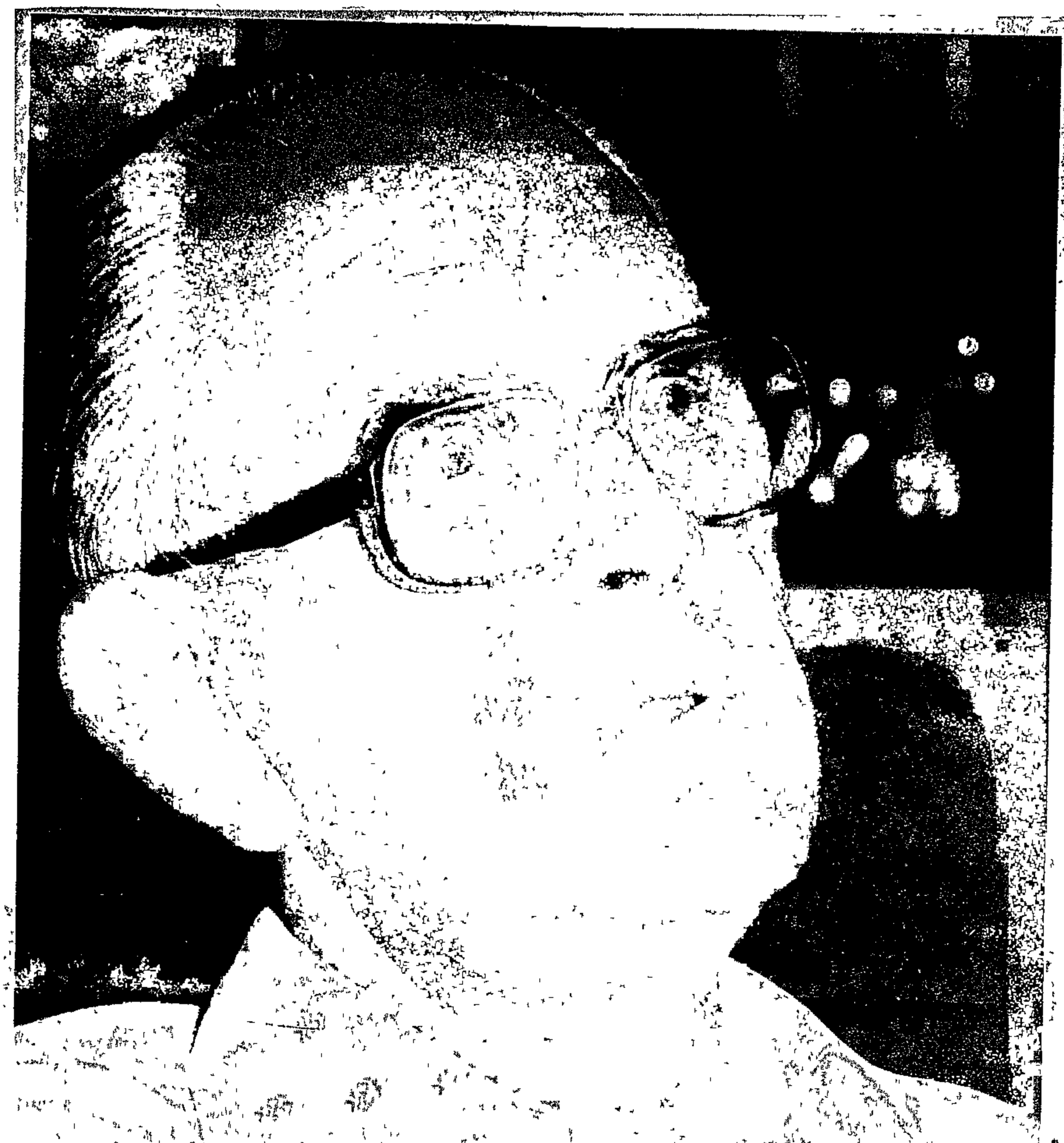
Latest betting:

2-1 Bold Monarch
8-1 Furious, So Humble
10-1 Beau Art
14-1 Ever Fair, All The Aces, Burning Love
20-1 Pure Joy
25-1 Aracneo, Pacer
40-1 Cented Herb, Queen's Rebel
50-1 to 100-1 others

● Colour picture — Page 3

RDM 8/12/78

2-59



General Hendrik van den Bergh . . yesterday's picture

Picture DANIE COETZER

RDM
259
8/12/78

By MARTIN SCHNEIDER
Political Editor

HOUSE OF ASSEMBLY

THE COMBINED Opposition yesterday placed the blame for the Information Department scandal four-square on the shoulders of Mr John Vorster, Mr P W Botha and the Minister of Finance, Senator Owen Horwood — and called on the Government to resign.

In a day of drama in the Assembly, they said these three top men must share responsibility for the serious irregularities, and the former Minister of Information, Dr Connie Mulder, should not be used as a solitary scapegoat.

But the Government took its lead from Mr Botha, claiming the principle of collective Cabinet responsibility did not apply because Dr Mulder had never informed his fellow Ministers about his department's secret activities — in particular the R32-million funding of The Citizen with taxpayers' money.

The Opposition parties made it clear that their criticisms of Mr Vorster's role related to his term as Prime Minister, when the irregularities were committed.

Claiming the Government had admitted its mistakes by investigating the Information scandal, the Free State Nationalist leader, Mr Alwyn Schlebusch, said "I tell the Opposition to be careful of a party which is humble in the face of an arrogant Opposition and an arrogant Press"

There were other startling developments and disclosures during yesterday's session

● The Prime Minister, Mr P W Botha, released the report of the Pretorius Committee revealing that the funding of The Citizen stopped only two weeks ago. It disclosed that Information's 138 secret projects were largely financed through 49 front organisations and that eight front organisations would now be "openly financed"

● The giant Morgan Grampian and Hortors publishing groups were revealed as Information project organisations — and alleged irregularities involving them have been referred to the Erasmus and Van der Walt commissions

● The Prime Minister said the Government had no further interest in The Citizen or responsibility for it

● Mr Schlebusch called on the Prime Minister to consider limiting the power of the Department of National Security, formerly known as the Bureau for State Security when it was controlled by General Hendrik van den Bergh, a central figure in the Information scandal

● The Minister of Finance, Senator Owen Horwood, conceded that the Treasury should have known something about how Information's secret funds were being spent

He also disclosed he had rejected appeals by the former Department for funds to buy a newspaper in Europe

And he claimed that although he had attempted to establish how Information was spending its secret funds, this information had been withheld from him because it was regarded as top secret.

● The Progressive Federal Party called for the appointment of a select committee to investigate Dr Mulder's denials in Parliament that the Government was funding The Citizen newspaper.

The PFP called on the Prime Minister to explain why he had told a Press conference last month that no Department of Defence money had been allotted to Information

Despite the present deep divisions in Nationalist ranks, the Government presented a united front during the debate, with MPs cautiously distancing themselves from Dr Mulder

Mr Colin Eglin, leader of the Opposition, told the House that although he had no sympathy for Dr Mulder, the former Minister of Information could not become the scapegoat for the Cabinet, which had to accept collective responsibility for the scandal.

Nats give up Citizen — and the cash

By HAMISH FRASER
Deputy Financial Editor

THE Prime Minister announced in Parliament yesterday that the Government had stopped financing The Citizen two weeks ago, and was offering the owners of the paper the opportunity to run it "for their own profit or loss"

But The Citizen published an advertisement yesterday giving a statutory 30-day notice that it intends disposing of assets to The Citizen (1978) Limited — the new company registered by Perskor last week

Judging by Mr P W Botha's speech and the Pretorius Comittee report tabled in Parliament yesterday, the Government appears to have washed its hands of The Citizen and its holding company SA Today without trying to recover the R32-million of taxpayers' money spent on it

And now it is apparently going to allow its former front-men to sell the paper and its assets to Perskor

The Pretorius Committee said it had been instructed by the Cabinet to quickly end State support for the paper. It decided to:

● Cease all further contributions to SA Today;

● Recall a cash amount of R450 000 which served as guarantee for the printing costs of the newspaper,

● Offer the owners of SA Today the opportunity to run the newspaper for their own profit or loss;

● Make the owners responsible for payment of the R360 000 owed by SA Today to an overseas company.

All the State got back of the R32-million spent on The Citizen was the R450 000 guarantee.

Mr Harry Schwarz, PFP spokesman on finance, said it was clear from both the Mostert papers and the Erasmus Commission's findings that Mr Van Zyl Alberts had merely been acting as a nominee when he paid R1 each for SA Today's three shares in February and R1 for the company's assets

But it was inexplicable that he appeared, for no consideration, to have become the legal owner of the assets.

The State got the guarantee money back but there is no record of any consideration having been paid for the company's net assets which only nine months ago were valued at R835 000 by SA Today's auditors

Whichever way it is seen, the deal looked a particularly good one for Perskor, newspaper industry sources said — but less than a fair deal for taxpayers

● **Editorial comment — Page 16**

Police uncover big pass book racket

Staff Reporter

POLICE had uncovered a country-wide reference book forgery racket and a white employee of the West Rand Administration Board is among those arrested in connection with the offence, Mr Manie Mulder, chairman of Wrab, said yesterday.

Mr Mulder said the man was arrested with two others who were employed by other administration boards

Mr Mulder was commenting on reports in Die Vaderland yesterday.

The paper said Security Police were investigating a possibility that some of the books were being sold to blacks "with terrorist aims."


SPECIAL!
Normal Price R450.00
NOW R195
BARNETT GENERAL SALVAGE
Open on Saturday
Plenty of parking
CRASH — FLASH
159 Eloff Street.
TEL. 838-5737

RAND
Daily Mail

LATE FINAL

SANPA WORLD PRESS AWARD 1966

JOHANNESBURG, FRIDAY, DECEMBER 8, 1978

Price 12c

HOW'S THIS FOR VALUE!
Wall-to-Wall CARPETS
~~HANDYCK~~ (We are not allowed to mention the name)
Completely fitted wall-to-wall with quality underfelt. Guaranteed workmanship.
R6.95 per sq metre laid.
BARNETT GENERAL SALVAGE
• Open on Saturday
• Plenty of parking
CRASH — FLASH
159 Eloff Street.
TEL. 838-5737

Vorster, PW blamed

259 8/12/78 R.D.M.

CLASSIC

RIKA

INSIDE MAIL

The Pretorius committee: the full report

November 30

REPORT OF THE PRETORIUS COMMITTEE OF INQUIRY INTO SECRET PROJECTS OF THE FORMER DEPARTMENT OF INFORMATION

1. The committee started its activities on October 23, 1978, to carry out the instruction of the State Security Council to:

1.1 Investigate and evaluate the secret projects of the former Department of Information and make recommendations as to —

1.1.1 projects which in the opinion of the committee should be summarily stopped and those which should be continued,

1.1.2 the desirability of secretly financing and handling those projects that are continued, and whether this should be done openly;

1.1.3 the authority which should handle those projects that are continued,

1.2 to ensure that any assets accruing to the State through front organisations and/or persons through the expenditure of public funds are secured lawfully and in favour of the State;

1.3 to decide whether any person or authority has been enriched through irregular handling of public funds

2. The committee found that the investigation team had at that time already identified 138 different projects This was a series of projects aimed at exercising influence, through every possible means of communication, in favour of South Africa both internally and externally

3 At the outset of the inquiry it immediately became apparent to the committee that the State also had an interest in the company SA Today, publishers of The Citizen Instructed by the Cabinet that all support on the part of the State for this newspaper must be terminated as quickly as possible, the committee immediately attended to this project The committee was faced with the naked reality that if the newspaper was stopped immediately the State could indirectly be held responsible for compensation for damages estimated to be in the region of R16-million In the light of this it was decided to —

3.1 Cease all further contributions to SA Today,

3.2 Recall a cash amount of R450 000 which served as guarantee for the printing costs of the newspaper,

3.3 Offer the owners of SA Today the opportunity to run the newspaper for their own profit or loss; and

3.4 Make the owners responsible for payment of the amount of R360 000 owed by SA Today to an overseas company

4. On November 17, 1978, the cash amount of R450 000 was repaid and deposited in favour of the State. In addition, the necessary written undertakings were received from the owners of SA Today (stating that) The Citizen now belonged to them and the State had no interest or responsibility in it Copies of the relevant documents are attached To date the State has spent a total of approximately R19-million on the Citizen.

5. An investigation was instituted into the circumstances in which an amount of R10-million was provided to Mr Louis Luyt for investment purposes so that support could be given to SA Today out of the yield (opbrengs) The loan was valid for 10 years but with the ending of Mr Luyt's connection with SA Today, after it had only been in force for two years, Mr Luyt provided cheques for the repayment of the amount plus interest to go over a period of eight years With the return of this amount to the State this matter will also be satisfactorily concluded

6. To date the committee has reported to the State Security Council on 125 of the secret projects, of which a few were still in the planning stage, and decided the following

6.1 To stop 57 projects because their object was achieved or they could no longer be effectively achieved,

6.2 To continue 68 projects, of which eight will be openly financed and handled,

6.3 To continue 56 as secret projects,

6.4 To refer two projects to the Department of Economic Affairs,

6.5 To refer one project to the Department of Foreign Affairs and the Bureau for National and International Communication,

6.6 To refer one project to the Department of National Security;

7. A report will be issued soon (eersdaags) on the remaining projects

8. The committee found, in the projects it had already examined, that because of the spending of State funds by persons and companies who acted as fronts for the Department, the State had acquired rights in the following immovable properties

11 flat units;
4 houses,
1 vacant stand, and
1 business building

8.1 Of these properties, the flat in Cannes was recently sold for an amount of $500 000 which will shortly be deposited in an account in favour of the State

8.2 The house in the United States was sold for $320 000 and the money also channelled into an account in favour of the State

8.3 The title-deeds of the remaining 10 flats and one house are in our possession and are secured to the ownership of the State The Department of Public Works is currently examining the flats with a view to State use

8.4 The securing of State interests in a third house is receiving active attention

8.5 The fourth house is in a bantu residential area and the necessary arrangements are being made for the recall of the loan made for it, namely R17 500, or its possible take-over by the Department of Plural Relations

9. It was found that the State, through persons who acted as fronts, has acquired shares in 49 different companies both in South Africa and overseas The relevant share certificates have been acquired, together with the necessary transfer certificates and in this way the State's interests have been secured. The companies are all concerned with the information task, or they served as covers for the secret channelling of funds, especially to and from overseas Arrangements have been made to sell the shareholding in those companies concerned with projects which it has already been decided to stop

10. A budget saving of at least R4-million was brought about for the current year through the stopping of certain of the projects.

11. Irregularities found in the handling of State funds, especially in the project Anonymous Collaborators, were brought to the attention of the Erasmus Commission in the evidence of Mr Reynders Because the committee, when it was found that irregularities had in fact taken place, realised that it did not have the legal standing to subpoena witnesses or take down evidence under oath, the committee recommended on November 3, 1978, that the Cabinet appoint a judicial commission of inquiry to investigate the irregularities. With the appointment of the Erasmus commission, that part of the Committee's instruction fell away Further supposed irregularities discovered in the investigation of the projects Morgan Grampian and Hortors have been brought to the attention of the Erasmus commission and the Van der Walt commission.

Signed H J Pretorius, chairman.

THE SPECIAL INFORMATION DEBATE

Ministers knew, yet did nothing—Swart

Political Staff

THE ASSEMBLY — The behaviour of those Cabinet Ministers who knew what was happening in the now defunct Department of Information and did nothing more than express disapproval amounted to rank bad judgment, negligence or simple ineptitude, Mr Ray Swart (PFP Musgrave) said last night.

"It is not Dr Mulder or Dr Rhoodie or any other official who is on trial but those in authority at Cabinet level who allowed the situation to develop.

"Either they knew what was happening and did nothing or if they did not know they ought to have known," Mr Swart said.

"There is substantial evidence of the complicity of others in the whole affair either at its inception or during the course of events.

"So we have a number of accessories who need to give an account of their position," Mr Swart said.

"They were people who knew what was happening but who did nothing except perhaps note their objection or disapproval but then did nothing to bring these gross irregularities to an end."

Mr Swart said that from the end of 1974 money from the Special Defence Fund had been channelled to the Department of Information for secret projects.

However, Parliament had not known this and the taxpayers of South Africa had not known it.

"We all thought that funds allocated for defence and especially funds provided in the interests of security from a Special Defence Fund, would be utilised for this purpose.

'But the Minister of Defence knew that this was not so.

"He knew it, the Prime Minister at the time, Mr Vorster, knew it, and the Minister of Information knew it. One wonders who else knew it.

"What steps did the Minister of Defence take to ensure that his insistence on 'proper auditing' was complied with?" Mr Swart asked.

"And for that matter what steps did his colleagues the Prime Minister and the Minister of Finance take in this regard?"

Star 25 8/12/78

Govt must accept collective blame —Opposition



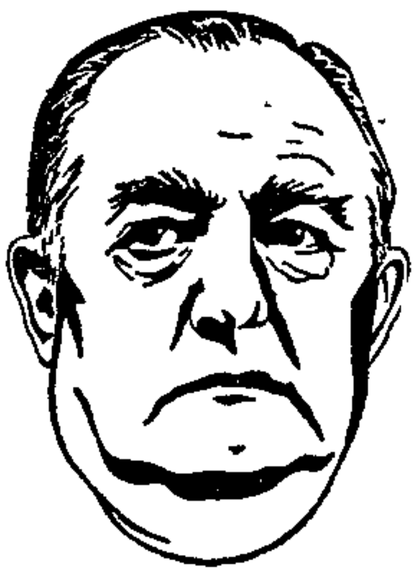
Senator Horwood . . . attack on Mostert.



Mr Swart . . . Minister knew.



General van den Bergh . . . under attack.



Mr Vorster . . . collective blame.

Parliamentary Staff

CAPE TOWN — Opposition speakers in the Assembly yesterday rejected the Government's argument that it would not take collective responsibility for irregularities in the former Department of Information

The clash on this aspect of the information scandal became one of the major issues in the debate on the Erasmus Commission's report

The leader of the New Republic Party, Mr W V Raw, said every member of the Government shared collective responsibility for what had occurred in the former Department of Information

"I reject totally the Prime Minister's claim that ignorance of what has happened absolves him or his Government from collective responsibility," Mr Raw said.

Ignorance or failure by the Government ta establish the facts was an aggravating factor and not a mitigating factor for the Government.

Mr R A F Swart (PFP, Musgrave) said collective responsibility on the part of a Cabinet was a tradition of Westminster-style democracies

One commentator, dealing with Cabinet solidarity in the British system and the executives tendency to operate in secrecy had said it was the essence of the Cabinet's power that it needed "to hang together rather than to risk hanging separately"

Mr Swart asked whether it was perhaps an obsession with this power, spurred on by the knowledge that it had secret funds, which had enabled the South African Cabinet to condone the malpractices in the Department of Information for so long

Dr Zac de Beer (PFP Parktown) said it was conceivable that the Government did not know late in 1977 of the irregularities in the department. But it was not conceivable that the Government did not know it was voting the money.

The Government had collective responsibility for the secret funds and for the allocation of money

At the start of yesterday's debate the Prime Minister, Mr P W Botha said the Government was not prepared to take collective responsibility for the irregular activities in the department

He said this was so because Dr C P Mulder never told him or the Cabinet about these activities, including the establishment of The Citizen newspaper with State funds

Mr Botha's argument was that collective responsibility could only be taken if the Government knew of such activities

This argument was backed by the Minister of the Interior, Mr A L Schlebusch, and other Nationalist speakers

The Minister said he and several other Cabinet members had only heard of the revelations in the information debacle the weekend before the election of the Prime Minister He was convinced the rest of the Cabinet had also not known about the "shock facts"

The Opposition's argument that the Cabinet had collective responsibility therefore fell away

Sharp clashes in debate

Parliamentary Staff

CAPE TOWN — The handling of the Information Department affair by the South African Press led to sharp clashes between Government and opposition speakers in the Assembly yesterday

Government speakers, including the Prime Minister, Mr P W Botha, launched a series of attacks on newspaper reports and comment while opposition speakers vigorously defended and praised the role of the Press.

One of the sharpest attacks came from the Minister of the Interior, Mr Alwyn Schlebusch, who said the Government would not allow itself to be chased about by "leftist-liberal elements or the leftist-liberal Press"

Earlier the Prime Minister, Mr Botha, had warned that there was a "dangerous tendency" towards "public trial by the Press" in South Africa.

He accused certain newspapers of publishing "blatant lies."

The Minister of Foreign Affairs, Mr Pik Botha, spoke of "witch hunts" by newspaper reporters on officials involved in affairs of the former Department of Information This could result in harmful attacks on sound projects of the department, he said

Defending the role of the Press, Dr Zac de Beer (PFP, Parktown) said that if it had not been for the Press, the present Assembly debate on the Information issue might never have taken place.

Both the free Press and the judiciary had played an invaluable role in saving South Africa's name, he said

Earlier the Leader of the Opposition, Mr Colin Eglin, said redeeming features of "the whole distressing affair" had included the courage and independence of Mr Justice Mostert and "the tenacity and expertise of the free Press in their exposures of the Information scandal"

The leader of the New Republic Party, Mr Vause Raw, said the exposure of the Information scandal was a triumph for the free Press and for democracy in South Africa

"If we had been in a marxist state these revelations could never have been made," Mr Raw said.

IN PARLIAMENT

Public fund abuse attacked

THE ASSEMBLY — An amendment to the Government motion on the Erasmus report, calling for a full audit of secret funds, was introduced by the South African Party.

Speaking in the special debate on the report yesterday, Mr Theo Aronson (SAP, Walmer) said his party strongly deprecated abuse of public funds and believed persons responsible for such irregularities should be prosecuted.

The SAP understood the need for secret funds, but believed they should be spent with greater care and circumspection than public funds, he said — Sapa.

SA 'good, clean and orderly'

THE ASSEMBLY — Administration in South Africa was basically good, clean and orderly, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday.

Speaking in the debate on the Erasmus report, Mr Botha said where irregularities occurred, the necessary mechanism existed to have it exposed.

Nowhere in the Western world was action taken so openly and honestly, not even in the case of Watergate.

'Report in Citizen a lie'

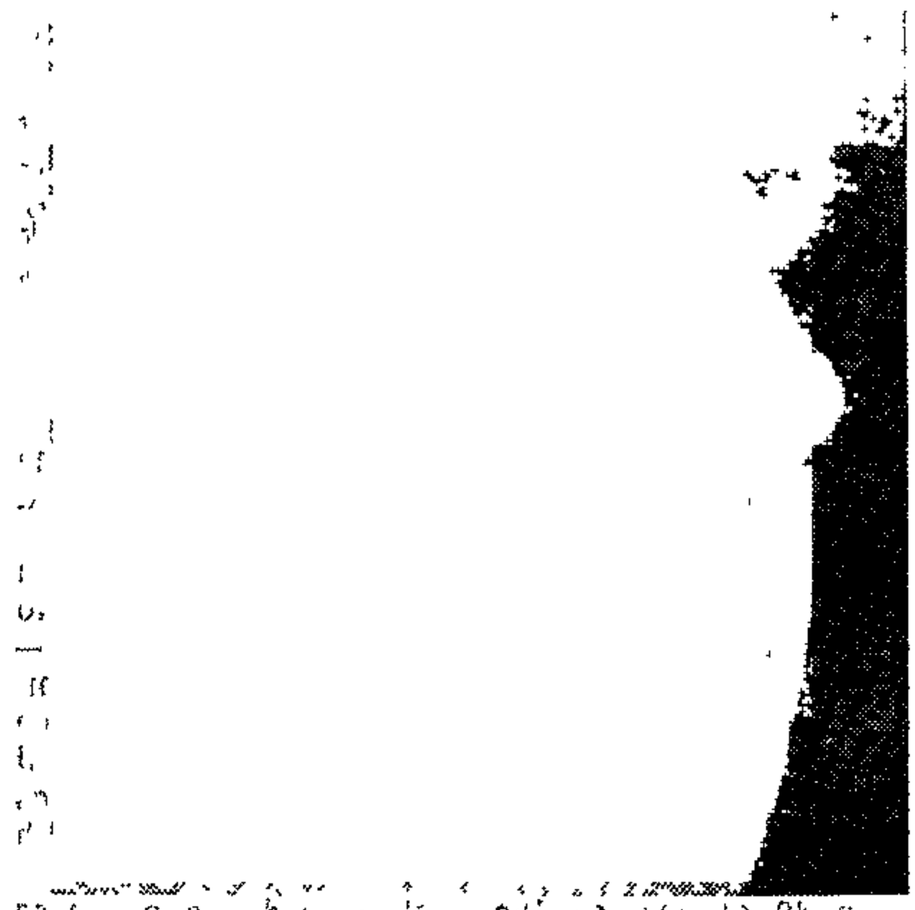
THE ASSEMBLY — The leader of the New Republic Party, Mr Vause Raw, yesterday described as a "downright lie" a report in yesterday's issue of The Citizen.

Mr Raw said that a report by Mr Jaap Theron, the newspaper's political reporter, that Ps of the NRP would collect public money to keep The Citizen going was a deliberate lie. —Sapa.

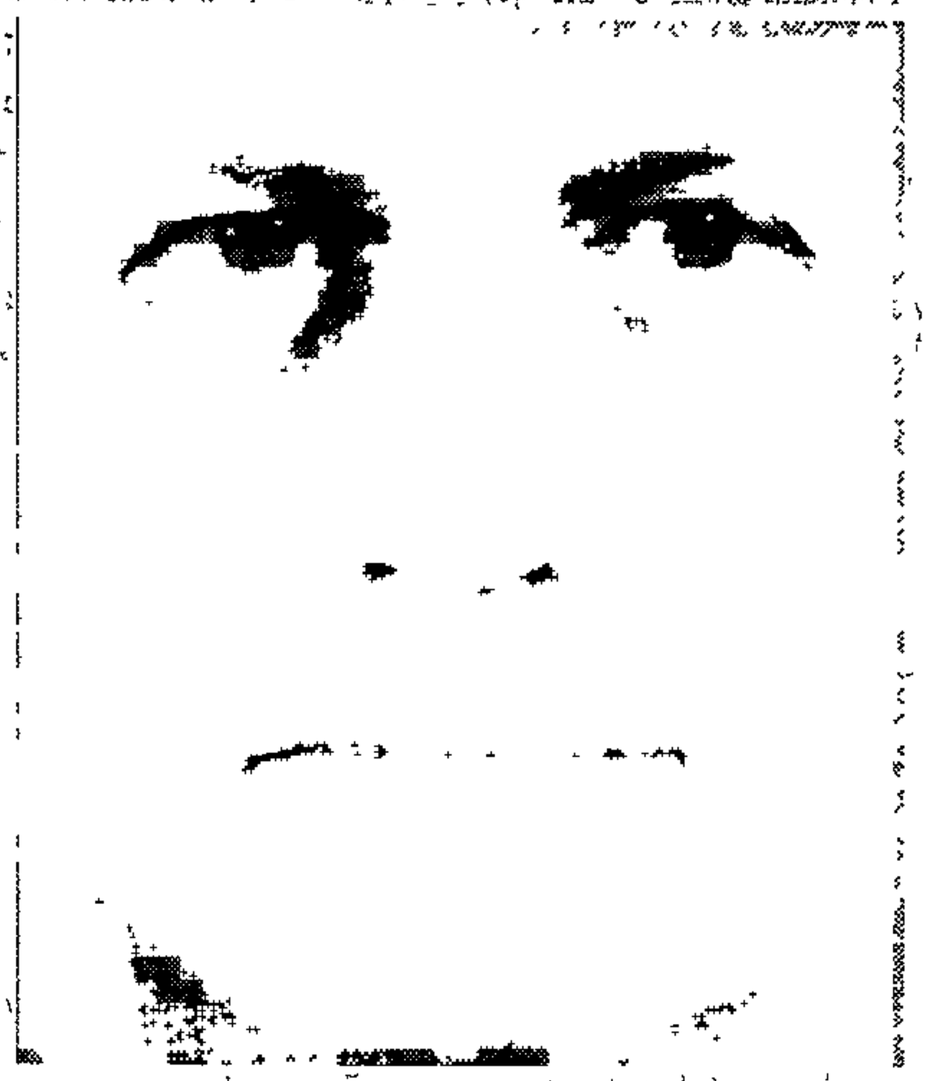
Murder poser by Swart

THE ASSEMBLY — Government members objected loudly last night when Mr Ray Swart (PFP, Musgrave) said the fear for his life referred to by Mr Lood Reynders, in the Erasmus report was a fear of being murdered.

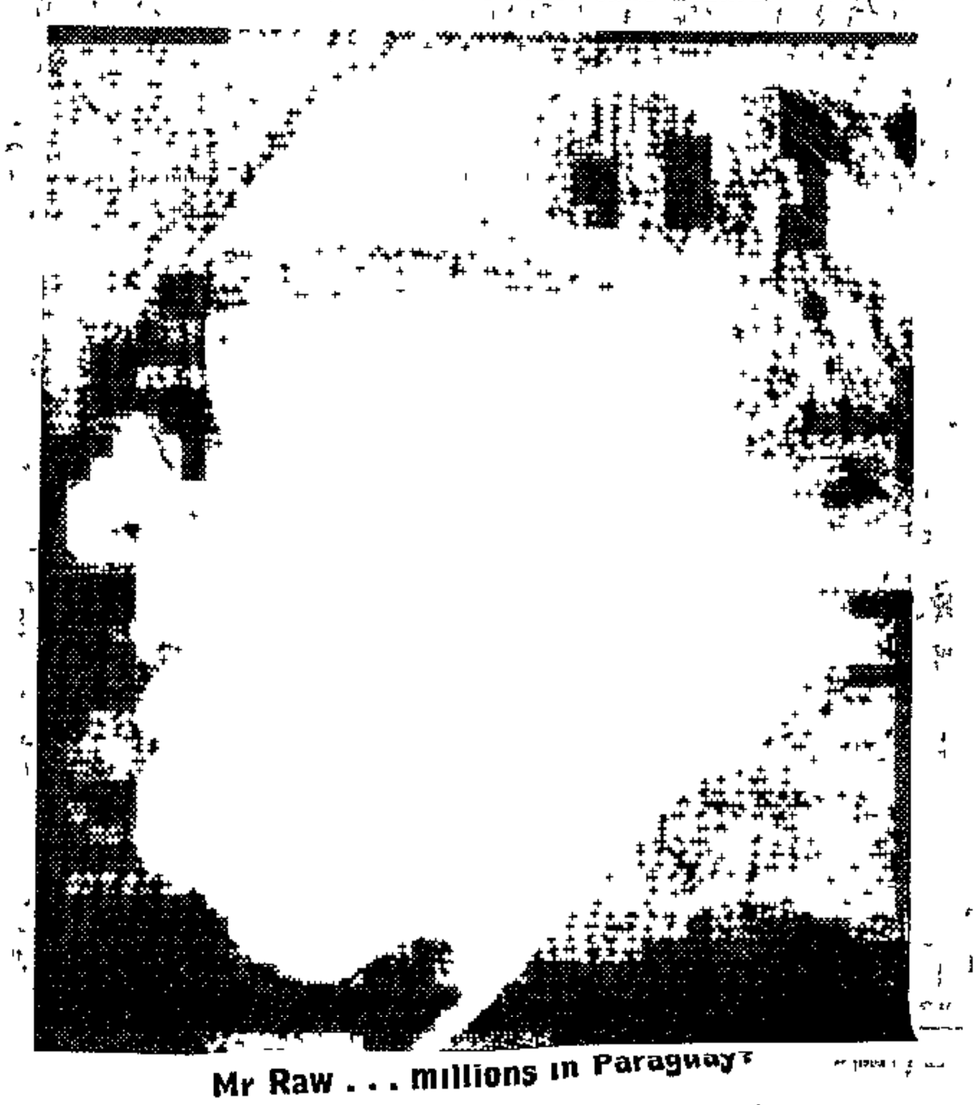
"The report says he feared for his life, what



Mr Eglin . . . BOSS a "monster."



Mr P W Botha . . . must take blame.



Mr Raw . . . millions in Paraguay?

Star 8/12/78 259

Star
6/12/78
25

A 'HATCHET JOB' ON JUDGE, SAYS ZAC DE BEER

Horwood accuses Mostert of appalling conduct

Parliamentary Staff

THE ASSEMBLY — The Minister of Finance, Senator Owen Horwood, made a stinging attack on Judge Anton Mostert in the Assembly yesterday, accusing him of appalling conduct, publishing one-sided, untested evidence and going much wider than the mandate of his commission.

At one stage during Senator Horwood's attack on Mr Justice Mostert, Mr Brian Bamford, the Opposition's Chief Whip, raised a point of order to ask the Speaker how far a member of Parliament could go in criticising a judge of the Supreme Court in the Assembly

The Speaker ruled that Mr Justice Mostert had acted as a commissioner He said he would intervene only when criticism of the judge in his role as a commissioner implied that he was unfit to be a judge of the Supreme Court.

Senator Horwood praised the work of the Easmus Commission and said the Assembly and South Africa owed it a debt of gratitude for what it had done in such a short time

"How different was the so-called Mostert Commission, which now is the hero of the Opposition and the leftist Press His (Mostert's) task was to investigate malpractices in connection with exchange control measures, but he went very wide So wide that he suddenly published evidence that was untested and one-sided," Senator Horwood said

He said the system in South Africa was not to accuse a man until you had heard his side of the story and until both sides of the evidence had been tested

REMEDY

"Judge Mostert had no business in publishing that evidence without testing the evidence and giving those accused a chance to reply," Senator Horwood said

If Mr Justice Mostert had had the perfect remedy he could have published an interim report, but such a report would have had to be a balanced one

Senator Horwood said Mr Justice Mostert had asked to see the Prime Minister, Mr P W Botha, and Mr Botha had arranged a meeting as soon as he was able under the pressing schedule of his office

"I was absolutely appalled at the conduct and behaviour of Judge Mostert in the presence of the Prime Minister," Senator Horwood said

"His behaviour can only be described in the words of Bacon, who said 'A much talking judge is like an ill-tuned cymbal'

"I suggest that Judge Mostert should weigh the wisdom of these words," Senator Horwood said

He read from the regulations governing the Mostert Commission, which said that no one should disclose any evidence which came before the commission.

He said he had independently consulted two distinguished senior advocates, who were both of the view that this regulation bound every member of the commission as well.

WIDE OPEN

Dr Zac de Ber (PFP Parktown) described Senator Horwood's attack on Mr Justice Mostert as a "hatchet job".

He said the question of whether the chairman and members of the commission were bound by the regulation regarding the disclosure of evidence was a wide-open one

There was certainly no proven case that Mr Justice Mostert was wrong in disclosing the evidence At best it was an opinion to say that he was wrong.

Dr de Beer hit out at Senator Horwood for referring to the Mostert Commission as the "so-called Mostert Commission"

Mr Ray Swart (PFP Musgrave) said the disclosures of Mr Justice Mostert had forced the Prime Minister, Mr P W Botha, to appoint the Erasmus Commission to investigate the information scandal

"One wonders what the situation in South Africa would have been today if it were not for the Mostert Commission," Mr Swart said.

"Why was the Prime Minister so angry at the disclosures of the Mostert Commission, which had now been confirmed by the Erasmus Commission?"

Several other Government speakers criticised Justice Mostert and his role in disclosing the evidence he had heard in regard to the Information scandal.

Mr Z P le Roux (NP Pretoria West) said that where Mr Justice Mostert had gone wrong was that he had seen himself as a judge and not a commissioner

"He should have been able to discriminate between what his mandate was and what it was not," Mr le Roux said

BOSS 'has grown into a monster'

Political Staff

THE ASSEMBLY — The Government had to resign over the Information Department debacle, the Leader of the Opposition, Mr Colin Eglin, told the Assembly today.

Mr Eglin said three Ministers — the former Prime Minister, Mr John Vorster, his successor, Mr P W Botha, and the Minister of Finance, Senator Horwood — should share the blame for the Information Department affair.

He said the former Minister of Information, Dr Connie Mulder, should not be the scapegoat for the Cabinet. It had to accept collective responsibility for what took place.

Mr Eglin was speaking to his amendment to the Government motion accepting the Erasmus Commission report.

He described the former Bureau for State Security as having grown, under General Hendrik van den Bergh, into a monster which put itself beyond the law and attempted to manipulate the Government.

He said the Department of National Security should revert to being an instrument to serve South Africa in a vital field instead of being a clique using the country for its own ends.

Mr Eglin demanded to know why the former Prime Minister, when told that the Department of Information was planning to establish a newspaper, "did not do all he could to prevent this."

He also wanted to know why, when Mr Vorster was fully briefed, The Citizen had been allowed to continue its anti-Progressive Federal Party and pro-Nationalist propaganda during the 1977 election campaign and to increase the loss to the State from R16-million to R31-million.

Turning to Senator Horwood, Mr Eglin asked why he continued with the secret funding arrangement that he inherited and objected to, as well as what arrangements he had made for the audit of secret funds.

Star 8/12/78

25

Rumours of stashed millions

Parliamentary Staff

Mr Vause Raw, leader of the New Republic Party, spoke in Parliament yesterday of rumours in Pretoria of millions stashed away in steel army trunks, numbered bank accounts and farms in Paraguay

He said it was beyond his comprehension that the former Prime Minister, Mr Vorster, should have heard of none of this nor the stories which went wild after the Smit murders

Leading the NRP attack in the debate on the Erasmus Commission report, he said he rejected that Mr Vorster should be excluded from personal and collective responsibility in the Information Department affair

The rumours and whispers went down the corridors of power in Pretoria and were discussed in every restaurant and cafe

If none of this had reached the ears of the former Prime Minister, where was his security organisation?

SECRET PROJECTS

He was concerned that the former Prime Minister should have appointed a man to evaluate secret projects when he knew he had participated in their formulation and had been ordered not to become involved

Mr Raw then read a report in an Afrikaans newspaper in which General Hendrik van den Bergh, former head of the Bureau for State Security, was quoted as rejecting the Erasmus Commission's findings with contempt and describing the debate in Parliament as a farce

"I suggest to the Prime Minister that this is blatant contempt of a judicial commission and of Parliament."

Mr Raw demanded to know whether Mr P W Botha approved of his predecessor's actions.

On his role as Minister of Defence, he refused to accept that Mr Botha had to act against his own better judgment in the use of the Defence special account.

REMEDIES

He said Mr Botha had deliberately misled Parliament and there was collective responsibility for what had happened.

Turning to the Minister of Finance, Senator Owen Horwood, Mr Raw said he told Parliament in March that he knew of no irregularities or difficulties with funds

"He bluffed us and we accepted his assurances. Parliament was humiliated"

ELECTION

Mr Raw caused a stir when he challenged Dr Andries Treurnicht, leader of the National Party in the Transvaal, to deny that Mr Jaap Theron, political correspondent of the Citizen, was a public relations officer for the party during last year's election.

His information, he said, came from a member of the Government who was sitting in Parliament.

Dr Treurnicht did not reply

Mr Raw described a report in yesterday's Citizen that NRP members would collect money to keep the Citizen going as a "downright lie."

Steyn 259 8/12/78

De Beer wants to know about Rhoodie loan

Parliamentary Staff

CAPE TOWN — Dr Zac de Beer, (PFP, Parktown) yesterday challenged the Minister of Finance, Senator Horwood, to explain how Dr Eschel Rhoodie was allowed to negotiate a R16-million foreign loan to finance the former Information Department's secret projects

In yesterday's debate, Dr de Beer said the Minister had allocated R15-million to the department at a time when the former Secretary for Information had negotiated abroad for another R16-million

Dr de Beer asked how this had been shown in the Budget and suggested that much more would still be heard about the Information debacle

He said an individual would never be able to obtain such a big loan overseas unless he had very strong guarantees

Where would Dr Eschel Rhoodie have obtained such guarantees and what were the conditions for repayment of the loan?

Was the loan repaid and what arrangements were made for this? Dr de Beer asked

PARTICULARS

Dr de Beer said it would become necessary for members to be given full particulars about all the evidence led before the commission, with the exception of matters relating to the security of the State

According to the Erasmus report, R64-million had been voted for secret projects over a period of five years

Why had Cabinet Ministers not inquired for what purposes this money had been used?

The Government's defence was that it did not know until late 1977 what was happening in the former Information Department but the Government should have known what happened to money voted by Parliament.

De Jong sad over Vorster

THE ASSEMBLY — Mr Gerrie de Jong (NRP, Maritzburg South) said in the House of Assembly last night that the chapter in the Erasmus Commission's report on the former Prime Minister, Mr Vorster, made him sad and disillusioned.

Mr de Jong said he and many thousand South Africans had a high regard for Mr Vorster, but he had not taken an immediate strong moral stand against irregularities when they came to light —Sapa.

Dept wanted overseas paper

THE ASSEMBLY — The former Department of Information had tried in 1975 to obtain money from the Treasury to buy a newspaper in Europe, the Minister of Finance, Senator Owen Horwood, said yesterday

Speaking during the special session, Senator Horwood said the department asked him to authorise the Treasury to make a few million rand available for the purchase of a newspaper in Europe. He had refused — Sapa

Botha angrily denies that he chaired sub-committee

Political Staff

THE ASSEMBLY — The Prime Minister, Mr P W Botha, angrily denied in the assembly yesterday that he was the chairman of a three-man Cabinet subcommittee on secret funds and the Minister of Finance, Senator Owen Horwood, denied the existence of such a subcommittee.

The denials came by way of interjection during a speech by Mr Vause Raw, leader of the New Republic Party, in which he referred to Mr Botha as the chairman of the three-man Cabinet subcommiteee on secret funds mentioned in a statement by Dr Eschel Rhoodie.

When Mr Raw asked Senator Horwood whether there had been such a committee Senator Horwood replied that as far as he knew there had been no such committee.



RDM (259) 8/12/78

'SA's session of shame'

We stand before a crisis of integrity, a crisis of honour — Eglin



The Leader of the Opposition, Mr Colin Eglin, arrives at the House of Assembly with Mr Ray Swart

THE ASSEMBLY. — South Africa stood before a crisis of trust, integrity and honour, the Leader of the Opposition, Mr Colin Eglin, told Parliament in the debate on the Erasmus Commission report

Mr Eglin said the special session of Parliament was unique in that it was not being held through circumstances forced on the country from outside, "but because of the feckless and deceitful behaviour of people inside the Government in whom the public and Parliament had reposed their trust"

He believed this would be seen as a "session of shame" by those South Africans who had always been proud of the integrity of the Government, no matter what their political persuasion

He said it was a "session of shame which follows on the exposure of one of the ugliest and most distasteful chapters in the history of Government in South Africa"

The exposure was not yet complete, but had made its mark on the country's national life The secret funds' scandal went beyond personalities and political parties, he said

Referring to "those who in one way or another, through their infidelity and deceitfulness, have become part of the secret funds' scandal", Mr Eglin said they had weakened the fabric and undermined the whole structure of Government in South Africa by destroying the bond of trust between people and Government

"More effectively, more destructively than any outside agency could have done, they have sabotaged the image and status of Government in South Africa in the eyes of the world

"The enormity of what these men have done to South Africa makes their excuses that they did it 'in the interests of South Africa' even more pathetic and in some instances even more distasteful

"South Africa today stands before a crisis of trust, a crisis of integrity, a crisis of honour, and in these circumstances we in this sovereign Parliament of the Republic carry an awesome responsibility"

This responsibility meant rising above personal party loyalty and avoiding the temptation of looking for scapegoats

"We will have to so conduct ourselves that in the place of the havoc that has been wrought by the executive arm of Government, Parliament will make it possible for the people of our country to regain some trust and confidence in the structure of our Government"

Mr Eglin said there were only three redeeming features "in the whole distressing affair"

"One was the courage and independence of Judge Mostert who, in refusing to be browbeaten by the executive, upheld the best traditions of the South African judiciary

"Secondly — and I believe it is a credit to South Africa — the tenacity and expertise of the free Press in their exposures of the Information scandal

"And finally, the revulsion of South Africans of all political parties to the smell of corruption in Government"

Mr Eglin said the Information scandal burst wide open when Mr Justice Anton Mostert "pricked the bubble of deception", and published some of the evidence given to his commission of inquiry into exchange control irregularities Mr Justice Mostert had been vindicated by the report of the Erasmus Commission

"We believe the Prime Minister did a disservice to South Africa by closing down the Mostert Commission in an abrupt way It was a disservice both in relation to the work the commission was doing and to the relationship between the executive and the judiciary in our country"

The Prime Minister, Mr P W Botha, had again yesterday taken umbrage at Mr Justice Mostert and also at the Press

"If I were the Government," Mr Eglin said, "I would be just a little humble in speaking about the role of the Press in South Africa because he knows the Press has been an important factor in exposing the whole corruption scandal"

The Prime Minister should also be grateful because, if it were not for the work of the Press, Dr Connie Mulder and not he would be Prime Minister of South Africa, Mr Eglin said — Sapa

8/12/78 RDM 259

Erasmus opened 'can of worms'

THE ASSEMBLY — The Erasmus Commission had ripped the lid off a can of worms, but had not yet delved to the bottom of it, the Leader of the Opposition, Mr Colin Eglin, said yesterday

The report was not yet complete, Mr Eglin said during the debate on the commission's report at the special parliamentary session

"In some issues the train of events of misappropriation of funds are relatively easy to follow, but in other issues, notably the alleged involvement of the former Prime Minister in the secret funding of The Citizen, the conclusions are far from obvious from the commission's report"

The commission had dealt essentially with procedures adopted in departments dealing with secret funds, but not with other matters which had already been the subject of Press reports, he said

These were

- An alleged loan of R10-million to the American publisher Mr John Mcgoff,
- The bid to take over the Washington Star newspaper,
- The Club of Ten,
- The Foreign Affairs Association,
- Mr Red Metrowich, and the SA Freedom Foundation,
- The activities of Mr David Abrahson and Mr John Heinrich and the Hortors Publishing Empire; and,
- The activities and status of To The Point news magazine

Mr Eglin said the report was also incomplete because the "Annexures" referred to in it and the verbatim record of the evidence and cross-examination had not been made available to Parliament

"The record of evidence is an essential part of the report," he said "Without it, it is impossible to evaluate some of the conclusions to which the commission has come"

The public was entitled to have any evidence which was not clearly a matter of State security

"The Prime Minister should release it to the public All evidence should be seen and should be heard I believe the responsibility to decide what should be released is the responsibility of the Government, not of the commission

"It is especially important for the Prime Minister to play open cards with the people of South Africa"

Mr Eglin said it was important for Parliament to note the Erasmus report, but it also had to make a wider assessment in the light of all the evidence, because Parliament had the right to call the executive to account

"It has the responsibility to guard over the money it has appropriated for specific purposes"

It was the duty of Parliament to assess whether there had been any misdirection of executive authority, any member of the executive had defaulted in the exercise of his responsibilities, there was any deception by any member of the executive of the public or of Parliament, there was any attempt to cover up, and whether appropriate and timeous remedial action had been taken to protect the public interest

"Parliament will also have to determine which Cabinet Ministers must accept responsibility for any of the above matters"

Mr Eglin said there were two issues relating to the statutory procedure for controlling public funds to which he had to refer One was a contradiction, the other an error of fact

The Erasmus report twice stated the Special Defence Act exempted money from the secret fund from audit, while elsewhere it stated they were "not necessarily excluded"

Mr Eglin said responsibility and prerogative to determine what audit there would be of money voted by Parliament under the Special Defence Act rested with the Minister of Finance and the Minister of Defence The factual error in the report dealt with the arrangements for the channelling of secret funds

The commission had found the former Prime Minister, Mr B J Vorster, responsible for the arrangement and stated that the opposition parties had never questioned this arrangement in Parliament

"This is not the fact," he said and quoted from his own Hansard to show he had stated the allocation of funds was the prerogative of Parliament and no executive could thwart that right

It was unthinkable that anyone should issue a certificate shifting money from one department to another — Sapa



Mr B J Vorster. The conclusions to be drawn about his involvement in the funding of The Citizen are far from obvious, Mr Colin Eglin said.

RDM
259
8/12/78

Govt accepts the findings — PM

THE ASSEMBLY. — The Government accepted the findings and the recommendations of the Erasmus Commission of Inquiry into alleged irregularities in the former Department of Information, the Prime Minister, Mr P W Botha, said in the Assembly yesterday.

The Prime Minister, who was the first speaker in the special debate on the report of the Erasmus Commission, moved this motion:

"That this House

(a) Expresses its gratitude to the Commission of Inquiry into alleged irregularities in the former Department of Information;

(b) Expresses its appreciation of the Pretorius Inter-Departmental Committee for the work it has done;

(c) Accepts the findings of the commission and the recommendations as set out in the commission's report;

(d) Expresses its appreciation of the fact that effect is already being given thereto;

(e) States its conviction that secret funds should be at the disposal of the Government as is the case with the authorities of other countries;

(f) Requests the Government, in consultation with the Auditor-General, to institute a practical and satisfactory system of auditing and reporting on such funds,

(g) Expresses its confidence that it is the Government's earnest intention to combat and punish irregularities in the administration of the country; and

(h) Expresses its confidence that the vast majority of public servants are continuing to maintain the traditional clean administration of the Republic. — Sapa.

● See PM's speech — Pages 10,11



MR P W BOTHA
findings accepted

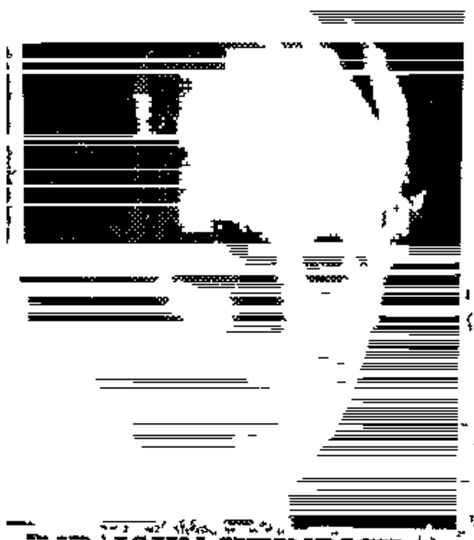
RSM

259

8/12/78



MR JOHN MCGOFF
. . . R10-m loan



MR JOHN HEINRICH
more questions



DAVID ABRAMSON
publishing queries



ED METROWICH
foundation disbanded

was considering any financial asssistance for a daily newspaper "in existence or to come into existence"

Dr Mulder had replied "No"

On February 9, 1977, Mr Gordon Waddell, former MP for Johannesburg North, asked Dr Mulder whether his department had sent any money to any company publishing newspapers in South Africa He also asked whether the department had provided any guarantees to or subscribed for preference or equity capital in any companies publishing newspapers

Dr Mulder had replied "No"

On May 10 this year, Mr Japie Basson, MP for Bezuidenhout, told the House during the debate on the department "We specifically asked the honourable Minister (Dr Mulder) whether the rumour that the Government was making secret funds available to The Citizen was true"

Dr Mulder then told the House "I shall reply to it directly by saying that the Department of Information does not give funds to The Citizen. Is that clear and does the honourable member accept it?"

Mr Basson then asked "And the Government?"

Dr Mulder replied "The Government does not give The Citizen funds."

The Speaker said yesterday that he would rule today whether he would accept a motion for the appointment of a select committee.

a monster

THE ASSEMBLY — The growth of the Bureau for State Security into a monster was one of the frightening revelations of the Erasmus Commission report, the Leader of the Opposition, Mr Colin Eglin, said in Cape Town yesterday

Speaking in the debate on the former Department of Information, Mr Eglin criticised the role of the former head of the bureau, General Hendrik van den Bergh, in putting the bureau beyond the law and attempting to manipulate the Government and the administration to suit its own ends

"Whatever else the new Prime Minister does, I ask that the Department of National Security will revert to what it should be an instrument to serve South Africa in a vital field — not a clique using South Africa for its own ends," Mr Eglin said.

He believed the new Prime Minister should personally guarantee the integrity of the head of this department

Gen Van den Bergh had, according to the commission" report, frightened Mr L Reynders of the BOSS into issuing a false report on his investigations into the misuse of funds, requested by the former Prime Minister, Mr Vorster

The former Minister of Information, Dr Connie Mulder, had to accept responsibility for Dr Eschel Rhoodie and the administration of his department

Equally, the former Prime Minister, Mr Vorster, had to accept responsibility for the actions of the officials of his department, in this case Mr Reynders, Mr Eglin said — Sapa

South Africa's parliamentary system of governme

Much had been said about the former Minister of Information, Dr Connie Mulder, "but I do not believe he should get any sympathy for the role he played in this sordid affair"

But he did not believe Dr Mulder should become the scapegoat for the Cabinet, which must accept collective responsibility for what had taken place

It was for this reason, Mr Eglin said, that the three other Cabinet Ministers mentioned in the report — the former Prime Minister (Mr Vorster), the Minister of Finance (Senator Owen Horwood) and the Minister of Defence (Mr P W Botha) should share the responsibility for the situation that had developed — Sapa

Mulder jokes

THE ASSEMBLY — Though Dr Mulder was not in the Assembly for the Prime Minister's speech, he arrived at Parliament shortly before the proceedings began and posed for photographers with his wife "At least one of them should be good," he quipped.

Schlebusch warns 'leftist-liberal Press'

CAPE TOWN. — Mr Alwyn Schlebusch, Minister of the Interior, said yesterday the Government would not allow itself to be chased around by leftist-liberal elements or the leftist Press as far as the Information debacle was concerned.

The Government through the Prime Minister, Mr P W Botha, and other leaders had at no point allowed the Information scandal to detract from its highest political morality, Mr Schlebusch said during the debate on the Erasmus commission report

The Government still had a "deep drift to cross — but it would cross it", he said

Three of the four Ministers involved in the Information debacle had been cleared by the Erasmus commission, he said

The cleared Ministers were former Prime Minister and present State President Mr B J Vorster, Minister of Defence Mr P W Botha, and Minister of Finance Senator Owen Horwood — Sapa

RDM 2859

8/12/78

Call to probe Mulder's denials

Government must resign, says Eglin

By MARTIN SCHNEIDER
Political Editor

THE ASSEMBLY — Parliament may probe Dr Connie Mulder's repeated denials in the Assembly that the Government was funding The Citizen newspaper

The Speaker of the House, Mr J J Loots, will today rule whether he will accept a Progressive Federal Party request to move a motion for the appointment of a Select Committte into Dr Mulder's statements.

Making the request, the PFP Chief Whip, Mr Brian Bamford, told the Assembly yesterday that Dr Mulder, while still Minister of Information, had informed the House that the Government had not given any financial assistance to The Citizen

He said it appeared from the Erasmus Commission that his statements were untrue

The commission found that the Department of Information had channelled R31-million from its secret funds into The Citizen

Mr Bamford referred to three statements by Dr Mulder in the House

On April 30, 1976, Mr John Wiley, MP for Simonstown, had asked Dr Mulder whether the Government

THE ASSEMBLY. — The Leader of the official Opposition, Mr Colin Eglin, yesterday called on the Government to resign and asked for the appointment of a Select Committee to examine the implications of the irregularities in the former Department of Information

Moving an amendment to the Prime Minister's motion for the adoption of the Erasmus Commission's report, Mr Eglin said "Only by the resignation of the Government and the Prime Minister can the status of the Government and the integrity of the House be regained."

The Opposition welcomed the Prime Minister's statement that he would ensure clean Government, he said

"We will support him in any positive step he takes to achieve this But let us warn him — in the light of what has taken place, it will not be easy."

It would not be enough just to close a few loopholes

"He will have to start by getting rid of the arrogance which has become the hallmark of the Government in recent years He will have to play open cards with the people of South Africa to regain the trust which the recent disgraceful chapter of events has destroyed"

The Prime Minister would also have to stop trading on party political sentiment and become sensitive to the needs and feelings of people, regardless of the party they voted for.

"He will have to agree to restore the principle fundamental to our system of government — the accountability of the executive to this Parliament And this means no more deception of Parliament or devices to evade parliamentary control"

In the meantime, Mr Eglin said, the disgrace and the shame of the Information scandal hung heavily

"The people of South Africa feel they have been cheated They feel humiliated," he said

For this the Government must acecept full responsibility

"We need a government cleansed of any taint or stain from the past"

Mr Eglin said the Erasmus Commission's report had revealed a massive misappropriation of public funds

In addition to this, however, it had also revealed other features that were even more disturbing: An on-going deception of the public and of Parliament, a systematic cover-up of The Citizen newspaper scandal, a breakdown of Ministerial control and Cabinet responsibility, and an arrogant abuse of executive power on the part of the Government

"For this state of affairs the Government as a whole must share the blame"

The issue of Ministerial responsibility for a Department, Ministerial responsibility and the accountability of the executive and the Cabinet to Parliament were the absolute cornerstones of

'BOSS became

Star
6/12/78

259

General says report was 'character assassination'

Pretoria Bureau

General Hendrik van den Bergh yesterday lashed out at the Erasmus report as the "biggest character assassination ever committed in South Africa"

The retired BOSS chief criticised the report for rejecting his evidence in favour of that given by Dr Connie Mulder and Dr Eschel Rhoodie, the two "main figures in the drama" and for finding that the general had played a double role.

At his home in Pretoria, General van den Bergh said the commission had leaned on the same "snapped reed" his former colleague Mr L S Reynders, as the State President Mr B J Vorster had done when he was Prime Minister

He said he had no objection to the commission's acceptance of Mr Vorster's evidence "I object, however, to their rejection of mine"

General van den Bergh yesterday repeated his evidence that he had informed Mr Vorster of the plan to establish an English-language newspaper as far back as December 5, 1975

When it was put to the general that Mr Vorster had denied knowing that Dr Mulder was officially involved in the newspaper before 1977 he said it was Mr Vorster's right to "give evidence as he wanted to"

The former Prime Minister had been a very sick man in the last days before his retirement, General van den Bergh said "I believe he is still a sick man"

The general said no one knew more than he about the Information affair, but he would never tell the full story

He was convinced that Mr Vorster would object to the commission finding that "According to Van den Bergh he not only exercised considerable influence over Mr Vorster, but at times made Mr Vorster's decisions for him"

The general accused his colleague, Mr Reynders, of lying when he told the commission that General van den Bergh advised him not to write a detailed report, but only to issue a brief certificate"

"I deny that Reynders had any fear whatsoever of me He was interned with me and like me is a senior member of the Broderbond

He said the State President, Mr Vorster and senior members of the Department for National Security could testify to the relationship between Reynders and himself "The allegation is so far-fetched that it is laughable."

He denied that he had stopped Mr Reynders from seeing Mr Vorster as Mr Reynders had claimed

In the light of the former Prime Minister's orders, General van den Bergh said, Mr Reynders had made detailed and regular reports to Mr Vorster The Commission's report confirmed this

"Indeed he did this several times in the presence of myself and other gentlemen Mr Vorster will no doubt confirm this Mr Vorster never ever talked to me about this," the general said

"How could he have reported repeatedly if I kept him away" (from Mr Vorster).

According to the report Mr Reynders had been ordered by Mr Vorster not to issue a certificate, but did so despite this because, he said, General van den Bergh had pressured him.

"So is the higher authority? Mr Vorster or I," the general asked Mr Reynders obeyed the general said port to the former Prime Minister and Mr Vorster was not shocked Nor did he ask Mr Reynders why his order had been disobeyed," the general said

He changed mind on questions

Pretoria Bureau

General van den Bergh said at the start of his Press conference yesterday he would not answer any questions because he was handling each of the Erasmus Commission's points involving him one by one.

He remained adamant on his ruling after reading a lengthy statement.

But, when pressed for a reason, he said his replies would lead to further questions He later relaxed his stand and went on to answer reporters, meeting several inquiries with "no comment"

State paper a good thing

Pretoria Bureau

A State-funded newspaper would be a good thing under certain conditions, the former BOSS chief, General Hendrik van den Bergh, said yesterday

The conditions were That Parliament knew the paper was State-funded and accepted it The nation should also be aware of this. The newspaper should publish purely factual information

Star 8/12/78

259

'Not in a position to release tapes, transcripts'

By Robert Meintjes,
Pretoria Bureau

General Hendrik van den Bergh, the retired chief of BOSS, said yesterday he was not in a position to release tape recordings of his "day and night" investigation into the Department of Information.

He revealed he had tapes and transcripts of interviews with Dr Eschel Rhoodie, the former Secretary for Information.

Asked if he would publish the tapes, General van den Bergh said he was no longer a Government official but a farmer.

On his investigation, he said his main concern was the gathering of facts. "I don't cover up for anybody. I only deal with facts. Nobody can tell me a story without backing it up with facts."

He explained how the investigation was conducted. His team included veteran policemen who had worked with him as far back as the Pondoland uprising.

He took possession of all the files he could lay his hands on from the former Department of Information. "My men worked on it day and night to take out everything of value in the files."

They prepared memos which formed the basis of questions he put to Dr Rhoodie. He said the former secretary had given him "whatever he wanted to give, was prepared to give, or could give."

If it was felt that projects had to be referred elsewhere, other departments were consulted.

Chatty Hendrik holds court — and a Russian rifle

By Alan Dunn, Pretoria Bureau

The first reporters started down the driveway at 2.50 pm, 10 minutes early for their meeting with a legend — General "Lang" Hendrik van den Bergh, former head of the Bureau for State Security.

They slowed to edge past a rotweiler, huge and watchful. The leader of the group tinkled weakly at the cowbells, peering into the house through the open front door.

The general appeared.

"Come in," he said gesturing towards a large lounge, "and make yourselves at home."

They did, readying themselves for the press conference he had called.

"Lang Hendrik" was chatty and carried more chairs into the room as people entered. Then as he sank into a blue suite, photographers jockeyed for the angle for best indoor light.

Ignoring the clatter of tape recorders being tested, the general greeted newcomers amiably.

"I am well, still here, against all beliefs and expectations," he said pumping hands in his sunburned fist.

With a smile: "I am sorry I haven't got a large Press hall like the one at the Union Buildings."

He insisted on starting at the appointed time and fetched "something I want to show you" from an adjoining room.

RIFLE

Proudly he produced a chromed communist-made rifle with a varnished butt and announced "This is a Russian rifle which is issued to terrorists."

He pointed out that it was sealed and merely an ornament.

At first he would not say who gave it to him, but the plate on the butt showed it was from Rhodesia's Selous Scouts.

At 3 pm, he settled, cross-legged, into a thorne-like chair, also blue and comfortable.

For the next 100 minutes "Lang Hendrik," dressed in beltless suit trousers, open-necked shirt and slip-on shoes, put his side of the story through the Press corps to "Jan Burger."

During the reading of a 3 000 word statement he held his audience captive with a spectrum of forceful emotions he was sarcastic, ironic, indignant, hurt, angry, humorous, cool, but at all times intense.

Years in the background had obviously not dulled his talent in the art of public address.

Important points were underlined with widened eyes and sweeping movements of his hands — farmer's hands — with a gold wedding ring gleaming against the tanned fingers.

"A ROTTER"

Then the TV lighting was switched off, photographers collected their cameras and reporters moved forward, desperately grabbing for the few typed copies of the general's statement and hoping to get their own introductory paragraph in private conversation with him.

Accidentally he bumped his throne-like chair as people crowded in, and broke off a padded arm. It was left on the carpet.

Asked why the Selous Scouts had given him the rifle he had displayed so proudly, he smiled.

"Because I am a rotter."

Stop talking, Vd Bergh is told

Political Staff

THE ASSEMBLY—The Minister of The Interior, Mr Alwyn Schlebusch, yesterday lashed out at the former head of the Bureau for State Security, General Hendrik van den Bergh, and called on him to "stop talking".

Mr Schlebusch also questioned the "vast powers" which the general had had as head of the bureau and suggested that such powers should be subject to Cabinet control.

Speaking in the Assembly debate on the Information Department debacle, Mr Schlebusch said it was with hesitation that he referred to General van den Bergh.

MASTERMIND

It was clear from the Erasmus Commission's report that General van den Bergh had been the mastermind behind some aspects of the Information Department debacle.

He regretted that the general was now apparently resorting publicly to objectionable cynicism and "unbalanced pronouncements".

Mr Schlebusch said the general was a person who had done much good for South Africa and he advised him to "stop talking".

It was clear from the Erasmus Commission's report that General van den Bergh had had vast powers.

Mr Schlebusch said he wished to ask the Prime Minister whether such powers should not be subject to Cabinet and Government control.

RE-ELECTED

Replying to opposition calls for the Government to resign, Mr Schlebusch said that such a step would serve no purpose since the Government would be re-elected with an overwhelming majority.

Mr Schlebusch rejected Dr C P Mulder's "no rules" principle for survival. He said the Government did not agree with the principle that no rules applied when one's country was in danger.

Earlier in the debate Mr W V Raw, leader of the New Republic Party, had suggested to the Prime Minister, Mr P W Botha, that General van den Bergh might be guilty of contempt of a judicial commission following reported remarks by the general that the Erasmus Commission was "a farce".

[redacted]

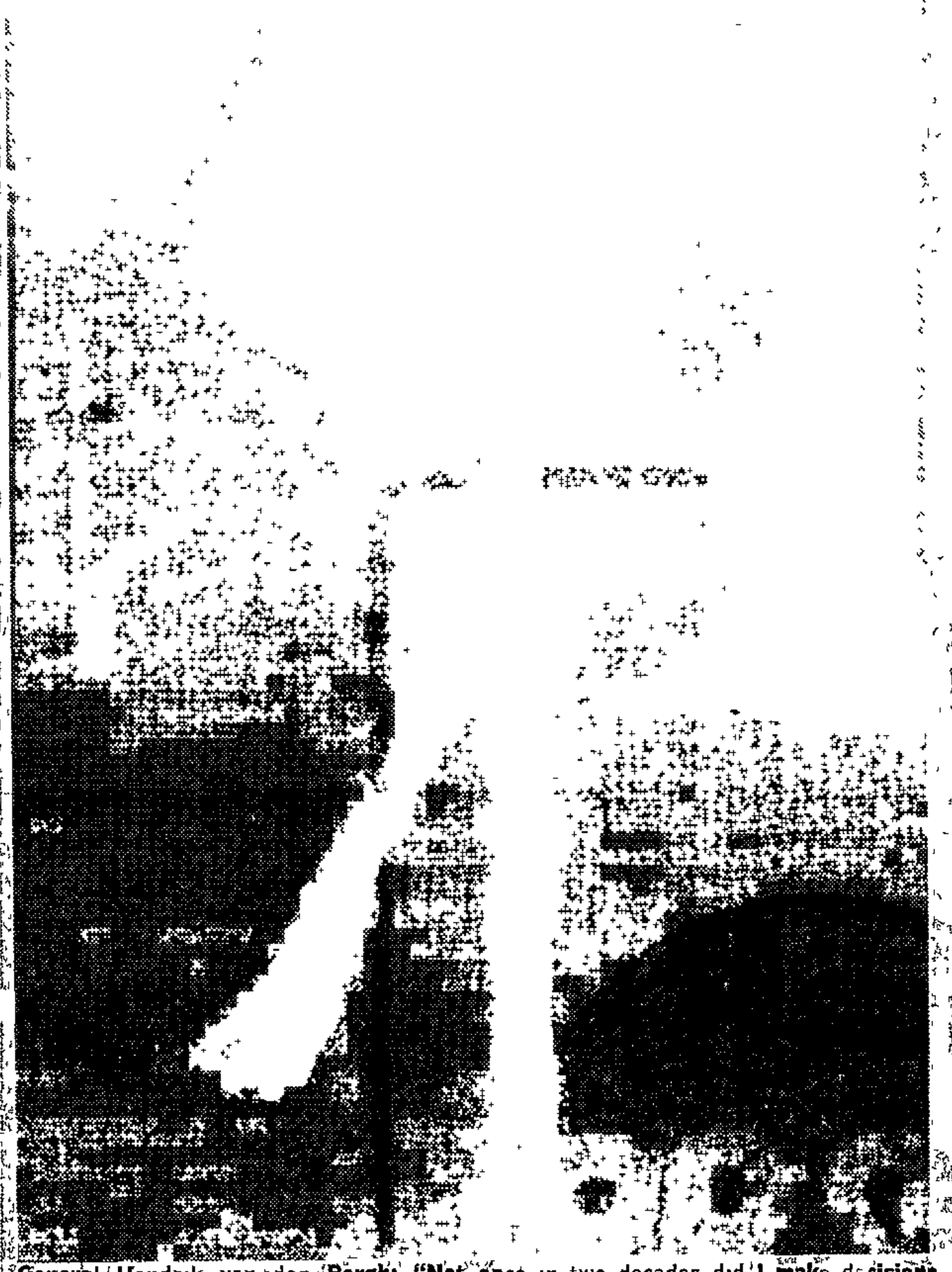
'After next Rinderpes'

Pretoria Bureau

Asked by Star reporters what he would have revealed at the planned Press conference in Pretoria during the week of the Prime Minister's election, General van den Bergh said laughingly he would consider answering the question "after the next Rinderpes." He would not comment further.

Star 8/12/78

259



General Hendrik van den Bergh: "Not once in two decades did I make decisions for the Prime Minister . I made my own in my department and then informed him of what I thought he should know about." The general was photographed in his Pretoria home before his Press conference yesterday afternoon.

Just like Koffiefontein, says Van den Bergh

Pretoria Bureau

Cross-examination at the Erasmus Commission was almost identical to the grillings during internment at Koffiefontein, General van den Bergh claimed at his Press conference yesterday.

The only difference, he said, was that evidence before the commission was made voluntarily and under oath.

The Erasmus report contained insinuations, deductions and speculation, said General van den Bergh. "I came to the conclusion that nothing was clear to the commission."

He went on to say he was immediately placed under "intense cross-examination" after taking the oath by Advocate Francois van Zyl.

"[illegible] much so that the next day I said to Judge Erasmus, whom I had known for many years, that I [illegible]nted to know the charge against me."

The judge replied that there was no charge, he said. General van den [illegible] said he would have [illegible] consider asking for an adjournment to enable him to get legal representation. The cross-examination then stopped, the general said.

Referring to examination of Mr Reynders when he was asked by the commission if he feared the general, General van den Bergh said this was "a leading question if ever there was one."

Commenting on the commission's finding that it was "strongly under the impression" he used his office and personal friendship with Mr Vorster to try to influence the course of events in South Africa, General van den Bergh said "Another deduction, an impression. Can we please have facts?".

Turning to the finding that he saw himself "as the power behind the throne" and withheld facts from Mr Vorster, he said: "Who gave this evidence. Identify him. Or is this another deduction?"

General van den Bergh said another deduction which was also defamatory was "that there was a real danger at all times of material irregularities being covered up through Van den Bergh's actions and interference."

He said "I was not aware of any evidence led beforehand. I was not aware anybody had besmirched me. I did not have the opportunity to be present for testimony. I did not have the opportunity to cro[illegible] these people and to appoint a legal representative who could crossexamine people."

Govt's Big 3 blamed

8/12/78 M (259)

From BARRY STREEK

THE ASSEMBLY — The former Prime Minister, Mr Vorster, the present Prime Minister and the Minister of Finance were all directly to blame for the Information scandal, the Opposition said yesterday.

At the start of the special parliamentary debate on the Erasmus Commission, the Leader of the Opposition, Mr Eglin, and the leader of the New Republic Party, Mr Raw, sharply attacked Mr Vorster, Mr Botha and Sen Horwood and called on the government to resign

In line with a ruling by the Speaker, the opposition criticised Mr Vorster in his capacity as the former head of the government and not as State President.

The government, led by Mr Botha, rejected the argument that it was collectively responsible for the actions of the former Department of Information and blamed the former Minister of Information, Dr Mulder, for not informing it about what was taking place

Other highlights during yesterday's debate, which began in the morning and lasted until 10.30 last night, were

● The Free State leader of the National Party, Mr Alwyn Schlebusch, publicly asked Mr Botha to consider limiting the powers of the Department of National Security (the former Bureau for State Security) and sharply criticised the former head of Boss, Gen Hendrik van den Bergh, for his public comments about the Erasmus Commission

● The government stopped last week supplying funds to The Citizen newspaper on which R32 million was spent — R13 million was a loan to Mr Louis Luyt — and it has been handed over to its present owners who bought it for R3 in ordinary shares

● The Progressive Federal Party has asked for the appointment of a select committee into statements in Parliament by Dr Mulder that the government had not financed The Citizen The Speaker is to give his ruling on this today

● The Minister of Finance, Sen Horwood, tried to find out what the secret funds were spent on after his appointment in 1975, but was thwarted

● The Department of Information tried to get "an amount running into a few million" from Sen Horwood in 1975 to buy a newspaper in Europe, but he refused to sanction the amount

● Fifty-seven of the 125 secret projects of the Department of Information have been cancelled because their aims had been achieved or they were no longer effective, while 68 projects continued, eight of which can be openly financed

● Further irregularities have been found with the attempted takeover of the British Morgan Grampian and South African Hortors publishing groups, but these have been referred to the Erasmus and Van der Walt commissions for further investigation

● The opposition parties have accepted the necessity of secret funds and operations provided they are subject to adequate controls and are limited to strictly security functions

● Judge Anton Mostert was strongly criticised by Sen Horwood who quoted Francis Bacon as saying "A much talking judge is an ill-tuned cymbal".

However, the focus of the opposition attack was on Mr Vorster, Mr Botha and Sen Horwood and they rejected any attempt to make Dr Mulder the "scapegoat".

Mr Eglin said Mr Vorster was responsible for the actions of Gen Van den Bergh who had put himself beyond the law and he should be criticised "for not stopping. The Citizen newspaper when it came to his knowledge that the state was funding it.

He also criticised Mr Botha for not objecting to the use of Defence Force funds for the Information Department

"Here is the strong man of South African politics, knowing that he was doing wrong. He knew it was wrong, but somehow he could not stand up to the Prime Minister of the day," Mr Eglin said

He added that the Erasmus report had shown that Sen Horwood had signed a letter approving the spending of R14 million without having read it completely "What kind of exchequer is that?" Mr Eglin asked.

Mr Raw said the NRP rejected the findings of the Erasmus Commission on the political responsibility of those involved for what had happened under their control because "every single member of the Cabinet is responsible."

He was concerned that Mr Vorster could appoint Gen Van den Bergh to evaluate the secret projects "when he knew that he himself had participated in their formulation and when he had been ordered not to get involved".

"I am concerned about a Prime Minister who nurtured and trusted as his security adviser a person whom the commission has found to be a double dealer, one whose organisation and power made people fear for their very lives," he said.

DD

259 6/12/78

Schlebusch: limit Boss power

THE ASSEMBLY — Mr Alwyn Schlebusch, the National Party's Free State leader, called on the Prime Minister, Mr P W. Botha, yesterday to consider limiting the power of the Department of National Security, formerly known as Boss.

Making the call during yesterday's special parliamentary debate, Mr Schlebusch also warned Gen Hendrik van den Bergh, former head of Boss, to stop making "questionable, cynical and unbalanced statements".

Mr Schlebusch was speaking shortly after the general's press conference in Pretoria in which he challenged the Erasmus Commission's report and said he had been made a scapegoat in the scandal.

Commenting on these statements, Mr Justice Erasmus said yesterday he would look into the general's remarks.

The commission will look into the matter and consider it. I can make no further comment on anything at this stage," the judge said.

The commission's report described Gen Van den Bergh as a man who saw himself as the "power behind the throne", who tried to use his position to influence the course of events in South Africa.

He was in charge of a formidable network of agents and gave the impression that he would stop at nothing, the report said.

Mr Schlebusch took up the commission's line in Parliament.

"In his field he has done a lot for South Africa and I want to advise him to stop talking," he said.

It was clear Gen Van den Bergh had been the "masterbrain" behind several aspects of the Information scandal.

Gen Van den Bergh told the press all his powers had been subject to the approval of the former Prime Minister, Mr Vorster.

He called on the Erasmus Commission to publish all his evidence.

He wanted to know what facts he had withheld from Mr Vorster and what selected facts he had given Mr Vorster.

He asked the commission to specify, and added: "I trust that the commission will cover thoroughly the almost two decades that I worked directly under Mr Vorster."

He rejected the finding that he had traded on Mr Vorster's name to gain his own ends. He called on the commission to supply "factual examples with names of witnesses."

He also denied that he had "confronted" Mr Vorster with anything. He had merely "informed" him.

Gen Van den Bergh said he was convinced Mr Vorster, the Cabinet, Parliament and the electorate would object to a situation in which he took decisions for Mr Vorster.

"What decisions? Name them please."

He said he apologised for "not controlling Reynders properly." If he had, then his report would have been completed much earlier and it would not have been false." — DDC-SAPA.

DD 259

8/12/78

Botha tells how he faced Mulder

THE ASSEMBLY — The Prime Minister, Mr P. W. Botha, yesterday described how he had asked the former leader of the National Party in the Transvaal, Dr Connie Mulder, to resign from the Cabinet.

"It is not easy to ask a senior member of the Cabinet to leave

"It is not easy to ask a leader of the party to leave the Cabinet in the face of animosity.

"It is not easy, but I made the decision because it was the only honourable step before the people of South Africa," he said.

At the start of the debate on the Erasmus Commission report on the alleged irregularities in the former Department of Information, Mr Botha outlined his reasons for asking Dr Mulder to resign

He had told Dr Mulder he would have to say in public that the financial backing to The Citizen newspaper by the state was "indefensible"

He had also told him that the loan to Mr Louis Luyt to establish The Citizen could not be "justified" and that the R825 000 loan to film producer Andre Pieterse could not be approved

"The fact that he did not inform his colleagues in the Cabinet of the actions of his department I cannot accept as justified," Mr Botha said

He had also told Dr Mulder he would have to say in Parliament that he had been opposed to the way in which funds had been transferred to and from his department

"My colleague accepted responsibility in the open and he resigned

"I said at a public meeting that I thought he had done the honourable thing," Mr Botha said

The former department had been established with the best intentions and it had done good work, much of which was still being carried out No criticism could be levelled at these projects which had been conducted within the rules

Mr Botha said it was regrettable that irregularities had happened and had cast a shadow over the good work of the department

"I want to stress, without bitterness, that Dr Mulder never informed the Cabinet about these activities He did not inform me, nor any other Cabinet colleague"

Although Dr Mulder was not in the Assembly for the Prime Minister's speech, he arrived in Parliament shortly before the day's proceedings began and posed for photographers with his wife "At least one of them should be good," he joked. — PC.



The former Minister of Information, Dr Connie Mulder, and his wife arrive for yesterday's special session of Parliament.

THE ERASMUS DEBATE



259

State bought shares in 49 companies — PM

When the Defence Dept stood firm

THE ASSEMBLY — The Prime Minister, Mr PW Botha, said yesterday it was not his duty to deal in detail with the committee that had been appointed by his predecessor (Mr Vorster) to investigate and evaluate the secret projects of the former Department of Information

Neither was it his duty to deal with the degree of confusion and paralysis that had set in towards the end of his predecessor's term of office when he became ill

He wished, however, to deal with what had been done since he became Prime Minister

In addition to all his duties he had immediately had discussions with Mr Reynders and Mr Kemp and acquainted himself with the work they were doing

He then decided to extend the committee under a new chairman, namely Mr Pretorius, Secretary of the Treasury, and the following members Mr Kemp, who had been member of the former committee, the Chief State Law Adviser, the State Attorney and the Secretary of the Bureau for National and International Communications

The Pretorius Committee began its work on November 23, and on November 30 brought out a report which was a great help to the Government

The task of this committee was not only to investigate and evaluate the secret projects of the former Department of Information, but also to safeguard the funds and assets of the State that might have been affected by the secret projects

The committee also had to recommend which projects could be halted and which should be continued with

The committee had identified 138 secret projects, of which 125 had been investigated and evaluated by November 30

In respect of one of the projects the committee had dealt in detail before the State Security Council Fifty-seven projects were terminated either because they had become redundant or had been completed

The committee recommended that 68 projects be continued with, of which 56 should be secret, eight openly financed, two placed under the Department of Economic Affairs, one under the Department of Foreign Affairs and one under the Department of National Security

As a result of the discontinuing of projects the State would benefit by a saving of R4-million

The committee had found that the State had an interest in the company South Africa Today, publishers of The Citizen The State's participation in this project was immediately stopped

An amount of R450 000 which the State had guaranteed for the printing of the newspaper was withdrawn and the Company SA Today was given the opportunity to continue publishing the newspaper for its own gain, if it could do so

The owners were also made responsible for the paying of an amount of R360 000 which SA Today had owed an overseas company

The Prime Minister said these steps had to be taken because if publication of The Citizen had been stopped immediately the State would have been responsible for compensation which could be in the region of R16-million

On November 17 a cash amount of R450 000 was repaid to the State and since then the State had no further responsibility in respect of that newspaper Until that date the State had spent R19 million on The Citizen

The R10 million which had originally been made available to Mr Louis Luyt to establish the newspaper would have been repaid to the State over a period of 10 years, but before the committee started its investigation Mr Luyt had already undertaken to repay the loan over eight years and had given guaranteed cheques to this effect

Apart from its former interest in The Citizen the State had also acquired rights in the following fixed properties

Eleven blocks of flats, four dwelling houses, one open stand and one business block Of these, a building in Cannes had already been disposed of for 500 000 dollars as well as a house in the United States for R320 000

The title deeds of the flat buildings were in the possession of the State and the possibilities were being investigated as to whether these buildings could be used by the State itself

Through other secret projects the State had acquired shares in 49 companies in South Africa and overseas Many of these investments could be justified This procedure was nothing new, the Prime Minister said Other countries did the same Arrangements were being made to sell the shares in companies involved in projects that were to be stopped

The committee had also found that certain irregularities had been committed in respect of certain payments under the project anonymous collaborators Because the committee did not have powers to subpoena anybody or hear evidence under oath it recommended that a judicial commission of inquiry be appointed

With the appointment of the Erasmus Commission this portion of the recommendation had fallen away Further suspected irregularities in the companies, Morgan Grampion and Hortors were referred to by the Erasmus Commission and the Van Der Walt Commission

Immediately after Mr Pretorius informed him his committee did not have the power to subpoena witnesses, the Government began making arrangements for a judicial commission to

THE ASSEMBLY — The Prime Minister, Mr P W Botha, referring to his own position as far as the use of secret funds from the Special Defence Fund was concerned, said he had never been opposed to the creation of such a fund and realised the necessity for it

"But where I differed with the former Minister of Finance (Dr Diederichs) was over the way in which it was budgeted for There was nothing scandalous about it, but I felt that the Department of Information should go direct to Parliament and request secret funds The special Defence account should not be used for it"

In the first instance, he had an assurance from Dr Diederichs that it would be a once-only amount

However, when a second request was made for secret funds from the Special Defence Fund, he had objected to it and had asked for it to be treated as a separate item

This had been done under the code name "Operation Senegal"

The Defence Department had stood firm and had insisted on documentary evidence on how the money was spent

Afterwards he was still not satisfied He had an-

'We are sick and tired of being represented as thugs'

THE ASSEMBLY — The Prime Minister, Mr P W Botha, said this whole affair was a painful experience for the Government and should not be allowed to happen again

The Government wished to distance itself from malpractices of this nature

"We regret the fact that an otherwise honoured colleague was affected by this and that Parliament had lost his valuable services"

It was not the standpoint of the Government that the end justified the means On the other hand, an appeal should be made to create better attitudes if South Africa was to walk the road of peace, but the effort should not come from the side of the Government alone

"We are sick and tired of being represented as thugs

"I want to warn those who continue to besmirch our public representatives that if they continue in this way they will unleash forces of which the end results cannot be foreseen"

The Prime Minister said the Government had fulfilled its duty towards the country and would try to retrieve that money which could still be retrieved

At the same time, however, the Govenment would not allow a blot on the name of public servants who maintained the highest traditions of public administration

As far as possible the Government would limit and eradicate incidents of this nature Because the structures of public administration were still clean and healthy, the Government could be entrusted with the future of South Africa

The Government had not hesitated in assuming its responsibility and to act when it was found that public money was involved It should be remembered however that certain secret projects were still being proceeded with and it had to be determined which money could be retrieved

The judicial commission had hidden nothing and the Government accepted its findings and recommendations

The opposition should say whether they accepted the Erasmus Commission's recommendation that monies used for secret projects should not be discussed in Parliament — Sapa

his predecessor (Mr Vorster) to investigate and evaluate the secret projects of the former Department of Information

Neither was it his duty to deal with the degree of confusion and paralysis that had set in towards the end of his predecessor's term of office when he became ill

He wished, however, to deal with what had been done since he became Prime Minister

In addition to all his duties he had immediately had discussions with Mr Reynders and Mr Kemp and acquainted himself with the work they were doing

He then decided to extend the committee under a new chairman, namely Mr Pretorius, Secretary of the Treasury, and the following members Mr Kemp, who had been member of the former committee, the Chief State Law Adviser, the State Attorney and the Secretary of the Bureau for National and International Communications

The Pretorius Committee [illegible] gate and evaluate the secret projects of the former Department of Information, but also to safeguard the funds and assets of the State that might have been affected by the secret projects

The committee also had to recommend which projects could be halted and which should be continued with

The committee had identified 138 secret projects, of which 125 had been investigated and evaluated by November 30

In respect of one of the projects the committee had dealt in detail before the State Security Council Fifty-seven projects were terminated either because they had become redundant or had been completed

The committee recommended that 68 projects be continued with, of which 56 should be secret, eight openly financed, two placed under the Department of Economic Affairs, one under the Department of Forestry

The committee had found that the State had an interest in the company South Africa Today, publishers of The Citizen The State's participation in this project was immediately stopped

An amount of R450 000 which the State had guaranteed for the printing of the newspaper was withdrawn and the Company SA Today was given the opportunity to continue publishing the newspaper for its own gain, if it could do so

The owners were also made responsible for the paying of an amount of R360 000 which SA Today had owed an overseas company

The Prime Minister said these steps had to be taken because if publication of The Citizen had been stopped immediately the State would have been responsible for compensation which could be in the region of R16-million

On November 17 a cash amount of R450 000 was repaid to the State and since had originally been made available to Mr Louis Luyt to establish the newspaper would have been repaid to the State over a period of 10 years, but before the committee started its investigation Mr Luyt had already undertaken to repay the loan over eight years and had given guaranteed cheques to this effect

Apart from its former interest in The Citizen the State had also acquired rights in the following fixed properties

Eleven blocks of flats, four dwelling houses, one open stand and one business block Of these, a building in Cannes had already been disposed of for 500 000 dollars as well as a house in the United States for R320 000

The title deeds of the flat buildings were in the possession of the State and the possibilities were being investigated as to whether these buildings could be used by the State itself

Through other secret projects Other countries did the same Arrangements were being made to sell the shares in companies involved in projects that were to be stopped

The committee had also found that certain irregularities had been committed in respect of certain payments under the project anonymous collaborators Because the committee did not have powers to subpoena anybody or hear evidence under oath it recommended that a judicial commission of inquiry be appointed

With the appointment of the Erasmus Commission this portion of the recommendation had fallen away Further suspected irregularities in the companies, Morgan Grampion and Hortors were referred to by the Erasmus Commission and the Van Der Walt Commission

Immediately after Mr Pretorius informed him his committee did not have the power to subpoena witnesses, the Government began making arrangements for a judicial commission to investigate any irregularities, and it was this commission's report that was being discussed

The Prime Minister said he had given this background in order to inform the Assembly completely about what steps the Government had taken

"I think we can conclude that the South African State structure and Parliament contains an inbuilt mechanism to determine whether irregularities occur

"Orderly Government and pure administration demand that irregularities must be investigated in depth," Mr Botha said, and it was South African tradition that this be, done in the open under tested, reasonable procedures where each side was given the chance to put its case — Sapa

been opposed to the creation of such a fund and realised the necessity for it.

"But where I differed with the former Minister of Finance (Dr Diederichs) was over the way in which it was budgeted for There was nothing scandalous about it, but I felt that the Department of Information should go direct to Parliament and request secret funds The special Defence account should not be used for it"

In the first instance, he had an assurance from Dr Diederichs that it would be a once-only amount

However, when a second request was made for secret funds from the Special Defence Fund, he had objected to it and had asked for it to be treated as a separate item

This had been done under the code name "Operation Senegal"

The Defence Department had stood firm and had insisted on documentary evidence on how the money was spent

Afterwards he was still not satisfied He had approached Senator Owen Horwood, who had since become Minister of Finance, and it had been agreed to end the arrangement through legislation

Mr Botha said he had been opposed to the arrangement whereby the secret fund was part of the global Defence budget — Sapa

Rand Daily Mail
8/12/78
259

Rand Daily Mail
8/12/78
259

Vorster's role can be discussed

THE ASSEMBLY — The Speaker of the House of Assembly, Mr J J Loots, ruled yesterday that the administrative role of the former Prime Minister, Mr Vorster, could be discussed and commented on during the special sitting of Parliament

The Speaker said Parliament was busy with one of the most important debates in its history.

"It contains elements for which there are no precedents in our country, and very few, if any, in other countries which have the same form of Government

"Parliament is the most important and highest forum in South Africa, and I shall afford Honourable Members every opportunity to make their contributions is this debate

"The Erasmus report is before the House, and what it contained therein, is relevant It will therefore be in order to refer to the predecessor of the Honourable the Prime Minister, as is in fact done in the report

"Factual findings and evidence of his administrative handling of his own department, and relevant decisions taken by him as the then head of Government, may be discussed and fair comment may be passed thereon

"Any general criticism must be directed at the previous Government and not at Mr Vorster, who is, after all, our present Head of State

"It is my duty to protect not only Parliament with all its rights, and this I do from conviction and with all my power, but also South Africa and its highest symbol, the Head of State.

"I feel convinced that honourable member will support me in this [illegible]



MR VORSTER
. . . role discussed

RDM
259
8/12/78

'Euro-link fell through'

Political Staff

THE former Department of Information had ambitions of owning a newspaper in Europe in addition to attempts to buy newspapers in the United States and South Africa.

Senator Owen Horwood, the Minister of Finance, told Parliament yesterday of Information's plan to use secret funds for a newspaper in Europe.

He did not name the newspaper, but said the deal fell through when he refused to authorise the "few million rand" Information had requested.

This attempt, in 1975, followed an investigation into a possible takeover of the Natal Mercury in Durban by the department in 1973.

There were subsequent abortive attempts to buy the Washington Star and South African Associated Newspapers, proprietors of the Rand Daily Mail. The department then launched The Citizen in 1976.

Further details of the department's bid to control media outlets overseas and locally in order to project a "pro-South African" viewpoint are still emerging.

Hortors, South Africa, and Morgan Grampian, Britain — both named as Department of Information projects, and part of the continuing investigation — produce many publications.

A glossy magazine for blacks, Pace, was launched by Hortors last week.

Explaining his position in the Information affair, Sen Horwood said the attempt to buy the European newspaper was the only occasion on which he had been given an inkling of the department's secret projects.

He had refused to to authorise the purchase of the newspaper, with the backing of the then Prime Minister, Mr Vorster.

Sen Horwood said he would have adopted the same attitude about financing The Citizen had he been aware of the plan.

He condemned the use of Government funds to buy and finance newspapers.

A party to say farewell

Staff Reporter

FANCY dress, crackers and bow ties were the order of the day at the Johannesburg Stock Exchange yesterday where trading was stopped on Tuesday night after 18 years.

Johannesburg's fourth exchange, housed in Eagle Star House, Hollard Street, moves to new premises in Diagonal Street today. The portion of the building previously belonging to the exchange has been sold for R1,1-million to the Eagle group.

The new Diagonal Street exchange will cost three times as much as the previous one and plans have been made to put a parking area in front of it.

For some of the employees it was a day of nostalgia as they spent their last hours yesterday on the eighth floor of Eagle House.

Mr Charlie Freedman, still an active broker after 60 years in the business, said: "I feel sad about leaving this building, but I'm sure I'll get used to our expensive new premises."

RDM

259

8/12/78

Government good, clean, healthy — Pik

THE ASSEMBLY — Administration in South Africa was basically good, clean and orderly, the Minister of Foreign Affairs, Mr Pik Botha, said in the Assembly yesterday

Speaking in the debate on the Erasmus Report, Mr Botha said where irregularities occurred, the necessary mechanism existed to have it exposed.

Nowhere in the Western world was action taken so openly and honestly, not even in the case of Watergate

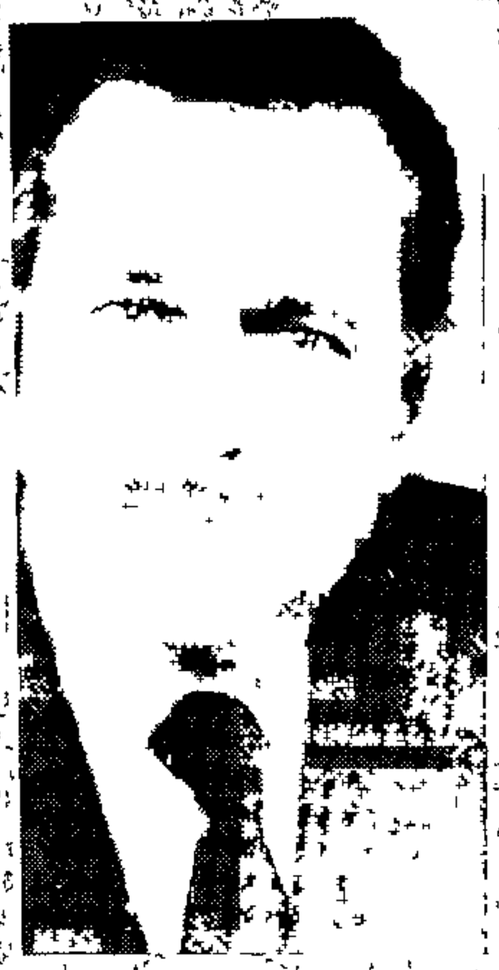
The Opposition, he said, did not know what they wanted in this case When the Government appointed a judicial commission they wanted a parliamentary commission and vice versa The Leader of the Opposition, Mr Colin Eglin, was a frustrated man because there was nothing he could do which had not already been done by the Erasmus Commission

The Government had already accepted the findings and recommendations of the Erasmus Commission The Opposition should now state clearly and unequivocally which parts of the commission's report it accepted and which not

The former Prime Minister, Mr Vorster, had been exonerated by the commission. Mr Botha said he had worked in close cooperation with Mr Vorster while Mr Vorster was Prime Minister and he wanted to say that the House owed Mr Vorster a great debt of gratitude

On several visits to African states he had seen how Mr Vorster did not spare himself He had always acted honourably and in the best interests of his country and this was also the finding of the Erasmus Commission

After the death of the former State President, Dr Nico Diederichs, and the illness of Mr Vorster, the months of August, September and October this year would probably stand out as being among the most momentous in South Africa's history



MR PIK BOTHA
. . . happy.

The new Prime Minister, Mr P W Botha, had to take over at a very difficult stage and immediately had to give his full attention to all the problems of Southern Africa

On the Saturday before the election of a new Prime Minister, Mr Botha said, he had been visited at his home in Pretoria by advocate Retief van Rooyen, who had told him more or less what he later told Judge Anton Mostert

"As a member of the Government I was placed in a difficult position I was also a candidate for election as Prime Minister I immediately tried to contact my Cabinet colleagues by telephone to tell them what I had heard from Mr Van Rooyen," Mr Botha said.

"Mr Van Rooyen told me he was convinced that the English newspapers had already had the information for weeks and that they were just waiting for the right moment to release it so that the Government could suffer the greatest possible harm

"I telephoned Mr P W Botha in Cape Town and with the Free State leader (Mr Alwyn Schlebusch) went to see him next day Mr Van Rooyen repeated his story to us Mr Schlebusch then informed Dr Connie Mulder of the situation."

Mr Botha said Judge Mostert telephoned him on the Tuesday evening before the Prime Minister's election and said he understood that he had been visited by Mr Van Rooyen

Judge Mostert wanted to know if he could tell him what Mr Van Rooyen had said Mr Botha said he told the judge he did not think that was the correct procedure and Mr Van Rooyen was then subpoenaed to give evidence

Judge Mostert later told him that he had enough evidence to subpoena Dr Connie Mulder and also that he was going to release the evidence for publication.

"I said he should not act on his own, but should rather report to the acting Minister of Finance, as the Minister of Finance was then overseas"

Mr Botha said certain projects falling under the Bureau of National and International Communication, which took over the functions of the Information Department, were at present being evaluated If the slightest trace of any irregularity was found, it would be reported to the Erasmus Commission

Mr Botha said he wished to appeal to Members to get away from the idea that every member of the former Department of Information had committed irregularities because that was not so South Africa could not afford a witchhunt whereby every person or organisation helping the Goverment to put South Africa's case was to become the subject of investigation

"The world onslaught against South Africa has not ceased because we are debating the report of the Erasmus Commission," he said —Sapa

RDM

259

8/12/78



Senator Owen Hollwood: He claimed the Prime Minister did his best to uncover details of the Information scandal.

evidence that was untested and one-sided

The system in South Africa was not to find a man guilty until both sides of the evidence had been heard and tested.

Mr Justice Mostert had no business in publishing evidence before it had been tested

Mr Justice Mostert possessed the perfect remedy He could have published an interim report, but such a report of course would have had to be a balanced one.

Mr Justice Mostert published the evidence after he had asked to see the Prime Minister "I was absolutely appalled at the behaviour and conduct of Mr Justice Mostert in the presence of the Prime Minister where I was also present," he said

"His behaviour can only

Shortly after he became Minister of Finance, his predecessor, the late Dr N Diederichs, had informed him that a decision had been taken some years ago, at the highest level, that secret funds would be used by the Department of Information, among others, to ward off the psychological warfare that was being waged against South Africa

He had been told that these funds would be controlled by Dr Connie Mulder, the then Minister of Information He (Sen Horwood) said to Dr Diederichs that as Dr Mulder would control the funds, Dr Mulder should be called so that they could discuss the matter together

Dr Mulder, however, had not been available and the then Secretary for Information, Dr Eschel Rhoodie, was called in and explained how the funds would be controlled

Sen Horwood said that when he became Minister of Finance he was committed for five years in advance to set aside R15-million a year for secret purposes, but he immediately said he could not bind himself for so much money for such a long time He did everything in his power to reduce these amounts and he actually did reduce them

He had never been given any details about the so-called "operation Senegal" or any of the other secret projects undertaken by the Department of Information, except that a few months after he became Minister of Finance he was asked by the Department of Information to authorise a certain amount of money to buy a newspaper in Europe

He said he could not agree to that and reported the matter to the Prime Minister, who agreed with him

That was the only occasion he was given an indication of the nature of the secret projects He had asked for more information time and time again, but every time was told that the Prime Minister alone was informed about the secret projects

He knew absolutely nothing about the Department of Information's involvement in the establishment of The Citizen When he complained about not being informed and that he was unhappy about the system he had inherited, he was assured all the monies were being properly audited

The first time he heard about The Citizen was when he came back from the meeting of the International Monetary Fund last year

"My hands in this matter are absolutely clean The first time I heard of any irregularities was when the Auditor-General reported certain misappropriations

When this was reported the Auditor-General was given instructions to continue with his investigation and he was given the assistance of another auditor Mr Lood Reynders

Sen Horwood said he would deal in greater detail when the matter was debated in the Senate today — Sapa

RSM
259
8/12/78

THE ERASMUS DEBATE



Horwood criticises Mostert's report

THE ASSEMBLY — Neither the Prime Minister, nor the Government, nor the public service was guilty of corruption, the Minister of Finance, Senator Owen Horwood, said in the Assembly yesterday

Taking part in the debate on the Erasmus Commission's report, Sen Horwood said the report showed that only a small handful of officials appeared to have committed irregularities

Anybody who said that the Prime Minister had tried to effect a cover-up was telling a blatant lie, he said

Since the Prime Minister took over office he had worked in very close association with him in these matters Instead of trying to arrange a cover-up, the Prime Minister had done exactly the opposite

Sen Horwood said that not only the Assembly, but the country owed the Erasmus Commission a debt of thanks for the enormous amount of work it had done in such a short time

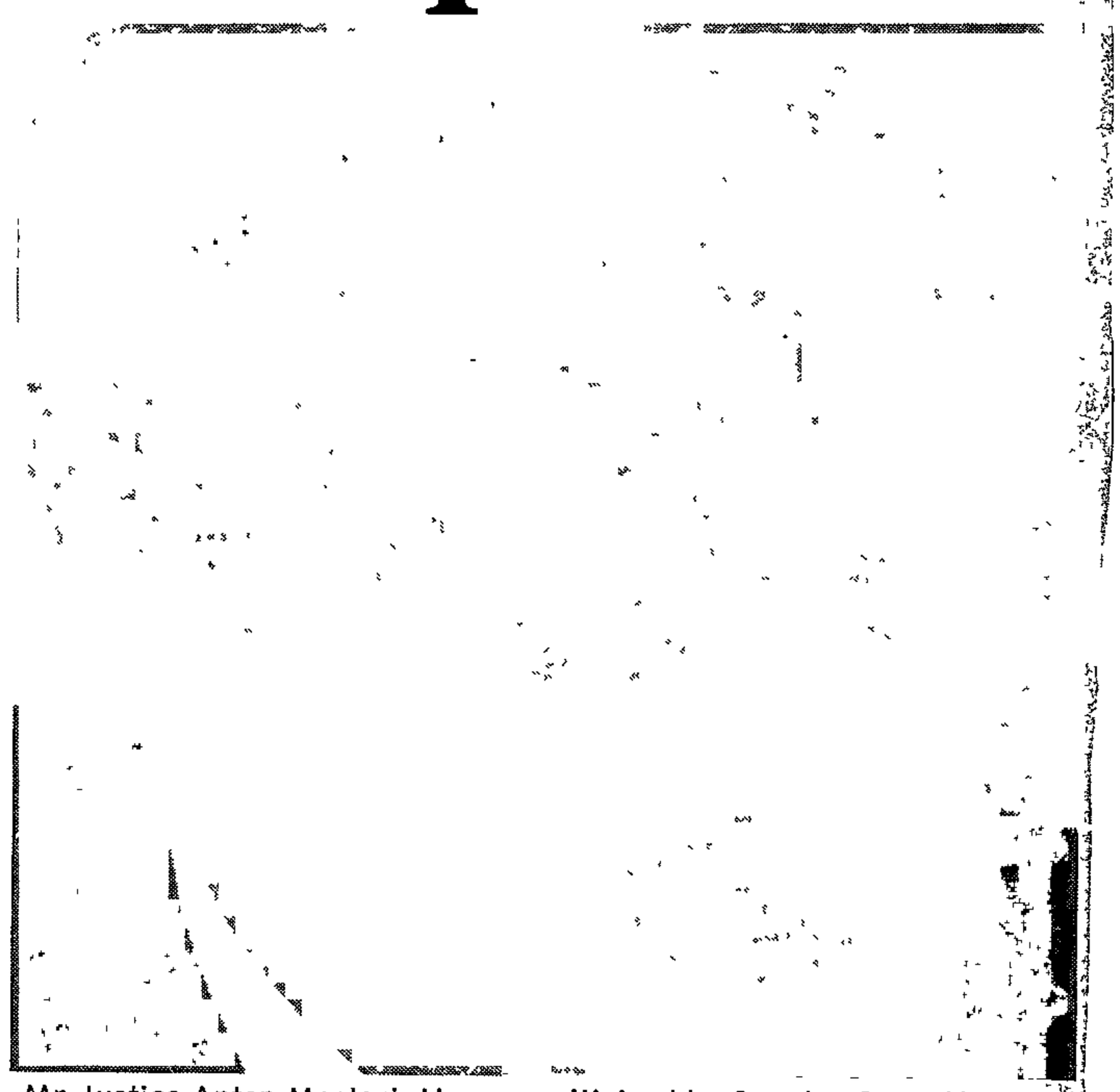
"How different was the so-called Mostert Commission which now is the hero of the Opposition and a certain section of the Press His (Mostert's) task was to investigate malpractices in connection with exchange control measures, but he went very wide So wide that he suddenly published be described in the words of Bacon who said 'a much talking judge is like an ill-tuned cymbal' "

After a point of order was raised as to whether Sen Horwood had the right to criticise a judge of the Supreme Court, the Speaker, Mr Jannie Loots, said it would be wrong if the judge was criticised as an officer of the Supreme Court, but in the context in which the Minister of Finance was referring to Mr Justice Mostert, he was criticising him as the chairman of a commission which was legitimate

Sen Horwood said he condemned any irregularity in the administration of the affairs of state and where it did happen the law should take its course

The system of dealing with secret funds by way of certificates had been introduced in 1944 when a United Party Government had been in power

Referring to his personal position on the matter under discussion, the commissioner found that he was only involved insofar as he had been participating in negotiations concerning secret funds The commission found that his action had been supported by documentary evidence step by step during all the negotiations in which he was involved



Mr Justice Anton Mostert He was criticised by Senator Owen Horwood for the way in which he announced the details of the defunct Department of Information's secret funds..

NM 9/12/78 (259)

Erasmus moves against general

Mercury Correspondent

CAPE TOWN — Mr. Justice Rudolph Erasmus is to refer statements by General Hendrik van den Bergh to the Attorney-General for a possible contempt of commission charge against the once all-powerful head of the Bureau for State Security.

The Judge confirmed this yesterday in Cape Town where he has been listening to the debate on his bombshell report which included a revelation of the power wielded behind the scenes by the general while Mr Vorster was Prime Minister

In his report, Judge Erasmus described the general as an arrogant man who saw himself as the "power behind the throne," who tried to use his position to influence the course of events in South Africa and would stop at nothing

General van den Bergh reacted by describing the report as a one-sided "farce" and character assassination. He challenged the Judge to make public the full evidence he had given

Mr Harry Schwarz of the PFP described the general's remarks as "contemptuous in the extreme" and challenged the Prime Minister, Mr P W Botha, to say what steps were being taken against the general.

"Will the State sit by and allow the general to make these remarks? Will the Prime Minister tell us whether the law will take its course? The public is watching to see what the reaction will be"

Commenting on the calls for action, Judge Erasmus said yesterday. "I have decided to refer General van den Bergh to the Attorney-General, who will take what action he sees fit."

He would not comment on whether he would meet the general's challenge to release all his evidence

"I have nothing to say about that at this stage."

Several opposition speakers repeated the general's call for a release of the full evidence in the Information debate.

Mr. Schwarz said "In view of what General van den Bergh has done in challenging the whole concept of the commission, there is no longer an alternative to the evidence being made public If it turns out eventually that the evidence does not support the findings, the Government and the commission would be in a very difficult position."

Other speakers used the Erasmus Commission report as the basis for a scathing attack on General van den Bergh and called for a commission of inquiry into the actions by his department

'Spider'

Mrs Helen Suzman described him as "a big, black spider waiting in the wings"

Describing the general as "South Africa's Heinrich Himmler," Mrs Suzman said "According to the commission, General van den Bergh had unfettered power and he had no hesitation in abusing this power It is

◆ TURN TO PAGE 2

259

The Information debate: Day Two

If Mulder had become Prime Minister . . .

CAPE TOWN — Mr. Harry Schwarz, chairman of the Progressive Federal Party's federal executive, yesterday accused the former Prime Minister, Mr. John Vorster, of covering up the Information scandal.

Leading the Opposition charge of a mass Government cover-up, Mr. Schwarz said the former Prime Minister had been damned by his own evidence before the Erasmus Commission.

Mr. Vorster had told the Commission that he knew in November last year that the Citizen was funded with taxpayers' money — yet he sat silently by while Dr. Connie Mulder, former Minister of Information, lied to Parliament on the issue.

Dr. Mulder had lied repeatedly on the issue on May 9 and 10 this year when he assured the House there was no Government money in the Citizen, Mr. Schwarz told a silent Parliament.

"The former Prime Minister was present. He was sitting there and listening to the then Minister of Information tell a lie and he knew it was a lie.

"Why did he not go to his Cabinet and tell them, even if he did not want to tell the public."

Mr. Vorster's silence had clearly implicated him in a cover-up.

To make matters worse, Mr. Vorster had issued a statement accepting full responsibility for the spending of all secret funds at a time when, on his own evidence, he already knew there was public money in the Citizen.

"How can you have a National Party Government facing the country when its leader has done those things?" Mr. Schwarz asked.

After referring to other aspects of the "mesh of lies and deceit" involved in the cover-up, Mr Schwarz also accused the present Prime Minister, Mr. P. W. Botha of making a misleading statement in implying the Government no longer owned the Citizen after the disclosures of the Mostert Commission.

Asked at a Press conference whether the Citizen would continue to be published until the report of the Erasmus Commission, Mr. Botha had replied that he didn't own the Citizen.

"But the Government still owned the paper. The reporter was talking to the owner, but the Prime Minister told him to go and talk to someone else," Mr. Schwarz said.

Interjecting, Mr. Botha said: "No."

Opposition members shouted back: "Who owned it?"

Mr. Botha: "In theory I did."

Mr Schwarz said the entire Government was implicated in the cover-up by voting against the Opposition motion calling for a commission of inquiry into the Department of Information during the last Parliamentary session.

In addition, the Nationalist majority had prevented him asking key questions during the investigation of the parliamentary select committee investigating the department, Mr. Schwarz said.

"Nobody can say there was no cover-up. Of course there was a cover-up. There is no question about it."

In a scathing attack on Senator Owen Horwood's control of the country's finances, Mr. Schwarz said: "We listened to the Minister of Finance piously telling us here that we needed more money for defence, and we agreed with him.

"All the time some of the money appropriated for the Defence Vote was being channelled off to the Department of Information and used for purposes over which the Minister of Defence had no control at all."

Senator Horwood had said he did not know what the money had been used for — which showed that there had even been a cover-up in the Cabinet as well.

"We also have the situation that the present Prime Minister, who was then Minister of Defence, who was regarded as a decisive and strong man, is now seen in the public eye as a person who, although he disagreed and did not want his vote abused, although he gave an incorrect impression to the House in regard to the Defence Vote, was unable to persuade his Prime Minister at the time to allow him to do what he considered to be the correct thing."

Attacking Senator Horwood, Mr. Schwarz said he had simply signed documents involving R14 million and then realised that he should not have done so "and he is in charge of the finances of this country."

Mr. Schwarz also challenged the Prime Minister to tell the country why he, and other ministers who knew of Dr. Mulder's background, had not told the rest of the National Party caucus to prevent Dr. Mulder becoming Prime Minister.

Sinister

South Africa had just escaped being taken over by a sinister triumvirate — "General Hendrik van den Bergh, the boss, Dr. Eschel Rhoodie, the Minister of Propaganda, and Dr. Connie Mulder, the leader."

"One of the things we have to remember is that when the history comes to be written of this Information debacle, it will be shown that it was actually a watershed in South African politics.

"It will be shown that we have in fact escaped one of the biggest dangers that has faced South Africa.

"What would have happened if Dr. Mulder had become Prime Minister of South Africa?"

Erasmus

◆ FROM PAGE 1

my firm conviction that the actions of General van den Bergh over the years, first as head of the Security Police and later the boss of BOSS must be investigated."

Natal Mercury 9/12/77 pr 259

'Stand down' call silenced by Speaker

Sutton will serve

Political Correspondent

THE New Republic Party is to serve on the Van der Walt Commission which is to call Mr. Justice Mostert to give evidence.

Judge's Mostert's one-man commission into exchange control contraventions was dismissed when he revealed evidence about the Information scandal and a commission of parliamentarians, under Mr. Hennie van der Walt, MP for Schweizer-Reinecke, was appointed in its place

But members of the Progressive Federal Party and the NRP initially refused to serve on it

Later, the PFP obtained certain assurances about the commission and its operations and reversed its decision.

Yesterday Mr Bill Sutton, the only NRP member nominated to serve on it, announced that his party had now also decided to reverse its earlier decision after discussions with Mr. van der Walt.

Mr. Sutton said that he had suggested to Mr. van der Walt that Mr. Justice Mostert be called to give evidence because there might be certain matters on which he could assist the commission because of his investigations.

He explained he had reserved his decision until he had seen the Erasmus report and until he had clearned up certain issues

He had established that the commission would not "prosecute people or initiate proceedings."

"I will serve because I regard it to be something which could well be in the interests of South Africa," said Mr. Sutton

ORMANDE POLLOK
Political Correspondent

THE Progressive Federal Party suggested that the Government should ask Mr. Vorster to stand down as State President.

Two PFP Members of Parliament — Dr. Alex Boraine (Pinelands) and Mr. Japie Basson (Bezuidenhout) referred to the matter during the Information debate

Both were stopped by the Speaker, Mr J. J. Loots, as soon as they referred to the subject.

Mr. Loots ruled that Mr. Vorster's actions as former Prime Minister could be discussed, but no reflection could be cast on him as State President.

Dr. Boraine said Mr. Vorster was in the Assembly last May when Dr. Connie Mulder, told the House there were no State funds in the Citizen.

"He silently acquiesced in the lie that was told in this House," Dr. Boraine said

He asked whether the Prime Minister, Mr. P. W Botha, would ask Mr. Vorster to stand down.

When he was stopped by the Speaker, Dr. Boraine said he was not criticising. "I am trying to defend the highest position in the land."

Mr. Botha interjected to say that Dr. Boraine was using sadistic methods.

Mr. Basson said Mr. Vorster had called an unjustified election last year during which he had allowed the Citizen to continue publishing. Millions of rand of public money were thus used to the benefit of the National Party.

Mr. Vorster had also stated in May this year that he accepted full responsibility for the way in which funds were allocated to the Department of Information.

Standard

Mr. Botha was making Dr. Mulder carry full responsibility.

"If this is the standard he applies, what is he going to do in the case of the previous Prime Minister in respect of irregularities which occured under his administration?"

When the Speaker told Mr. Basson he was going too far and should draw a line, Mr. Basson accepted the ruling but said Parliament could not pretend that 12 years of political history had not happened.

Dr. Boraine earlier also raised the question on the murders of Dr. Robert Smit and his wife last year. He called on the Government to put an end to rumours that there was a link between the murders and the Information Department scandal.

Boraine makes an offer

DR. Connie Mulder was yesterday offered Opposition time to put his side of the Information scandal to Parliament.

The offer was made by the PFP member for Pinelands, Dr. Alex Boraine, who noted that Dr Mulder had not taken his seat in the Assembly for the debate in spite of saying he wanted to explain his own role.

He asked whether this had been Dr. Mulder's own choice or whether the Prime Minister, Mr. P. W. Botha, had stopped him taking part.

Dr. Boraine said he knew Dr. Mulder was watching him on closed-circuit television.

"Let him come into this House. We will give him time to speak if the Government won't," he offered.

Natal Mercury
9/12/78
259

'A big black spider'

GENERAL Hendrik van den Bergh was "a big black spider at the centre of a mesh of deception enmeshing the Government," Mrs Helen Suzman told the Assembly.

He had been responsible for advising successive Ministers of Police and for that reason the Government should re-investigate every case of banning and detention.

"This man has manipulated his own Prime Minister, a man I have always considered a strong and formidable opponent. What has he done to lesser mortals such as the present Minister of Justice, Police and Prisons?

"This man has been head of security before he became the boss of BOSS. Thousands of people have been detained, banned and ruined without the benefit of hearing what the charges against them were.

"I agree with Mr Wiley" — Mr. John Wiley, leader of the SAP — "that a full-scale inquiry into BOSS is essential. Not only into its financial affairs, but into its entire operation."

There was an air of unreality about the whole debate because the principle character was absent.

"The Government is entangled in a web of deception that has been woven in the past few years. At the centre sits the big black spider, General van den Bergh. A big black spider who likes to stay off-stage and lurks in murky corners.

"He manipulated his Prime Minister and I am absolutely astonished. I see the former Prime Minister in a different light after being with him in this House for 25 years.

"He's malleable and I never knew it."

There was laughter when Mrs. Suzman said she had apparently missed an opportunity. — "I should have devoted my attention to General van den Bergh instead." — (Sapa.)

Natal Mercury

9/12/78 289

QUOTE

by the leader of the South African Party, Mr John Wiley:

"The Citizen is not a party political paper. It is independent minded . . . Something has to be done about the English Press and the Government has neglected its duty by not doing something about it. Government use of public funds to start the Citizen cannot be justified, but every SAP member and many English-speaking people will willingly collect funds and take up shares in it."

Police urged to talk about Smit killings

Political Correspondent

THE police should disclose to the public what their investigations into the murder of Dr. Robert Smit and his wife in Springs last year had revealed, Dr. Alex Borraine said.

Dr. and Mrs. Smit were murdered shortly before the General Election, Dr. Smit was National Party candidate in Springs and South Africa's representative to the International Monetary Fund.

He referred to a report in which General Kobus Visser, deputy chief of the Criminal Investigation Department, said he could not say if the possibility had been eliminated of a link between the murders and the scandal surrounding the Department of Information

"Let us make sure of this. The police must take the public into their confidence. Let us hear that there was no link."

Natal Mercury
9/12/78
259

Treurnicht hint on responsibility

Political Correspondent

THE new Nationalist Transvaal leader, Dr. Andries Treurnicht, left Parliament with the impression that he believed the Cabinet should accept responsibility for the Information scandal.

The Right-wing Deputy Minister did not directly say so, but many Government and most Opposition MPs said he had inferred this during his speech.

His references to responsibility came as the Government continued to maintain that the Cabinet could not be held responsible because Dr. Mulder had never informed his colleagues about the activities of his department.

Dr. Treurnicht, who has consistently been overlooked for promotion to the Cabinet, suggested he could not accept responsibility because he was not in the Cabinet.

He argued that in many respects the Opposition and the Government had a joint responsibility on several issues.

He said that when the Budget was laid before Parliament, MPs had every opportunity to ask questions, to criticise and to obtain information.

"If afterwards it appears that there were matters approved on which there had been no information, then why do they (the Opposition) assume that an ordinary (Government) member, who is not in the Cabinet, has all the information?" Dr. Treurnicht asked.

Mr. Horace van Rensburg, MP for Bryanston, interjected: "Do you sit in the Cabinet?"

Dr. Treurnicht: No, I do not sit in the Cabinet and I do not accept that responsibility in the way that the member thinks I should accept it.

Mr. van Rensburg said in an interview he believed Dr. Treurnicht had given the clear impression that the Cabinet should accept responsibility for the scandal.

"Of course, it's difficult to analyse his speech," he said.

Natal Mercury

259

9/12/74

PM slammed for keeping Mulder

Political Correspondent

THE Prime Minister, Mr. P. W. Botha, was strongly criticised yesterday for re-appointing Dr. Connie Mulder to the Cabinet after the premiership election.

Mr. John Malcomess (NRP, East London North) said Mr. Botha had re-appointed Dr. Mulder as Minister of Plural Relations after he had been informed about the irregularities in the former Department of Information by Advocate Retief van Rooyen.

And Mrs. Helen Suzman said the Prime Minister had taken the risk of re-appointing Dr. Mulder because he had placed the interests of the National Party above those of South Africa.

Mr. Malcomess said the Prime Minister had been present when Mr. van Rooyen had given positive proof of irregularities involving Dr. Mulder before the premiership election.

"At the very least interpretation there was a question mark above Dr. Mulder."

After the election the Cabinet had resigned but Mr. Botha had re-appointed Dr. Mulder.

"This will hang like an alabatross round the neck of the Prime Minister."

Mrs. Suzman said the entire Cabinet was involved in the re-appointment because the Minister of Foreign Affairs, Mr. Pik Botha, had certainly told Mr. P. W. Botha the Minister of the Interior, Mr. Alwyn Schlebusch, and the Minister of Health, Dr. Schalk van der Merwe, about the irregularities.

It was clear that after the election, the Prime Minister had not wanted to do anything to disrupt his party's unity because a substantial part of the Transvaal had backed Dr. Mulder.

"He was still cherishing the hope that the Information scandal would not come out."

It was only with Judge Mostert's revelations that the extent of the irregularities had been exposed.

"If the re-appointment of Dr. Mulder was not putting the interest of the National Party above those of South Africa then I don't know what is," Mrs. Suzman said.

THE ERASMUS DEBATE



How PW asked Mulder to resign

THE ASSEMBLY. — The Prime Minister, Mr P W Botha, said yesterday it had not been easy for him to ask a senior Cabinet colleague to resign his post, but he had asked Dr Connie Mulder to do so because it was the only honourable thing to do in the interests of the people of South Africa.

Opening the extraordinary parliamentary debate on the report of the Erasmus Commission into irregularities in the former Department of Information, the Prime Minister said one of the steps he had taken after learning of the extent of the irregularities was to ask Dr Mulder to reconsider his position.

"This he did.

"I said to him that in the first place I would have to say in public that financial help to The Citizen newspaper from the State was indefensible," Mr Botha said.

He had told Dr Mulder that the loan to Mr Louis Luyt to enable him to establish The Citizen would have to be repudiated and the loan of R825 000 to film magnate, Mr Andre Pieterse, was unjustifiable.

Further, the Prime Minister would have to say he considered it unfair that Dr Mulder had not informed his Cabinet colleagues of the actions of his department and Mr Botha would have to say in Parliament that he opposed the manner in which funds had been transferred to and from the department.

"On these grounds the Minister accepted this and resigned.

"I stated at a public meeting that I thought he had done the honourable thing," the Prime Minister said.

"It is not easy to ask a senior colleague to leave the Cabinet. It is not easy to ask a leader of the party to leave the Cabinet in the face of enmity and at a time of the greatest tension and international pressure before critical decisions on South West Africa.

"It is not easy, but I took the decision because it was the only honourable way to act before the people of South Africa."

Mr Botha said the Department of Information had been established with the best intentions and had done good work. It had set up projects which today were still doing good work for South Africa.

In so far as the department had acted in accordance with the rules, no criticism could be levelled because many projects had been, and still were, good.

It was regrettable that irregularities had occurred which had cast a shadow over the good work.

Regarding the doctrine of collective Cabinet responsibility the Prime Minister said the Cabinet had not been informed that irregularities occurred.

"I want to emphasise, without bitterness, that Dr Mulder never informed the Cabinet about these activities of his department, not me nor any other Cabinet colleagues of his."

Mr Botha also denied that the Cabinet had taken a decision to buy The Citizen. "Anyone who suggests otherwise is guilty of a public lie."

He said the Cabinet could not be expected to be jointly responsible for the actions of one of its members if it did not know of the actions of that member.

"You cannot be responsible for something of which you have no knowledge."

The Cabinet and the National Security Council had become aware of these things after September this year and immediate action had been taken.

The Cabinet could not be held collectively responsible if it had no knowledge of the irregularities that occurred.

The Prime Minister said he surely could not accept responsibility should a Cabinet member commit a terrible transgression without the Prime Minister's knowledge.

After an interjection from an Opposition member that the Cabinet had decided to buy The Citizen, Mr Botha said that if the allegation was being made seriously he would immediately request a select committee.

"This Cabinet did not take a decision to buy The Citizen. Anyone who suggests otherwise is guilty of a public lie."

The Speaker intervened to ask members to keep the debate on a proper level. South Africa would suffer damage if politics were introduced, he said.

Mr Botha said that immediately the facts came to his attention the State Security Council met and special Cabinet meetings were held "day after day" to consider the reports from the various committees investigating the matter. — Sapa

'Concern at West's paralysis'

THE ASSEMBLY — Mr Botha quoted certain publications on reactions abroad to the removal of secret operations and said there was mounting concern in the West at the onslaught against its ability to defend itself.

"We know what happened to the CIA. The West is being paralysed. The instruments it uses to combat subversion are being destroyed."

Mr Botha said there was something deeper underlying the agitation against secret services. He then attacked a headline in a morning newspaper which read "R64 million shock" and said this was a blatant lie.

"One wonders when one reads this where the truth lies. There is a dangerous tendency to have public trial by Press in issues such as these."

Mr Botha emphasised he was a supporter of Press freedom. Last year when public opinion had forced the Government into considering steps against the Press, he had personally intervened to have the measures stopped.

"But the Press must take note. It must not underestimate the chagrin of the larger portion of the public against it."

The establishment of The Citizen, though he did not approve of the way in which it was done with Government funds, was to a great measure a psychological reaction against the unfairness of the Press.

Vorster: Govt had to use unusual methods

THE ASSEMBLY — The total onslaught against South Africa had become more sophisticated, subtle and comprehensive during the past few years, the State President, Mr Vorster, said in the House of Assembly yesterday.

Opening the second session of the sixth Parliament of the Republic, Mr Vorster said South Africa's enemies, to attain their objectives, also made use of unconventional methods.

The Government was obliged to formulate and carry out a counter-strategy in which it obviously had likewise to make use of unconventional methods.

"Parliament subscribed to this standpoint and voted funds for secret purposes with the concurrence of all political parties," he said.

The appropriation of such funds by Parliament necessarily implied that there would be no public debate on their expenditure.

"Because of this, the Government realises that, in these circumstances, a heavier responsibility than usual rests on its shoulders to ensure that the special funds are used to the best possible advantage and with the greatest circumspection and responsibility.

"In this spirit the Government, during the second half of 1977, on receipt of certain communications from the Auditor-General in connection with the former Department of Information

Rand Daily Mail
8-12-78

confirmed that he should proceed with the necessary investigations and report in the normal way. Pursuant to this the Government took various further steps to establish the relevant facts so that appropriate action could be taken," the State President said.

In spite of these steps, and in spite of the Government's request that it be given the opportunity to investigate in depth and to evaluate the full extent and implications of the allegations against the former Department of Information, the insinuations and innuendos continued to mount, to the extent that it became impossible to distinguish fact from fiction. In addition, there was an emotional build-up that seriously hampered objective judgment.

Against this background, and at the request of the Government he had appointed the Erasmus Commission to inquire into and make recommendations on:

● Any irregularities or unlawful gaining of advantage by individuals or bodies or the misappropriation of public funds by the former Department of Information and or anybody who was connected with it.

● The methods and malpractices which may be found to have been employed in connection with such activities.

● Steps to be taken to put an end to such practices as well as any action against anybody involved.

● Any related matters.

The Government came to the conclusion that it would be in the interest of the country to summon Parliament to assembly "for what may in fact be regarded as an extraordinary session of Parliament," Mr Vorster said.

"For orderly government and clean administration, it is essential that allegations of maladministration and misappropriation be investigated in depth."

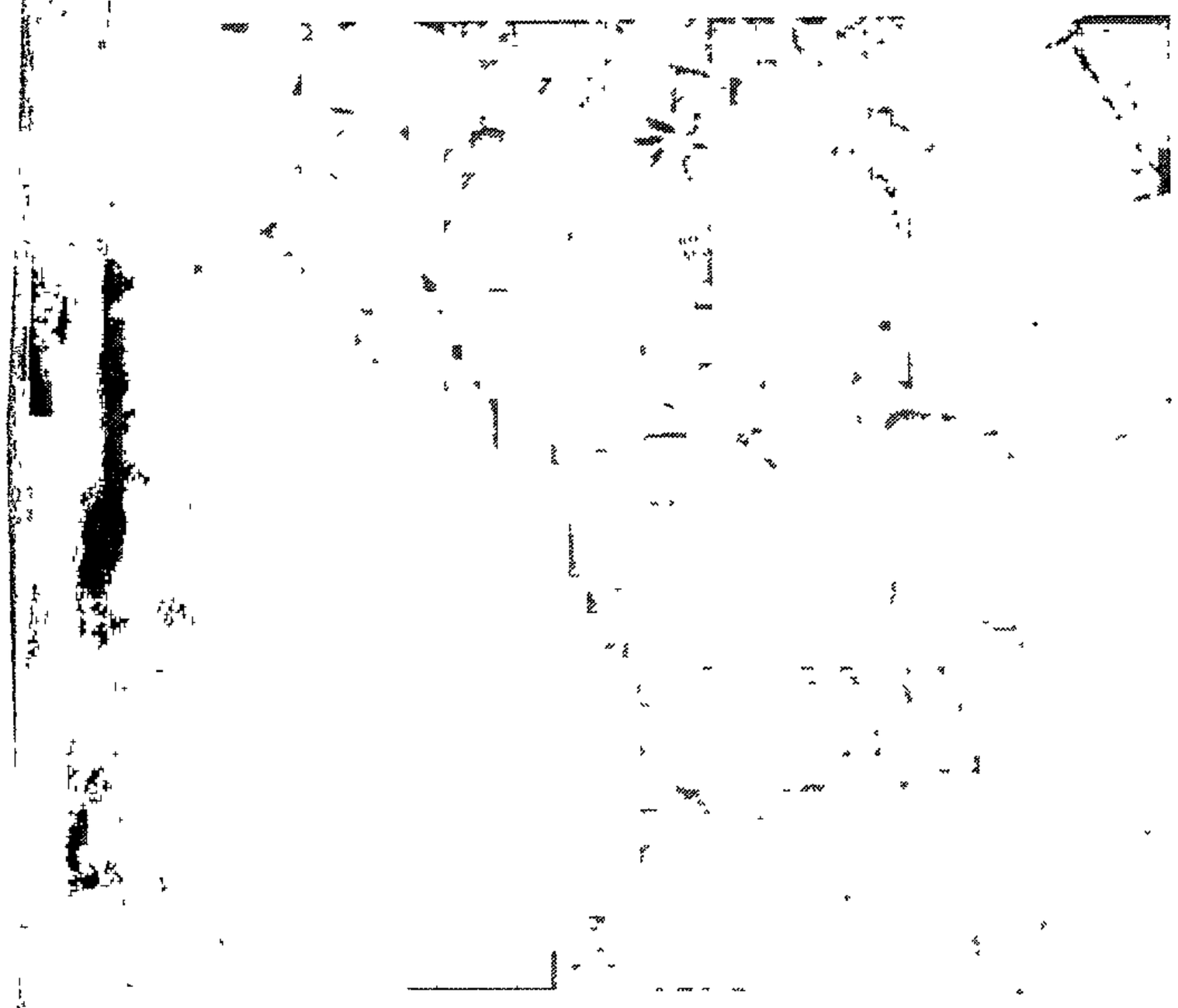
If it was found that such allegations were well-founded action must be taken against the bodies and persons concerned, he said.

"At the same time, however it is of the utmost importance that we do not allow confidence in South Africa's will and ability to fight its enemies to be undermined. All should know that the Republic of South Africa will not flinch from taking action, either in the open or in secrecy, which will ensure the safety, order and prosperity of the country and its people." — Sapa.

CONT

259





The Prime Minister, Mr P W Botha, and his wife pictured on their arrival at the House of Assembly yesterday.

Three new MPs sworn in

THE ASSEMBLY — When the Assembly met yesterday before the official opening of the special session of Parliament by the State President, Mr Vorster, three new members were sworn in

They were Mr J P I Blanche (Boksburg), Mr J J Visagie (Nigel) and Mr A Geldenhuys (Swellendam).

The vacancies occurred through the resignation of Mr Vorster from the Nigel constituency, the resignation of the former Deputy Minister of Agriculture, Mr J J Malan, of Swellendam and the death of Mr J P A Reyneke of Boksburg

The speaker also announced that a vacancy had occurred in the Beaufort West constituency through the death on Tuesday of Mr J H Nortje

Members of the Senate assembled briefly in the Senate Chamber shortly after 9am and then joined MPs in the Assembly for the official opening — Sapa

Botha: We're not telling all

THE ASSEMBLY — The Government was fully prepared to put its case in public — up to the point where it endangers State security to do so, the Prime Minister, Mr P W Botha, told Parliament yesterday

No matter how much criticism was levelled against it the Government was not prepared to endanger the State by revealing everything it did

"If there are people who want to play the game of our enemies they are free to do so providing they do not transgress the law As long as this Government is in power it will not hesitate to take steps to safeguard South Africa, even against traitors."

Mr Botha said the summoning of Parliament at this time was an extraordinary but essential step

"I wish to say that Parliament is the highest authority in the country to which the Government is responsible

"We are experiencing troubled times — the country and all its peoples These were also troubled times for civilisation and for the standards of civilised life which had been maintained for many generations

"Only the blind will not see this and only the deaf not hear that South Africa is being threatened The Government is obliged to take steps to maintain civilised standards and to build walls behind which South Africans could seek refuge," he said

"The Government is prepared, in so far as the security of South Africa allows, to put its case in public However, the Government is not prepared to reveal everything for the eyes of its enemies and to give it to them on a plate"

Mr Botha said he wished to give five reasons for recalling Parliament

Firstly, to give Parliament an opportunity to debate the facts in connection with the report of the Erasmus Commission

"Parliament is the properly elected and properly constituted body to consider a report such as this It is also Parliament's right to do so"

Secondly, the Government had to state clearly its standpoint and had a duty to do so to Parliament

Thirdly, the Government also intended to refer to another departmental committee, the Pretorius Committee

Fourthly, it wished to get this unsavoury matter behind Parliament, as far as possible, "so that we can enter the Christmas season in a good spirit"

Fifthly, in view of the important future work of the Government, he wished to get the issue resolved speedily — Sapa

Cont →

Star (259) 8/12/78

R20-m flowed to Info through Thesaurus

By Kevin Stocks

CAPE TOWN — Almost R20-million in purported loans flowed to Department of Information front organisations through the Swiss company Thesaurus Continental Securities Corporation of Zurich.

In addition letters sent by Thesarus to the former Secretary for Information, Dr Eschel Rhoodie (some of them to his home address), contained exhortations to burn previous letters.

This has been established in The Star's continuing investigation into the Information scandal.

On at least two occasions, however, no money entered the country — in one the money was used abroad and in the other the notification of loan was issued so that a recipient of secret funds could, if necessary, show a source for his funds.

Among the loans issued through Thesaurus, in some cases through the Union Bank of Switzerland, are the following three loans for the front organisation, Thor Communicators (Pty) Ltd, they were

● Loans of R3,5-million and R1,5-million already known in which funds were received The loans were made by Union Bank but correspondence mentioned Thesaurus.

● A loan of R3,5-million (not previously revealed) in which no money entered the country but was used abroad

A purported loan of R12-million to Mr Louis Luyt to enable him to start The Citizen This money was never received and was never intended to be sent

The letter from Thesaurus stated it was making the loan, was dated August 10 1976 — at which date My Luyt had long been in possession of the money to start The Citizen.

In fact, The Citizen money came from various sources — some was paid into a Volkskas Bank account by the Reserve Bank, some by a company called Beurswins (Pty) Ltd, which is controlled by Mr J van Zyl Alberts, and some by a company called Doornkloof (Pty) Ltd, owned by two security officials.

The Star has also established that when it was proposed that the American publisher, Mr John McGoff take over The Citizen from Mr Louis Luyt, Mr McGoff was keen to do so provided he could get out of the publishing contract with Perskor.

The subject was discussed at a meeting in a VIP lounge at Jan Smuts Airport attended by Mr McGoff, his lawyer, Mr J. van Zyl Alberts, now managing director and sole shareholder in The Citizen, and Pretoria advocate Mr Retief van Rooyen.

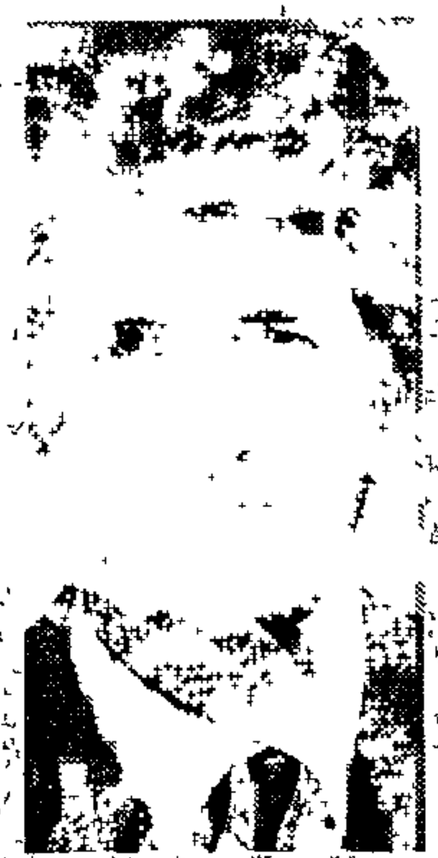
It was proposed that if Mr McGoff bought The Citizen Mr van Rooyen would be appointed the South African figurehead and would be paid a large salary.

This scheme fell through.

De Villiers has no permit to work in US

The Star Bureau

WASHINGTON — A tantalising question raised by the Information scandal is what the former Deputy-Secretary for Information, Mr L E S de Villiers, has been doing in the United States for the past six months or so.



MR LES DE VILLIERS

Cash should have gone to teaching'

Own Correspondent

DURBAN — If a small part of the money wasted in the Department of Information scandal had been spent on black education, the position in black schools could be very different today, Chief Gatsha Buthelezi said yesterday.

Speaking at a graduation ceremony at Cwaka Agricultural College, the black leader said the scandal "stank to high heaven" in the eyes of blacks.

Chief Buthelezi said with the Zulu birth rate now increasing at three percent a year, it was shameful that despite good reasons and shortage of land, the Zulus could not produce enough of their staple food, maize, to feed themselves

"Black people want their dignity recognised by others. This is their human right. The key to this recognition lies in our own hands.

Until yesterday everyone thought he was working for Sydney Baron and Co, a New York firm of public relations consultants who signed a R525 000 a year contract with the Department of Information.

But it turned out yesterday that Mr de Villiers has a US visa which specifically prohibits him from working in this country. And, it was established, he has also been refused a "green card" or work permit.

He could thus not have been working legally for anyone in the US, let alone for Sydney Baron who offered him a job after the lucrative South African contract had been signed.

RESOURCES

Since his arrival in New York earlier this year, Mr de Villiers has been a man about town and has given every impression of having at least some financial assets.

It might, of course, have come from his own resources in South Africa. But, if that were the case, he would appear to have been treated with vastly more generosity by the frugal South African exchange control authorities than the average traveller.

Even South African businessmen seeking business in the United States complain bitterly of the meagre foreign allowance they get. There are very few known to the South African community who have been able to live in apparent comfort in New York for more than six months.

Of course, Sydney Baron may have come to some sort of arrangement with Mr de Villiers on a loan basis. Certainly, from numerous telephone calls to him at their offices it is clear that he enjoys the use of an office and a secretary.

Perhaps Mr de Villiers will explain it all when he gets home. Right now, his secretary says, he is out of the office and he does not appear to be returning calls.

STAR
8-12-78
259



PROFESSOR MARINUS WIECHERS

Wiechers says the Govt must be held responsible

Irregularities committed by the defunct Department of Information were the collective responsibility of the Government, a leading expert on constitutional law said yesterday.

Professor M Wiechers, head of the Department of Constitutional and International Law at the University of South Africa, was reacting to yesterday's statement by the Prime Minister, Mr P W Botha, that the Government was not prepared to take collective responsibility for the activities of the department.

The professor accepted that, within the context of constitutional irregularities, there was both individual and collective responsibility.

"Where the one ends and the other begins, it is hard to say. But, in my view, as far as the Information irregularities go, responsibility must rest with the Government as a whole," he said.

"The whole principle of good government involves collective responsibility."

The Prime Minister said the principle of collective responsibility applied to collective decision making, not to something the Government did not know about.

Report causes hardly a ripple in Europe

The Star Bureau

LONDON — While South Africa is understandably awash with speculation over the Muldergate issue at present, the scandal has raised hardly a ripple in Europe. Whatever interest there is in southern Africa is centred on developments in SWA/Namibia.

Most newspapers in France, Italy, West Germany, Belgium and the Netherlands have limited themselves to a few paragraphs on inside pages on the Erasmus report.

The financial pages have ignored the issue. This probably reflected true lack of interest, but an added factor could be that attention in this sphere was centred this week on the Common Market currency negotiations in Brussels.

Business circles canvassed for opinions in these countries all thought the scandal would not affect trade relations in any way. However, one unattributable source in Paris added that it might give French unions opposed to trade with South Africa further ammunition with which to criticise trade links.

Both German and French newspapers have devoted much more space to the elections in SWA/Namibia than to Muldergate, seeing in them a direct link with French and German efforts (as members of the five-nation contact group) to solve the problem of transition to independence and avoiding a boycott of South Africa.

China aids Botswana

The Star's Africa News Service

GABORONE — Botswana is to receive an interest-free loan of R15-million from China for rice production and other agricultural purposes in the country

This was announced in the National Assembly here by Botswana's vice-president, Dr Q Masire

TITULUS III.

De lege Aquilia.

Continuatio, & summa tituli.

2.3 Co-ordination

The Course

The Student Representative Council

The enrolment and registration of the students was decided

Admissions

this office and

3. EVALUATION

3.1

3.2 effects of the Course

Nearly half the sample (44,6%) helped the University Course

sample

Only 3,7% (2.2). The majority of the sample (8

greater or lesser extent, in their ability (2.3).

to cope with university

registration for

44,7%,

COMMENTARIUS.

2. *Si liber homo occisus sit, & de damno sarciendo agatur, quid juris, & potissimum hodie.*

These results clearly show that

Students

indicated strongly that the course

Nearly half the sample (45,7%)

indicated that they were uncertain,

their choice of subjects prior to

Almost the same percentage, i.e.

Lorimer call on Citizen

HOUSE OF ASSEMBLY — If negotiations between the front men for the Citizen's ownership and Perskor continued, it would be a victory for everything Dr Mulder and Dr Rhoodie had stood for, **Mr Rupert Lorimer**, PFP Orange Grove said in the debate last night

Their fraudulent actions would be compounded if an English language newspaper, established and with a circulation built up at great cost to the taxpayer were allowed to go to Perskor

Mr Lorimer asked the Prime Minister to tell the House who owned the newspaper now and what he was going to do about it

Mr Gerrie de Jong, NRP Maritzburg South, said the chapter in the commission's report

Mr Theo Aronson, SAP Walmer, said his party strongly deprecated abuse of public funds and believed that persons responsible for such irregularities should be prosecuted

The SAP understood the need for secret funds, but believed they should be spent with greater care and circumspection than public funds, he said

Normal public funds were protected by safeguards such as audit and review by the select committee on public accounts

"But secret funds by their very nature do not have built-in safeguards and for that reason the people in control of them have to exercise far greater control"

The Erasmus commission had found on the former Prime Minister, Mr Vorster, made him sad and disillusioned

He and many thousands of South Africans had a high regard for Mr Vorster, but he had not taken an immediate strong moral stand against irregularities when they came to light

The commission had found Mr Vorster to be unblemished, but the evidence pointed to the opposite Mr Reynders, whom the commission described as an honest witness, had warned the former prime minister that a cover-up operation would not work, yet Mr Vorster had not acted

The Prime Minister, Mr [illegible]

CAPE TIMES 5/12/78 (259) 9

Premier: Govt accepts Erasmus findings

Cape Times 8/12/78 (259)

HOUSE OF ASSEMBLY — The government accepted the findings and the reccommendations of the Erasmus commission of inquiry, the Prime Minister, Mr P W Botha, said yesterday

The Prime Minister, who was the first speaker in the special debate on the report of the Erasmus Commission, moved the following·

"That this house —

(A) Expresses its gratitude to the commission of inquiry into alleged irregularities in the former Department of Information,

(B) Expresses its appreciation of the Pretorius inter-departmental committee for the work it has done,

(C) Accepts the findings of the commission and the recommendations as set out in the commission's report,

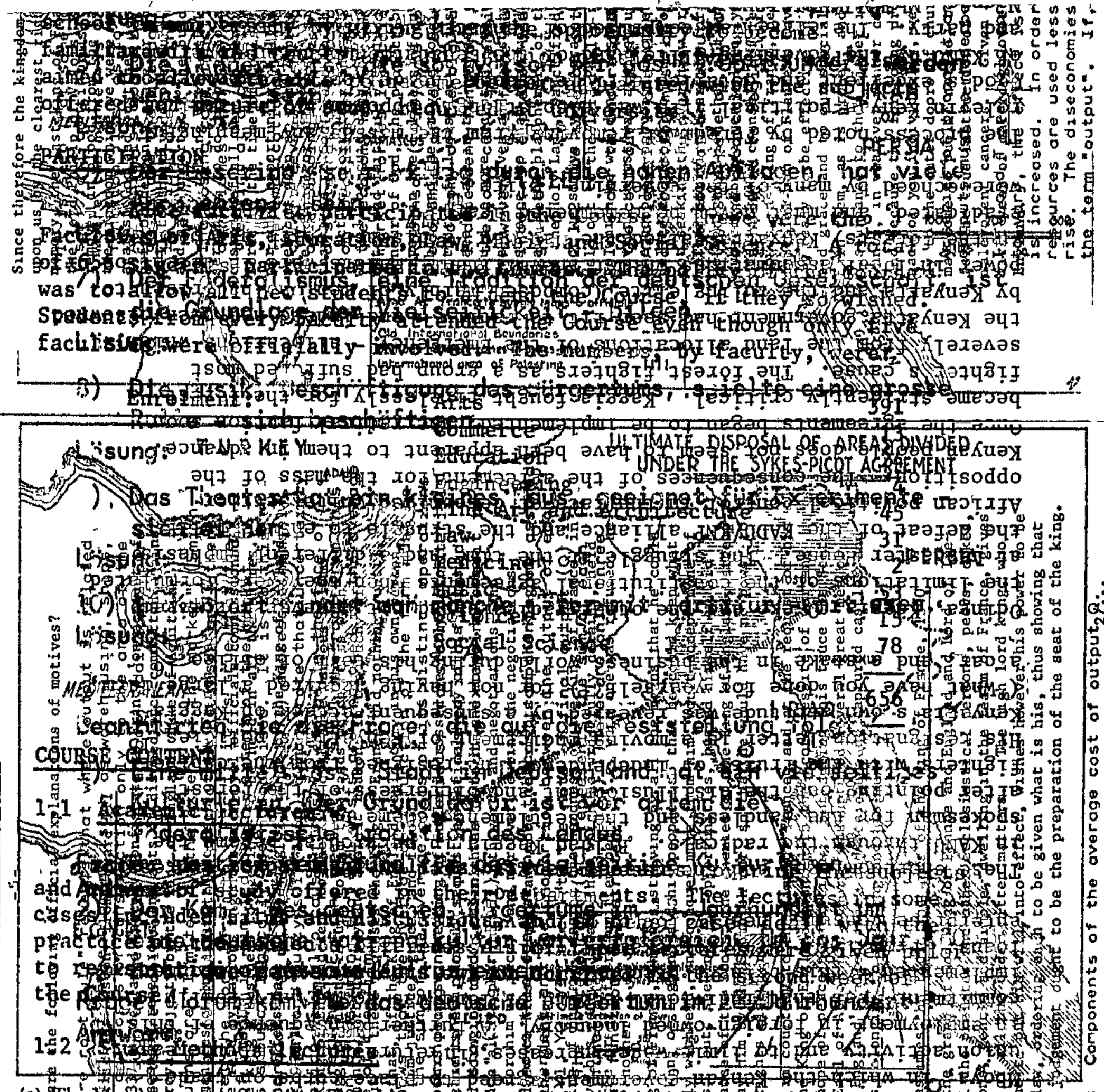
(D) Expresses its appreciation of the fact that effect is already being given thereto;

(E) States its conviction that secret funds should be at the disposal of the government, as is the case with the authorities of other countries;

(F) Requests the government, in consultation with the auditing and reporting on such funds;

(G) Expresses its confidence that it is the government's earnest intention to combat and punish irregularities in the administration of the country; and

(H) Expresses its confidence that the vast majority of public servants are continuing to maintain the traditional clean administration of the Republic" — Sapa



3.0 Policy Suggestions for Those in Authority

In order to enable African workers to lead lives in which they can ultimately develop their full human potential, certain policy changes by those in authority would be of great assistance to them. We therefore make some suggestions of policy changes that would help to eliminate the problems of African workers that our survey revealed.

Low wages, occupations clustered in the unskilled categories

unresolved gr

present indus

have both bee

increasing th

comes to fix

and the Wage

on the Indus

occupational

members. W

same negotia

i.e. Africar

aspect of gr

power would

would enabl

We do not t

in solving

the exister

result ever

appears to

present rec

during rece

rising in a

since the s

the authori

structural

54. Esitmat
See J.

55. J. Knig

ion.



Dr Mulder

Bótha said
He had told Dr Mulder that
the loan to Mr Louis Luyt to
enable him to establish the Citi-
zen would have to be repudiated
and the loan of R825 000 to film
magnate Mr Andre Pieterse was
unjustifiable
Further, the Prime Minister
would have to say he considered
it unfair that Dr Mulder had not
informed his cabinet colleagues
of the actions of his depart-
ment, and Mr Botha would have
to say in Parliament he opposed
the manner in which funds had
been transferred to and from
the department
"On these grounds the minis-
ter accepted this and resigned"
"I stated at a public meeting
that I thought he had done the
honourable thing," the Prime
Minister said
"It is not easy to ask a senior
colleague to leave the cabinet It
is not easy to ask a leader of the
party to leave the cabinet in the
face of enmity and at a time of
the greatest tension and interna-
tional pressure before critical
decisions on South West Africa
"It is not easy, but I took the
decision because it was the only
honourable way to act before
the people of South Africa"
Mr Botha said the Depart-
ment of Information had been
established with the best inten-
tions and had done good work
It had set up projects which
today were still doing good
work for South Africa
Insofar as the department had
acted in accordance with the
rules, no criticism could be lev-
elled, because many projects had
been and still were good,
It was regrettable that irregu-
larities had occurred which had
cast a shadow over the good
work
Sapa

It was 'not easy to ask him to go'

HOUSE OF ASSEMBLY —
The Prime Minister, Mr P W
Botha, said yesterday it had not
been easy for him to ask a
senior cabinet colleague to re-
sign his post, but he had asked
Dr Connie Mulder to do so be-
cause it was the only honour-
able thing to do in the interests
of the people of South Africa
Opening the extraordinary
parliamentary debate on the re-
port of the Erasmus Commis-
sion into irregularities in the
former Department of Informa-
tion, the Prime Minister said
one of the steps he had taken
after learning of the extent of
the irregularities was to ask Dr
Mulder to reconsider his posi-
tion
"This he did
"I said to him that in the
first place I would have to say
in public that financial help to
the Citizen newspaper from the
State was indefensible," Mr
Botha said
He had told Dr Mulder that
the loan to Mr Louis Luyt to
enable him to establish the Citi-
zen would have to be repudiated
and the loan of R825 000 to film
magnate Mr Andre Pieterse was
unjustifiable
Further, the Prime Minister
would have to say he considered
it unfair that Dr Mulder had not
informed his cabinet colleagues
of the actions of his depart-
ment, and Mr Botha would have
to say in Parliament he opposed
the manner in which funds had
been transferred to and from
the department
"On these grounds the minis-
ter accepted this and resigned"
"I stated at a public meeting
that I thought he had done the
honourable thing," the Prime
Minister said
"It is not easy to ask a senior
colleague to leave the cabinet It
is not easy to ask a leader of the
party to leave the cabinet in the
face of enmity and at a time of
the greatest tension and interna-
tional pressure before critical
decisions on South West Africa
"It is not easy, but I took the
decision because it was the only
honourable way to act before
the people of South Africa"
Mr Botha said the Depart-
ment of Information had been
established with the best inten-
tions and had done good work
It had set up projects which
today were still doing good
work for South Africa
Insofar as the department had
acted in accordance with the
rules, no criticism could be lev-
elled, because many projects had
been and still were good,
It was regrettable that irregu-
larities had occurred which had
cast a shadow over the good
work
Sapa

After an intersection from an opposition member that the cabinet had decided to buy the Citizen, Mr Botha said that if the allegation was being made seriously, he would immediately request a select committee

"This cabinet did not take a decision to buy the Citizen Any-one who suggests otherwise is guilty of a public lie"

The speaker intervened to ask members to keep the debate on a proper level South Africa would suffer damage if politics were introduced, he said

Mr Botha said that immedi-ately the facts came to his at-tention the State Security Coun-cil met and special cabinet meetings were held "day after day" to consider the reports from the various committees investigating the matter —

Regarding the doctrine of col-lective cabinet responsibility, the Prime Minister said the cabinet had not been informed that irregularities occurred

"I want to emphasize, with-out bitterness, that Dr Mulder never informed the cabinet about these activities of his de-partment He did not inform me, nor any other cabinet col-league"

The cabinet and the National Security Council had become aware of these things after Sep-tember this year, and immedi-ate action had been taken"

The cabinet could not be held collectively responsible if it had no knowledge of the irregulari-ties that occurred

The Prime Minister said he surely could not accept respon-sibility should a cabinet mem-ber commit a terrible trans-gression without the Prime Minister's knowledge"

Cape Times
23/12/82

NRP rejects finding on responsibility of 2 PMs

HOUSE OF ASSEMBLY — The New Republic Party rejected the Erasmus Commission's findings on the political responsibility of the former and present Prime Minister and the Minister of Finance and held every single member of the government responsible for what had happened, the party's leader, Mr Vause Raw, said yesterday

He rejected the Prime Minister's pleas of innocence through ignorance and said it was no mitigating factor

"It is an aggravating factor when the government fails to get the information which it is their duty to establish"

Mr Raw accepted without reservation the commission's findings that there was no personal enrichment or blemish on the personal integrity of Mr Vorster, the Prime Minister and Senator Horwood

"But it was not the task of the commission to determine political responsibility or blame or innocence

"That is the duty of this Parliament and I say immediately that the NRP rejects the findings of the commission on the political responsibility of these gentlemen for what happened"

Mr Raw moved an amendment to the government motion, noting deep concern at the commission's report and "condemns the former and present government under whose responsibility there occurred, inter alia

- Misappropriation of vast sums of public money,
- Maladministration and lack of control over secret funds,
- Administrative abuse and arrogance by certain ministers and senior officials,
- And, an apparent reign of terror under the head of the Bureau for State Security"

The amendment then called for the resignation of the government forthwith

"The commission has looked at criminal responsibility, but today I am concerned with parliamentary responsibility"

It was no use attempting to atone for the destruction of the credibility of government by re-stabbing one political and three administrative corpses They were, for all practical purposes, already politically dead and retired

"I am concerned about two succeeding prime ministers who were aware of allegations and evidence of indisputable irregularities over a long time"

The former Prime Minister knew of them 18 months ago when the watchdog of Parliament, the Auditor General, reported to him

"I am concerned about a former prime minister who could appoint a man to evaluate secret projects whom he knew had participated in their formulation and whom he had ordered not to get involved"



Mr Raw

He was concerned about a prime minister who had nurtured and trusted as his security advisor a man the commission found to be a double dealer with an organisation and power that made men fear for their lives.

Mr Raw quoted a report published in a paper yesterday morning where General van den Bergh was quoted as rejecting the commission's findings with contempt and refers to the parliamentary debate as a "farce"

"I suggest to the Prime Minister that this is blatant contempt of a judicial commission and Parliament"

He was concerned about a prime minister who could place his reputation in the hands of an auditor who was a "broken reed" and so afraid of the Prime Minister's security head that he went behind his back to report to the Prime Minister and was terrorised into giving a false report of his findings

It was totally unforgivable for the former Prime Minister to call an election and withhold from the public the fact of the inquiry's existence

"It is also incredible that with his knowledge the Prime Minister could have re-appointed Dr Mulder to the portfolio of Information and allow this whole sorry mess to continue"

"The present Prime Minister must tell the House whether he approves the actions of his predecessor If he does, then we can expect that they will be repeated in future"

Another issue on which he believed both prime ministers culpable was that R64 million could be allocated to the department without them bothering to find out what it was being spent on

"Yet, in the face of all this evidence, the report finds that the only criticism against the former Prime Minister was that he had done nothing for nine months after he had become indisputably aware of the situation, and that he had erred unwittingly and had then become a sick man

"I reject that this excludes Mr Vorster from both personal and collective responsibility He has not been exonerated in his responsibility to parliament"

Dealing with Mr P W Botha's role as Minister of Defence, Mr Raw said he refused to accept that he had to act against his own better judgment which made him repeatedly object to the use of the Defence Special Account

It was no good that he had objected repeatedly, yet in the end went along with the allocation of the funds to the Department of Information.

"Surely he has remedies other than to complain and to object and then comply Or must party loyalties and position override conscience and duty?"

At the very least he could have demanded that every cent of defence money be accounted for to his personal, and not blind, satisfaction "Surely he could have found out on what it was being spent?"

Mr Botha had deliberately misled Parliament and there was collective responsibility for what had happened

When he became Prime Minister he should have been able to satisfy himself where the expenditure to which he had objected as Minister of Defence had gone

"After all he became chairman of the cabinet sub-committee on secret funds"

Mr Botha then interjected and said he had never been a member of a three-man cabinet committee

Mr Raw then turned on the other absolved minister, Senator Owen Horwood, who had told Parliament in March that he knew of no irregularities or difficulties with funds

"Did he not know that the Auditor General was investigating the funds?

"He bluffed us and we accepted his assurances. Parliament was humiliated

"Therefore the New Republic Party rejects the commission s findings which absolve these three persons insofar as they apply to their political responsibility" — Sapa

---

rain objectives of the A.P.O. were laid down as follows:

A. To promote unity between the Coloured races of South Africa.
B. To obtain better and higher education for our children.
C. To defend the Coloured people's social, political and civil rights.
D. To get the names of all Coloured men who have the qualifications to be registered as parliamentary voters on the voters' list at the registration of voters.
E. The general advancement of the Coloured people of South Africa.

The following year "Matt" Fredericks became secretary of A.P.O. and in 1905, after the emergence of a serious rift between Tobin and Abdurahman (partly the result of Abdurahman's distance on limiting the A.P.O. to the Coloured people exclusively), Abdurahman became President, a post which he was to retain until his death in 1940.

Over the following years the A.P.O. expanded and by 1909 set up its own publication (also called the "A.P.O."), about

'Govt must go

Cape Times 8/12/78 (259)

Cape Times Call (259)

Cont

Cape Times 8-12-78

259

Call by PFP, NRP

By MICHAEL ACOTT
Political Correspondent

OPPOSITION speakers insisted yesterday that the Prime Minister, Mr P W Botha, and the former Prime Minister, Mr Vorster, share political responsibility for the Information scandal.

Both the Progressive Federal Party and the New Republic Party called on the government to resign because all cabinet members were politically responsible for what had happened

The responsibility had to be shared by Mr Vorster, under whom the secret funding of the Information department has started; by Mr Botha, whose budget vote was used to channel the money; and by Senator Owen Horwood who as Minister of Finance had presented budgets in which it was done.

During the first day of the special parliamentary session to discuss the information affair, both parties accepted the Erasmus commission's findings on the integrity of Mr Vorster, Mr Botha and Senator Horwood and that none had any personal part in the irregularities revealed

But they said the former minister of Information, Dr Connie Mulder, could not be made the sole cabinet scapegoat

Mr Vorster was responsible for his government's acts and Mr Botha and Senator Horwood, while protesting at the arrangement, had gone along with it Nor had the two present ministers found out what was being done with the money

Their criticism of the State President's past actions followed a ruling by the Speaker, Mr J J Loots, that Mr Vorster's decisions as Prime Minister could be discussed and commented on during the debate

Mr Botha stated earlier that the principle of collective cabinet responsibility could not apply in this case, as Dr Mulder failed to inform the cabinet of what his department had been doing

He revealed he asked Dr Mulder to resign from the cabinet after the evidence made public by Mr Justice Mostert

Senator Horwood, too, said he could not take responsibility for actions of which he had been ignorant

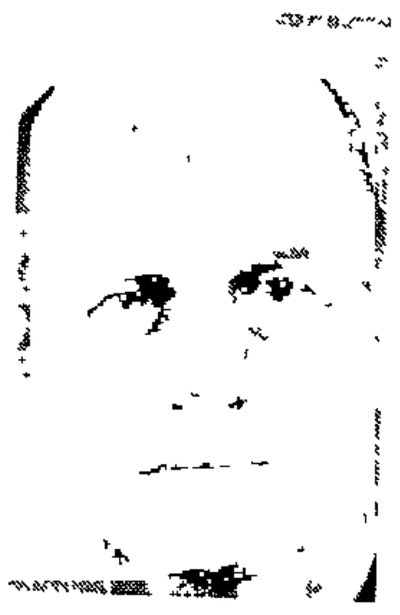
"How the devil must I know what is happening about the Citizen if it is withheld from me and every other cabinet minister?" he asked

Calling the special sitting a "session of shame", the leader of the Opposition, Mr Colin Eglin, said cabinet accountability to Parliament was a cornerstone of the South African system of government

"The government as a whole must accept responsibility for having created, behind the back of Parliament, a system of finance which made it possible for this abuse to take place"

As the then Prime Minister, Mr Vorster had to accept responsibility for actions of key people in his department, particularly General Hendrik van den Bergh

In addition, he said, when Mr



Mr Botha

Vorster was told about state funding of the Citizen, he allowed the newspaper to carry on losing money and to act as "a National Party mouthpiece" during last year's election

"While the government was dilly-dallying and cabinet ministers were not asking each other questions, the public was milked of another R16 million"

The NRP leader, Mr Vause Raw, said that the three ministers, while personally absolved, had to accept political responsibility The 1977 election was called after Mr Vorster launched an investigation into the Information department

"It is totally unforgivable that in those circumstances he should call an election and yet withhold the facts of the inquiry's existence from the electorate"

After the election, Mr Vorster reappointed Dr Mulder to his cabinet

Mr Raw also called for inves-

Continued on page 2

Mulder denial: Call for inquiry

Cape Times
8/12/78 p59

HOUSE OF ASSEMBLY — The chief whip of the official Opposition, Mr Brian Bamford, yesterday called for a select committee to investigate statements made in the Assembly by Dr Connie Mulder, former Minister of Information.

Mr Bamford said he wished to address the speaker, Mr J J Loots, on a matter affecting the privileges of the House.

"I refer to statements made in this House by the Honourable Minister for Randfontein, then the Minister of Information, that the government had not given any financial assistance to The Citizen newspaper.

"It appears from the Erasmus Commission's report that these statements were untrue.

"I respectfully ask you whether you will accept a motion for a select committee to be appointed in this regard."

The speaker said he would give a ruling today — Sapa

GRAPH: MINING EMPLOYMENT
QUARRIES AND SALT

EMPLOYMENT IN '000's

CAPE TIMES 8/12/78 (259)

Disclosures on secret Hortors project

Own Correspondent

JOHANNESBURG. — The rapidly-expanding giant Hortors printing and publishing group — taken over in April last year — and the acquisition of a sizeable block of shares in the British printing and publishing house Morgan-Grampian, were both secret projects of the former Department of Information.

In a brief reference to the two "fronts", the Pretorius Commission, which was evaluating the projects, said that suspected irregularities relating to "the projects Morgan-Grampian and Hortors" had been brought to the attention of the Erasmus Commission and the Van der Walt inquiry

The key figures in the Hortors takeover were Mr David Abramson, the company's new chairman, and Mr Stuart Pegg, the motor rallyist who is a partner of Mr Abramson and director of the Hortors holding company

The takeover was achieved in May 1977, when the Pegg-Abramson consortium bought 1,1 million shares — 59 percent of the total — from the Hortors chairman, Mr Ian McPherson, who is also chairman of South African Associated Newspapers and Mr Eric Tenderini's Unisec nominees

At the takeover price well over the market value, these shares would have cost R4,5 million The rest of the shares were then bought at the same price, costing about R3,7 million

The key to the takeover was the acquisition by Mr Abramson and Mr Pegg of about 28 percent of the shares of the British company Morgan and Grampian in 1976

At the end of 1976 the Morgan- Grampian shares, acquired by a company called Alphane Ltd, registered in Bermuda, were sold to Trafalgar House, the owners of the London Daily Express, for a profit of about $6-million (about R4,2-million) Alphane was formerly a dormant company in the Slater Walker group of companies, for which Mr Abramson was permitted through a Volkskas guarantee to borrow the money from the British bank Kleinwort Benson.

In the takeover of Hortors a foreign company was used, which together with the price paid for the shares, indicated that it was a transaction involving securities rands, through which foreign investors buy into South African shares

That foreign investment is held through Alphane, and a company called Marwoud BV. Marwoud has an office registered in Holland It is not at this stage known who controls the shares in this company.

The profits made from the Morgan-Grampian deal, now disclosed as a secret project of the former Department of Information, were used in the takeover of Hortors

The British interests of Mr Abramson are held through a concern called British Magazines International operating out of offices in Essex St, Strand, close to Fleet Street

After buying into Morgan-Grampian, a company of that name was registered in South Africa It has since been changed to Business Press Internatonal and operates out of offices in the Bank of Lisbon building in Johannesburg, where Mr Pegg and Mr Abramson have offices adjoining those of the Union Bank of Switzerland, which was the channel used for

THE A.P.O. AS SOURCE MATERIAL

Sights were also set on buying paper in Europe

Political Correspondent

THE former Department of Information had ambitions to own a newspaper in Europe in addition to its attempts to buy newspapers in the United States and South Africa

This new revelation about the way the department sought to use its secret funds was given to parliament yesterday by the Minister of Finance, Senator Owen Horwood.

He did not name the newspaper, but said the deal fell through when he refused to authorise the "few million rand" the department had requested.

This attempt, in 1975, followed an investigation of the possibility of buying the Natal Mercury in Durban in 1973 There were subsequent abortive attempts to buy the Washington Star and South African Associated Newspapers before the department launched the Citizen in 1976

Further details of the department's bit to control media outlets in various countries in order to project a "pro-South African" viewpoint are still emerging

Hortors in South Africa and Morgan Grampian in Britain, which have been named as Department of Information projects but are part of the continuing investigation, both produce numerous publications

A glossy magazine, Pace, aimed at a black readership, was launched by Hortors last week

Explaining his own position in the information affair, Senator Horwood said the attempt to purchase the European newspaper was the only occasion on which he had been given an inkling of what the department's secret projects entailed

Backed by the then Prime Minister, Mr Vorster, he had refused to authorise the purchase of the newspaper and would have adopted the same attitude about the Citizen had he been aware of it

He condemned the use of government funds to buy newspapers

(4)

A NEW TOWN AT LITVLIGT : THE FOUNDING AND DEVELOPMENT OF PINELANDS 1919 - 1948

Garden City Association was formed in 1899 to propagate Howard's ideas and ultimately to build a garden city. (4) To achieve this, a company was registered and in 1903 the first garden city, Letchworth, was established fifty five kilometres from London. (5) Letchworth was an unquestionable success and led to the establishment of garden cities in many parts of the world.

In 1918 Chamberlain addressed the Association and the founding of Welwyn Garden City followed in 1919. Welwyn was a satellite to London, Stuttaford's Cape Peninsula metropolitan framework of commerce and industry. Welwyn was also the subject of a book by Ebenezer Howard and the embodiment of the principles outlined in Howard's Garden Cities of Tomorrow, and in 1917 he took the opportunity of visiting the garden city of Letchworth and discussing the project with Howard. His determination to establish a

-3-

december 8 1978

Financial Mail

FM 8/12/78 (259)

INFORMATION

Opening up that can

Judge Erasmus's report is unquestionably the book of the year, but by its own admission does not tell the full story. The can of worms which was the Department of Information has thus not yet been fully opened

The report vindicates Judge Mostert and the press, and puts the knife into members of the shadowy cabal that has exerted so much sinister influence, but leaves no doubt that major surgery still needs to be done.

Pressure will doubtless mount in the next six months for publication of the full record (3 046 pages) of testimony and documentation gathered to date, as well as the evidence that remains to be taken.

The commission says it is not expedient or even desirable to disclose methods employed by the Rhoodie clique to promote secret projects, of which there were 160 to 180. The methods included the setting up of front organisations at home (Thor) and abroad (Pine Tree Drive), the purchase of existing companies staffed with "able businessmen" and also harnessing "the services of existing companies."

The commissioners are unable to say, at this stage, that public funds have ceased to flow into questionable projects

Where is the R16m foreign loan raised by Rhoodie without Treasury approval? Did that R16m ever enter SA or was it used to fund offshore activities of the department and the able businessmen it enlisted as partners? Who are the beneficial holders of the shares in such enterprises? Is it Pik Botha's BNIC, Info's successor, or did Info cede its rights and title to someone else?

Who, at what level, in which department or agency of government, authorised the allocation of foreign exchange to fund Info's offshore activities, including the assembling of an imposing property portfolio in the UK, the US, and France. A number of the properties has been sold; who has pocketed the proceeds?

Although there has been copious press coverage and speculation about possible connections between Info, its fronts and Johannesburg businessmen David Abramson and John Heinrich, the Erasmus report says nothing apart from confirming that Abramson was called to testify before the commission, and mentioning Homerus (Pty), the company controlled by Abramson and Heinrich which was the designated payee of Louis Luyt's post-dated cheques.

What other unorthodox partnerships exist between government and private enterprise? The cash-hungry *Citizen* project has gobbled up more than half Info's R64m secret fund allocation since 1973-74 and, according to the commission, continues to run at an estimated monthly loss of R400 000. If the paper's R7m overdraft has been liquidated (according to a Rhoodie document published by Mostert) who guarantees the paper's new facilities? Alberts? Jussen? BNIC?

What is it worth?

Will government sanction the sale of the paper to Perskor? At what price? Will the Receiver allow Perskor a tax sweetener on accumulated losses, or will the PW Botha government rightly interpret such a move as compounding the fleecing taxpayers have suffered so far? Or does Botha believe, like Mulder, that *The Citizen* and its costly funding is the price South Africa must pay to stave off press censorship? Does it mean that if *The Citizen* is allowed to fold, the Newspaper Bill will be revived?

Has General van den Bergh's "formidable network of agents which he

FM 8/12/78 (259)

THE MISSING MILLIONS

Almost half the total expenditure of the Department of Information's secret fund is still unaccounted for. Accounts drawn up by Lood Reynders show a total expenditure of over R70m. Of this, R64,5m went on "projects", and the rest on loan repayments and interest.

Only R34,6m is detailed in the report — R32m of it for *The Citizen* There was also the loan of R825 000 to André Pieterse. The commission gives sketchy examples of expenditure on overseas trips, insurance premiums, payments to anonymous "collaborators" and non-taxable additional remuneration to Deneys Rhoodie, and to others.

The handful given adds up to just under R1m.

All this and the R935 000 invested in fixed property gives the total of R34,6m. How the other R30m was used "to pull SA through the troubled waters and rough seas of hostile world opinion" remains a mystery So does the question whether there is any more money as yet unmentioned.

The report says, however, that it not "expedient or even desirable" to disclose all the methods employed by the department to promote its secret projects.

described in sinister terms" been disbanded, and what were the operational activities of the Department of Information "eg against Swapo and in Soweto against rebellious students" referred to in Rhoodie's cover-up letter dated June 8 1977, designed to blunt former Auditor-General Gerald Barrie's investigation? Do agents of BNIC and DONS continue to collaborate on "operational activities"?

Will the statutes which control the activities of departments of state be amended to permit total scrutiny of all spending by the Controller and Auditor-General and will Parliament's own Select Committee on Public Accounts be given powers to exercise a function approaching something like guardian of the custodian?

A law enacted earlier this year (Secret Services Account Act) makes it easier, not more difficult, to divert funds for secret projects on a continuing basis. In addition to the obvious secret spending provided for in the Defence Fund, the Foreign Affairs Fund and the State Security Fund, any department can now draw on the Special Services Account for clandestine operations without accountability to Parliament.

The Information debate in Parliament will need to clear up lingering doubts. "Secrecy gave rise to covert acts and malpractices: in other words, secrecy became a Judas cloak for all those who wished to act dishonestly, to put in false claims, and to steal," says Erasmus.

There is enough *prima facie* evidence in the Erasmus report to suggest that "the lovely fresh apple" was contaminated so badly that it will take a good deal more than the removal or retirement of a few central culprits to clean it up.

In Parliament this week the opposition is demanding to know whether government believes in the Western values of joint cabinet responsibility.

Rm 8/12/78 (259)

ERASMUS SAYS

Connie Mulder's five-year plan for Info consumed R64,5m and the Department's allocations rose from about R800 000 in 1973-74 to a peak of R18,5m in 1975-76. During 1973-1978 the Defence Special Fund contributed R57,9m; the balance came from Boss

Secret funds were channelled to Info from Defence despite the protestations of P W Botha and his generals, overridden by former PM Vorster.

Info accountant Braam Fourie testified that Rhoodie raised five loans abroad totalling R16,6m. Challenged that he had no authority to do so, Rhoodie said he was not bound by rules and regulations.

Rhoodie's attitude throughout was that everything that had anything to do with secret funds was secret

Mulder had approved foreign loans in principle but had not been aware of such a figure as R16m. He admitted that he had set no expenditure ceiling for Rhoodie for secret projects.

The commission "frequently learned with consternation of indications that positive attempts had been made to conceal or cover up irregularities."

Payments from the secret fund were made without system. In some cases accountants were instructed by telephone to make payments, with no later written confirmation.

Large sums of cash were regularly drawn out of the secret fund and received by Eschel Rhoodie for payment to so-called anonymous collaborators. No vouchers were filed to show that the money was in fact paid to such persons In a nine-month period in 1974-75 he received R76 750.

Hedging against the possibility that the secret cash stream might be cut off, Rhoodie put accumulated balances into a property investment company, the Emergency Fund. During 1974-1978 nearly R1m was used for this purpose

The property portfolio included 10 flats in Clifton, a stand at Plettenberg Bay, two houses in Pretoria, a house in Soweto, a house in London, a house in the US, two flats in France, business premises in Johannesburg, and a 50% share in a loss-making Transvaal cattle ranch

Rhoodie requisitioned R33 000 for the *Citizen* project. The commission could find no record that it reached the paper Instead it was traced to the account of Oscardee Investments (Pty). Rhoodie bought a Plettenberg Bay flat from Oscardee for R33 000. Before the flat was registered in his name he resold it for R51 800, which he paid into his personal account.

Former PM Vorster knew for nine months that government was funding *The Citizen*, but did nothing about it as he regarded the matter as "spilt milk"

The commission can come to no other conclusion than that the newspaper was intended to support the NP policy on separate development. This the commission regards as a serious irregularity

The commission's comprehensive finding is that there are irrebutable indications of large-scale irregularities and exploitation of the secret fund.

The report exonerates Vorster, P W Botha, and Owen Horwood of all blame

Mulder wrongly interpreted his function and fulfilled it incompetently. His role in the attempted takeover of Saan and the establishment and running of *The Citizen* was irregular, as was his loan of R12m to Luyt.

Lood Reynders, the Boss accountant, tried to justify his report falsely giving Info a clean bill of health, "but when the total irreconcilability of the report and the actual facts that were known at the time were pointed out to him he burst into tears and, like a lanced boil, made a clean breast of things:

"The story he then told the commission bears the stamp of authenticity of someone who, under tremendous pressure, even in fear of his own life, had to do something about which his conscience had plagued him ever since. He testified further that if it had been left to him he would never have brought out such a report but that he was placed under tremendous pressure by the actions of Mulder and Van den Bergh. He even feared that, if he opposed VD Bergh, the general would crush him because 'few people realise in this country how much power he has.'"

Van den Bergh told the commission that if he wanted to do something nobody would stop him and that he would stop at nothing.

Van den Bergh used his office and his personal friendship with Vorster to try to influence the course of events in SA. He saw himself as the power behind the throne. He sometimes withheld facts from Vorster. There were times when he ignored Vorster's instructions; sometimes he traded on the Prime Minister's name to gain his own ends.

(-5.25) Sept '77-Sept'78 256.22

R301.15 R301.15

Note:

Of our current assets a very large portion is reserved for specific purposes: R200, being the balance in the Stellenbosch Farmers Winery a/c, is destined for the purchase of Asterix books which will be presented to various schools in the Western Cape and R28.50 is held in trust for the purchase of prizes. Thus a sum of R72.65 remains for roûtine expenses ('77-78 = R65 - see starred items in Exp. and Rev. a/c). This excludes the cost of prizes and of the commentaries project. As we have already received our grant for '78/79 from CASA it is clear that we shall have to call on outside sources for help when, as is likely, the expenses connected with the above, recur this coming financial year.

J.C. SANG.
Sec /Treas., CASA (W.P.)
12.9.78.

THE CITIZEN

Kiss of life?

Unless Parliament decides *The Citizen* newspaper should be disbanded and its continuation under the same name forbidden, Perskor aims to launch its own paper under the present masthead on Saturday.

This was disclosed to the *FM* by members of Perskor's board, who stressed that most editorial staff would be retained. An announcement either way is expected after Parliament prorogues today (December 8)

proceed

Reason is the board's conviction that *The Citizen* has achieved a large enough circulation (circa 70 000) to move within a year or two into an area of profit At present, the newspaper is losing R400 000 each month.

Many of these losses, however, have been incurred by way of print costs already payable to Perskor and which the Transvaal-based Afrikaans newspaper group is prepared to write off should it become the new owner

Meanwhile, Perskor boss Marius Jooste is opposed to the introduction of a *Sunday Citizen* — at least for the time being. Perskor sources say he is concerned the Sunday market is already overtraded, and certain problems relating to declining circulation and advertising revenues are already being experienced by *Rapport* — the group's jointly owned Sunday flagship.

Interestingly too, Jooste is insisting privately that *The Citizen* should adopt a distinctive, if fundamentally conservative, opposition stance. It looks, in fact, as if it may even don the colours of the New Republic Party (NRP).

Certainly this would be acceptable to *Citizen* editor "Johnny" Johnson, whose role in the old United Party wrangle as former editor of the pro-UP *Sunday Express* left his more Progressively inclined colleagues aghast.



Citizen Jooste . . . support for the NRP?

Don't rule out tenders

Nevertheless, Perskor is anything but home and dry. The State Attorney may well decide to open *The Citizen* to public tender, in which case the highest offer would decide the new owner. This would be in accordance with the Erasmus Commission's recommendation that the State Attorney attempt to recover taxpayers' money already lost And though a sale in execution of the newspaper's assets is unlikely to realise very much, government legal men believe the State has no option but to call for offers

From the viewpoint of *The Citizen*'s main competitor — the Saan-owned *Rand Daily Mail* — some believe it could be worth Saan taking over *The Citizen*, provided the price is right, and rationalising it within its own stable at Main Street

Though this could incur some loss for Saan, it is argued that the losses would be far greater if a new *Citizen* were permitted to operate in opposition to the *RDM*, depriving Saan of a large slice of the advertising cake — not to mention circulation.

But these arguments are anathema to the SAAN board. A takeover of the *Citizen* by SAAN, therefore, appears to be out of the question. And whether any other newspaper interested would put in a bid is an open question.

Another problem would be the legality of Perskor's registration of the new company to launch *Citizen II*. Some government sources believe Perskor may have jumped the gun on this matter.

Presumably the group could not have registered the company's name without the connivance of the *Citizen*'s present board of directors. But whether these directors have any legal *locus standi* in the light of Judge Erasmus' findings and request that the State Attorney should see whether *Citizen* MD, Jan van Zyl Alberts has not "alienated" State moneys, remains to be seen — and determined by Parliament.

CASA (WP) : FINANCIAL STATEMENT FOR YEAR SEPT 1977 - SEPT 1978

'76/77	Expenditure		5/77
(9.04)	Stamps	37.00	
	Xeroxing	10.50	
	from sale of aries	3.20	----
	rom SFW for Project and nani	250.00	----
	ant - CASA for ries project	10.00	----
	towards cost Romani Programmes	12.00	----
	rogrammes for ani	7.80	----
		R437.42	
		R437.42	
	iabilities		
	/ urrent Assets		
		R300.26	(43.89)
		.89	(1.04)
		R301.15	

reserved for specific purposes:
rmers Winery a/c, is destined
e presented to various schools
t for the purchase of prizes.
ses ('77-78 = R65 - see starred
ne cost of prizes and of the
eived our grant for '78/79 from
outside sources for help when,
above, recur this coming financial year.

J.C. SANG.
Sec./Treas., CASA (W.P.)
12.9.78.

Citizen sale moves worry businessmen

(259) Cape Times 8/12/78

Own Correspondent

OHANNESBURG — The Prime Minister announced in Parliament yesterday that the Government had stopped financing the Citizen two weeks ago, and was offering the owners of the paper the opportunity to run it "for their own profit or loss"

But the Citizen published an advertisement yesterday giving a statutory 30-day notice in terms of the Insolvency Act that it intends disposing of assets to the Citizen (1978) Ltd — the new company registered by Perskor last week

Judging by Mr P W Botha's speech and the Pretorius Committee report which was tabled in Parliament yesterday, the government appears to have washed its hands of the Citizen and its holding company, SA Today, without trying to recover the R32 m of taxpayers' money spent on it

And now it is apparently going to allow its former front men to sell the paper and its assets to the Perskor company

The Pretorius committee said it had been instructed by the Cabinet to terminate all state support for the paper as quickly as possible It therefore decided to

- Cease all further contributions to SA Today
- Recall a cash amount of R450 000 which served as guarantee for the printing costs of the newspapr
- Offer the owners of SA Today the opportunity to run the newspaper for their own profit or loss
- Make the owners responsible for payment of the R360 000 owed by SA Today to an overseas company

All the state got back of the R32 m spent on the Citizen was the R450 000 guarantee

Business sources said they were aghast that the government had allowed ownership of SA Today to pass at no cost to the Van Zyl Alberts-Hubert Jussen consortium and that assets which had been acquired with state funds were being allowed to be sold to another publishing group for the account of government front men

Mr Harry Schwarz, PFP finance spokesman, said it was clear from both the Mostert papers and the Erasmus Commission's findings that Mr Van Zyl Alberts had merely been acting as a nominee when he paid R1 each for SA Today's three shares in February this year and R1 for the net assets of the company

That, for no consideration, he appeared to have become the legal owner of the assets at the government's behest, was inexplicable

The state got the guarantee money back but there is no record of any consideration having been paid for the company's net assets which only nine months ago were valued at R835 000 by SA Today's auditors

The assets include a two-year-old printing press with areplacement value believed to be more than R1 m, other sophisticated electronic printing equipment, furniture and motor cars

Opposition MPs were also bewildered by the contradiction between the Erasmus Commission's recommendations that investigations be made as to how the state might recover some of its losses through Mr Van Zyl Alberts and Mr Louis Luyt — two of the Citizen's most prominent associates — and the action of the Pretorius Committe in letting SA Today go for nothing

Mulder did not inform Cabinet PM

HOUSE OF ASSEMBLY

The former Minister of Information, Dr Connie Mulder, had at no time informed the Cabinet of actions and projects which had been found to be irregular, the Prime Minister, Mr P W Botha, said yesterday

"Not me, nor any other Cabinet colleagues of his," Mr Botha said, while speaking during the debate on the former Department of Information

Mr Botha also denied that the Cabinet had taken a decision to buy The Citizen "Anyone who suggests otherwise is guilty of a public lie"

Mr Botha said that after he had become Prime Minister he informed Dr Mulder that there were certain things he would have to say in public concerning Dr Mulder's department

These were that the founding and running of The Citizen newspaper with State funds was indefensible, that the loan to Mr Louis Luyt to enable him to found The Citizen would have to be repudiated, that the loan of R850 000 to Mr André Pieterse could not be justified, that he considered it unfair that Dr Mulder had not informed his Cabinet colleagues of the actions of his department, and that he would have to say in Parliament that he had been against the transfer of secret funds to the department from the beginning

New secret projects disclosed in report

By DIANA POWELL

SENSATIONAL new disclosures about the activities of the former Department of Information were made yesterday in the report of the Pretorius Committee which investigated and assessed the department's secret projects.

The report, handed to the cabinet last Thursday and released by the Prime Minister, Mr P W Botha, in Parliament yesterday, describes the publishing houses, Hortors in South Africa and Morgan Grampian in Britain, as "projects" of the department and says alleged irregularities found during investigation of these "projects" were referred to the Erasmus Commission

The committee, under the chairmanship of the Secretary of the Treasury, Mr A J Pretorius, was set up by Mr Botha on October 23

Its report discloses that

- 138 secret projects have been identified and 125 investigated
- Of these 57 were terminated because they were complete or redundant
- 56 are still operating as secret projects
- Termination of some of the projects will save the State R4 m this year
- The State, through frontmen, acquired shares in 49 companies inside and outside South Africa
- Secret projects were devised to influence opinion on Suth Africa "through every communication medium possible"
- The State owned a flat in Cannes on the French Riviera worth $½ m and a house in the United States worth $320 000
- Immediate closure of the Citizen when it became known it was a secret project could have cost the government R16 m in damages
- The Public Works Department is investigating the use of State-owned flats in Valhalla, Clifton, for government purposes

The report says the secret projects were intended to exercise influence in South Africa's favour by means of every possible communication medium inside and outside the country

"Of the projects, 68 are proceeding, of which eight will be publicly financed and handled, 56 are going ahead as secret projects, two have been referred to the Department of Economic Affairs, one to the Department of Foreign Affairs and one to the Department of National Security

A report on the rest of the projects would be made soon

In the projects already investigated, the committee found that the State, through the appropriation of its funds by people or companies acting as fronts for the department, had acquired 11 flats, four houses, a plot of land and a business block

"Of these, the flat in Cannes was recently sold for a sum of $500 000 which will soon to be deposited in an account in favour of the State

"The house in the United States of America has been sold for $320 000 and this money will also be channelled into an account in favour of the State

"The title deeds of the other 10 flats and one house are in our possession and the State's right of ownership is assured The Department of Public Works is at present investigating the flats with a view to using them for government purposes"

The assurance of the State's interests in the third house was receiving active attention The fourth house was in a black area and arrangements were being made to recover a R17 000 loan on it, or for it to be taken over by the Department of Plural Relations

"It was found that the State, through people acting as fronts, acquired shares in 49 different companies in South Africa and overseas The share certificates concerned and the necessary transfer documents have been obtained"

The companies were all either connected with the dissemination of information or served as covers for secret chanelling of funds in and out of the country

Arrangements were being made to sell shares in companies connected with projects which had been disbanded.

A budget saving of at least R4 m for the current financial year would be possible through the scrapping of certain of the secret projects.

Immediately the committee began its investigation it became clear that the State had an interest in SA Today, publisher of the Citizen

In response to an instruction from the cabinet that all State backing for the newspaper be stopped as soon as possible, the committee gave its immediate attention to this project

"The committee was faced with the stark reality that if the newspaper was closed immediately, the State could be held responsible indirectly for damages estimated in the region of R16 m

"In view of this it was decided to terminate all further contributions to SA Today, to withdraw a cash guarantee of R450 000 for the printing costs of the newspaper, to give the owners of SA Today the opportunity of operating the paper for their own profit or loss and to make the owners liable for a sum of R360 000 which SA Today owed an overseas company

"On November 17 the cash sum of R450 000 was repaid"

The necessary written undertakings were obtained from the owners of SA Today and the company and the newspaper still belonged to them The State had no interest in the Citizen or responsibility for it

The circumstances in which Mr Louis Luyt was provided with R10 m for investment purposes was also investigated

The loan was valid for 10 years but when he ended his association with SA Today, Mr Luyt provided cheques for the repayment of the sum with interest over a period of eight years

"Irregularities found in the handling of State funds, especially in the project 'Anonymous Collaborators' were brought to the attention of the Erasmus Committee by Mr Loot Reynders in his evidence"

When the committee discovered that irregularities had in fact taken place and realized it did not have the legal right to call witnesses, it recommended to the cabinet on November 3 that a judicial commission of inquiry be appointed to investigate these irregularities

With the advent of the Erasmus Commission that part of the committee's activities ceased

"Further possible irregularities discovered during the investigation of the projects Morgan Grampian and Hortors were brought to the attention of the Erasmus and Van der Walt Commissions," the report says

P W Botha: Govt is not ready to endanger SA by telling all

Cape Times 8/12/78 P59

Cont →

HOUSE OF ASSEMBLY — The government was fully prepared to put its case in public providing it did not endanger the safety of the State in doing so, the Prime Minister, Mr P W Botha, said yesterday

No matter how much criticism was levelled against it, the government was not prepared to endanger the State by revealing everything it did

"If there are people who want to play the game of our enemies, they are free to do so providing they do not transgress the law As long as this government is in power it will not hesitate to take steps to safeguard South Africa, even against traitors"

Essential step

Mr Botha said the summoning of parliament at this time was an extraordinary, but essential step The government had taken this decision with forethought

"I wish to say that parliament is the highest authority in the country, to which the government is responsible

"We are experiencing troubled times — the country and all its peoples These were also troubled times for civilisation and for the standards of civilised life which had been maintained for many generations

"Only the blind will not see this and only the deaf not hear that South Africa is being threatened The government is obliged to take steps to maintain civilised standards and to build walls behind which South Africans could seek refuge

This onslaught was being led by Russian military imperialism and was directed also against South Africa The seriousness of this struggle should not be under-emphasised, he said

"In the combating of these powers mistakes will be made That is only human The government accepts that if such mistakes are made they must be rectified in the proper manner"

Reasons

The government was prepared insofar as the security of South Africa allowed to put its case in public However, the government was not prepared to reveal everything for the eyes of its enemies and to give it to them on a plate

Mr Botha said he wished to give five reasons for recalling parliament

First, to give parliament an opportunity to debate the facts in connection with the report of the Erasmus Commission of Inquiry into alleged irregularities in the former Department of Information Parliament was the properly elected and properly constituted body to consider a report such as this It was also parliament's right to do so

Second the government had to state clearly its standpoint and had a duty to do so to parliament

Third, the government also intended to refer to another departmental committee, the so-called Pretorius committee

Fourth, it wished to get this unsavoury matter behind parliament, as far as possible "so



Mr P W Botha

from the Special Defence Fund was concerned, Mr Botha said he had never been opposed to the creation of such a fund and realised the necessity of it

"But where I differed with the former minister of finance (Dr Diederichs) was the way in which it was budgeted for There was nothing scandalous about it, but I felt that the Department of Information should go direct to parliament and request secret funds The special defence account should not be used for it"

In the first instance, he had an assurance from Dr Diederichs that it would be a once-

committee under a new chairman, namely Mr Pretorius, Secretary of the Treasury, and the following members Mr Kemp, who had been member of the former committee, the chief state law adviser, the state attorney and the secretary of the Bureau for National and International Communications

The Pretorius committee began its work on November 23 and on November 30 brought out a report which was a great help to the government

The task of this committee was not only to investigate and evaluate the secret projects of the former Department of In-

Through other secret projects the State had acquired shares in 49 companies in South Africa and overseas Many of these investments could be justified This procedure was nothing new, the prime minister said Other countries did the same Arrangements were being made to sell the shares in companies involved in projects that were to be stopped

Payments

The committee had also found that certain irregularities had been committed in respect of certain payments under the project anonymous collaborators Because the committee did not have powers to subpoena anybody or hear evidence under oath it recommended that a judicial commission of inquiry be appointed

With the appointment of the Erasmus commission this portion of the recommendation had fallen away Further suspected irregularities in the companies Morgan Grampion and Horters were referred to by the Erasmus and the Van der Walt commissions

Immediately after Mr Pretorius informed him his committee did not have the power to subpoena witnesses, the government began making arrangements for a judicial commission to investigate any irregularities and it was this commission's report that was being discussed yesterday

Inbuilt mechanism

The prime minister said he had given this background in this where the truth lies There is a dangerous tendency to have public trial by press in issues such as these"

Mr Botha emphasized that he was a supporter of press freedom Last year when public opinion had forced the government into considering steps against the press, he had personally intervened to have the measures stopped

"But the press must take note It must not underestimate the chagrin of the larger portion of the public against it"

The establishment of the Citizen, though he did not approve of the way in which it was done with government funds, was to a great measure a psychological reaction against the unfairness of the press

The prime minister said this whole affair was a painful experience for the government and should not be allowed to happen again in future The government wished to distance itself from malpractices of this nature

"We regret the fact that an otherwise honoured colleague was affected by this and that parliament had lost his valuable services"

It was not the standpoint of the government that the end justified the means On the other [illegible] an appeal should be made to create better attitudes if South Africa was to walk the road of peace, but the effort should not come from the side of the government alone

"We are sick and tired of being represented as thugs I want to warn those who continue to besmirch our public representatives that if they continue in this way they will unleash forces of which the end results cannot be foreseen"

The government had fulfilled its duty towards the country and would try to retrieve that money which could still be retrieved At the same time, however, the government would not allow a blot on the name of public servants who maintained the highest traditions of public administration

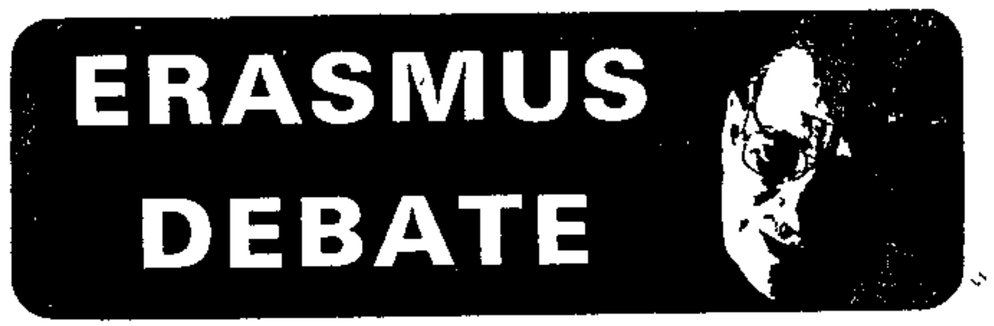
As far as possible the government would limit and eradicate incidents of this nature Because the structures of public administration were still clean and healthy, the government could be entrusted with the future of South Africa

Hidden nothing

The government had not hesitated in assuming its responsibility and to act when it was found that public money was involved It should be remembered, however, that certain secret projects were still being proceeded with and it had to be determined which money could be retrieved

The judicial commission had hidden nothing and the government accepted its findings and recommendations

The Opposition should say whether they accepted the Erasmus commission's recommendation that monies used for secret projects should not be discussed in parliam[illegible]



However, when a second request was made for secret funds from the Special Defence Fund, he had objected to it and had asked for it to be treated as a separate item

This had been done under the code-name "Operation Senegal"

Stood firm

The Defence Department had stood firm and had insisted on documentary evidence on how the money was spent

Afterwards he was still not satisfied He had approached Senator Owen Horwood, who had since become minister of finance and it had been agreed to end the arrangement through legislation

Mr Botha said he had been opposed to the arrangement whereby the secret fund was part of the global defence budget

It was not his duty to deal in detail with the committee that had been appointed by his predecessor (Mr B J Vorster) to investigate and evaluate the secret projects of the former Department of Information Neither was it his duty to deal with the degree of confusion and paralysis that had set in towards the end of his predecessor's term of office when he became ill

He wished, however, to deal with what had been done since he became prime minister In addition to all his duties he had immediately had discussions with Mr Reynders and Mr Kemp and acquainted himself with the work they were doing He then decided to extend the funds and assets of the State that might have been affected by the secret projects The committee also had to recommend which projects could be halted and which should be continued with

The committee had identified 138 secret projects, of which 125 had been investigated and evaluated by November 30 In respect of one of the projects the committee had dealt in detail before the State Security Council Fifty-seven projects were terminated either because they had become redundant or had been completed

The committee recommended that 68 projects be continued with, of which 56 should be secret, eight openly financed, two placed under the Department of Economic Affairs, one under the Department of Foreign Affairs and one under the Department of National Security

As a result of the discontinuing of projects, the State would benefit by a saving of R4 million

Newspaper

The committee had found that the State had an interest in the company, SA Today, publishers of the Citizen The State's participation in this project was immediately stopped

An amount of R450 000 which the State had guaranteed for the printing of the newspaper was withdrawn and SA Today was given the opportunity to continue publishing the newspaper for its own gain, if it could do so

The owners were also made responsible for the paying of an amount of R360 000 which SA Today had owed an overseas company

The prime minister said these steps had to be taken because if publication of the Citizen had been stopped immediately, the State would have been responsible for compensation which could be in the region of R16 million

On November 17 a cash amount of R450 000 was repaid to the State and since then the State had no further responsibility in respect of that newspaper Until that date the State had spent R19 million on the Citizen

The R10 million which had originally been made available to Mr Louis Luyt to establish the newspaper, would have been repaid to the State over a period of 10 years, but before the committee started its investigation, Mr Luyt had already undertaken to repay the loan over eight years and had given guaranteed cheques to this effect

Apart from its former interest in the Citizen, the State had also acquired rights in the following fixed properties Eleven blocks of flats, four dwelling houses, one open stand and one business block Of these, a building in Cannes had already been disposed of for R500 000, as well as a house in the United States for R320 000

The title deeds of the flat buildings were in the possession of the State and the possibilities were being investigated as to whether these buildings could be used by the State itself

order to inform the Assembly completely about what steps the government had taken

"I think we can conclude that the South African State structure and parliament contains an inbuilt mechanism to determine whether irregularities occur Orderly government and pure administration demand that irregularities must be investigated in depth"

It was South African tradition that this be done in the open under tested, reasonable procedures where each side was given the chance to put its case

Mr Botha quoted certain publications on reactions abroad to the removal of secret operations and said that there was mounting concern in the West at the onslaught against its ability to defend itself

"We know what happened to the CIA The West is being paralysed The instruments it uses to combat subversion are being destroyed."

Mr Botha said there was something deeper underlying the agitation against secret services He then attacked a headline in a morning newspaper which read "R64 million shock" and said this was a blatant lie

"One wonders when one reads

Onslaughts

"Around us there is evidence of states which have fallen before the tremendous onslaughts of radicals and leftist revolutionary movements in the world"

that we can enter the Christmas season in a good spirit"

Fifth, in view of the important future work of the government, he wished to get the issue resolved as speedily as possible

Referring to his own position as far as the use of secret funds

Cape Times
8-12-78
29

Cape Times 8/12/78 (259)

Horwood castigates Mostert

ERASMUS DEBATE



HOUSE OF ASSEMBLY. — Neither the Prime Minister, nor the government, nor the public service was guilty of corruption, the Minister of Finance, Senator Owen Horwood, said yesterday

Taking part in the debate on the Erasmus Commission's report, Senator Horwood said the report showed that only a small handful of officials appeared to have committed some irregularities

"Anybody who said that the Prime Minister had tried to effect a cover-up was telling a blatant lie Since the Prime Minister took over office, he had worked in very close association with him in these matters Instead of trying to arrange a cover-up, the Prime Minister had done exactly the opposite

Senator Horwood said that not only the Assembly, but the country, owed the Erasmus Commission a debt of thanks for the enormous amount of work it had done in such a short time

"How different was the so-called Mostert Commission which now is the hero of the Opposition and a certain section of the press - His (Mostert's) task was to investigate malpractices in connection with exchange-control measures, but he went very wide, so wide that he suddenly published evidence that was untested and one-sided"

The system in South Africa was not to find a man guilty until both sides of the evidence had been heard and tested

Mr Justice Mostert had no business in publishing evidence before it had been tested

Mr Justice Mostert had had the perfect remedy He could have published an interim report, but such a report of course would have had to be a balanced one Mr Justice Mostert published the evidence after he had asked to see the Prime Minister "I was absolutely appalled at the behaviour and conduct of Mr Justice Mostert in the presence of the Prime Minister where I was also present

"His behaviour can only be described in the words of Bacon who said, 'A much-talking judge is like an ill-tuned cymbal' "

After a point of order was raised as to whether Senator Horwood had the right to criticize a judge of the Supreme Court, the Speaker, Mr Jannie Loots, said it would be wrong if the judge was criticized as an officer of the Supreme Court, but in the context in which the Minister of Finance was referring to Mr Justice Mostert, he was criticizing him as the chairman of a commission, which was legitimate

Senator Horwood said he condemned any irregularity in the administration of the affairs of State and where it did happen the law should take its inevitable course

The system of dealing with secret funds by way of certificates had been introduced in 1944 when a United Party government had been in power

Referring to his personal position on the matter under discussion, the commissioner found that he was only involved insofar as he had been participating in negotiations concerning secret funds The commission found that his action had been supported by documentary evidence step by step during all the negotiations in which he was involved

Soon after he became Minister of Finance, his predecessor, the late Dr N Diederichs, had informed him that a decision had been taken some years ago at the highest level that secret funds would be used by the Department of Information, among others, to ward off the psychological warfare that was



Senator Horwood

being waged against South Africa

He had been told that these funds would be controlled by Dr Connie Mulder, the then Minister of Information He (Senator Horwood) said to Dr Diederichs that as Dr Mulder would control the funds, Dr Mulder should be called so that they could discuss the matter together Dr Mulder, however, had not been available and the then Secretary for Information, Dr Eschel Rhoodie, was called in and explained how the funds would be controlled

Senator Horwood said that when he became Minister of Finance he was committed for five years in advance to set aside R15 million a year for secret purposes, but he immediately said he could not bind himself for so much money for such a long time He did everything in his power to reduce these amounts and he actually did reduce them

He had never been given any details about the so-called "Operation Senegal" or any of the other secret projects undertaken by the Department of Information, except that a few months after he became Minister of Finance, he was asked by the Department of Information to authorize a certain amount of money to buy a certain newspaper in Europe He said he could not agree to that and reported the matter to the Prime Minister, who agreed with him

That was the only occasion he was given an indication of the nature of the secret projects He had asked for more information time and time again, but every time was told that the Prime Minister alone was informed about the secret projects

He knew absolutely nothing about the Department of Information's involvement in the establishment of the Citizen When he complained about not being informed and that he was unhappy about the system he had inherited, he was assured all the monies were being properly audited

The first time he heard about the Citizen was when he came back from the meeting of the International Monetary Fund last year

"My hands in this matter are absolutely clean The first time I heard of any irregularities was when the Auditor-General reported certain misappropriations"

When this was reported, the Auditor-General was instructed to continue with his investigation and he was given the assistance of another auditor in the person of Mr Reynders

Senator Horwood said he would deal in greater detail with the matter when it was debated in the Senate today — Sapa

8/12/78 (259) Cape Times 8/12/78 (259) (3/7)

Curb Security, says Schlebusch

MR ALWYN SCHLEBUSCH, the National Party's powerful Free State leader, yesterday called on the Prime Minister, Mr P W Botha, to consider limiting the power of the Department of National Security — formerly known as BSS.

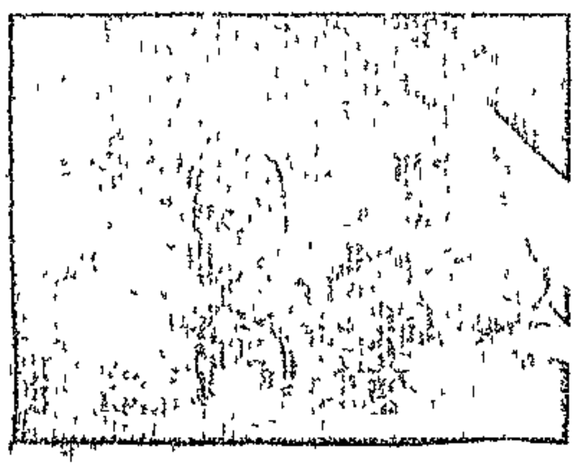
Making the call during yesterday's special parliamentary debate, Mr Schlebusch also warned General Hendrik van den Bergh, former head of BSS, to stop making "questionable, cynical and unbalanced statements".

Mr Schlebusch was speaking soon after the general's amazing press conference in Pretoria in which he challenged the Erasmus Commission's report and said he had been made a scapegoat in the scandal.

Commenting on these statements, Judge Erasmus said he would "look into" the remarks made by General Van den Bergh, "the commissioner will look into the matter and consider it. I can make no further comment on anything at this stage."

However, in his report Judge Erasmus described General Van den Bergh as a man who saw himself as the "power behind the throne" who tried to use his position to influence the course of events in South Africa. He was in charge of a formidable network of agents and gave the impression that he would stop at nothing, the judge said.

Mr Schlebusch took up the judge's line in Parliament yesterday and warned the general to stop making "questionable, cynical and unbalanced remarks. In his field he has done a lot for South Africa and I want to advise him to stop talking," he said. It was clear that General Van den Bergh had been the "masterbrain" behind several



Mr Schlebusch

busch

[illegible] of the [illegible] [illegible] to the [illegible] Mr Schlebusch [illegible] to ask a question that should not be [illegible] [illegible] [illegible] Security. It was [illegible] Schlebusch said [illegible] should such powers not be controlled at some level by the government and Cabinet," he asked

AFRIKAANS EN NEDERLANDS I /

AFRIKAANS I - 19 ..

..... VOORNAAM .....

.....

D .....

.....

..... MATRIEK AFGELÊ IN (JAARTAL) .....

TAAL ..... HG OF SG ..... SIMBOOL .....

.....

INSKRYWING AS STUDENT .....

INSKRYWING VIR AFR. EN NDL. I / AFR. I .....

B.PROC., B.A. ens.) .....

IE JAAR .....

Schwarz demands Vd Bergh evidence

Star 8/12/78 (259)

Political Staff

CAPE TOWN — Mr Harry Schwarz (PFP, Yeoville) today called on the Prime Minister, Mr P W Botha, to disclose the evidence given to the Erasmus Commission about General Hendrik van den Bergh, former head of the Bureau for State Security.

'Power by men in the shadows'

By Hugh Leggatt, Political Correspondent

THE ASSEMBLY — South Africa escaped by the skin of its teeth a takeover of Government by the sinister triumvirate of Mulder, Van den Bergh, and Rhoodie, Mr Harry Schwarz (PFP, Yeoville) told Parliament today.

The question that had to be asked, he said, was what would have happened if Dr Connie Mulder had become Prime Minister.

Judging by evidence to the Erasmus Commission on the role of General Hendrik van den Bergh, power in South Africa was being wielded by men in the shadows.

COLLABORATORS

The Erasmus Commission had found there had been an ability by these people to use State money for illegal purposes without accountability to Parliament or to the Cabinet.

There had been an ability to set up a sort of private secret service with payments being made to collaborators.

In all this there was a sinister triumvirate of General van den Bergh, who was the security services expert, Dr Rhoodie, who was the propaganda expert, and Dr Mulder, who was the leader.

Machinations had taken place, some of which were disclosed in the report of the commission, to make Dr Mulder Prime Minister and so to secure the power of the triumvirate over the Government. Opinions had been expressed that the democratic process was not suitable for South Africa for the period it was entering.

WATERSHED

Mr Schwarz said it was indisputable that the former Prime Minister had known of the Information irregularities for some time, at least since November last year.

"History will show that the Information debacle marks a watershed in South African politics. It shows that South Africa escaped from a most serious situation, and that it marks the beginning of the end of National Party rule."

The Prime Minister and the Minister of the Interior, Mr Schlebusch, had publicly rejected the doctrine of no rules applying. But why had they not done so when Dr Mulder used those words in Parliament this year?

Dr Mulder had not been alone in advocating this "unholy doctrine". Large numbers of members of the caucus agreed with him, Mr Schwarz said.

In the Assembly debate on the commission's report Mr Schwarz said General van den Bergh had challenged the authority of the commission and had used language that was "contemptuous in the extreme."

Referring to a provision that "no person shall insult or belittle a commission," Mr Schwarz asked whether the Prime Minister would let the law "take its course" in this matter.

There had been a situation in which the former head of the Bureau for State Security could exercise so much power that the whole Government was in danger.

PIOUS

Mr Schwarz accused the Minister of Finance, Senator Horwood, of "piously" telling Parliament that he needed more money for defence and then quietly allowing that money to go to the former Department of Information.

Mr Schwarz said there had been evidence from General van den Bergh, Dr C P Mulder, Dr Eschel Rhoodie and others pointing to the fact that the former Prime Minister knew about it earlier than he was prepared to admit.

The former Prime Minister had admitted that, at the latest, he knew about irregularities and about The Citizen newspaper in 1977.

"For a year this went on and we were not told about it," Mr Schwarz said.

The former Prime Minister had issued a statement on the day before the Information debate in Parliament earlier this year, saying he accepted full responsibility for the spending of secret funds.

At that stage he already knew there was public money in The Citizen.

The former Minister of Information, Dr Mulder, had repeatedly stated his "unholy doctrine" that no rules applied, or that the end justified the means.

And yet, not a single member on the Government side had stood up to say he did not agree with Dr Mulder's doctrine at that time.

Three members of the Erasmus Commission are to discuss the statements by General van den Bergh who labelled their report "a big farce" and accused them of character assassination."

But none of the three members was prepared to disclose his views on General van den Bergh's remarks or to say whether the general was likely to be charged with contempt of the commission.

259 8/12/78

138 secret projects identified

CAPE TOWN — Sensational new disclosures about the activities of the former Department of Information were made yesterday in the report of the Pretorius Committee which investigated and assessed the department's secret projects.

The report, handed to the Cabinet last Thursday and released by the Prime Minister, Mr Botha, in the House of Assembly yesterday, describes the publishing houses, Hortors, in South Africa, and Morgan Grampian, in Britain, as "projects" of the department and says alleged irregularities found during investigation of these "projects" were referred to the Erasmus Commission

The committee, under the chairmanship of the Secretary of the Treasury, Mr A. J. Pretorius, was set up by Mr Botha on October 23

Its report discloses that:

- 138 secret projects have been identified and 125 investigated;
- Of these 57 were terminated because they were complete or redundant;
- 56 were still operating as secret projects,
- Terminating some of the projects will save the State R4 million this year,
- The State, through frontmen, acquired shares in 49 companies inside and outside South Africa,
- Secret projects were devised to influence opinion on South Africa "through every communication medium possible,"
- The State owned a flat in Cannes on the French Riviera worth R450 000 and a house in the United States worth R288 000;
- Immediate closure of The Citizen when it became known it was a secret project could have cost the Government R16 million in damages,
- The Public Works Department is investigating using State-owned flats in Valhalla, Clifton, for Government purposes

The report says the secret projects were intended to exercise influence in South Africa's favour by means of every possible communication medium inside and outside the country

"Of the projects, 68 are proceeding, of which eight will be publicly financed and handled, 56 are going ahead as secret projects, two have been referred to the Department of Economic Affairs, one to the Department of Foreign Affairs and one to the Department of National Security."

A report on the rest of the projects would be made shortly

In the projects already investigated, the committee found that the State, through the appropriation of its funds by people or companies acting as fronts for the department, had acquired 11 flats, four houses, a plot of land and business block

"Of these, the flat in Cannes was recently sold for $500 000, which will soon be deposited in an account in favour of the State

"The house in the United States has been sold for $320 000 and this money will also be channelled into an account in favour of the State

"The title deeds of the other 10 flats and one house are in our possession and the State's right of ownership is assured. The Department of Public Works is at present investigating the flats with a view to using them for Government purposes"

The assurance of the State's interests in the third house was receiving active attention The fourth house was in a black area and arrangements were being made to recover a R17 000 loan on it, or for it to be taken over by the Department of Plural Relations

"It was found that the State, through people acting as fronts, acquired shares in 49 different companies in South Africa and overseas. The share certificates concerned and the necessary transfer documents have been obtained."

The companies were all either connected with the dissemination of information or served as covers for the secret channelling of funds in and out of the country

Arrangements were being made to sell shares in companies connected with projects which had been disbanded

A budget saving of at least R4 million for the current financial year would be possible through scrapping certain secret projects

Immediately the committee started its investigation it became clear that the State had an interest in SA Today, publishers of The Citizen

"In view of this it was decided to terminate all further contributions to SA Today; to withdraw a cash guarantee of R450 000 for the printing costs of the newspaper; to give the owners of SA Today the opportunity of operating the paper for their own profit or loss and to make the owners liable for a sum of R360 000 which SA Today owed an overseas company

"On November 17 the cash sum of R450 000 was repaid"

The necessary written undertakings were obtained from the owners of SA Today and the company and the newspaper still belonged to them. The State had no interest in The Citizen or responsibility for it

The circumstances in which Mr Louis Luyt was provided with R10 million for investment purposes was also investigated

The loan was valid for 10 years, but when he ended his association with SA Today, Mr Luyt provided cheques for the repayment of the sum with interest over a period of eight years

"Further possible irregularities discovered during the investigation of the projects Morgan Grampian and Hortors were brought to the attention of the Erasmus and Van der Walt Commissions," the report says — DDC

munications from the Auditor - General in connection with the former Department of Information, confirmed the should proceed with the necessary investigations and report in the normal way

"The Government took various further steps to establish the relevant facts so that appropriate action could be taken

"In spite of these steps, and in spite of the Government's request that it be given the opportunity to investigate in depth and to evaluate the full extent and implications of the allegations against the former Department of Information, the insinuations and innuendos continued to mount to the extent that it became impossible to distinguish fact from fiction"

Against that background he had appointed the Erasmus Commission to investigate the affairs of the former Department of Information — SAPA

Vorster: all agreed on funds

THE ASSEMBLY — The total onslaught against South Africa had become more sophisticated, subtle and comprehensive during the past few years, the State President, Mr Vorster, said yesterday

Opening the special session of Parliament, he said South Africa's enemies, in order to attain their objectives, also made use of unconventional methods and were still doing so.

"It is obvious that in the formulation and implementation of such a strategy, South Africa likewise had to make use of unconventional methods Parliament subscribed to this standpoint and voted funds for secret purposes with the concurrence of all political parties," he said.

During the second half of 1977 the Government, on receipt of certain com



Raw rejects findings on Vorster, Botha

259 RDM 8/12/78

THE ASSEMBLY — The New Republic Party has rejected the Erasmus Commission's findings on the political responsibility of the former Prime Minister, Mr Vorster, the present Prime Minister, Mr P W Botha and the Minister of Finance Senator Owen Horwood

The NRP held every single member of the Government responsible for what had happened, the party's leader, Mr Vause Raw, said yesterday.

He rejected the Prime Minister's pleas of innocence through ignorance and said it was no mitigating factor

"It is an aggravating factor when the Government fails to get the information which it is their duty to establish"

Mr Raw accepted without reservation the commission's findings that there was no personal enrichment or blemish on the personal integrity of Mr Vorster, the Prime Minister and Senator Horwood

"But it was not the task of the commission to determine political responsibility or blame or innocence

"That is the duty of this Parliament and I say immediately that the NRP rejects the findings of the commission on the political responsibility of these gentlemen for what happened"

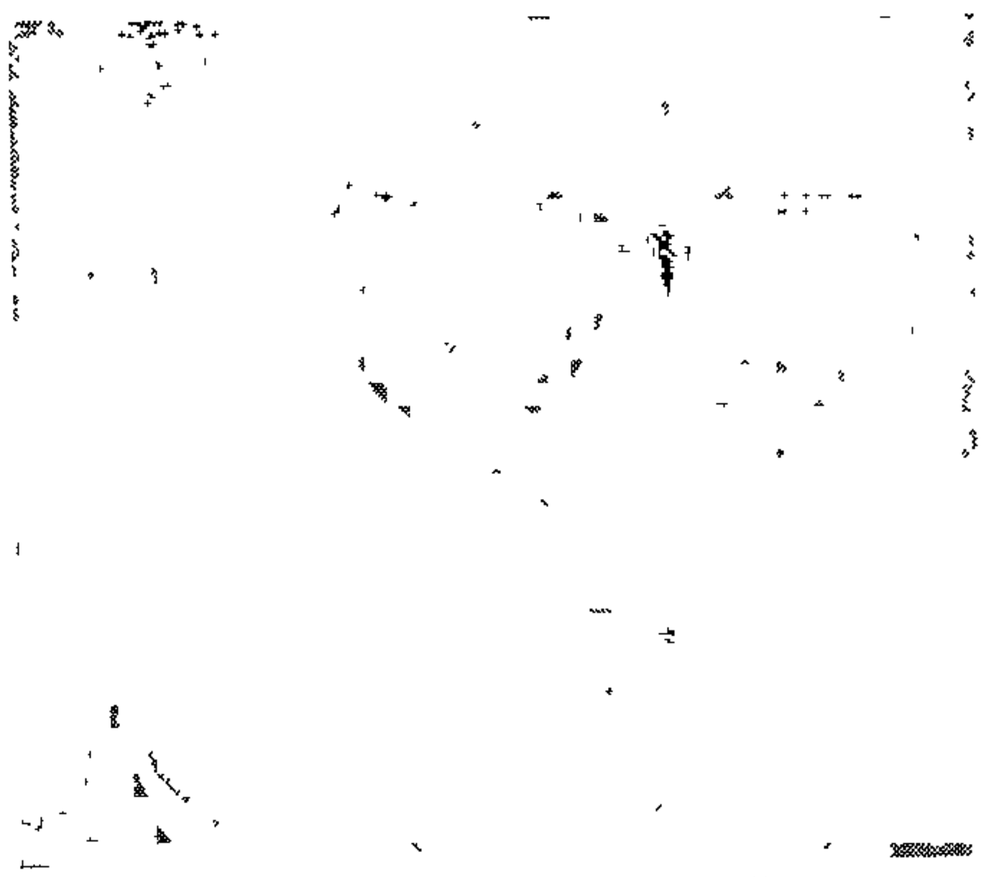
Mr Raw moved an amendment to the Government motion, noting deep concern at the commission's report and condemning "the former and present Government under whose responsibility there occurred, inter alia

"Misappropriation of vast sums of public money, maladministration and lack of control over secret funds, administrative abuse and arrogance by certain Ministers and senior officials and an apparent reign of terror under the head of the Bureau for State Security"

The amendment then called for the resignation of the Government forthwith

"The commission has looked at criminal responsibility, but today I am concerned with parliamentary responsibility"

It was no use attempting to atone for the destruction of the credibility of Government by re-stabbing one political and three administrative corpses They were, for all practical purposes, already politically dead and retired



Mr Vause Raw . . . rejected findings

"I am concerned about two succeeding Prime Ministers who were aware of allegations and evidence of indisputable irregularities over a long time"

The former Prime Minister knew of them 18 months ago when the watchdog of Parliament, the Auditor-General, reported to him

"I am concerned about a former Prime Minister who could appoint a man to evaluate secret projects whom he knew had participated in their formulation and whom he had ordered not to get involved"

He was concerned about a Prime Minister who had nurtured and trusted as his security advisor a man the commission had found to be a double dealer with an organisation and power that made men fear for their lives

Mr Raw quoted a report published in a paper this morning where General van den Bergh was quoted as rejecting the commission's findings with contempt and refers to the parliamentary debate as a "farce"

"I suggest to the Prime Minister that this is blatant contempt of a judicial commission and Parliament"

He was concerned about a Prime Minister who could place his reputation in the hands of an auditor who was a "broken reed" and so afraid of the Prime Minister's security head that he went behind his back to report to the Prime Minister and was terrorised into giving a false report of his findings

It was totally unforgivable for the former Prime Minister to call an election and withhold from the public the fact of the inquiry's existence

"It is also incredible that, with his knowledge, the Prime Minister could have re-appointed Dr Mulder to the portfolio of Information and allow this whole sorry mess to continue

"The present Prime Minister must tell the House whether he approves the actions of his predecessor If he does, then we can expect that they will be repeated in future"

Another issue on which he believed both Prime Ministers culpable was that R64-million could be allocated to the Department of Information without them bothering to find out what it was being spent on

"Yet, in the face of all this evidence, the report finds that the only criticism against the former Prime Minister was that he had done nothing for nine months after he had become indisputably aware of the situation and that he had erred unwittingly and had then become a sick man

"I reject that this excludes Mr Vorster from both personal and collective responsibility He has not been exonerated in his responsibility to Parliament"

Dealing with Mr P W Botha's role as Minister of Defence, Mr Raw said he refused to accept that he had to act against his own better judgment which made him repeatedly object to the use of the Defence Special Account

It was no good that he had objected repeatedly, yet in the end went along with the allocation of the funds to the Department of Information

"Surely he has remedies other than to complain and to object and then comply Or must party loyalties and position override conscience and duty?"

At the very least he could have demanded that every cent of Defence money be accounted for to his personal — and not blind — satisfaction "Surely he could have found out on what it was being spent?"

Mr Botha had deliberately misled Parliament and there was collective responsibility for what had happened

When he became Prime Minister he should have been able to satisfy himself where the expenditure to which he had objected as Minister of Defence had gone

"After all, he became chairman of the Cabinet sub-committee on secret funds"

Mr Botha then interjected and said he had never been a Member of a three-man Cabinet committee

Mr Raw then turned on the other absolved Minister, Senator Owen Horwood, who had told Parliament in March that he knew of no irregularities or difficulties with funds

"Did he not know that the Auditor-General was investigating the funds?

"He bluffed us and we accepted his assurances Parliament was humiliated

"Therefore the New Republic Party rejects the commission's findings which absolve these three persons insofar as they apply to their political responsibility — Sapa

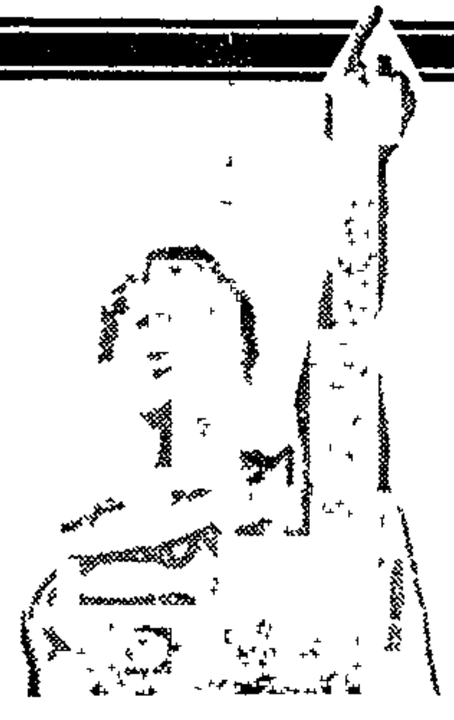




Mr Justice Erasmus, right, arrives for the parliamentary debate.



Dr Connie Mulder . . . former Info Minister



Dion supes up the

RDM
8/12/78 259

Control secret funds says De Beer

THE ASSEMBLY. — Dr Zac de Beer said in the Assembly yesterday that the Opposition agreed with the necessity for secret funds, but they should be under maximum parliamentary control.

Speaking in the debate on the Erasmus Report, the MP for Parktown said the Minister of Finance (Senator Horwood) had wanted to know whether the Opposition agreed with the whole report.

This was like asking a man whether he was still beating his wife. The report consisted of 105 pages of fine print.

The Minister of Finance had also said he had tried time and again to get certain information about the former Department of Information, but was told that it could not be furnished. What sort of Minister of Finance was he to allow himself to be blocked in such a way?

The debate was a sorry event because certain people had succeeded in dragging South Africa down to the level of a banana republic. It was a good thing, however, that the boil had been lanced although many questions still remained unanswered.

For instance, what guarantees had Dr Eschel Rhoodie, former Secretary for Information, given to obtain R16-million in foreign loans and how were those loans to be repaid?

It would become necessary for members to be given full particulars about all the evidence led before the commission, with the exception of matters relating to the security of the State.

Over a period of five years R64-million had been voted for secret projects. Why had cabinet members not inquired for what purposes this money had been used? Generally speaking the Government's defence was that it did not know until late 1977 what was actually happening in the former Information Department, but the Government should have known what happened to money which had been voted for by Parliament.

Dr De Beer praised the Press and the judiciary for the role they had played in the affair. Time and again, he said, they had come to the salvation of South Africa's good name. — Sapa.



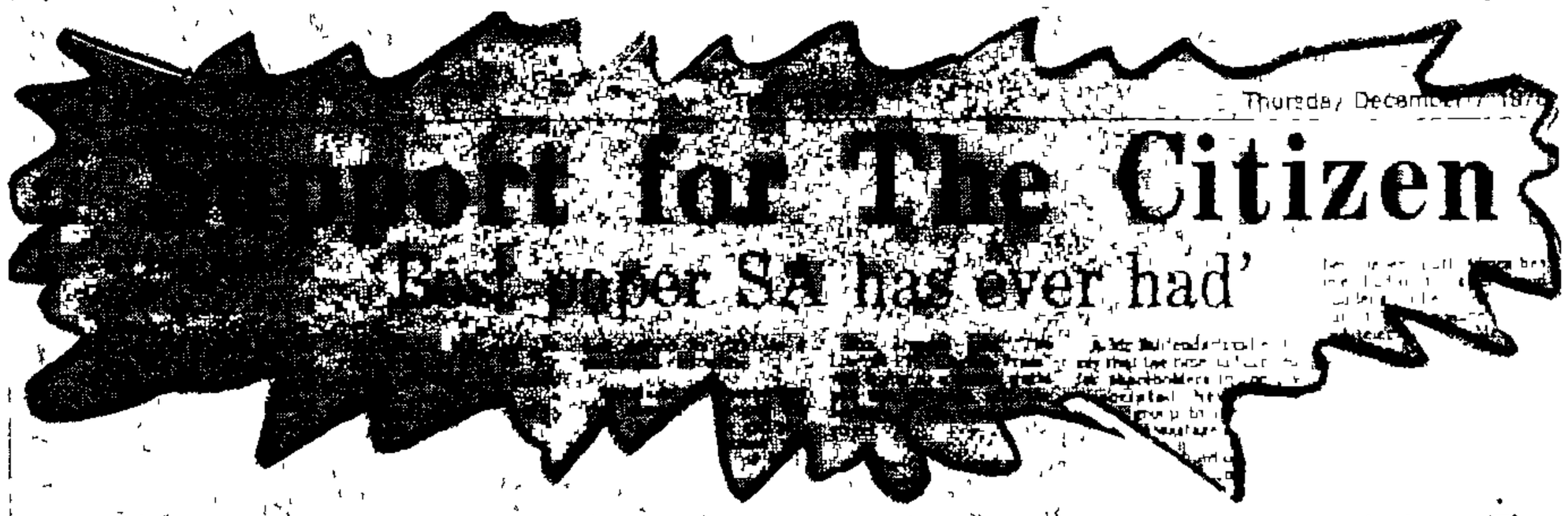
Dr ZAC DE BEER approves in principle.



Progressive Federal Party MP, Dr F van Zyl Slabbert, studying the Erasmus Commission's report in Cape Town yesterday.

RDM 8/12/78
259

'It's a downright lie'


Thursday December
Support for The Citizen
'Best paper SA has ever had'

This article alleged that members of the New Republic Party would collect money to keep The Citizen going. Said party leader Mr Vause Raw: "That's a downright lie."

THE ASSEMBLY — The leader of the New Republic Party, Mr Vause Raw, has described as a downright and deliberate lie a report in yesterday's issue of The Citizen that NRP Members of Parliament would collect public money to keep the newspaper going.

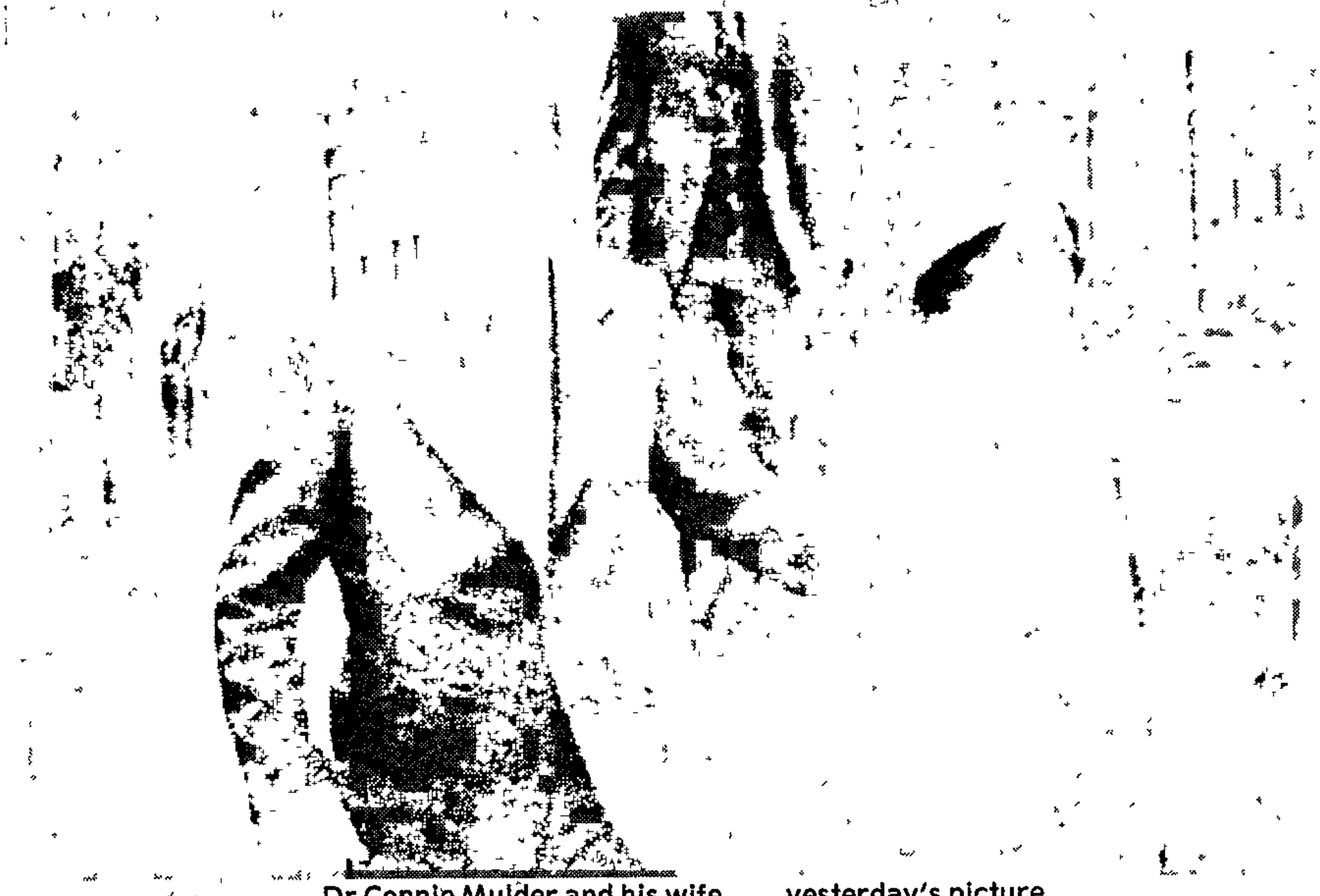
Speaking during the special debate on the report of the Erasmus Commission, Mr Raw said that there was not a grain of truth in the report, which was by the newspaper's political reporter Mr Jaap Theron

"I want to say to this House on behalf of every Member and Senator of this party that report is a downright lie There is not a single grain of truth in it It is a deliberate lie," he said.

Information had come to him from a Government Member sitting in the House that Mr Theron was a public relations officer for either the Head Committee of the National Party or Members of Parliament of the Transvaal branch of the party

Yet that so-called newspaper, The Citizen, was supposed to be balanced and independent

"I wish to challenge the new leader of the National Party in the Transvaal (Dr Andries Treurnicht) to deny that throughout the last election that man (Mr Theron) was not the public relations officer for any organised group in the party," Mr Raw said. — Sapa


Dr Connie Mulder and his wife . . . yesterday's picture.

RDM
8/2/78

259

THE ERASMUS DEBATE



Vorster failed over Info affair — Eglin

THE ASSEMBLY — Mr John Vorster, as Prime Minister, had failed over the Department of Information affair because he should have found out what was happening, the leader of the Opposition, Mr Colin Eglin, said in the House of Assembly yesterday

Mr Eglin also criticised Mr Vorster for condoning the anti-PFP and pro-Government stance of The Citizen during the 1977 general election campaign, when he knew it was Government-owned.

Speaking in the extraordinary debate on the Erasmus Commission's report, Mr Eglin said Mr Vorster should have asked and should have known what was happening in connection with the former Department's secret funds and projects

He said the matter of The Citizen was Mr Vorster's responsibility

The Erasmus Commission stated that Mr Vorster "put it clearly to Dr Mulder that it was not morally or ethically justifiable"

Mr Eglin asked whether Mr Vorster, as Prime Minister, did all that he should to prevent a department to which he had allocated secret funds from using them for this purpose

He asked why Mr Vorster did not tell the public that The Citizen was Government-owned when he found out, and why he did not close it down at the time

Why did he permit the taxpayer to pay R400 000 a month for a newspaper that was not "morally or ethically justifiable?"

He said the principle of collective Cabinet responsibility was an essential part of any parliamentary system

The Prime Minister, Mr P W Botha, had said earlier that his predecessor's Cabinet was absolved because the then Minister of Information, Dr Connie Mulder, had not informed Cabinet members of his department's involvement in The Citizen.

"Is he saying that nobody in the Cabinet had knowledge of the involvement in The Citizen?" Mr Eglin asked

The head of the Bureau for State Security, General Hendrik van den Bergh, had certainly known, and his job had been to act as the eyes and ears of the Prime Minister and Cabinet

Mr Eglin said that while he accepted the Government's explanation that nobody in the Cabinet knew, "I say the Prime Minister of the day failed"

"He was responsible for the Bureau for State Security and the allocation of secret funds, and I believe he should have asked what was happening and he should have known"

Mr Eglin said the Minister of Finance, Senator Owen Horwood, should have known what was included in the Budget he presented to Parliament for approval

The Minister of Defence, Mr P W Botha, from whose special Defence account the secret funds were drawn, should also have found out how they were being used

"I believe that all members who had anything to do with the matter had a responsibility to the Minister of Finance to find out what he was doing with this money," Mr Eglin said — Sapa





Leader of the New Republic Party, Mr Vause Raw, arriving at Parliament for the debate on the report of the Erasmus Commission, has challenged Dr Andries Treurnicht to deny the involvement of a political reporter on The Citizen with the National Party.

The Citizen must be closed down — Eglin

THE ASSEMBLY — The only honourable thing for the Government to do in connection with The Citizen newspaper would be to close it down, Mr Colin Eglin, leader of the Opposition, told the special session debating the Erasmus report yesterday

The Prime Minister, Mr P W Botha, had said The Citizen would be allowed to continue operations under its new owners at whatever loss or profit

"But the only honourable thing to do in connection with The Citizen is to close it down," Mr Eglin said

"This is the only way to remove the blot on the Government's record and put an end to the saga of deception which cost the taxpayer R32-million and cost South Africa much, much more in shame and humiliation"

Mr Botha had said the Government was hoping to retrieve the R10-million loaned to Mr Louis Luyt to establish The Citizen, but had not stated what action the Government was taking to retrieve another R19-million paid out to finance the newspaper

Mr Eglin said he also wanted to know whether The Citizen's new owners were going to get the benefit of the R19-million promotional costs borne by the taxpayers

"Are steps going to be taken to ensure that whoever takes over The Citizen does not get a tax benefit from this loss?" he asked the Minister of Finance — Sapa

Info's bid for paper

THE ASSEMBLY — In 1975 the former Department of Information had tried to obtain money from the Treasury to buy a newspaper in Europe, the Minister of Finance, Senator Owen Horwood said yesterday

Speaking during the special debate on the Erasmus Commission, Sen Horwood said that shortly after he had become Minister of Finance he was approached by the department and asked to authorise the Treasury to make an amount of money — a few million rands — available for the purchase of a newspaper in Europe

He had refused to do so and had reported the matter to the then Prime Minister, Mr Vorster, who had supported him — Sapa

Eglin calls on the Government to resign

THE ASSEMBLY — The Leader of the Opposition, Mr Colin Eglin, yesterday called on the Government to resign and asked for the appointment of a select committee to examine all the implications of the irregularities that had occurred in the former Department of Information.

Moving an amendment to the Prime Minister's motion for the adoption of the report of the Erasmus Commission, Mr Eglin said:

"Only by the resignation of the Government and the Prime Minister can the status of the Government and the integrity of the House be regained."

The Opposition welcomed the Prime Minister's statement that he would ensure clean government.



MR COLIN EGLIN

259 DD 8/12/76

"We will support him in any positive step he takes to achieve this. But let us warn him — in the light of what has taken place it will not be easy"

It would not be enough just to close a few loopholes

"He will have to start by getting rid of the arrogance which has become the hallmark of the Government in recent years He will have to play open cards with the people of South Africa in order to regain the trust which the recent disgraceful chapter of events has destroyed"

The Prime Minister would also have to stop trading on party political sentiment and become sensitive to the needs and the feelings of people, regardless of the party they voted for.

"He will have to agree to restore the principle fundamental to our system of government — the accountability of the executive to this Parliament And this means no more deception of Parliament or devices to evade Parliamentary control"

In the meantime, Mr Eglin said, the disgrace and the shame of the Information scandal hung heavily over all in South Africa

"The people of South Africa feel they have been cheated They feel humiliated. We need a government cleansed of any taint or stain from the past."

Mr Eglin said the Erasmus Commission's report had revealed a massive misappropriation of public funds.

In addition to this, however, it had also revealed other features that were even more disturbing. an on-going deception of the public and of Parliament; a systematic cover-up of The Citizen newspaper scandal, a breakdown of ministerial control and Cabinet responsibility; and an arrogant abuse of executive power on the part of the Government

"For this state of affairs the Government as a whole must share the blame"

The issue of ministerial responsibility for a department and the accountability of the executive and the Cabinet to Parliament were the absolute cornerstones of South Africa's parliamentary system of government

Much had been said about the former Minister of Information, Dr Connie Mulder, "But I do not believe he should get any sympathy for the role he played in this sordid affair."

However, he did not believe Dr Mulder should become the scapegoat for the Cabinet, which had to accept collective responsibility for what had taken place

"South Africa stands today before a crisis of trust, integrity and honour," he said.

The special session of Parliament had been called "because of the feckless and deceitful behaviour of people inside Government in whom the public and Parliament had reposed their trust"

He believed this would be seen as a "session of shame which follows on the exposure of one of the ugliest and most distasteful chapters in the history of government in South Africa.

"Those who in one way or another, through their infidelity and deceitfulness, have become part of the secret funds scandal have succeeded in doing from within the Government what all South Africa's enemies combined could never have achieved from outside — they have destroyed the faith of millions of South Africans in the integrity of government in South Africa"

By destroying the bond of trust between people and government, these people had weakened the fabric and undermined the whole structure of government in South Africa.

"The enormity of what these men have done to South Africa makes their excuses that they did it 'in the interests of South Africa' even more pathetic and, in some instances, even more distasteful"

Parliament carried an awesome responsibility to rise above personal party loyalty and to avoid the temptation of looking for scapegoats.

Mr Eglin said there were only three redeeming features "in the whole distressing affair.

"One was the courage and independence of Judge Mostert, who in refusing to be browbeaten by the executive, upheld the best traditions of the South African judiciary.

"Secondly, and I believe it is a credit to South Africa, the tenacity and expertise of the free Press in their exposures of the Information scandal.

"And finally, the revulsion of South Africans of all political parties to the smell of corruption in government."

He added: "We believe the Prime Minister did a disservice to South Africa by closing down the Mostert Commission in an abrupt way. It was a disservice both in relation to the work the commission was doing and to the relationship between the executive and the judiciary in our country."

The Prime Minister had again taken umbrage yesterday at Mr Justice Mostert and at the Press.

"If I were the Government," Mr Eglin said, "I would be just a little humble when I speak about the role of the Press in South Africa because he knows the Press has been an important factor in exposing the whole corruption scandal"

The Prime Minister should also be grateful because if it were not for the work of the Press, Dr Connie Mulder and not he would be Prime Minister of South Africa — SAPA

DD
259
6/12/78

Can of worms says Eglin

THE ASSEMBLY — The Erasmus Commission had "ripped the lid off a can of worms," but had not yet delved to the bottom of it, the Leader of the Opposition, Mr Eglin, said yesterday

"In some issues the train of events of misappropriation of funds are relatively easy to follow, but in other issues, notably the alleged involvement of the former Prime Minister in the secret funding of The Citizen, the conclusions are far from obvious from the commission's report"

The commission had not dealt with such other matters as

An alleged loan of R10 million to the American publisher, Mr John McGoff, the bid to take over the Washington Star newspaper, the Club of Ten, the Foreign Affairs Association; Mr Red Metrowich and the SA Freedom Foundation; the activities of Mr David Abrahamson and Mr John Heinrich and the Hortors publishing empire, and the activities and status of To The Point news magazine

Mr Eglin called on the Prime Minister to release the verbatim record of the evidence — "an essential part of the report Without it, it is impossible to evaluate some of the conclusions to which the commission has come"

The public was entitled to have any evidence which was not clearly a matter of State security

"I believe the responsibility to decide what should be released is the responsibility of the Government, not of the commission

"It is especially important for the Prime Minister to play open cards with the people of South Africa."

Mr Eglin said it was important for Parliament to note the Erasmus report, but it also had to make a wider assessment in the light of all the evidence because Parliament had the right to call the executive to account

It was the duty of Parliament to assess whether there had been any misdirection of executive authority, whether any member of the executive had defaulted in the exercise of his responsibilities, whether there was any deception by any member of the executive to the public or to Parliament, whether there was any attempt to cover up, and whether appropriate and timeous remedial action had been taken to protect the public interest

"Parliament will also have to determine which Cabinet Ministers must accept responsibility for any of these matters"

Mr Eglin said the commission had found the former Prime Minister, Mr Vorster, responsible for the arrangement for the channelling of secret funds and had stated that the Opposition parties had never questioned this arrangement in Parliament

"This is not the fact," he said and quoted from his own Hansard to show he had stated the allocation of funds was the prerogative of Parliament and no executive could thwart that right

He had said there should be no juggling of funds behind the back of Parliament because that would be a subterfuge that would strike at the root of the parliamentary system

It was unthinkable that anyone should issue a certificate shifting money from one department to another — SAPA

Growth of a monster

THE ASSEMBLY — The growth of the Bureau for State Security into a monster was one of the frightening revelations of the Erasmus report, Mr Eglin said yesterday.

He criticised the role of Gen Hendrik van den Bergh in putting the bureau beyond the law and "attempting to manipulate the Government and the administration to suit its desires and ambitions.

"Whatever else the new Prime Minister does, I ask that the Department of National Security will revert to what it should be — an instrument to serve South Africa in a vital field — not a clique using South Africa for its own ends.

"What is more, I believe the Prime Minister should pledge himself as personal guarantor for the integrity of the head of this department." — SAPA.

DD
259 8/12/78

A CLEAN GOVERNMENT: THE BIG DEBATE

Botha: we'll put our case in public but can't reveal all

THE ASSEMBLY — The Government was fully prepared to put its case in public provided it did not endanger the safety of the State in doing so, the Prime Minister, Mr P. W Botha, said yesterday

No matter how much criticism was levelled against it, the Government was not prepared to endanger the State by revealing everything it did.

"If there are people who want to play the game of our enemies, they are free to do so provided they do not transgress the law As long as this Government is in power it will not hesitate to take steps to safeguard South Africa, even against traitors."

Mr Botha said the summoning of Parliament at this time was an extraordinary, but essential step The Government had taken this decision with forethought.



MR P.W. BOTHA

DD
259 8/12/78

"I wish to say that Parliament is the highest authority in the country, to which the Government is responsible.

"We are experiencing troubled times — the country and all its peoples. These are also troubled times for civilisation and for the standards of civilised life which have been maintained for many generations

"Around us there is evidence of states which have fallen before the tremendous onslaughts of radicals and leftist revolutionary movements in the world

"This onslaught is being led by Russian military imperialism and is directed also against South Africa.

"The seriousness of this struggle should not be underemphasised.

"In the combating of these powers mistakes will be made That is only human The Government accepts that if such mistakes are made they must be rectified in the proper manner.

"The Government is prepared, insofar as the security of South Africa allows, to put its case in public.

"However, the Government is not prepared to reveal everything for the eyes of its enemies, and to give it to them on a plate"

Referring to his own position as far as the use of secret funds from the special Defence fund was concerned, Mr Botha said he had never been opposed to the creation of such a fund and realised the necessity of it.

"But where I differed with the former Minister of Finance (Dr Diederichs) was the way in which it was budgeted for. There was nothing scandalous about it, but I felt that the Department of Information should go direct to Parliament and request secret funds. The special Defence account should not be used for it"

In the first instance, he had an assurance from Dr Diederichs that it would be a once-only amount

However, when a second request was made for secret funds from the special Defence fund, he had objected to it and had asked for it to be treated as a separate item.

This had been done under the code-name "Operation Senegal"

The Defence Department had stood firm and insisted on documentary evidence on how the money was spent.

Afterwards he was still not satisfied. He had approached Sen Horwood, who had since become Minister of Finance, and it had been agreed to end the arrangement through legislation.

The Prime Minister said it was not his duty to deal in detail with the committee that had been appointed by his predecessor (Mr Vorster) to investigate and evaluate the secret projects of the former Department of Information

Neither was it his duty to deal with the degree of confusion and paralysis that had set in towards the end of his predecessor's term of office when he became ill

He wished, however, to deal with what had been done since he became Prime Minister

In addition to all his duties he had immediately had discussions with Mr Reynders and Mr Kemp and acquainted himself with the work they were doing.

He then decided to extend the committee under a new chairman, namely Mr Pretorius, Secretary of the Treasury, and the following members. Mr Kemp, who had been member of the former committee, the chief state law adviser, the state attorney and the Secretary of the Bureau for National and International Communications.

Mr Botha said he had given this background in order to inform the Assembly completely about what steps the Government had taken

"I think we can conclude that the South African state structure and Parliament contains an inbuilt mechanism to determine whether irregularities occur.

"Orderly government and pure administration demand that irregularities must be investigated in depth," he said, and it was South African tradition that this be done in the open under tested, reasonable procedures where each side was given the chance to put its case.

Mr Botha quoted certain publications on reactions abroad to the removal of secret operations and said there was mounting concern in the West at the onslaught against its ability to defend itself.

"We know what happened to the CIA. The West is being paralysed The instruments it uses to combat subversion are being destroyed"

Mr Botha said there was something deeper underlying the agitation against secret services He then attacked a headline in a morning newspaper which read "R64 million shock" and said that was a blatant lie

Mr Botha emphasised that he was a supporter of press freedom. Last year when public opinion had forced the Government into considering steps against the press, he had personally intervened to have the measures stopped

"But the press must take note. It must not underestimate the chagrin of the larger portion of the public against it."—SAPA.

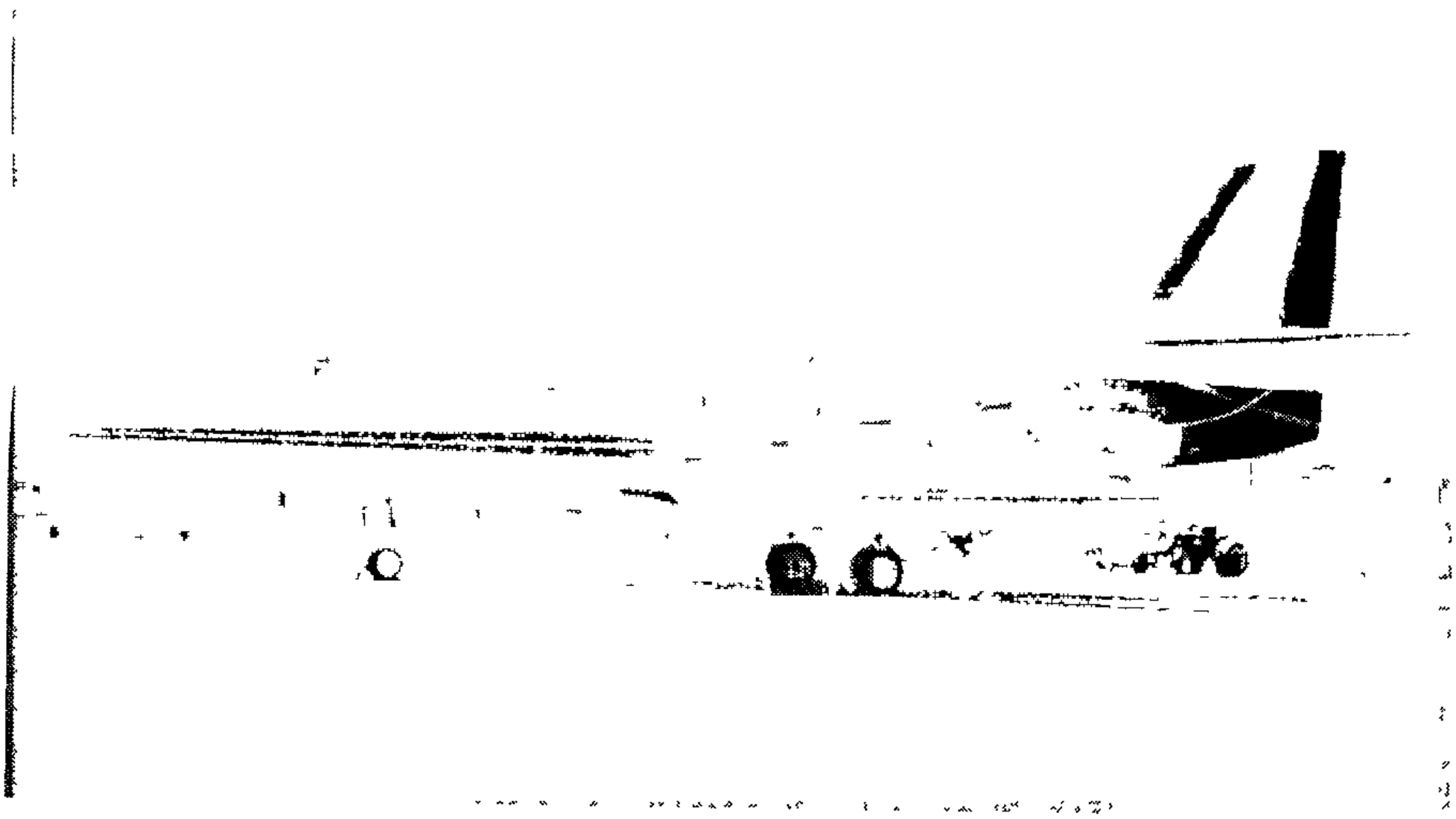
INFO SCANDAL



RDM 9/12/78

Rhoodie's mystery European flits in Hortors' luxury jet

259



Hortors' R1 400 000 luxury jet, which flew Dr Eschel Rhoodie on mystery missions

By MERVYN REES and DON MARSHALL
'Mail' Investigation Team

DR ESCHEL Rhoodie, former Secretary of Information and the central figure in the Information scandal, used the R1 400 000 Hortors Jetstar executive aircraft several times on undisclosed missions to several African and European capitals.

Evidence has revealed that the takeover of publishing giant Hortors was one of the former Department's secret projects

There were several bizarre aspects to Dr Rhoodie's association with the United States-registered aircraft, N7782, which was based at Lanseria and con-

without incident. The following day the passengers awoke to discover that the US flight crew were taking the aircraft into Ndola, in Zambia, to refuel

The passengers panicked, fearing they would be arrested if it was disovered that Dr Rhoodie was on board and that the aircraft was heading for South Africa But courteous Zambian officials merely searched Mr Pegg's briefcase and checked passports

After take-off, the pilot told the control tower they were headed for Kinshasa Instead, the Jetstar flew to Zambia's border with Zaire and then gained as much altitude as possible before turning and heading for home, overflying Rhodesian

burg pilot Alan Lurie, and broker Mr Donnelly, who disembarked in Tokyo and went home to the US The rest spent three days viewing the latest rally cars.

On March 9, the aircraft was again ordered to fly to the Ivory Coast, and in addition to the Peggs, passengers included Mr Christopher Dolley, former senior executive of Penguin Books and currently overseer of Hortors' magazine operations in France, and Mr Pegg's black chauffeur, who has made several overseas trips in the aircraft Also on board was Bernard Lejeune.

While in Abidjan, Mr Pegg toured the country in a leased light plane and was even invited to the Presi-

Gould

Since then the aircraft has flown the West Coast route to Europe, via Windhoek or Grootfontein

On at least one occasion the aircraft was supplied with fuel from the South African Air Force dump at Grootfontein — a few days before Defence Force units carried out raids on Swapo's "Vietnam" and "Moscow" bases in Angola.

SAAF servicing crews at the base did not want to supply the fuel at first, saying it was required for an important exercise, but Mr Hewartson argued that he had permission from a top SAAF official in Pretoria to take on fuel and it was eventually supplied.

trolled by Mr Stuart Pegg, a Hortors director.

In April this year, while Mr Pegg was on a stopover in Paris during an overseas business trip, Dr Rhoodie appeared on the scene and asked to be taken to Zurich, via Nice, on a trip which he said would last no more than a day.

Dr Rhoodie was carrying no baggage. The aircraft took him first to Nice, where he disappeared for two hours, and later flew on to Zurich, where he left the plane and disappeared into the Swiss capital

Immediately after the Jetstar was bought in mid-January from an aircraft brokerage firm — Universal Jet, which has its offices in the Watergate building in Washington — it flew to Europe, where Dr Rhoodie boarded it in Zurich

With him was another mystery Johannesburg man, Mr Bernard Lejeune, said to be a public relations consultant With Mr and Mrs Pegg, they set off on a trip that took them to Las Palmas, Abidjan, Libreville, Ndola and finally Lanseria, outside Johannesburg

In Abidjan, Ivory Coast government officials feted the Jetstar party and threw open every facility, including the military area, to the crew. The party drank champagne with the officials in the airport's VIP lounge and spent the night in Abidjan's luxury Ivory Hotel.

The journey did not go airspace

All the while the party were terrified that the Zambians would send up jet fighters to intercept them

After this incident, Dr Rhoodie is known to have been on board the Jetstar on at least one other occasion during flights from Europe to South Africa.

The 10-seater aircraft was purchased in January from the Delaware Corporation in the US and taken to Oklahoma City where it underwent a complete refit with the emphasis on luxury, which reduced its capacity to six passengers

Two pilots were training on the Jetstar and responsible to the aircraft broker, Mr Wayne Donnelly, who handled the transaction Shortly before the aircraft was due to fly to South Africa, the flight crew was replaced

The pilot was paid about R8 600 for his two months' training stint The co-pilot decided to leave as well.

Another pilot was hired and the plane flew via Washington to Zurich — where Dr Rhoodie first boarded the aircraft

Over the next few months the Jetstar was taken on several demonstration flights over Johannesburg. Among those on board was Mr David Abramson, Hortors chairman

In February, it was flown to Japan via the Seychelles. On board were the Peggs, Springbok motor rally driver Jan Hettema, Johannesdent's residence He concluded his tour in military helicopters and took a senior Ivory Coast official on a demonstration flight in the Jetstar

When the aircraft took off for Paris it had three new passengers — the wives of top Ivory Coast government officials, who later returned home in the Jetstar.

The plane later returned to South Africa and on March 23 flew the Abramson family to Swaziland, collecting them four days later

Mr Pegg, a rally driver who has competed in several international events, used the aircraft on several occasions to fly friends to events in Southern Africa and Europe

This year he flew a party from Britain to the Monaco Grand Prix, and during his stay on the Riviera he hired a luxury yacht which cost about R160 a day

On one of the trips to Swaziland, Mr John Nash, father of former Springbok athlete Paul Nash, was among the passengers Mr Nash is the agent in Southern Africa for Lockheed aircraft.

Another frequent traveller on the aircraft was Mr Stuart Pegg's father, Mr Peter Pegg

On April 19, Mr Pat Hewartson, a South African, became the chief pilot and Mr John Polk, a Briton, co-pilot They replaced the American pilots, Mr Bob Watson and Mr "AJ"

Civilian aircraft can, under certain circumstances, be supplied with fuel at Air Force bases, a Civil Aviation official in Pretoria said this week.

The Jetstar was recently used to fly former Texas Governor Mr John Connally around South Africa The Rand Daily Mail has been unable to establish who footed the bill

According to an unconfirmed report, at least part of Mr Connally's visit was arranged by Mr Hubert Jussen, chairman of SA Today, which owned The Citizen.

Aviation experts say that the R1 400 000 paid for the aircraft was about twice its real value.

The Jetstar, which was developed as a military executive jet for the United States Defence Department, has a limited range of about 1 600 nautical miles and costs around R2 000 an hour to operate Sources say it was operated on a budget of about R500 000 a year — although one well-informed source put the annual cost at nearer R1 000 000.

The Jetstar, which is based at Luton, England, for part of the year, returned to Johannesburg on Wednesday last week, but left again last Tuesday for Los Angeles, where it will undergo an engine refit costing about R1 300 000

A fanjet conversion will increase the aircraft's range to 3 000 nautical miles — and its value to about R5 000 000.

Hortors cast wide Info web

By TONY STIRLING

HORTORS, the rapidy expanding printing and publishing giant revealed as a secret project of the former Department of Information in the report of the Pretorius Commission of Inquiry, is expected to have a turnover of about R80-million this year

This anticipated turnover, quoted in the magazine Clarion, is R24-million above turnover last year

Its recent expansions include the takeover of a quoted stationery concern, Avalon, for about R800 000

Hortors controls three companies quoted on the Johannesburg Stock Exchange through a private company and has wide ranging interests

It controls about 25 publications, mostly trade magazines, but recently began to expand into publications of a more general nature

Its first effort in this direction was the acquisition of black magazine, Pace, aimed at reaching a wide black reading public The Hortors chairman, Mr David Abramson was also involved in an abortive attempt to acquire Drum magazine

It approached Mr Joel Mervis, the Progressive Federal Party MPC for Houghton and former editor of the Sunday Times, to act as an editorial consultant, but Mr Mervis deferred his decision after it became publicly known that Mr Abramson had been called to give evidence before the Mostert Commission

As was stated in the Rand Daily Mail yesterday, Information Department control of Hortors was gained by the Pegg-Abramson consortium through a Dutch registered company, Marwoud BV, in May 1976. It acquired 59% of the shares of Hortors — one million of these through Mr Eric Tenderini's Unisec Nominees and 100 000 from Mr Ian MacPherson, then chairman of Hortors and chairman of SAAN

Besides Avalon Stationers, the holding company controls Hortors Graphics Ltd, dealing in trade typesetting and graphic arts, and Hortors-Waltons Ltd, a stationery supplier and manufacturer.

Under this pyramid come the three main divisions of Hortors. The first of these is Hortors Publishing, which is busy with expansions.

The second is the Kalamazoo division of Hortors, dealing in specialised office systems, data services and computer accounting

The third is Hortors and Cape and Transvaal Printing, operating the printing interests of the group, also busy expanding

Mr Abramson and Mr Pegg, apart from their Hortors interests, run Business Press International from offices in the Bank of Lisbon building in Johannesburg, which adjoin those of the Union Bank of Switzerland, which played a key role in the transfer of secret funds and loans involving the former department

Their overseas interests in publishing include Business Magazines International, operating from offices in Essex Street, in the Strand, London.

They also have publishing interests in France, through a company based at 7 Rue Lameinnais, near the Champs Elyses in Paris.

This operation includes a magazine called Mairies Nouvelles, circulating widely to French municipalities and through which close contact is maintained with at least one member of the French Cabinet.

Also operating from this address is a travel magazine called Vacances

The Abramson-Pegg publishing interests are through a holding company in Bermuda and and reported to extend to Holland as well, giving them a wide international operating base.

THE ERASMUS DEBATE

Mostert will be the first witness

THE ASSEMBLY — The chairman of the Van der Walt Commission had agreed that Mr Justice Mostert could be called as the first witness in its investigation into foreign exchange irregularities, Mr Bill Sutton (NRP Mooi River) told the House of Assembly yesterday.

Mr Sutton obtained this assurance after initially refusing to serve on the commission, to which he had been appointed without his consent or prior consultation with his party's whips.

The Van der Walt Commission replaced Mr Justice Mostert's one-man commission of inquiry, which was disbanded shortly after his disclosures of evidence on the Department of Information affair.

Mr Sutton said he would now serve on the Van der Walt Commission.

He was not prepared to be part of any cover-up operation and he did not believe this commission was a cover-up.

He initially refused to serve on the commission because he felt it was not correctly appointed and he did not want to serve on a commission appointed to take the place of a judge.

But he had been prepared to review his initial refusal if the chairman of the commission could give him certain assurances.

"The chairman has now indicated that he will accept the calling of Judge Mostert as a point at which to start the commission's investigation," Mr Sutton said.

"The judge may have matters on his mind or in his hands that may be relevant to the commission's investigation."

There could be evidence removed from the judge's possession which related to the Van der Walt investigation, he said — Sapa

Warning on power

THE ASSEMBLY — The power of Parliament was gradually being taken away and placed in the hands of the executive, Mr Derek de Villiers (PFP Constantia) said in the Assembly yesterday.

Parliament had few powers left, and this trend, which was prevalent in other parliamentary systems as well, meant an abdication of power to the civil service.

"The civil service are the people making the laws of the country and it is out of this situation that the kind of scandal we are discussing today can arise," he said — Sapa

Hot hotel

MANILA. — A fire broke out in the Hilton Hotel in Manila, in the Phillipines, yesterday sending tourists fleeing into the street. No casualties were reported — UPI.

259

9/12/78

RDM
9/12/78
259

Campus cash queried

Own Correspondent

THE ASSEMBLY. — The question of whether or not the former Department of Information had been involved in financing conservative student organisations on English-speaking university campuses was asked in the Assembly yesterday

Mrs Helen Suzman said thousands of rands had been spent on conservative student bodies on the campuses and "students don't have that sort of money".

She said the Erasmus Commission should subpoena the former editor of Campus Independent newspaper, Mr Rhett Kahn, to find out if the Department of Information had been behind the publication

When his source of funds had dried up Mr Kahn had approached the University of the Witwatersrand Students' Representative Council for more finance and he was asked what had happened to his source of funds

Mr Kahn had replied "the price of fertiliser has gone up"

Though he later said he had been joking when he made the statement, she hoped the Erasmus Commission would investigate the matter.

"I want that young man subpoenaed by the Erasmus Commission," she said



NRP's Mr Bill Sutton . . . to serve on the Van der Walt Commission.

RDM
259
9/12/78

Wiley backs reasons for starting Citizen

THE ASSEMBLY — The reasons for establishing The Citizen and the Department of Infromation attempt to buy South African Associated Newspapers were found acceptable by a great many people in South Africa, Mr John Wiley, leader of the South African Party, said yesterday

Speaking during the special session to debate the Erasmus Commission report, the member for Simonstown said that the South African English Press broke down everything a democratically-elected Government attempted and constituted a real threat to the future of the white man.

He also said that the defunct Department of Information should not have been disbanded, but reconstituted with extended powers

"South Africa cannot afford to be lamed and paralysed by what has happened, as America was in the case of Watergate

"The Government must get on with the job of governing and this includes the rebuilding of an effective information service It is vital to our Republic. The Department of Information should not have been downgraded in status," he said

On the question of The Citizen and the Press, he said, something had to be done about the English Press and the Government had neglected its duty by not doing something

"It is in South Africa's interest that The Citizen continues to grow into a weekend competitor for the Sunday Times and a daily competitor for the Rand Daily Mail and later, hopefully, to the Cape Times

"That is why I believe it was not so much the grave abuse of public funds, but the competition to South African Assiciated Newspapers (proprietors of the Rand Daily Mail, the Sunday Times, and the Cape Times) that has created such a fuss about The Citizen"

SAAN had a fanatical hatred for The Citizen even before knowledge of the misuse of public funds became known because the paper was a threat to SAAN's own security, he said

Government use of public funds to start The Citizen could not be justified, but every South African Party member and many English-speaking people in South Africa would willingly collect funds and buy shares in the paper, he said.

But Mr Wiley called on the Government to do a quick and thorough investigation into the now renamed Bureau for State Security

The former chief of BOSS, General Hendrik van den Bergh, was involved in decisions on Information projects, according to the commission

Mr Wiley said the commision was best qualified to investigate BOSS

He said an investigation of BOSS was essential to the purging process which had become necessary after the commission's findings became known.

"The special relationships between the characters involved in the Information Department and BOSS make it imperative that BOSS be dealt with as well by Mr Justice Erasmus.

"The statements made by Gen Van den Bergh and his attitude adds strength to that argument It makes it essential I say to the Prime Minister Make a full job of it. Clear the decks now and re-examine the efficiency of BOSS"

It was impractical for the Opposition to demand a General Election until all Information debacle facts were revealed because the Government and public were still in the dark about what had to come out of the Erasmus Commission, he said

It was too early to judge what had taken place, he said

"We must see how the Government reacts to further findings of the commission and if it fails in its duty to act correctly, then I will be the first to demand an election" — Sapa

Move to censure Govt in Senate

THE SENATE — The Leader of the Opposition in the Senate, Senator Herman Oelrich, yesterday moved a proposal that the Government be censured for not taking timeous and effective action to prevent and rectify irregularities in the Department of Information.

The proposal was moved as an amendment to a motion by the Leader of the Senate, Sen Owen Horwood, the Minister of Finance.

The appointment of the Erasmus Commission and its report raised certain questions, Sen Oelrich said.

The Opposition questioned the Prime Minister's wisdom in disbanding the Mostert Commission.

The public had considerable sympathy for Mr Justice Mostert and felt he acted correctly in releasing evidence indicating irregularities in the former Department of Information.

"Why was it necessary to take such drastic action against him for bringing these irregularities to light? By doing so he was assisting the Prime Minister in promoting clean administration," Sen Oelrich said.

The Erasmus Commission's report largely confirmed evidence released by Mr Justice Mostert.

The involvement of the former Prime Minister, Mr B J Vorster, was particularly disquieting, he said. It was clear from the report that he must have been aware that state funds were used to finance The Citizen.

Sen Jack Loock, National Party, said the Government had never hesitated to depose people if there was any hint of irregularity in administration.

But the only thing that could satisfy the Opposition as the Government's destruction, he said — Sapa

RDM
259
9/12/78

'Armscor received secret funds'

THE ASSEMBLY — Armscor was one of the largest users of the Department of Defence's special secret account, the Deputy Minister of Defence, Mr Kobie Coetsee, said yesterday.

He was discussing the auditing of the account in the special parliamentary debate on the report of the Erasmus Commission.

Mr Coetsee said the total onslaught against South Africa was being waged primarily on a secret, underground basis and retaliation had to be undertaken on the same basis

Secret action demanded secret funds, he said, and it was the Government's attitude that these funds needed a different type of control to regular funds

The Government accepted the need for special internal audits of secret funds. Publication of details would play into the hands of the country's enemies

If these audits should turn up irregularities, the auditor was duty-bound to report to the Prime Minister who would decide what action to take, he said

The books of Armscor, for example, received the closest possible audit

After the discovery of irregularities in the former Department of Information the Government had acted in the most responsible possible way, he said. — Sapa

RDM (259)
9/12/78

Image, counter-image or a joke

Own Correspondent

THE new leader of the National Party in the Transvaal, Dr Andries Treurnicht, yesterday appeared to welcome a claim by the Opposition that the Minister of Foreign Affairs, Mr Pik Botha, was not enjoying his speech.

Mr Treurnicht explained to the Assembly later that he had misheard an interjection in the House.

It arose during the second day of the special debate on the Erasmus report when Dr Treurnicht was speaking.

Mr Horace van Rensburg (PFP Bryanston) interjected during the speech to say: "Pik is not enjoying your speech".

After loud laughter had died down, Dr Treurnicht said: "I regard that as a compliment" and there was more laughter.

However, Dr Treurnicht later explained that he thought Mr Van Rensburg had said: "I am not enjoying your speech" and he had reacted to that.

DD 9/12/78

259

Suzman: probe fraud charge

THE ASSEMBLY — The actions of Dr Connie Mulder and Gen Hendrik Van den Bergh in pressurising Mr L S Reynders to issue a false report amounted to conspiring to commit fraud and inciting to commit fraud, Mrs Helen Suzman (PFP, Houghton) said yesterday

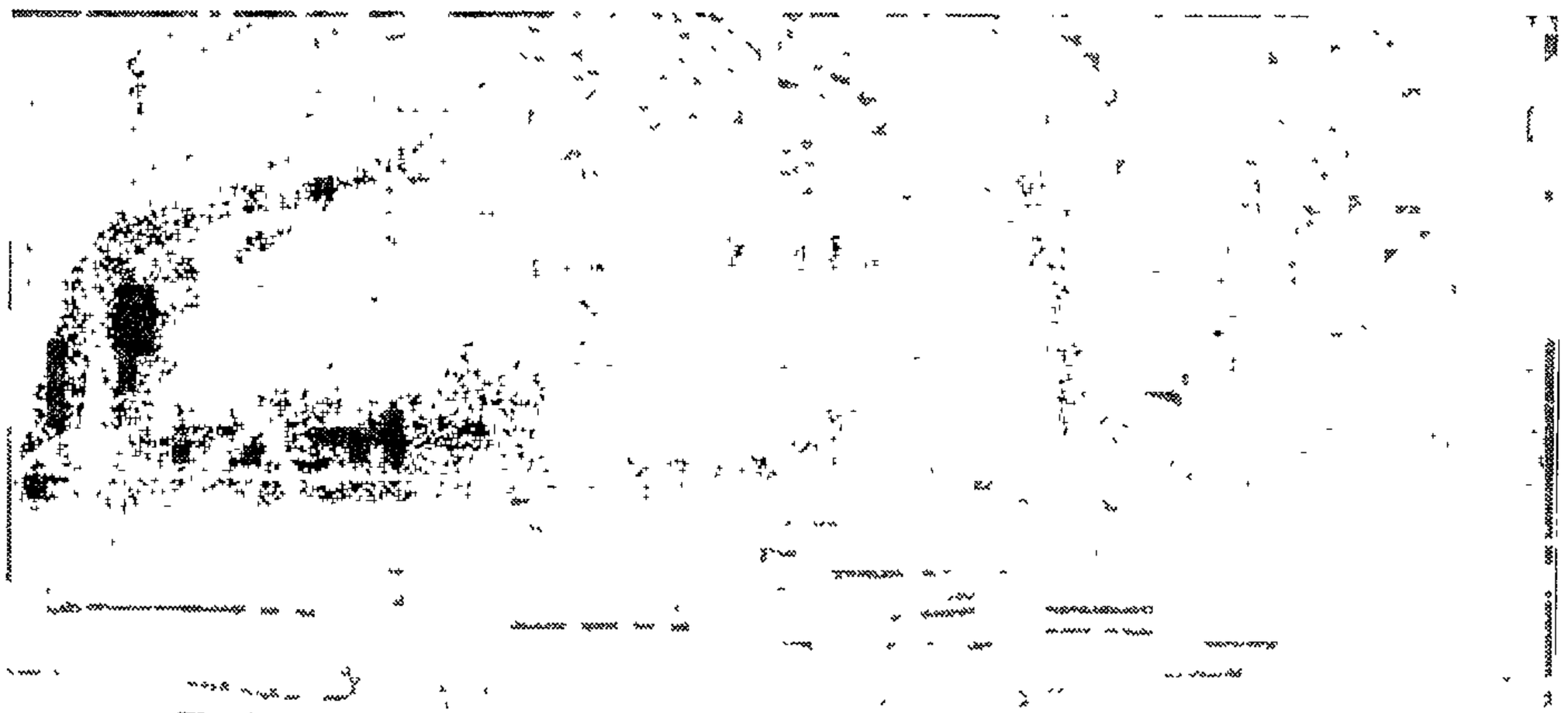
She wanted to know what the Minister of Justice, Mr Kruger — "my old chum" — had done in asking the Attorney - General to investigate the actions of Dr Mulder and Gen Van den Bergh

"According to the commission Dr Mulder and Gen Van den Bergh put pressure on Mr Reynders to bring out a false report

"Has the Minister of Justice considered asking the Attorney - General to investigate these crimes?" she asked

The Prime Minister, Mr P W Botha, replied "You can leave it to the authorities"

Mrs Suzman "I have had far too much experience of the authorities and their callousness to leave it to them I would like the Minister to give me the assurance" — PC



The $320 000 "gracious waterfront" estate in Miami, United States, that was secretly purchased by the Department of Information in 1975. The house was registered under the name of the Pinetree Drive Company, whose president is Mr Daniel McGoff, brother of publisher, Mr John McGoff.

DD 9/12/78

259

Reveal Smit murder findings — Boraine

THE ASSEMBLY — The police should disclose what their investigations into the murder of Dr Robert Smit and his wife in Springs last year had revealed, Dr Alex Boraine, (PFP, Pinelands) said yesterday.

Dr Smit and Mrs Smit were murdered shortly before the general election Dr Smit was the National Party candidate in Springs and South Africa's representative on the International Monetary Fund

Dr Boraine said the country was seething with rumours

He referred to a report in the Rand Daily Mail on November 17 in which Gen Kobus Visser, deputy chief of the CID, said he could not say if the possibility had been eliminated of a link between the murders and the scandal surrounding the Department of Information

Dr Boraine quoted directly from the report of the interview

Question Do the police know if Dr Smit spoke to a Cabinet Minister shortly before his death?

Visser To my knowledge no such contact was made

Question How do the police know that?

Visser Specific allegations were made We checked them

Question Did the police question any other Cabinet Ministers?

Visser To answer that is not in the public interest

Question Has any progress been made in the hunt for the killer?

Visser No

Question Has the suggested link between the Smit deaths and the scandal surrounding the Department of Information been eliminated?

Visser I cannot say the possibility has been eliminated. We do not know what we may find

Dr Boraine said the country had heard from senior Ministers, including the Prime Minister, Mr P. W. Botha, that rumours and gossip must stop

"Let us make sure of this. The police must take the public into their confidence Let us hear that there was no link" — PC.

DD
9/12/78 (259)

Vorster role attacked

THE ASSEMBLY — The opposition yesterday blamed the former Prime Minister Mr Vorster for his role in the Information affair and said he should be asked to step down.

Mr Pieter Mulder (Progressive Federal Party Potchefstroom) said Mr Vorster had misled Parliament when he said in the House that Dr Connie Mulder had told the House that all Information Department funds were accounted for.

Mr Mulder said Mr Vorster had misled Parliament when he said in the House that Dr Mulder had told the House that all Information Department funds were accounted for.

Mr Vorster had also

DD
9/12/78

259

CAPE TOWN — Mr Justice Erasmus is to refer statements made by Gen Hendrik van den Bergh to the Attorney-General for a possible contempt charge against the once all-powerful head of Boss.

The Judge confirmed this here yesterday after listening to the debate on his bombshell report which included a revelation of the power wielded behind the scenes by the General while Mr Vorster was Prime Minister.

In his report, Judge Erasmus described the former head of Boss as "an arrogant man who saw himself as the power behind the throne, who tried to use his position to influence the course of events in South Africa, and would stop at nothing"

Gen Van den Bergh reacted to the report by describing it as "a one-sided farce and a character assassination" He challenged the Judge to make public the full evidence he had given

Mr Harry Schwarz (PFP, Yeoville) described the General's remarks as "contemptuous in the extreme" and challenged the Prime Minister, Mr P. W Botha, to say what steps were being taken against the General

"Will the State sit by and allow the General to make these remarks which are contemptuous in the extreme? Will the Prime Minister tell us whether the law will take its course or not? The public are watching to see what the reaction will be"

Commenting on the calls for action against Gen Van den Bergh, Judge Erasmus said yesterday "I have decided to refer Gen Van den Bergh to the Attorney - General, who will take what action he sees fit"

However, Judge Erasmus would not comment on whether he would meet Gen Van den Bergh's challenge to release all his evidence to the public "I have nothing to say about that at this stage," he said

Mrs Helen Suzman (PFP, Houghton) described the General as "the big, black, spider waiting in the wings," who had wielded awesome powers under the country's security laws

Referring to the Judge's description of the General as a man who had manipulated Mr Vorster, Mrs Suzman said

"Now if that is the way Lang Hendrik handled the then Prime Minister of South Africa, one can imagine how easily he handled lesser mortals like the Minister of Justice, Prisons and Police, Mr Kruger

"To think that all these years I regarded Mr Vorster as a strong and formidable opponent when the man I should really have been concerned about was Gen Van den Bergh"

Describing the General as "South Africa's Heinrich Himmler," Mrs Suzman said "According to the commission, Gen Van den Bergh had unfettered power and he had no hesitation in abusing this power

"He gave orders to his puppets, successive Ministers of Justice and of the Interior, which resulted in hundreds of lives being ruined by detention without trial, by banning and other restrictions

"A special commission should be set up to investigate every case where a person has incurred penalties outside the courts of law via security legislation to ensure they are not simply the victims of Gen Van den Bergh," Mrs Suzman said — DDC

Van den Bergh's controversial conference, page 2

Yesterday in Parliament. Full reports page 7

DD 9/12/78 (259)

General may be charged

Call election urges RAU prof

CAPE TOWN — An influential Afrikaner academic says the Government should decide to call an election — a "painful decision" which has been necessitated by the current Information scandal.

Prof F. van Rensburg, whose letters to the Afrikaans newspaper, Die Burger, on the Information debacle have been prominently displayed in the letters column, has also called on the new Transvaal leader of the Nationalist Party, Dr Andries Treurnicht, to "assist" Dr Connie Mulder to disappear completely from public life.

In a letter published on Thursday Prof Van Rensburg, of the Rand Afrikaans University, says that evidence indicates that the early election called by Mr Vorster "denied the opposition an opportunity it was entitled to".

This was an injustice which should now be set right.

Referring to Dr Mulder, Prof Van Rensburg writes that a Minister who abuses his position of responsibility can make no claim to political protection.

"In a society which values morality, also in its politics, a discredited Minister should disappear from public life — and his provincial leader should assist him in this regard."

The Erasmus report has demonstrated the extent to which the country's democratic soul had been lost, and it was vitally necessary that it be regained.

The idea among certain MP's that no finger could be laid on a Minister as long as he had not enriched himself, and that he could continue peacefully as an MP, was proof that the fundimentals of democracy, including the concept of ministerial responsibility, had been lost sight of, Prof Van Rensburg said.

Meanwhile, Dr Andre du Toit of the University of Stellenbosch said yesterday that Gen Hendrik van den Bergh might have joined the Mulder-Rhoodie axis in the Information scandal because his own power base, the Bureau for State Security, was declining in importance

Dr Du Toit, a leading political philosopher, was speculating on what many observers regard as a surprising element in the Information Department saga the emergence of Gen Van den Bergh as the third member of the Information Department "triumvirate".

The explanation may go back to 1972 and the decision to make Gen Van den Bergh, at that time the confidant of the then Prime Minister, Mr Vorster, the generalissimo of intelligence, he said

In that year the Security, Intelligence and State Security Council Act made the Bureau for State Security the supreme intelligence organisation along the lines recommended by the Potgieter Commission.

Although meant to eliminate existing rivalries between intelligence services, Boss' new status may have added to them by arousing envy in military intelligence and the security police

Boss, however, did not have powers of arrest or detention or to take direct counter action against security threats — and that may have led to its relative decline in importance as sabotage and terrorism increased both in South Africa and on the Border

Boss was the conduit through which money from the Defence Force was channelled to the Information Department's secret fund, a situation which of necessity brought Boss and Information men into contact.

But was Gen Van den Bergh's decision to join the Mulder-Rhoodie camp prompted by the rise in power of the Defence Force and the police and the eroding of Boss as a power base?

"I continually hear people saying Boss is becoming less and less important," Dr Du Toit said.

DDC.

DD
9/12/78
259

No share market

EAST LONDON — There is no list of share prices today or other financial market intelligence as the Johannesburg Stock Exchange started moving yesterday from Hollard St to its new home in Diagonal St.

The move will be completed on Monday and the exchange will reopen on Tuesday. — DDR

Erasmus report a big farce, one-sided and full of lies general tells press briefing

DD 9/12/78

259

Describing the procedure followed by the Erasmus Commission, Gen Van den Bergh said that when he was interned during the Second World War it was the policy of the Government — "or rather the police — to give the assurance to certain witnesses, or shall I call them traitors, that they could give any statement they wished against others, knowing that they would not be called on to repeat the statement under oath in court and that they would never have to undergo cross-examination about what they said.

"I experienced this myself because when I became head of security I read my own internee dossier. This commission asked me to appear before it and give evidence. I took the oath and I was immediately placed under intensive cross-examination by Adv Van Zyl.

"So much so the next morning, the second day, I asked the presiding chairman, Mr Justice Mostert, whom I have known for many years, what the charge against me was.

"He said there was no charge against me. I then said, 'But I am being placed under intensive cross-examination here by Mr Van Zyl and if there is no charge against me, no accusation against me, then I must consider asking the commission to adjourn so that I can have the opportunity of obtaining legal advice because I want to try and get Adv Kentridge to appear for me.'

"Thereafter the cross-examination stopped and they continued the rest of the morning with me.

"Their procedures were just about the same — I haven't explained fully — as those with my internment. I was not aware of any evidence which had been given beforehand. I was not aware that anyone had slandered me I did not have the opportunity to be present for the testimony of anyone.

"I was not given the opportunity to call any witnesses to testify for me.

DD 9/12/78
(259)

ress conference continued

t one stage Gen Van der gh said with irony that commission's report ways referred to him as Van den Bergh — "just a ule Van den Bergh, not general, just a small 'V'"

The general next eferred to para 10 328: Reynders testified that e evening, probably in ovember, 1977 before he general election of ovember 30, he, Dr Mulder, Dr Rhoodie, Van n Bergh and Alberts had met Mr Vorster at Libertas

"Mr Vorster wanted to confront the others with the information relating to the secret fund which had been made available him up to that date.

"Many of the projects eferred to were discussed. According to eynders, Mr Vorster came very depressed, as taken ill at about 1.30 pm and asked to be excused."

The general described a "lie" para 5.125 which ted Reynders as saying at Gen Van den Bergh "later advised him not write a detailed report, only to issue a brief rtificate."

Dealing with para 5.125 which Reynders said at Gen Van den Bergh insisted that he issue report, even though he not completed his investigation to his satisfaction, the general said: Reynders, with my appointment as evaluator of ojects on July 1, 1978, t on June 1, 1978 as the commission found, told e that for several nths already he was eady to give his report to the Prime Minister, but Mr Vorster told him there was no rush and he would ll him when he needed e report

On para 5 126, which the Reynders report been completed in the eneral's office, the eral said if that was so must have been in his sence

Referring to para 5.129 n which Reynders peated he had issued a rtificate under pressure om Dr Mulder and Gen van den Bergh, the eneral said: "Did eynders make any atements to Mr Vorster ing his report? Did Mr orster question him bout his report? I deny is allegation in regard to yself."

Referring to Reynders rsting into tears before the commission and saying the general would crush him, Gen Van den Bergh said: "I deny Reynders feared me in any way. He was interned with me and, like me, is a senior member of the Broederbond. Mr Vorster, Mr Kemp and his staff and the senior members of the Department of National Security can testify about the relationship between Reynders and me

"The allegation is so farfetched it is laughable."

On para 9.230 which reported that, according to Dr Rhoodie, an investigation into taking over the Natal Mercury had been investigated by Dr Koornhof, Mr Lawrence Morgan and Gen Van den Bergh, the general said: "It is untrue in so far as it concerns me Did Dr Koornhof, who was available, testify concerning this? I don't know Mr Morgan."

On para 9.231 about a braaivleis at his home at which there was a discussion about a newspaper takeover, the general said: "Dr Rhoodie and Alberts have never, either together or alone, attended a braaivleis at my house, but together with about 150 other guests attended an ox-braai function in the veld on my farm. I had in any case no connection with such a discussion. It is not alleged as such in the report, but possibly only insinuated"

In paragraph 9.238, which reported Dr Rhoodie telling Dr Mulder in Van den Bergh's presence that Alberts needed R200 000 to buy SAAN shares, the general said. "I deny that such a conversation was held in my presence. Anyway, it is not alleged that I was aware that Alberts needed R200 000 to buy a block of SAAN shares and that the matter was cleared up."

On paragraph 9 255, the general commented that the word "confronted" (Mr Vorster) had been put into his mouth. "I never confronted Mr Vorster with anything, but informed him," he said

Dealing with paragraph 9 256 that Dr Mulder in evidence to the commission was backed by Dr Rhoodie in saying that as a result of what Van den Bergh had told him he understood that Mr Vorster approved the project for a newspaper, the general said: "I am not responsible for conclusions made by Dr Mulder and even less for those reached by Dr Rhoodie

"It is obvious the commission accepted the 'versions' of Drs Mulder and Rhoodie, the two chief figures in this drama, at the cost of my specific statement.

"I also never said to Dr Mulder or Dr Rhoodie that 'Mr Vorster's reaction was that the bureau had nothing to do with such a newspaper' I did say that Mr Vorster said that 'I, Hendrik van den Bergh, must distance myself from it."

Dealing with paragraph 9.277 which reported that Reynders could not get past Van den Bergh to advise Mr Vorster about The Citizen project, but that he finally was called to Libertas by Mr Vorster, the general said "Although Reynders as far as I can gather, testified earlier than me, no questions concerning this lie were put to me by any members of the commission and I was totally unaware of the allegation.

"As ex-internee comrades and in the light of his orders from Mr Vorster he could and did, at least according to the commission's report, report repeatedly in detail to Mr Vorster. He, in fact, did so numerous times in my presence and that of others.

"Mr Vorster will no doubt confirm this. Mr Vorster never ever talks to me about this. In all departments it is a golden rule that no underling goes over the head of the department chief to the minister, unless the minister specifically invites him.

"I have no objection the commission accepts Mr Vorster's evidence. I do, however, have objections that they reject mine."

"But from August 1, 1977 to June 30, 1978, Mr Reynders was an absolutely free man who worked in the Department of Information offices and I had no control whatsoever over his comings and goings. "Was Mr Vorster questioned about paragraph 9 278?" (That Reynders told Mr Vorster of Van den Bergh's instructions that he was not to see Mr Vorster without Mr Van den Bergh's permission and he also informed Mr Vorster of a number of irregularities he had come across in the department.)

About the meeting at Libertas during November, 1977, the general said that according to Reynders the meeting was arranged so that Mr Vorster could confront those involved.

"Mr Vorster, to my knowledge, has never confronted anyone with the detailed information which Reynders had already provided Mr Vorster with.

"Poor Reynders, I indeed succeeded in keeping him away from Mr Vorster And that already as long back as November, 1977 when he had already, in broad outline, reported to Mr Vorster"

Commenting again on paragraph 10 326 that Reynders had many interviews with Mr Vorster, informing him of various projects, Gen Van den Bergh commented "My alleged attempts to stop him thus scandalously misfired"

About paragraph 10.329 that Reynders was under pressure from Dr Mulder and Van den Bergh to issue a certificate, but that Mr Vorster instructed him not to issue one at all, the general commented: "So, according to this, Reynders had an order from Mr Vorster that he definitely must not issue a certificate, but still he did because I then exerted pressure on him.

"Who is the highest authority? Mr Vorster or me?

"Reynders hands over his report to Mr Vorster in my presence Mr Vorster is definitely not shocked or surprised and also does not ask Reynders why he ignored his order

"But Mr Vorster questions him about the report and he gives explanations, to Mr Vorster. Immediately thereafter he tells Mr Vorster that the Press are pestering him and want to know when he is handing in his report. Mr Vorster then gives him an order, but no chastisement for having ignored his previous order

"Reynders also does not tell Mr Vorster or ask for forgiveness that he put together the report in conflict with his order, but under pressure from Van den Bergh.

"But according to paragraph 10 329 he did, indeed, tell Mr Vorster about Dr Mulder's request, but not about my pressure

"Poor Reynders, he must indeed have been full of fear."

Referring to paragraph 10 332 which said Van den Bergh's inquiry was instituted from June 1, 1978, the general said "Is the rest of the commission's report as factually inaccurate as this paragraph? (Gen Van den Bergh said he started his inquiry on July 1, 1978).

Referring to paragraph 10.334 which said Mr Vorster had not realised he was leaning on a broken reed in accepting Reynders' report, Gen Van den Bergh commented. "Indeed But the commission supports the same broken reed in the tale of tears The commission accepts every word of his evidence and discards everything in conflict with it, especially mine, his fellow ex-internee, his comrade and his department head."

Referring to paragraph 10 336 in which the commission declared it accepted Mr Vorster's testimony as the truth and rejected the evidence which contradicted him Gen Van den Bergh said: "I have no objection that the commission accepts Mr Vorster's evidence. I do, however, have objections that they reject mine

"The 'other witnesses' including Drs Mulder and Rhoodie who are referred to here, can talk for themselves" — DDC

VAN DEN BERGH ATTACK ON ERASMUS COMMISSION

9/12/78

DD 259

PRETORIA — In a scathing attack on the Erasmus Commission, the former head of the Bureau for State Security, Gen Hendrik van den Bergh, labelled it "a big farce," one-sided and full of insinuations and lies.

At a news conference at his home here, he said the report contained factual faults and as far as he personally was concerned, it constituted "the biggest character assassination in the history of South Africa."

Certain findings in the commission's report were based on deductions, speculation and conclusions and were not backed by facts.

He had been "shocked to the very core of my being" by its contents.

Gen Van den Bergh issued a statement which he said refuted numerous sections in the report relating to him — which he rejected.

The report made it clear that the interpretation of events given by the two main figures in the Information affair, Dr Connie Mulder and Dr Eschel Rhoodie, had been accepted at the expense of his own evidence.

He challenged the commission to publish all his evidence so that the public could decide for themselves. He also wanted to know what facts he had withheld from the then Prime Minister, Mr Vorster. He asked the commission to clarify this, adding: "I trust the commission will not be afraid to publish my evidence."

He denied he had played a double role and refuted the allegation that he had not conveyed Mr Vorster's disapproval and opposition to the Department of Information's backing of The Citizen to Dr Mulder and Dr Rhoodie.

He said categorically that he had conveyed Mr Vorster's sentiments to the two time and again.

Allegations in the report that he had had extraordinary powers and could "crush" people were far-fetched and without foundation. "I've never crushed anyone in my life," Gen Van den Bergh said in denying he had exerted any pressure on Mr Lood Reynders, who carried out an audit investigation of the secret projects of the now defunct Department of Information.

He rejected the evidence that Mr Reynders was afraid of him, saying. "He is, like me, a senior member of the Broederbond."

The normally taciturn 64-year-old general, who retired earlier this year, was once popularly believed to be the most powerful man in South Africa after the Prime Minister.

Opening the Press conference he called, Gen Van den Bergh said it was a "very unpleasant task" he had to perform. "Unpleasant because I have got to do something here which I have never done in my life before because I must criticise people for whom I have great respect. But because of my family and my many friends and as a result of the terrible publication which was given in the Press to the commission's report I have no choice but to do something."

scandal that dealt with him.

Referring to paragraph 11.384, with the description of the tremendous pressure exerted on Reynders, with him even fearing for his life, Gen Van den Bergh said. "The broken reed has risen again and become genuine."

On paragraph 11.385 and its reference to Reynders saying that few people realised what power Van den Bergh had, the general said: "I learn gladly what powers Van den Bergh has. All Gen Van den Bergh's power was subject to the approval of Mr Vorster."

On paragraph 11.386 in which the commission recorded him as saying, arrogantly, that if he wanted to do something nobody would stop him and that he would stop at nothing, the general said: "Release Gen Van den Bergh's testimony and then Jan Burger (John Citizen) can judge for himself."

Referring to paragraph 11 387 which reported that the commission was not certain whether Mulder and Van den Bergh had deliberately

Referring to paragraph 12 436 that the general saw himself as the power behind the throne who, through Mr Vorster, tried to manipulate events and withheld facts from Mr Vorster or gave him selected facts· "Who testified to this? Identify him. Or is this another assumption?

"What facts did I keep from Mr Vorster. Please specify. Which selected facts did I give Mr Vorster? Specify please. Where did I trade on Mr Vorster's name? Facts please, Messrs the commissioners.

"To achieve what goal? Factual examples with names of witnesses please, Messrs the commissioners."

On paragraph 12.437 that the general was in charge of a formidable network of agents whose qualities he described in sinister terms — and with a cross-reference in the report to paragraph 11.386 "Another factual error in the report? I find no reference in paragraph 11 386 to formidable network of agents — if only I could find my reading glasses."

Referring to paragraph 12.438 which reported that he had not only exercised considerable influence over Mr Vorster, but at times made Mr Vorster's decisions for him: "I am convinced that Mr Vorster will take objection to this And the Cabinet. And Parliament. And the voters. That a simple Van den Bergh sometimes "made Mr Vorster's decisions for him." Which decisions. Please name them."

Referring to paragraph where is the double role? I look round without my glasses but see nothing."

And on paragraph 12.449 of the commission's report which noted: Consequently Mr Vorster could to some extent remain blissfully under the mistaken belief- that his disapproval of the financing of an English - language newspaper from public funds had been conveyed to Drs Mulder and Rhoodie and others They, on the other hand, could gain the impression that Mr Vorster not only knew what they were up to, but also approved of their actions.

Gen Van den Bergh's comment. "Mr Vorster knows better and so do Drs Mulder and Rhoodie, and also the whole of South Africa.

"Arrogant? — Not so."

Questioned about Mr Louis Luyt's statement before the Mostert Commisison that he, Gen Van den Bergh, had undertaken an investigation into the Department of Information with the aim of covering up the scandal, the general said "Mr Luyt will not say that under oath in my presence where I can put him under cross-examination.

"I do not cover-up. I deal only with facts. Everything I did, every project I investigated, I had a factual investigation."

Asked for his personal view of the State funding of a private newspaper, he said he believed it would be a good thing inside South Africa — but only under certain conditions which must be that Parliament knew about it and the public knew about it



At the start of a Press conference at his house in Pretoria, Gen Hendrik van den Bergh went to an adjoining room and came back with this silver-plated automatic rifle. He said it was Russian-made and had been a gift. He would not say from whom. Asked if he intended to use it at his Press conference, the general said, "No, it is sealed."

DD

259 9/12/78

mission will cover thoroughly the almost two decades that I worked directly under Mr Vorster."

Gen Van den Bergh said all his powers had been subject to the approval of Mr Vorster

Acknowledging that Mr Vorster had told him to distance himself from The Citizen affair, Gen Van den Bergh said he had told Mr Vorster as early as December 5, 1975 that the Department of Information was secretly planning to start a newspaper.

Speaking to a handful of reporters in his living room, the general said: "No one in South Africa knows as much as I do

"I can tell you everything, but I won't."

Dressed in an open-neck shirt, unbelted trousers and slip-on loafers with a worn-out spot on the sole, Gen Van den Bergh was in turn proud, arrogant, polite, indignant and friendly as he denounced paragraph by paragraph sections of the Erasmus report on the Information collaborated to exert pressure on Reynders, but had insisted on the report at the same time, the general said: "Like nearly all the assumptions, conclusions, speculations and such, these two first sentences are also without any substantiation. I come to the conclusion that nothing is clear to the commission."

The general, returning to Reynders' evidence, said. "At what stage is he also going to acknowledge that his testimony is false?"

12.446 which reported that Van den bergh himself admitted Reynders was an honest man: "Yes, as a brother, because only honest people can become members of the Broederbond. But his competence, his flexibility, credibility, durability, etc were never in dispute . . ."

Referring to paragraph 12.448 with its description of him playing a double role, the general said. "Really, it is beneath my credibility to comment on this, distorted or not. But and accepted it.

"Such a newspaper should only publish factual matters in the interests of the country. If it was party political, I would oppose it."

Asked about his resignation, he said his agreement with Mr Vorster was that the day Mr Vorster resigned as Prime Minister, he would leave office, too.

He should have retired from the police force some years before, but had stayed on at Mr Vorster's request. — DDC.

Why was Mulder reappointed asks East London MP

THE ASSEMBLY — The Prime Minister was strongly criticised yesterday for reappointing Dr Mulder to the Cabinet after the premiership election

Mr John Malcomess (NRP, East London North) said Mr Botha had reappointed Dr Mulder as Minister of Plural Relations after he had been informed about the irregularities in the former Department of Information by Mr Retief van Rooyen

And Mrs Helen Suzman (PFP, Houghton) said the Prime Minister had taken the risk of reappointing Dr Mulder because he had placed the interests of the National Party above those of South Africa

Mr Malcomess said the Prime Minister had been present when Mr Van Rooyen had given positive proof of irregularities involving Dr Mulder before the premiership election

"At the very least interpretation there was a question mark above Dr Mulder," he said

After the election the Cabinet had resigned but Mr Botha had reappointed Dr Mulder

"Knowing this evidence, he reappointed the MP for Randfontein as Minister of Plural Relations

"This question will hang like an albatross round the neck of the Prime Minister," Mr Malcomess said

He also attacked the Prime Minister for supplying R56 950 000 allocated to the Defence Department to the Information Department's secret funds.

In her speech, Mrs Suzman said the entire Cabinet was involved in the reappointment of Dr Mulder because the Minister of Foreign Affairs, Mr Pik Botha, had certainly told the Prime Minister, the Minister of the Interior, Mr Alwyn Schlebusch, and the Minister of Health, Dr Schalk van der Merwe, about the irregularities involving Dr Mulder

"Yet he took the risk of reappointing Dr Mulder to the Cabinet," she said

It was only with Judge Mostert's revelations that the extent of the irregularities had been exposed

"If the reappointment of Dr Mulder was not putting the interests of the National Party above those of South Africa then I don't know what is," Mrs Suzman said

She also asked whether the former Department of Information had been involved in financing conservative student organisations on English-speaking university campuses

Mrs Suzman said thousands of rands had been spent on conservative student bodies on the campuses and "students don't have that sort of money".

She said the Erasmus commission should subpoena the former editor of campus Independent newspaper, Mr Rhett Kahn, to find out if the Department of Information had been behind the publication

When his source of funds had dried up, Mr Kahn had approached the University of Witwatersrand SRC for more finance and he was asked what had happened to his source of funds.

Mr Kahn had replied "The price of fertiliser has gone up".

Mrs Suzman said Gen Hendrik van den Bergh had been responsible for advising successive Ministers of Police and for that reason the Government should re-investigate every case of banning and detention



MR MALCOMESS . . . Prime Minister had positive proof.

"This man has manipulated his own Prime Minister, a man I have always considered a strong and formidable opponent What has he done to lesser mortals such as the present Minister of Justice, Police and Prisons?

"I agree with Mr Wiley that a full-scale inquiry into Boss is essential. Not only into its financial affairs, but into its entire operation.

"A full-scale inquiry should be held into every case of every person banned or detained or held under the security laws by this Government," Mrs Suzman said — PC-SAPA

DD
259 9/12/78

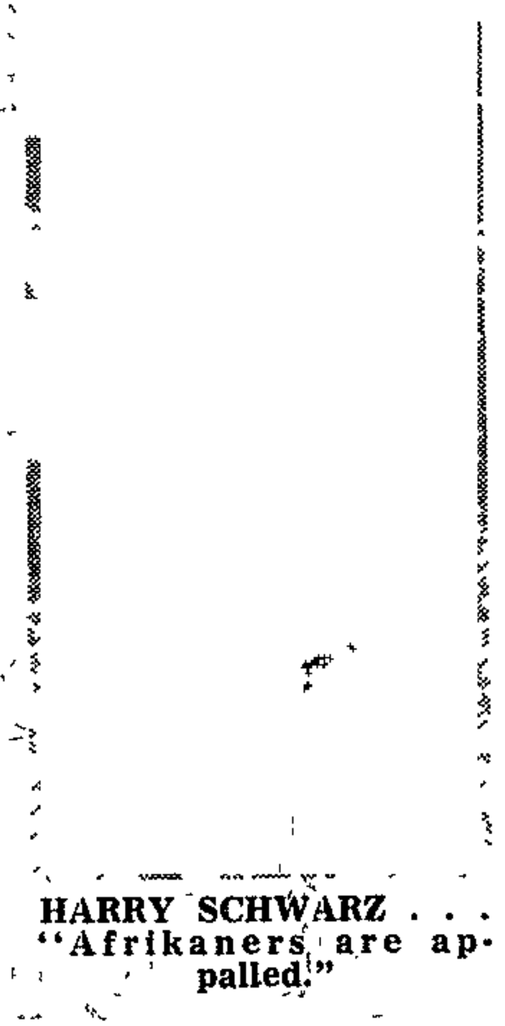
A CLEAN GOVERNMENT: THE BIG DEBATE

Vorster knew Mulder lied says Schwarz

THE ASSEMBLY — Mr Harry Schwarz, chairman of the Progressive Federal Party's federal executive, yesterday accused the former Prime Minister, Mr Vorster, of covering up the Information scandal

Leading the Opposition charge of a mass Government cover-up, Mr Schwarz said Mr Vorster had been damned by his own evidence before the Erasmus Commission.

Mr Vorster had told the commission he knew in November last year that The Citizen was funded with taxpayers' money — yet he sat silently by while Dr Mulder, former Minister of Information, lied to Parliament on the issue



HARRY SCHWARZ . . . "Afrikaners are appalled."

DD
9/12/78

259

Dr Mulder had lied repeatedly on the issue on May 9 and 10 this year when he assured the House there was no Government money in The Citizen, Mr Schwarz said yesterday.

"The former Prime Minister was present. He was sitting there and listening to the then Minister of Information tell a lie and he knew it was a lie

"Why did he not go to his Cabinet and tell them, even if he did not want to tell the public"

Mr Vorster's silence had clearly implicated him in a cover-up, Mr Schwarz said.

To make matters worse, Mr Vorster had issued a statement accepting full responsibility for the spending of all secret funds at a time when, on his own evidence, he already knew there was public money in The Citizen

"How can you have a National Party Government facing the country when its leader has done those things?" Mr Schwarz asked.

Mr Schwarz said he did not believe Afrikaners approved of what had happened or accepted the doctrine that no rules applied

"Afrikaners are appalled and I believe they feel let down by the National Party One of the failings of the former Prime Minister is that he put National Party unity before the interests of South Africa"

Mr Schwarz also accused the present Prime Minister, Mr P. W Botha, of making a misleading statement in implying that the Government no longer owned The Citizen after the disclosures of the Mostert Commission of Inquiry

Asked at a Press conference whether The Citizen would continue to be published until the report of the Erasmus Commission, Mr Botha had replied he didn't own The Citizen He told the reporter to approach the owner for an answer.

"But the Government still owned the paper. The reporter was talking to the owner but the Prime Minister told him to go and talk to someone else," Mr Schwarz said

Interjecting, Mr Botha said "No".

Opposition members shouted back "Who owned it?"

Mr Botha "In theory, I did"

Although Mr Botha had been elected Prime Minister, he had no mandate from the people and should fight a general election

"If he wants to cast off the slur of what happened in the past he will go to the country at the earliest opportunity" Mr Schwarz said.

Mr Botha interjected that he himself would decide when to call an election

In a scathing attack on Sen Horwood's control of the country's finances, Mr Schwarz said "We listened to the Minister of Finance piously telling us here that we needed more money for defence and we agreed with him

"All the time some of the money appropriated for the Defence Vote was being channelled off to the Department of Information and used for purposes over which the Minister of Defence had no control at all"

Sen Horwood had said he did not know what the money had been used for — which showed there had even been a cover-up in the Cabinet as well, Mr Schwarz said

South Africa had just escaped being taken over by a sinister triumvirate — "General Hendrik van den Bergh, the Boss, Dr Eschel Rhoodie, the Minister of Propaganda, and Dr Connie Mulder, the leader

"One of the things which we have to remember is that when the history comes to be written of this Information debacle, it will be shown it was actually a watershed in South African politics

"It will be shown we have in fact escaped one of the biggest dangers that has faced South Africa

"What would have happened if Dr Mulder had become Prime Minister of South Africa?"

Gen Van den Bergh had challenged the authority of the commission in public, using "extremely contemptuous language."

This was a challenge not only to the commission, but to the Government as well

"The Prime Minister has no alternative The evidence must be made public," Mr Schwarz said

He asked whether the State would allow allegations such as those made by Gen Van den Bergh, suggesting the Commission's findings were not supported by the evidence

"Will the Prime Minister tell us whether the law will take its course or not?" he asked.

"One of the tragedies of South Africa is that Dr Mulder, in his dying political acts, has done another disservice to the country by organising Dr Treurnicht's election as leader of the National Party in the Transvaal

"The ghost of Dr Mulder still walks in this House in the form of the Deputy Minister"

The saving grace for the democratic process in South Africa had been the free Press, an independent judiciary, the Opposition parties and elements among the National Party itself who did not believe in the dubious doctrine that no rules applies when the interests of South Africa were at stake, Mr Schwarz said — SAPA-PC

Ministers have their say

HEUNIS, Economic Affairs

THE ASSEMBLY — Mr Justice Mostert had tried to influence the election of the Prime Minister through his actions, the Minister of Economic Affairs, Mr Heunis, said yesterday.

He said Mr Justice Mostert had telephoned him and told him he had information regarding Dr Mulder, then an aspirant candidate for the prime ministership.

Mr Heunis said the information revealed to him by Mr Mostert was similar to that later released to the Press.

Mr Heunis said that as a responsible member of Parliament, and although it was difficult for him to do because both he and Dr Mulder knew he did not support Dr Mulder's candidacy, he had gone to Dr Mulder to inform him of what Mr Justice Mostert had revealed to him.

He also approached the Prime Minister, which was equally difficult.

He said he had been telephoned by Mr Justice Mostert at Jan Smuts Airport where he was awaiting a flight.

Mr Heunis said that during the nine months of his investigation, Mr Justice Mostert had seen no need to reveal his findings, yet immediately before the election of the Prime Minister he had seen fit to do so.

Although he had no right to try to influence the election of a Prime Minister, Mr Justice Mostert had tried to play such a role.

COETSEE, Defence

Armscor was one of the largest users of the Department of Defence's special secret account, the Deputy Minister of Defence, Mr Kobie Coetsee, said.

Discussing auditing of the account in the special debate on the Erasmus report, Mr Coetsee said the total onslaught against South Africa was being waged primarily on a secret, underground basis and retaliation had to be undertaken on the same basis.

Secret action demanded secret funds, he said, and it was the Government's attitude that these funds needed a different type of control to regular funds.

The Government accepted the need for special, internal audits of secret funds. But publication of details would play into the hands of the country's enemies.

If these audits should turn up irregularities, the auditor was duty-bound to report to the Prime Minister, who would decide what action to take. The books of Armscor, for example, received the closest possible audit.

After the discovery of irregularities in the former Information Department, the Government had acted in the most responsible possible way.

HORWOOD, Finance

THE SENATE — Despite what had happened in and around the former Department of Information, the important thing that mattered was that the system of government in South Africa remained unscathed, the Minister of Finance, Sen Horwood, said.

In his capacity as Leader of the Senate, he proposed a motion that the report of the Erasmus Commission be approved. The motion was similar to that moved by the Prime Minister in the Assembly on Thursday.

Sen Horwood said that if the people who were now in the dock, figuratively speaking, had carried out Treasury regulations and instructions, Parliament would not have been called on to have this special session.

What had happened related to only a small handful of officials. It was deplorable and regrettable. But because of their actions the entire Government and its administration could not be condemned.

The Government now was trying to ensure that if there were people who had misappropriated funds, they would face the consequences. The Government would also prevent a recurrence of such occurrences.

DE KLERK, Posts

When irregularities in the former Department of Information came to light, the Government took immediate and effective steps to expose the maladministration, the Minister of Posts and Telecommunications, Mr F. W. de Klerk, said.

Mr Justice Mostert, who had made public certain untested evidence, had been held up as a hero and a martyr. However, when the Erasmus Commission came forward with a comprehensive report containing tested evidence regarding the Department of Information, the Opposition only accepted those parts which suited them. — SAPA.

Dalling probes Rhoodie trips

THE ASSEMBLY — Mr David Dalling (PFP, Sandton), last night demanded to know why the former Secretary of Information, Dr Eschel Rhoodie, had been allowed to leave South Africa.

He said it was strange that Dr Rhoodie's passport had been called in when he was outside the country.

Mr Dalling also asked whether Dr Rhoodie's South African passport was the only one he possessed and whether he had been given permission to hold any other passports.

"Long before the Erasmus report, in fact over past months and certainly since the release of the Mostert evidence, there has been a prima facie case of misdemeanour and of irregularities which should have been discerned by the authorities.

"Virtually the whole country held this view. And yet from November 7 to November 19, even after he had given evidence to the Erasmus Commission and was known to be implicated, he was allowed to wander around freely — perhaps to fix up his affairs — and then leave the country again, perhaps for Switzerland or one of those financial havens.

"Only when he was out of the country were steps taken to call in his passport. Is this not further negligence in the extreme?

"What steps are being made to bring him back to face the consequences of his actions?" he asked.

Mr Dalling also asked whether or not Mr David Abrahamson (the head of Hortors) still possessed a passport as he already seemed to be out of the country.

"If they don't come back, whose fault is it that they were allowed to leave?" he asked.



DALLING: "Why was Rhoodie allowed to leave?"

Mrs Helen Suzman said the Government had appointed various committees and commissions to investigate irregularities in the former Department of Information only because it knew the full facts would inevitably come to light.

The Prime Minister knew the English Press knew about irregularities in the defunct department before last year's general election.

She asked the Prime Minister to explain why he had reappointed Dr Mulder to his Cabinet post after he had defeated Dr Mulder in the premiership election and knew of Dr Mulder's involvement in the Information Department's irregularities.

She suggested Mr Botha had done this because there was dissension in National Party ranks over the fact Dr Mulder had not won the premiership and Mr Botha did not want to risk a split.

"Mr Botha also took the risk that maybe the information would not be published." — SAPA

25 9/12/78

Treurnicht shifts on responsibility

THE ASSEMBLY — The new Nationalist Transvaal leader, Dr Andries Treurnicht, gave parliament yesterday the impression he believed the Cabinet should accept responsibility for the Information Department scandal.

His references to responsibility for the scandal came as the Government continued to maintain that the Cabinet could not be held responsible because the former Minister of Information, Dr Mulder, had never informed his colleagues about the activities of his department and spending of its secret funds.

Dr Treurnicht said when the Budget was laid before Parliament, MPs had every opportunity to ask questions, to criticise and to obtain information.

"If afterwards it appears there were matters approved on which there had been no information, then why do they (the Opposition) assume that an ordinary (government) member, who is not in the Cabinet, has all the information?" Dr Treurnicht asked.

Mr Horace van Rensburg, MP for Bryanston, interjected "Do you sit in the Cabinet?"

Dr Treurnicht replied "No, I do not, and I do not accept that responsibility in the way the honourable member thinks I should accept it."

Mr Van Rensburg said in an interview he believed Dr Treurnicht had given the clear impression the Cabinet should accept responsibility for the Information scandal.

Dr Treurnicht said he was surprised at the way in which Opposition members, with absolutely clean hands in their view, were slinging mud as if the government and the public service were knowingly participating in irregularities

He readily admitted that what was needed was honesty and fearlessness, but the Opposition had no monopoly on these characteristics

What was at stake was South Africa's interests, and the Opposition also had a responsibility in this regard

Insofar as The Citizen was involved, Dr Treurnicht fully agreed with the Prime Minister that State funds should not be used for the financing of a party-political newspaper.

If the outcry about The Citizen was only because State funds were involved in the publication, he agreed it was not correct

Bamford motion refused

THE ASSEMBLY — The Speaker, Mr J. J. Loots, ruled yesterday he was not prepared to allow a motion that a select committee be appointed to inquire into alleged breach of privilege by the former Minister of Information, Dr Mulder.

On Thursday, the Chief Whip of the Opposition, Mr Brian Bamford, asked for leave to move a motion that a select committee be appointed to inquire into breach of privilege alleged to have been committed by Dr Mulder in making certain statements in 1976 and 1978 as Minister of Information relating to State financial assistance to The Citizen.

Mr Loots said yesterday: "The only question which the Speaker has to decide is whether it should be given precedence over other business of the House.

"As is evident from the State President's opening address, this session is an extraordinary one which has been convened for a specific purpose.

"As a select committee should be afforded sufficient time to complete its work, it will serve no purpose to appoint the proposed select committee.

"I shall allow the honourable member to move such a motion during the forthcoming session when there will be sufficient time available for a select committee to consider it." — SAPA.

An invitation to Mulder

THE ASSEMBLY — The former Minister of Information, Dr Mulder, was offered Opposition time yesterday to put his side of the Information scandal to Parliament.

The offer was made by the PFP member for Pinelands, Dr Alex Boraine, who noted that Dr Mulder had not taken his seat in the Assembly for the debate, despite saying he wanted to explain his own role

He asked whether this had been Dr Mulder's own choice or whether the Prime Minister had stopped him taking part in the debate

Dr Boraine said he knew Dr Mulder was watching him on closed-circuit television "Let him come into this House We will give him time to speak if the Government won't," he offered — PC

DD 25 9/2/78

Wiley calls for Boss inquiry

THE ASSEMBLY — The defunct department of Information should not have been disbanded but should have been reconstituted and its powers extended, the leader of the South African Party, Mr John Wiley, said yesterday

"South Africa cannot afford to be lamed andbparalysed by what has happened, as America was in the case of Watergate.

"The Government must get on with the job of governing and this includes the rebuilding of an effective information service. It is vital for our Republic.

"The Department of Information should not have been downgraded in status The Government showed signs of panic when Mr Barrie, the Auditor - General, started to unearth the facts referred to in this report

"I believe that instead of downgrading the department, it should have immediately been reconstituted and given extended and greater powers But in the field of information alone and not in the fields in which foreign affairs and Boss more properly should operate."

Mr Wiley said the Government and the public were still in the dark as to what will still come out of the Erasmus Commission and it was impractical for the opposition to demand a general election until all was revealed

"We must see how the Government reacts to further findings of the commission and if it fails in its duty to act correctly, then I will be the first to demand an election."



MR WILEY . . . Government panicked.

Mr Wiley also called on the Government to do a quick and thorough investigation of the Bureau for State Security

Basson: Vorster must have known

THE ASSEMBLY — In pledging to ensure clean administration the Prime Minister, Mr P W. Botha, had made the sharpest possible attack against the administration of his predecessor, Mr Vorster, the Progressive Federal Party spokesman on Information, Mr Japie Basson, said yesterday.

He said corruption was the ugliest thing that could happen to a country and it was in everyone's interest that it be rooted out.

"So far as possible the opposition wants to help the Government root out corruption. We are going to test the Prime Minister against the high norm he set of clean and pure administration

"We want to see rooted out not just criminal irregularities, but also irregularities in the wide political sense

"If there are still people in the administration who were involved in The Citizen, we expect them to be dismissed," Mr Basson said

He said the PFP was unhappy about the role of Mr Vorster "Mr Vorster must have known of and approved irregularities "

Mr Basson asked Mr Botha what he intended doing about Mr Vorster with regard to irregularities

The funding of The Citizen had been a direct assault on the freedom of the press

If it had not been for the role of the press, the Auditor-General, Mr Justice Mostert and Mr Retief van Rooyen, there would have been no Erasmus Commission



MR BASSON . . . root out corruption.

"We expect the Prime Minister, in the interests of clean administration, to show proof that he will uphold the indipendence of the press," Mr Basson said — SAPA.

DD 9/12/78 (259)

Government dumps Citizen — and cash

JOHANNESBURG — The Prime Minister announced in Parliament on Thursday that the Government had stopped financing The Citizen two weeks ago and was offering the owners of the paper the opportunity to run it "for their own profit or loss."

But The Citizen published an advertisement on Thursday giving a statutory 30-day notice in terms of the Insolvency Act that it intends disposing of assets to The Citizen (1978) Ltd — the new company registered by Perskor last week

Judging by Mr P. W. Botha's speech and the Pretorius Committee report, which has been tabled in Parliament, the Government appears to have washed its hands of The Citizen and its holding company, SA Today, without trying to recover the R32 million of taxpayers' money spent on it

Now it is apparently going to allow its former front men to sell the paper and its assets to Perskor

The Pretorius Committee said it had been instructed by the Cabinet to terminate all State support for the paper as quickly as possible. It therefore decided to.

Cease all further contributions to SA Today;

Recall a cash amount of R450 000 which served as guarantee for the printing costs of the newspaper,

Offer the owners of SA Today the opportunity to run the newspaper for its own profit or loss;

Make the owners responsible for payment of the R360 000 owed by SA Today to an overseas company

All the State got back on the R32 million spent on The Citizen was the R450 000 guarantee.

Business sources said they were aghast that the Government had allowed ownership of SA Today to pass at no cost to the Van Zyl Alberts, Hubert Jussen consortium and that assets which had been acquired with State funds were being allowed to be sold to another publishing group for the account of Government front men.

Mr Harry Schwarz, PFP spokesman for Finance, said it was clear from both the Mostert papers and the Erasmus Commission's findings that Mr Van Zyl Alberts had merely been acting as a nominee when he paid R1 each for SA Today's three shares in February this year and R1 for the net assets of the company.

That he appeared for no consideration to have become the legal owner of the assets at the Government's behest was inexplicable

The State got the guarantee money back, but there is no record of any consideration having been paid for the company's net assets which only nine months ago were valued at R835 000 by SA Today's auditors

The assets include a two-year-old printing press whose replacement value is believed to be more than R1 million, other sophisticated electronic printing equipment, furniture and motor cars

Referring to Thursday's published statutory notice by SA Today that it intended selling the newspaper to The Citizen (1978) Ltd, Mr Schwarz said: "A Government-supporting press group is being given The Citizen so the newspaper can continue its pro-government work.

"Why is this being allowed when there is only one morally correct action — bury The Citizen"

Mr Schwarz said the Government was allowing Perskor to be given The Citizen, which had built up a circulation of 65 000 with R32 million of taxpayers' money

By doing this, the Government was achieving Dr Mulder's objective in another manner

"It is cynical of the Government to ask Dr Mulder to resign and then continue his work." — DDC.

20.

be inferred that it also constitutes a serious

heretofore. It may further be
attempt to forestall the
ment in line with the pol
of-a-century. While any
rights of African workers
certain problems may be f
industries where collecti
it seems extremely doubtf
able to reflect the mood
adequately. In modern i
ments which emerge after
A worker elected to an in
working man earning a dai
distances between his hom
be a member of the works
he would be expected to c
committee thus represent
life would assuredly be h

The draft Bill makes no r
process data and formulat
executive nor administrat
inevitably places a quest
committees.

Industrial Council Meetin
The members of an industr
cipate in the negotiation
leading to an agreement.
councils must notify the
Committee timeously of an
the Board must designate
attend such meeting.

Agreements and Orders
Where no industrial counc
empowered, in collaborati
to enter into an agreemen
their African workers wit

Star 9/12/78 (259)

THE INFO DEBATE

Suzman hits at 'big black spider' Boss

Political Staff

CAPE TOWN — General Hendrik van den Bergh, the former head of the Bureau for State Security, was "a big black spider at the centre of a tangled web of deception," Mrs Helen Suzman (PFP, Houghton) said in the Assembly last night.

The role of the powerful general in the Information debacle and his subsequent criticism of the Erasmus Commission emerged as a dominant topic at the two-day special session of Parliament.

"General van den Bergh lurked in the wings like a dark and sinister shadow but the influence he wielded made him one of the key figures in the whole unsavoury drama that has been presented to us by the Erasmus Commission report," Mrs Suzman said.

"This man has manipulated his own Prime Minister, a man I have always considered a strong and formidable opponent. What has he done to lesser mortals such as the present Minister of Justice and his predecessors?" she asked.

Mrs Suzman said she now saw the former Prime Minister, Mr Vorster, in a different light.

"He's malleable and I did not know it. I should have devoted my attention to General van den Bergh instead," she said amid laughter.

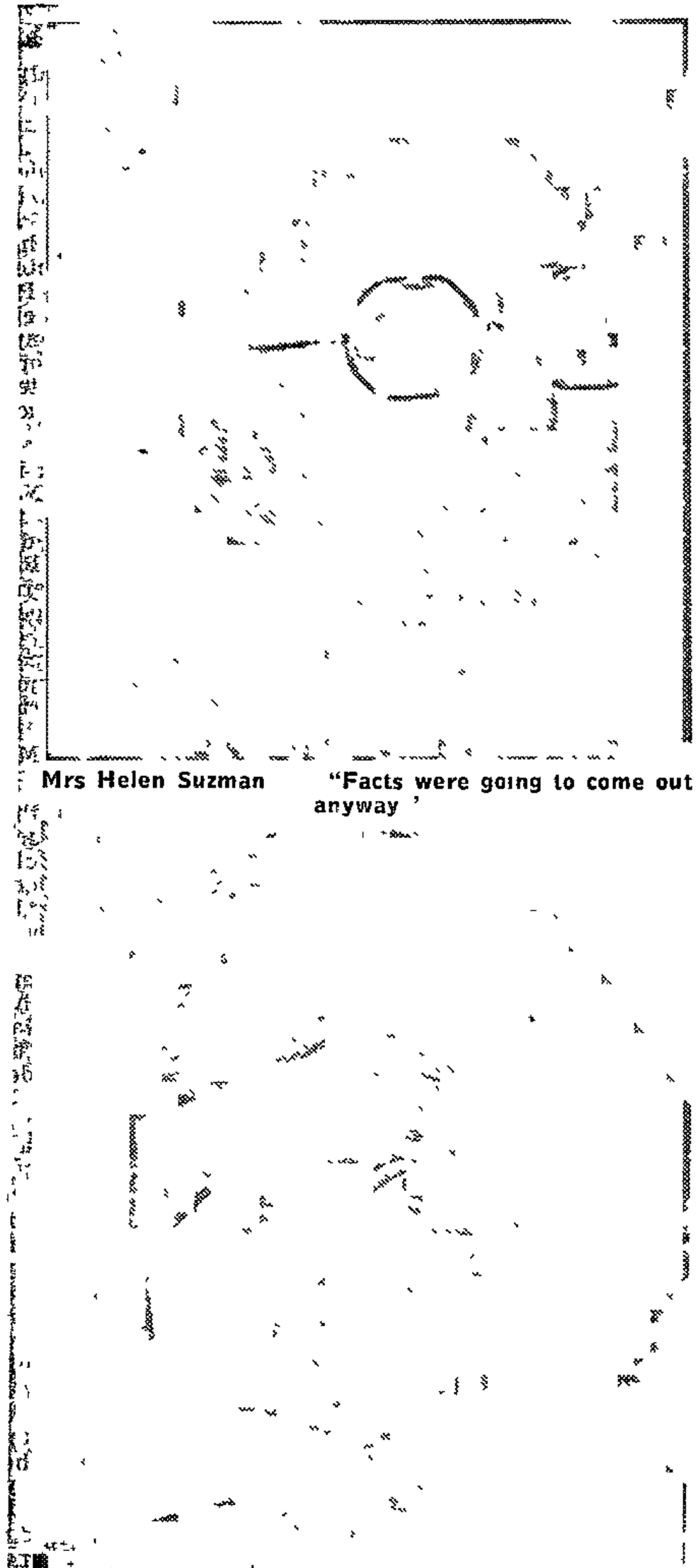
Mrs Suzman said that thousands of people had been detained, banned and ruined without the benefit of a hearing during the general's term of office as head of the security police and later head of BOSS.

"What should be investigated are the orders he gave to his puppets — successive Ministers of Justice — because those orders have resulted in thousands of lives being ruined," she said.

Mrs Suzman called for an inquiry into the entire operation of BOSS.

Mrs Suzman called on the Minister of Justice, Mr Kruger, to ask the Attorney-General to institute criminal proceedings against General van den Bergh for his role in putting pressure on Mr Lood Reynders of the Bureau for State Security to bring out a false report.

"This amounts to conspiracy to commit fraud or incitement to commit fraud — or to defeat the ends of justice — and these are criminal offences," she said.



Mrs Helen Suzman "Facts were going to come out anyway'

Dr Alex Boraine . . . Asked why Mulder was not in House

Mulder's absence criticised

25 Star 9/12/78

Political Staff

THE ASSEMBLY — Dr Connie Mulder's position before and after he resigned from the Cabinet was the subject of searching questions by Opposition speakers into the Government's attitude to the Information scandal.

The mysterious absence of the former Minister of Information from the debate on the Erasmus Commission's report in the Assembly was also questioned

Speaking in the debate last night, Mrs Helen Suzman (PFP, Houghton) asked the Prime Minister, Mr P W Botha, to explain why he had reappointed Dr Mulder to his Cabinet post after he had defeated Dr Mulder in the premiership election

Mrs Suzman said it was clear from an earlier speech by the Minister of Foreign Affairs, Mr Pik Botha, that the Prime Minister knew all about Dr Mulder's misdemeanours before the premiership election.

Despite this the Prime Minister had reappointed him to the Cabinet

The Foreign Minister had been informed by Mr R van Rooyen, an advocate, of Dr Mulder's involvement in irregularities, and he in turn had told the Minister of the Interior, Mr Alwyn Schlebusch, and the Minister of Health, Dr Schalk van der Merwe

They had then informed Mr P W Botha, who was then Minister of Defence.

All this had taken place shortly before the premiership election

"So they knew about Mr van Rooyen's strong case and he had told them he knew the English-language Press knew," Mrs Suzman said

It was her contention that the Government appointed the various committees and commissions to investigate the alleged irregularities because it knew the facts were going to come out inevitably

Mrs Suzman called on the Prime Minister to explain why he had reappointed Dr Mulder to the Cabinet when he was in full possession of the facts.

EXPLAIN

She suggested the Prime Minister had done this because he was not going to risk "splitting his caucus from top to bottom."

Earlier Dr A L Boraine (PFP, Pinelands) called on the Prime Minister to allow Dr Mulder to come into the Assembly to explain his role in the Information scandal, as he had already expressed a wish to do

Dr Boraine asked whether it was of his own free will that Dr Mulder was not participating in the debate, or whether he had been prevented from doing so

Were members of the Government afraid of what he might say?

Dr Boraine also challenged the Minister of Plural Relations, Dr P G J Koornhof, and the Minister of Justice, Mr J T Kruger, to state whether they were aware of the irregularities in which Dr Mulder was involved at the time they nominated and seconded him for the premiership

Referring to the absence of Dr Mulder, the Prime Minister said the Opposition wanted him to participate in the debate so that it could pull him apart, and to try to make a loughing-tock of him in public

Mr Botha said he was ashamed that a Cabinet colleague and fellow Afrikaner found himself in this humiliating situation. "But I will not allow him to be trampled on."

Attack on Mostert condemned

Political Staff

THE ASSEMBLY — The attack by the Minister of Finance, Senator Owen Horwood, on Mr Justice Mostert on television last month represented a humiliating attack on the judiciary as a whole, Mr Kowie Marais, former judge and now Progressive Federal Party MP, said in the Assembly last night.

Speaking during the special debate on the Erasmus Commission report, Mr Marais said Senator Horwood's remarks about the Judge amounted to a disgraceful personal attack against which he Mr Justice Mostert did not have a chance to defend himself.

"If you attack one judge then you belittle the dignity of the bench as a whole," Mr Marais said to a roar of outrage from the Government benches.

Mr Justice Erasmus, who has been sitting in the VIP gallery throughout the debate on his report, listened intently to Mr Marais's remarks.

Mr Marais warned that when the dignity of the judiciary was undermined then a country was heading for a catastrophe.

ANGRY

Senator Horwood interjected angrily during Mr Marais's criticism of his role in attacking Mr Justice Mostert, and at one point rose on a point of personal explanation to say that he had not knowingly appeared on television; but had made his remarks at a Press conference which had subsequently been televised.

At one point a Government member asked whether it would be wrong to criticise a judge who was charged with murder.

Mr Marais replied that such a comparison with what Mr Justice Mostert had done was an "absolute scandal".

Mr Marais said there was no precedent for the action which had been taken by the Prime Minister, Mr P W Botha, in terminating the Mostert Commission in the manner he had done.

Mr Botha owed it to the public of South Africa to give them a detailed account of how and why such action had been taken.

Interdict was not mine, says Horwood

Parliamentary Staff

SENATE — The Minister of Finance, Sen Owen Horwood denied in the Senate yesterday that he initiated the urgent application for an interdict against Mr Justice Anton Mostert following his public disclosures of evidence confirming corruption in the defunct Information Department.

He said the first he knew of the application was when he was told by the Minister of Justice in Pretoria.

Sen Horwood said it had been learnt from a source "that we couldn't disregard" that Judge Mostert was contemplating holding a Press conference and releasing further evidence following the termination of his commission into exchange control violations.

The Government then decided to apply for an interdict.

PHONE CALL

"It was done without my knowledge," Senator Horwood said.

He then telephoned Judge Mostert who told him that he did not intend issuing further evidence.

He believed that an application for an interdict was withdrawn.

The judge had subsequently telephoned him to express the fear that an interdict was being sought against him and that he was about to be arrested.

"I assured him that he need have no fear on either count and that he could sleep peacefully."

Star 259 9/12/78

Star
9/12/78

289

Talks end at 'milking time'

Political Staff

CAPE TOWN — Shortly before the special parliamentary debate on the Erasmus Commission report ended in the Assembly this morning a weary Minister of Agriculture, Mr Hendrik Schoeman, exclaimed: "It's milking time." It was 3.10 am.

As the party Whips were counting heads for the division on the motion, the Minister of Foreign Affairs, Mr R F (Pik) Botha, launched a blue paper aeroplane from his bench in the second row.

The projectile sailed through the air for a short distance and nose-dived into the green carpet in the aisle of the Assembly.

Mr Andrew Pyper (NRP, Durban Central): That's Louis Luyt's jet.

Star
9/12/78

259

PW proud to be a Broeder

Parliamentary Staff

ASSEMBLY — The Prime Minister, Mr P W Botha, told the Assembly yesterday that he was a member of the Broederbond and was proud of it.

He referred briefly to his membership of the secret society when he replied to the debate on the Erasmus Commission's report in the early hours of this morning

Mr Botha said he was proud to be a Broederbond member because others who had been members had included such men as the Rev Kestell, the late Dr D F Malan and the Afrikaans poet Totius

Asked by an Opposition interjector whether General Hendrik van den Bergh was also a Broaderbonder, Mr Botha said, "Most likely General van den Bergh is one"

The Prime Minister said no member of the Government benches would ever attack an English or Jewish organisation.

Referring later to Mr Harry Schwarz (PFP, Yeoville), Mr Botha said "I trust him because I share many secrets with him which I am not prepared to share with all the members of his party I take him into my confidence as I do the leader of the NRP"

Star
9/12/78

259

Smit murders issue started a row

Political Staff

THE ASSEMBLY — The murders of Dr Robert Smit, former National Party candidate in Springs, and his wife, were raised by several MPs during the closing stages of the special parliamentary debate on the Erasmus Commission report.

Opposition speakers said that the Government should give the country the assurance that there was no link between the murders and the disclosures surrounding the defunct Department of Information.

Dr Alex Boraine (PFP, Pinelands) faced a barrage of interjections and cries of "How low can you sink" when he spoke of a possible link between the murders of Dr Smit and his wife and the Information scandal.

He said people all over were asking questions and the Government should give the people an assurance on the matter.

Mr N B Wood (NRP, Berea) said the rumours surrounding the Smit murders were highly damaging to the morale of South Africa and to the country's image abroad.

"Not one Government speaker has stood up and said he wanted a thorough investigation into the whole matter," Mr Wood said.

Earlier in the debate, Mr R B Durrant said it was "despicable" for Dr Boraine to suggest that there was a link between the murders and the Information scandal.

"Can you assure us that there is no link," Opposition members interjected.

Tre Prime Minister attacked the Opposition for dragging into the debate the murder of Dr Smit.

It was scandalous for the Opposition to make an issue of a so-called cover-up, and in the process disrupt the country.

'Transition of power'

HOUSE OF ASSEMBLY — The power of Parliament was gradually being taken away and placed in the hands of the Executive, Mr Derek de Villiers (PFP, Constantia), said yesterday.

Parliament had very few powers left at all and the transition of power to the hands of the Executive, a trend which was prevalent in other parliamentry systems as well, meant an abdication of power to the Civil Service. — Sapa.

259 Star 9/12/78

Dalling: Why let Rhoodie go?

Parliamentary Staff

CAPE TOWN — The Government has been urged to explain what steps were being taken "at this moment" to bring Dr Eschel Rhoodie back to South Africa to face the consequences of his actions

Speaking in the Assembly debate on the Erasmus report last night, Mr Dave Dalling (PFP, Sandton) suggested that Dr Rhoodie might have been allowed to go to "one of those havens such as Paraguay of which we have heard".

Dr Rhoodie had been allowed to go overseas after giving evidence to the Erasmus Commission

"Only when he was safely out of the country was his passport withdrawn," Mr Dalling said

He also asked whether another witness, Mr David Abrahamson, who, he said, was reported to have flown to London in the last few days, would come back to South Africa

Mr Dalling said many unanswered questions remained concerning a R16-million loan which Dr Rhoodie had negotiated overseas. Very little about this matter was mentioned in the Erasmus Commission's report

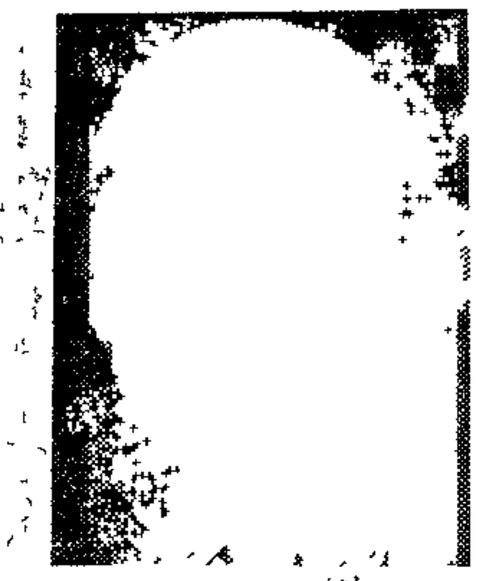
The questions included

- Who else signed for the loan? Was it a genuine loan, or just South African funds re-channelled to South Africa?
- Why was Dr Rhoodie allowed to leave South Africa?

Mr Dalling said a prima facie case had been made out against Dr Rhoodie for committing misdemeanours and irregularities

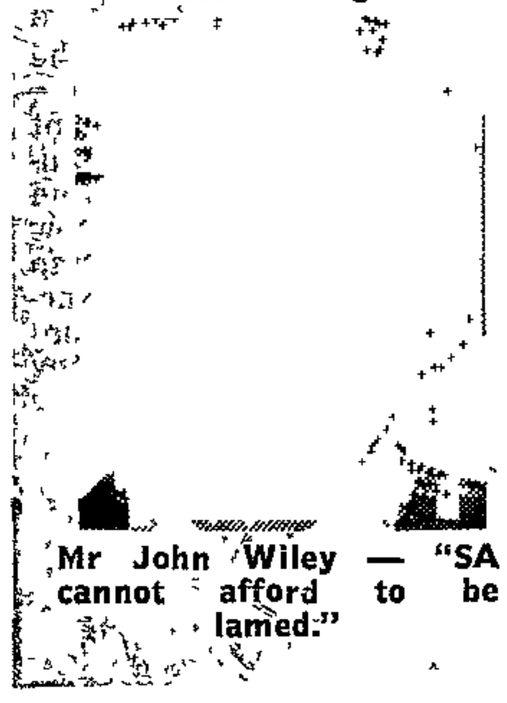
Mr John Malcomess (NRP, East London North) said unanswered questions remained about the former Information Department's secret projects

Only one of the projects — that of The Citizen newspaper — had cost the taxpayer R31-million and there were another 56 such projects.



Mr Dave Dalling .. "many questions."

Govt panicked, says Wiley



Mr John Wiley — "SA cannot afford to be lamed."

CAPE TOWN — The defunct Department of Information should not have been disbanded but should have been reconstituted and its powers extended, the leader of the South African Party, Mr John Wiley (Simonstown) told the Assembly yesterday

"South Africa cannot afford to be lamed and paralysed by what has happened, as America was in the case of Watergate

"The Government must get on with the job of governing and this includes the rebuilding of an effective information service It is vital to our Republic

"The Department of Information should not have been downgraded in status The Government showed signs of panic when Mr Barrie, the Auditor General, started to unearth the facts referred to in this report

"I believe that instead of downgrading the department, it should have immediately been reconstituted and given extended and greater powers

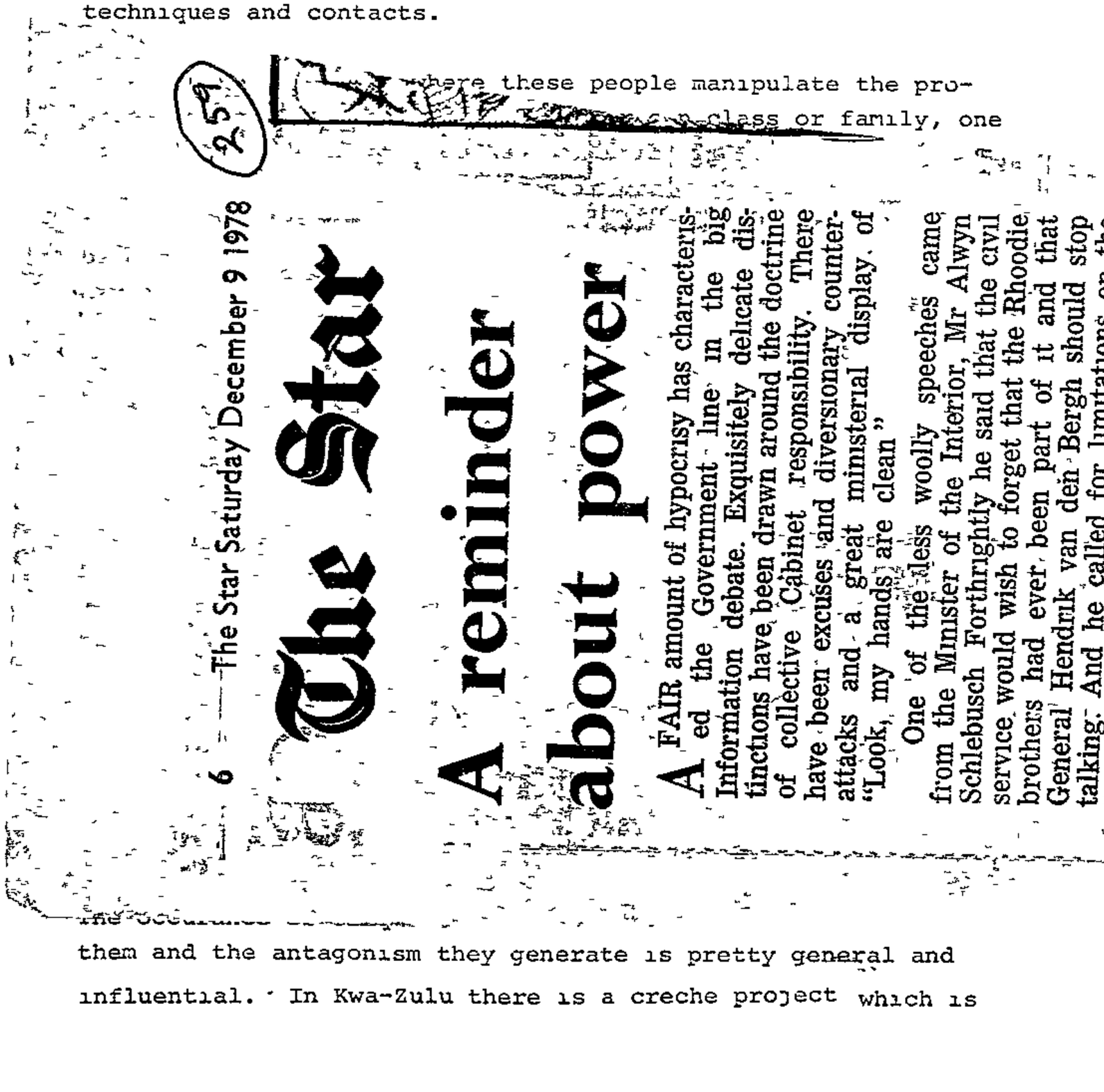
But in the field of information alone and not in the fields in which foreign affairs and BOSS more properly should operate.

Mr Wiley called on the Government to do a quick and thorough investigation of the Bureau of State Security

The Erasmus Commission would be best qualified to do this task — Sapa

a very important, usually very destructive, role

As with all organisations, committees and groups, th power struggles are based on personality clashes and peoples emotional desire for power, jealousy, etc. In the reserves these conflicts are set within the context of the various patron - client relationships operating. There are certain local patron figures involved with most, if not all, the community projects I came across. They play a central role in securing support and assistance from groups outside the area, be these government, charity or whatever. As liason people they also bring in new ideas techniques and contacts.



[illegible] where these people manipulate the pro- [illegible] class or family, one

them and the antagonism they generate is pretty general and influential. In Kwa-Zulu there is a creche project which is

being assisted by a local development agency. An old lady had been looking after large numbers of children for years, and the project was to turn the set-up into a formal creche with a special building and later other staff. When the old lady's son heard of the plans for the creche, he advised his mother not to get involved because a project in an area always means power struggles and group conflicts and she would be drawn into these. However, he later did support the creche project and it did later lead to tensions and conflict in the area, which are now partly resolved due to a committee having been elected.

It happens fairly often that someone who gets prestige as "a person who works for the community" feels threatened by anyone else involved in community projects. Generally these powerful figures have control of the sources of resources and so they can and do sabotage the "competing" project completely.

[illegible] office they can make sure [illegible] assistance is forthcoming [illegible] sure that new project [illegible] to sell whatever they pro- [illegible] illegal, etc.)

[illegible]le issue is that it [illegible]ponse and involvement from [illegible]re involved in projects [illegible] not foster any attempts [illegible] and be responsible for [illegible]ation that has arisen at [illegible]wants to remain in control [illegible] dampens all initiative from [illegible]ll self-confidence and [illegible] subservient role. Thus the [illegible] it cannot really work.

[illegible]ADING TO A CHANGE IN

[illegible]ve mentioned but not isolated

the importance of the educative aspects of being involved in

259 Star 9/12/78

Rhoodie in UK — on way to Chile?

The Minister of the Interior, Mr Alwyn Schlebusch, today confirmed that Dr Eschel Rhoodie, former secretary of the defunct Department of Information, has been traced by South African authorities in London.

Reports from London said Dr Rhoodie was planning to go to Chile and was seeking legal advice in the British capital.

But Mr Schlebusch said today he had no further information at this stage.

The Erasmus Commission recommended that irregularities committed by Dr Rhoodie be referred to the Attorney General with a view to possible criminal prosecution.

Dr Rhoodie's passport as well as that of his brother Dr Deneys Rhoodie, the former deputy secretary of the department, were declared invalid last Friday.

Dr Eschel Rhoodie is required to surrender his passport to the South African authorities although reports from London suggested he was seeking legal advice and that a Pretoria lawyer had gone there.

Reporters failed to draw any response from the Rhoodie's Menlo Park home in Pretoria today.

Telephone calls drew no reply and when a reporter visited the home he found the iron gates in the 2 metre wall locked.

A young woman opened a window on the second storey of the house and said Mrs Rita Rhoodie was not at home. She refused to allow the reporter to enter the grounds and said she had nothing further to say.

A large and amiable dog then bounded up to the gate and stuck his head through the bars to have his ears scratched.

Mr P W Botha . . . would resign on question of principal but not on methods.

PW: Why I didn't quit

Star 9/12/78 (259)

Political Staff

The Assembly

The Prime Minister, Mr P W Botha, said early today in the closing stages of the special parliamentary sitting that he had not been prepared to break with the former Prime Minister, Mr Vorster. over the method of budgeting secret funds which were channelled to the defunct Department of Information.

Citizen 'raised moral problems'

Mr Marius Jooste, chairman of Perskor, said today that his group's takeover of The Citizen, which had been built up at a cost of more than R30-million to taxpayers, raised certain moral problems.

Perskor has bought the newspaper for R2,3-million.

Perskor and Volkskas are to underwrite the new company, "Citizen 1978," to the extent of R5-million. Perskor is taking shares worth R3-million and the remaining R2-million will be made available to the public through the Volkskas Acceptance Bank.

In an interview today Mr Jooste was asked if he thought this deal raised moral problems because The Citizen had been established at the expense of taxpayers.

He said this issue had bothered him.

"I gave it a lot of thought," he said.

WORTHWHILE

He had eventually concluded that the deal was worthwhile.

Mr Jooste said efforts would be made to appoint to the board of directors of the newspaper, people of differing viewpoints.

The chairman of the Argus Group, Mr L E A Slater, today described the Perskor takeover as "unbelievable."

He called for a much fuller disclosure of how the R2,3-million purchase price was made up.

Mr Jooste has said that this was the difference between the credit balance of R400,000 between debtors and creditors and assets plus the cancellation of the unexpired printing and circulation contract with Perskor.

Mr Slater deplored the fact that the newspaper had not been put out to tender.

He wondered how such a deal could be made with known supporters of the National Party. It was particularly remarkable because Dr Connie Mulder, former Minister of Information, was still on the Perskor Board.

Replying in the special debate on the Erasmus Commission report, Mr Botha said he would be prepared to resign on a question of principle but not on methods.

The sitting ended at 3.15 am.

Mr Botha devoted most of his time to personal attacks on Opposition speakers and was called to order by the Speaker, Mr J J Loots, to withdraw a remark he made about Mrs Helen Suzman (PFP, Houghton).

No rumours

Mr Botha said he had repeatedly objected to the method of budgeting secret funds involving defence money and he read from correspondence which he said he had submitted to the Erasmus Commission.

He told members of the Opposition that they had until May 30 next year to bring evidence before the Erasmus Commission in support of allegations of corruption.

Mr Botha warned that after that date rumour-mongering would be ended by legislation.

PM's health

Defending his decision not to resign from the Cabinet over the budgeting of secret funds Mr Botha said that when one had differences it was better to stay on and change things than to resign.

"My leader took a decision against me and I accepted it," Mr Botha said.

The former Prime Minister had never, to the best of his (Mr Botha's) knowledge, accepted there were malpractices until a warning was given by the Auditor-General.

Mr Botha disclosed that Mr Vorster had on two occasions told the Cabinet that he wished to resign for health reasons.

"I asked him to stay because he was needed," he said.

Mr Botha said he was disgusted by the actions of those who tried to represent the former Prime Minister as a villain.

The Prime Minister's motion was adopted and the Opposition parties' amendments defeated.

● **Other parliamentary reports — Page 5**

Economists do not accept that the market process is a dynamic and living phenomenon. Perhaps the subjective cost of such acceptance is too great. Is it not a value judgement, based only on objectively-measured outlays to maintain that they should accept the Austrian analysis ?

It may be too costly to give up the purity of the traditional Models for the grubbiness of the real world which serves as the Totem of the Subj-Econs.



Dalling: 'Who let Rhoodie (259) leave?'

HOUSE OF ASSEMBLY — Mr Dave Dalling (PFP, Sandton), last night demanded to know why the former Secretary for Information, Dr Eschel Rhoodie, had been allowed to leave South Africa.

Speaking in the Assembly, Mr Dalling said it was strange that Dr Rhoodie's passport had been called in when he was outside the country.

Mr Dalling also asked whether Dr Rhoodie's South African passport was the only one he possessed and whether he had been given permission to hold any other passports.

"Long before the Erasmus report, in fact over the past months and certainly since the release of the Mostert evidence, there has been a *prima facie* case of misdemeanour and of irregularities which should have been discerned by the authorities.

"Virtually the whole country held this view, and yet evidence to November 19, even after he had given evidence to the Erasmus Commission, and was known to be implicated in his affairs — allowed to freely wander around — perhaps to fix up his affairs — and then once again leave the country, perhaps for Switzerland or one of those financial havens.

"Only when he was out of the country were steps taken to call in his passport. Is this not further negligence in the extreme?

"What steps are being made to bring him back to face the consequences of his actions?" he asked.

Mr Dalling also asked whether or not Mr David Abrahamson (head of Hortors) still possessed a passport as he already seemed to be out of the country.

"If they don't come back, whose fault is it that they were allowed to leave?" he asked.

References:

Buchanan, J.M.
1969 Cost and Choice, Chicago.

Crain, M. et al.
1977 'Rational Choice and the Taxation of Sin'. Jnl of Public Economics.

Hayek, F.A. von
1948 'Economics and Knowledge'. in Hayek, Individualism and Economic Order. University of Chicago Press.

1968 'The Austrian School'. in International Encyclopaedia of the Social Sciences, Vol. 4. New York.

1971 Editor: Toward Liberty: Essays in Honour of Ludwig von Mises. Institute for Humane Studies, Menlo Park, California. Esp:

Hayek, F.A. von 'Principles or Expediency'. Vol. 1

Lachman, L.M. 'Ludwig von Mises and The Market Process'. Vol. 1

Lachman, L.M.
1977 Editor: Capital, Expectations and The Market Process. Institute for Humane Studies, Menlo Park, California. Esp:

Grinder, W.E. 'In Pursuit Of The Subjective Paradigm'.

Lachman, L.M. 'Austrian economics in the Present Crisis of Economic Thought'.
'The Significance of the Austrian School of Economics in the History of Ideas'.

Mises, L. von
1963 Human Action. Yale University Press, New Haven.

Streissler, E.
1969 Roads to Freedom: Essays in Honour of F.A. von Hayek. (ed) London. Esp:

Buchanan, J.M. 'Is Economics the Science of Choice ?'.

Lachman, L.M. 'Methodological Individualism and the Austrian School'.

Machlup, F. 'Liberalism and the Choice of Freedom'.

Thirlby, G.F.
1946 'The Ruler'. SAJE, December.

Cape Times 9/12/78 (259)

Entire Govt not to blame for a few says Horwood



Senator Horwood

THE SENATE. — Despite what had happened in and around the former Department of Information, the important thing that mattered was that the system of government in South Africa remained unscathed, the Minister of Finance, Senator Owen Horwood said in the Senate yesterday.

In his capacity as Leader of the Senate, Senator Horwood proposed a motion that the report of the Erasmus Commission be approved. The contents of the motion were similar to the one moved by the Prime Minister, Mr P W Botha, in the Assembly on Thursday.

Senator Horwood said that if the people who were now figuratively speaking in the dock had carried out treasury regulations and instructions, Parliament would not have been called upon to have this special session. What had happened here related to only a small handful of officials. It was deplorable and regrettable. But because of their actions, the entire government and its administration could not be condemned.

Interdict against Mostert

The government now was trying to ensure that if there were people who had misappropriated funds, they would face the consequences. The government would also prevent a recurrence of such occurrences.

Senator Horwood said insofar as his personal involvement was concerned, he wished to correct an impression that had been created about an application sought in the Supreme Court for an interdict to prevent Mr Justice Anton Mostert from making further evidence public after the Mostert Commission had been dissolved.

Such an application had been made, but it was not made by him. It was merely done in his name as the responsible minister under whom the Mostert Commission was appointed. The application had, however, been withdrawn after Mr Justice Mostert had indicated that he had no intention of publishing further evidence.

Senator Horwood said he raised this matter, as quite a number of incorrect reports had appeared in certain newspapers at the time. — Sapa

Cape Times 9/12/78

Hortors disclaim 'Front' allegation

Own Correspondent

JOHANNESBURG — The executive directors of Hortors, Mr David Abramson and Mr Stuart Pegg, yesterday assured the staff of the group throughout South Africa that Hortors was not a front organisation for the Department of Information

Mr Pegg and Mr Abramson said they would be issuing a statement to the press outlining the full position once it had been cleared by legal advisers In their assurance, Mr Abramson and Mr Pegg said

"Statements were made in Parliament yesterday and the media today (Friday) to the effect that Hortors is a front organisatinon for the Department of Information

"We would like to assure you that this is not true

"The Department of Information does not own any shares in Hortors or the company controlling Hortors, nor has it ever owned any such shares

"All the shares in Hortors are under the control of ourselves, and no other party is involved We intend that it should stay that way"

In the report of the Pretorius Commission a brief reference was made to Hortors and Morgan-Grampian as projects of the defunct department

Although Mr Abramson testified before the Erasmus Commission, no reference to the nature of his evidence was made

The report did however refer to a R200 000 loan from the former department's secret funds to the Homerus Finance Corporation, of which Mr Abramson and Mr John Heinrich are the directors

Mr Justice Rudolph Erasmus confirmed to the Cape Times that Homerus was a front organisation for the defunct Department of Information

Bizarre career of Hortors aircraft

Cape Times 9/12/78 259

Own Correspondent

JOHANNESBURG — Dr Eschel Rhoodie, the former Secretary of Information, used the R1,4 million Hortors Jetstar executive aircraft several times on undisclosed missions into several African and European capitals

There were several bizarre twists to Dr Rhoodie's association with the American-registered aircraft, N7782, which was based at Lanseria and controlled by Mr Stuart Pegg, a Hortors director

In April this year, during a stopover in Paris on one of Mr Pegg's overseas business trips, Dr Rhoodie appeared on the scene and asked to be taken to Zurich, via Nice The aircraft took him first to Nice, where he disappeared for two hours, and later flew on to Zurich, where he left the aircraft and disappeared into the Swiss capital

Immediately after the Jetsar was purchased in mid-January from an aircraft brokerage firm — Universal Jet, which has its offices in the Watergate building in Washington — it flew to Europe, where Dr Rhoodie boarded in Zurich. With him was another Johannesburg man, Mr Bernard A Lejeune, said to be a public relations counsellor

Together with Mr and Mrs Pegg, they set off on a trip to Las Palmas, Abijan, Libreville, and Ndola in Zambia

In Abijan, Ivory Coast Government officials feted the Jetstar party and made every facility, including the military area, available to the crew They also drank champagne with the government officials in the airport's VIP lounge and spent the night in Abijan's luxury Ivory Hotel

Feared arrest

The following day the passengers, who had been sleeping, awoke to discover that the American flight crew were bringing the aircraft into Ndola in Zambia to refuel

The passengers feared they would be arrested if it was discovered that Dr Rhoodie was on board and that the aircraft was heading for South Africa But Zambian officials merely searched Mr Pegg's briefcase and checked the passports of all on board

When they took off, the pilot told the control tower they were headed for Kinshasa Instead, they flew to Zambia's border with Zaire and then gained as much altitude as they could before turning around and heading for home by overflying Rhodesian airspace

All the while they were terrified that the Zambians would send up jet fighters to intercept them

After this, Dr Rhoodie was on board the Jetstar on at least one other occasion during flights from Europe to South Africa

The 10-seater aircraft was purchased from the Delaware Corporation in America and taken to Oklahoma City where it underwent a luxury refit which reduced its capacity to six passengers

Two pilots were training on the aircraft and answering to the aircraft broker, Mr Wayne Donnelly, who handled the transaction

Shortly before the Jetstar Four was due to fly its new owner across the Atlantic to South Africa, the flight crew were replaced The pilot was paid $10 000 for his two months' work in training and converting to the jet aircraft The co-pilot decided to leave as well

Another pilot was employed and they then flew to Zurich, via Washington There, Rhoodie first boarded the aircraft

In the next few months the Jetstar gave several demonstration flights over Johannesburg and among those on board was Mr David Abramson, Hortors chairman

In February it flew to Japan, via the Seychelles On board were the Peggs, Springbok motor rally driver Jan Hettema, a Johannesburg pilot Alan Lurie and Wayne Donnelly, who left the party in Tokyo

They spent three days viewing the latest rally cars

On March 9 the aircraft was again ordered to fly to the Ivory Coast and in addition to the Peggs new passengers included Mr Christopher Dolley, former senior executive of Penguin Books and currently overseer of the Hortors magazine operations in France, and Mr Pegg's African driver, "Daniel", who has made several overseas trips in the aircraft Also on board was Bernard Lejeune

While in Abijan, Mr Pegg toured the country in a leased light aircraft and he was invited to the President's residence When the aircraft took off for Paris it had three new passengers — the wives of top government officials

On March 23 it flew the Abramson family to Swaziland, collecting them four days later

Grand Prix

Mr Pegg, a rally driver, used the aircraft several times to fly friends to events in Europe and Southern Africa This year he flew a party from Britain to the Monaco Grand Prix

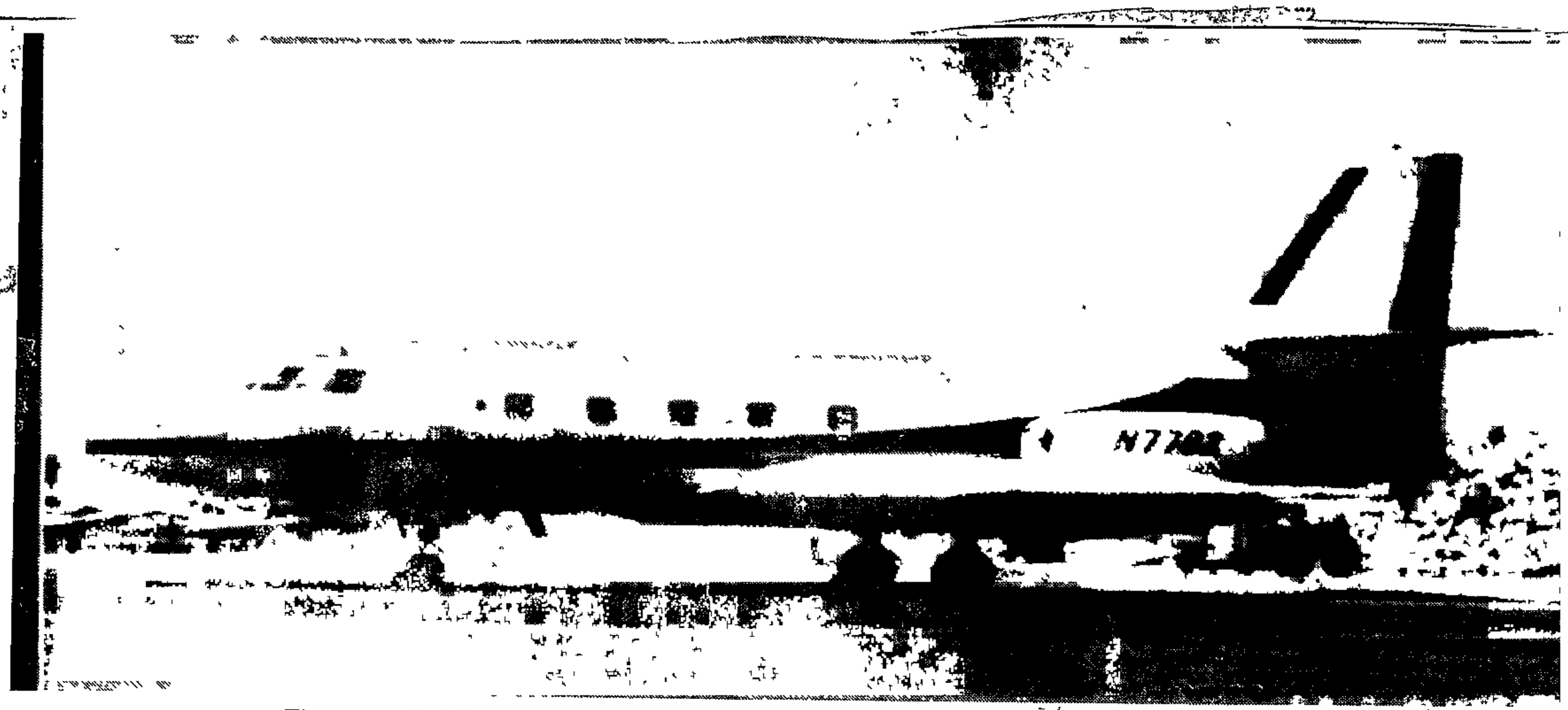
On one of his trips to Swaziland Mr John Nash, father of former Springbok athlete Paul Nash, was a passenger

Another frequent passenger was Stuart Pegg's father, Mr Peter Pegg On April 19 Mr Pat Hewartson became the chief pilot, and Mr John Polk, a Briton, served as co-pilot They replaced the American pilots

Since Mr Hewartson took over as chief pilot the aircraft has flown the west coast route to Europe, via either Windhoek or Grootfontein A least once the aircraft was fuelled from the SAAF dump at Grootfontein — a few days before Defence Force units raided Swapo bases in Angola

SAAF servicing crews at the bases did not at first want to supply the fuel, saying it was required for an important exercise, but Mr Hewartson argued that he had permission from a top SAAF official in Pretoria to take up fuel and it was supplied

Civilian aircraft can under certain circumstances be fueled at Air Force bases, a Civil Aviation official in Pretoria said his week



This is N7782 — Hortor's US-registered Lockheed Jetstar executive plane

Knysna last night that he was "astonished" at the implications The bona fides of all parties to the takeover negotiations were considered to be above question and he could not imagine how anybody on the Hortors side could have known otherwise

Hortors managing director, Mr Maurice Parrington, last night told the Cape Times from Johannesburg through his wife that he was not prepared to speak to the press

The group has just launched a new magazine for blacks, Pace, at a cost of R1,25 million The editorial manager, Mr Jack Shepherd-Smith, said in a telephone interview last night "I'm bitterly upset that circumstances have arisen to interfere with what would have been a very good magazine If we start getting a bad name, it will be very difficult to reverse," he said, conceding that readers would be quick to react to a government connection

None of the staff would have agreed to work for the magazine if it was backed by government money

Several concerned employees of the multi million rand group which comprises two companies listed on the Johannesburg Stock Exchange yesterday expressed concern over the situation

The Citizen

Attempts by the press to connect Hortors in some way with the financing of The Citizen have proved abortive as we knew they must, says group MD Maurice Parrington The only connection we have ever had was that several months ago we were approached by The Citizen asking if we would take over their typesetting We offered through Hortors Graphics to go into it but nothing came of it We were subsequently asked if we would also consider printing The Citizen but rejected that suggestion without even discussing it The sensational and irresponsible ways certain sections of the press have attempted to implicate our chairman David Abramson have been most distressing particularly so as at the time he was at home ill in bed He has offered to appear if requested before the Erasmus Commission and tell them all he knows Until the findings of the commission are made known it is to be hoped the press will now leave it at that

A report in "Hortors News"

Hortors men astonished

By Gordon Kling

DIRECTORS of the Hortors printing and publishing group were yesterday astonished that it was termed a "project" of the former Department of Information The connection has jeopardized at least one Hortor venture in which more than R1 million has been invested

Hortors was taken over in May, 1977 by a consortium of Mr David Abramson, the company's new chairman, and head of the Information "front" company, Homerus, and Mr Stuart Pegg now a Hortors director It was achieved by buying the shares of the then chairman and current South African Associated Newspaper chairman Mr Ian McPherson, and those of nominees

Reacting to a query on a section of the Prefonus Commission saying "supposed irregularities discovered in the investigation of the projects Morgan Grampian and Hortors have been brought to the attention of the Erasmus Commission and the Van der Walt Commission," Mr McPherson, said the deal was conducted under normal circumstances

A Hortors director, Mr W

INSIDE

THE INFO SCANDAL

TO MOVE OVERSEAS

Who's next for a grilling?

PAGE 4

HUSBANDS SPEAK OUT

Rhoodie's silent women

Page 5

PROPERTY EVERWHERE

The jet set real estate man

PAGE 6

NET CLOSES ON ELUSIVE DR RHOODIE

Sun, Tribune
10/12/78

259

Sun Tribune
10/12/78
259

TRIBUNE REPORTERS

THE ELUSIVE Dr Eschel Rhoodie was traced to London last night and South African Government offices were closed to all visitors amid reports that the former secretary of the now defunct Information Department had arrived to surrender his passport.

The Home Office in Whitehall said they were mystified by reports that he had arrived at a British airport within the last hours.

Rhoodie refused to speak when asked to comment on reports that her husband might be intending to go to Chile rather than return to face a police inquiry. Nor would she say whether she plans to join her husband in London.

When asked about his brother's future plans, Dr Denys Rhoodie, former deputy secretary of the department, would only say, "I have nothing to discuss with you."

Dr Rhoodie and his brother were found to have committed serious irregularities in the running of the department by the Erasmus Commission whose findings are now being studied by the Attorney-General for investigation with a view to possible criminal proceedings.

Dr Eschel Rhoodie's passport was withdrawn nine days ago, so was that of his brother.

He was expected to hand in his passport and was variously reported to be in Europe and the United States.

But the Minister of the Interior, Mr Alwyn Schlebusch, cleared up the mystery partially yesterday when he confirmed that Dr Rhoodie had been traced to London by South African officials in Britain.

Reports today suggested Dr Rhoodie was seeking legal advice and that Pretoria attorney Mervyn Gross, of the firm of Schwartz, Goldblatt, Bloch and Gross, had flown out for an interview with Dr Rhoodie.

Mr Schlebusch said Home Office officials would have details on Dr Rhoodie's whereabouts, but in spite of specific inquiries they were unable to establish whether he had come into the country.

Rory Lynsky reports from London that South African Embassy and consular officials categorically denied yesterday that he had yet been in touch with them.

They said that in an emergency they would open their offices to accommodate South African nationals who wanted to do business.

Extensive checks with leading London hotels — known haunts of Dr Rhoodie and Information Department colleagues — failed to locate him.

● See also Pages 4, 5, 6

Pressure

The leader of the Opposition, Mr Colin Eglin, said now that Dr Rhoodie had been traced it was up to the various law enforcement agencies in the Government to decide what to do.

Meanwhile, another focal figure in the Information scandal, Dr Connie Mulder, was yesterday helping his wife to pack up their belongings at his official residence in Cape Town, Klein Schuur.

He was expected back in Pretoria today.

National Party sources say he plans to cling to what remains of his political career.

Tos Wentzel reports that in spite of strong pressure from some of his parliamentary colleagues, Dr Mulder is apparently determined not to resign as MP for Randfontein — at least not right away.

This is in spite of the fact that he appears to be totally discredited after this week's special session of Parliament on the Information debacle.

A delegation of the National Party in his constituency spoke to him in Cape Town on his possible retirement from politics. They also spoke to the new Transvaal Nat leader, Dr A. P. Treurnicht.

Dr Mulder did not attend the special session but watched part of the proceedings on a closed circuit television set in Parliament Buildings.

A private secretary at Dr Mulder's house said Dr Mulder was "not speaking to anybody."

The feeling in most Nat circles is that he should resign as an MP but it seems unlikely that he will do so at present.

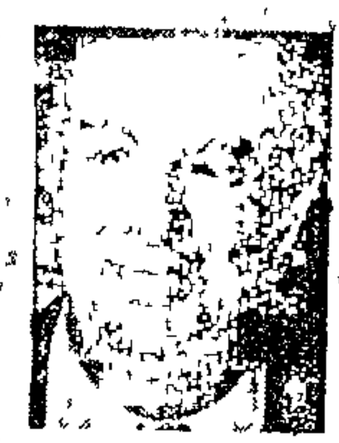
It is becoming clear that Dr Mulder cannot stay in politics indefinitely. He will eventually probably resign before the next session of Parliament starts in February.

● Report back meetings on this week's emergency session of Parliament will be held in Natal tomorrow. The first will be the PFP meeting in the Durban City Hall at lunchtime, at which the national chairman, Mr Ray Swart and Mr Rupert Lorimer will speak. At 8pm the NRP will hold meetings in Newcastle, Durban North, Berea and Mtubatuba.

YOUR XMAS GIFT TO NATS

Sunday Exp
10/12/78
259

PERSKOR



Mr Marius Jooste

Perskor no-cash deal starts rumpus

By KITT KATZIN and JOHN MATISONN

FROM the taxpayers of South Africa to the Nationalist Press giant Perskor: a Christmas gift of one Government-supporting newspaper that has cost the public R32-million.

This is the effect of the shock deal announced this weekend in which the Perskor group, which already has major Government printing contracts and which publishes most of the pro-Nationalist newspapers in the Transvaal, was allowed to take over The Citizen — apparently without paying one cent in cash.

The chairman of Perskor, Mr Marius Jooste, was reported yesterday afternoon to have admitted that the move posed "moral problems". But top opposition spokesmen were much more outspoken and condemned it outright as "reprehensible" and "disgusting".

Mr Harry Schwarz, PFP spokesman on finance, promised.

"We won't let the matter rest ... e will come back in the ne... sion and ... for retrospective legislation to stop it."

Mr Schwarz said the sale of The Citizen on this basis was at least "as reprehensible as the actions of the defunct department before that".

The row over the disposal of the newspaper was just one of several dramatic moves in the closing hours and in the wake of the extraordinary Parliamentary session on the Information scandal at the end of this week.

Other developments were:

● Dr Eschel Rhoodie, former Secretary for Information whose passport was withdrawn after the Erasmus report was completed last weekend, was traced to London — and a plan by him to go to Chile was apparently foiled (See Page 4).

● Mr P W Botha warned of new legislation next year — and Parliamentarians said he was threatening to muzzle the Press on such issues as the Information scandal and the Broerderbond (See Page 4);

● The Prime Minister failed to reply to several questions posed in the special session of Parliament — including one from his own Minister of the Interior, Mr Alwyn Schlebusch, who had appealed to him to curb the power of the Bureau for National Security (formerly Boss).

Ironically, the Perskor deal now once again places The Citizen within the sphere of influence of the discredited Dr Connie Mulder, the man who initially launched the paper with secret public funds and then repeatedly lied to Parliament about it.

Dr Mulder, former Minister of Information and leader of the National Party in the

● To Page 4

12. Total employment in all mines

12.1 Total employment seems to fall easily into 2 major phases - which is not so surprising given that gold mining employment does so too, and that over our period it has constituted between 60 and 80 per cent of the total.

12.1.1 Between 1946 and 1961 there is a long expansion of mining sector employment (with dips in 1947-48 and 1953). About 140 000 jobs were added to the (roughly) 500 000 in existence in mining. This represents 15 years of employment expansion at an average compound rate of 2 per cent per annum.



creation

increasing

ics at their

etween

cond half

t was

s we have

y-side

months'

of an

year,[29] then

ll quite

ecords

s

pulse

put and

ore

Xmas gift to the Nats

● From Page 1

Transvaal, is on the board of Dagbreek Trust, the governing body of Perskor

One of the remarkable aspects of the Perskor deal is that without paying over any money Perskor is also getting net assets of R400 000 with the newspaper

Commenting on the "purchase" of the newspaper, Mr Schwarz said, "Perskor paid absolutely nothing for it."

It was merely a book entry deal Perskor had taken the figure of R2,7-million as the unexpired printing contract between The Citizen and Perskor

Against that it offset the R400 000 assessed excess value of assets over liabilities This left R2,3 million — and Perskor had simply agreed to wipe out this part of the unexpired printing contract in return for the ownership of the newspaper and its assets

But the question being posed is how this can possibly benefit the taxpayers, who have already lost millions on the newspaper without their knowledge or consent and who now have also lost the R400 000 in net assets

Mr Schwarz said he was puzzled by the issue of the Perskor-Citizen printing contract which was being used as the "price" paid for the newspaper

"On whose security was it signed?" he asked "If it was signed on security from a Government representative, then Perskor knew about the Government's involvement all along and should definitely not benefit now that it has been exposed.

"If the Government did not sign for it, then the Government has no responsibility to Perskor The Government can let the Citizen company go insolvent in the ordinary way Any loss to Perskor was a risk inherent in such a contract The Government then does not have the responsibility to pay Perskor"

Other observers pointed out that if that was the case the Government would then actually stand to recover R400 000 on behalf of the taxpayers — instead of handing this over to Perskor

It was merely a book entry deal Perskor had taken on the newspaper's books, and put out to tender, and wondered how such a deal could be made with known supporters of the National Party

He deplored the fact that the newspaper had not been put out to tender, and won by benefit the taxpayers, who have already lost millions on the newspaper without their knowledge or

Commenting on the "purchase" of the newspaper, Mr Schwarz said, "Perskor paid absolutely nothing for it"

Against that it offset the R400 000 assessed excess value of assets over liabilities This left R2,3 million — and Perskor had simply agreed to wipe out this part of the unexpired printing contract between The Citizen and Perskor

One of the remarkable aspects of the Perskor deal is that without paying over any money Perskor is also getting net assets of R400 000 with the newspaper

"We asked in Parliament for legislation to stop the sale, but the Prime Ministe didn't even reply to the request," Mr Schwarz said

"Not a word"

"It is morally reprehensible Mulder's dream is being realised The paper's circulation was built up on taxpayer's money — and now it will continue to do its pro-Government work"

Mr Vause Raw, leader of the New Republic Party, described the sale of the newspaper to Perskor for R2,3-million as "unforgiveable"

"For as long as this liability remains the responsibility of the State, the Government's most effective and honourable way would have been to appoint a judicial manager to take control"

And the chairman of the Argus Group, Mr L E A Slater, yesterday also described the Perskor takeover as "unbelievable"

It appears that technical progress was not yet of the sort (or at the rate) to damp down employment growth markedly - in the face of

259 Sunday Express 10/12/78

By KITT KATZIN

special Defence account were spent on Defence activities

In fact Mr Botha, according to the commission, repeatedly objected to the use of the account by the Information Department Yet, despite objecting to the then Prime Minister, Mr Vorster, and the late State President, Dr Nico Diedericchs, then Minister of Finance, Mr Botha went along with the allocation of these funds

Thus there is no question that Mr Botha could not have been aware that funds were being transferred from his special account — and this was information which he withheld from Parliament

The leader of the New Republic Party, Mr Vause Raw, accused Mr Botha in the Assembly this week of "deliberately misleading Parliament"

In fact, Mr Botha had known about the transfer of money from the secret fund from as early as 1973 (R793 000) right up to the present (R17-million was allocated this year), totalling R64 122 699 in five years

● Yet only six weeks ago, Mr Botha told a Press conference at Union Buildings, when he announced the appointment of the Erasmus Commission in the wake of the axing of Mr Justice Anton Mostert's commission into alleged foreign exchange contraventions, that Defence secret funds had not gone to the Information Department

Whereas Mr Botha later told the Erasmus Commission that he was aware that funds from the special Defence account were transferred to Information, the Prime Minister categorically told journalists at his Press conference on November 3 — about three weeks before he testified to the Erasmus Commission —, that "no funds for Defence purposes were allotted to the Department of Information".

Asked if he would say that as a matter of fact,



P W misled Parliament and the people

25c

THE findings of the Erasmus Commission have made it clear that the Prime Minister, Mr P W Botha, misled Parliament (as Minister of Defence) and the South African Press (as Prime Minister) over the R64-million channelled via Boss from the special Defence account to the Information Department for 160 secret Government projects.

One of these projects, costing R32-million, was to establish and run the pro-Government Citizen newspaper

● According to the findings of the Erasmus Commission, it was said that it went against Mr Botha's grain to pretend to Parliament that all funds in the and not as his belief, Mr Botha replied "I would say that as a matter of fact"

At the same conference, Mr Botha said he was also aware that funds were being channelled to The Citizen But a few moments later he denied this

At that stage the conference was stopped while a tape recording was replayed The recording confirmed what Mr Botha had said a few moments earlier — that he was aware The Citizen was receiving public money

In Parliament on Friday Mr Raw rejected the Prime Minister's pleas of innocence through ignorance He believed Mr Botha and Mr Vorster were culpable for the R64-million allotted to the Information Department

It was no good, said Mr Raw, that Mr Botha had merely objected repeatedly to the use of these funds

"Surely Mr Botha has remedies other than to complain and object and then comply," he said

There was collective responsibility for what had happened, Mr Raw said

INFORMATION FILE



Exactly, Doctor Rhoodie

THE Sunday Express captures Dr Eschel Rhoodie's message to the nation. Taken and published in May this year, the picture epitomises the attitude toward the public and Parliament displayed by some officials exposed by the Mostert and the Erasmus Commissions. Dr Rhoodie was not available this week to elaborate.



Sunday Express
259
10/12/78

Botha resorts to personal attacks

By JOHN MATISONN
Political Correspondent

WITH members of the public and Press packing the galleries until 3am on Saturday to hear the Prime Minister reply to the debate on Information, Mr P W Botha decided against clearing up mysteries concerning the scandal and instead attacked what he called smears against the Afrikaner.

He stunned Opposition MPs with bitter personal attacks

He spoke immediately after Mr Brian Bamford, Progfed Chief whip, had informed the House that the sale of The Citizen had been announced at midnight.

There was a strong air of expectation in the House after a day of questions to Mr Botha and other Ministers about The Citizen and other matters arising from the scandal

After midnight the Nationalists forfeited speaking time by deciding against putting up a speaker, which they were entitled to do

Mr Bamford rounded off the Opposition attack by telling the House about the sale of The Citizen

He asked Mr Botha to explain, since the State was the seller of the newspaper, the implications of the sale

He asked "Where is the money going? What are the conditions of the sale? Who is making money out of it? Which members of the Nationalist caucus are shareholders in the buyer, and are they then entitled to sit in judgment on the deal in this House?

Mr Bamford said the Opposition was willing to extend this special sitting of Parliament to next week to pass legislation to stop the sale if necessary.

"You owe it to us to give the full details," he added.

Mr Botha gave no details of the deal at all in his speech

Instead, the Prime Minister opened his address with a personal attack on Mr Bamford

"He is embittered against life," Mr Botha told the House.

This reference was widely interpreted by Opposition members in the House as a reference to the fact that Mr Bamford suffered from polio as a youth

This has affected his walk Mr Bamford walks with the aid of a cane

Mr Botha asked Mr Bamford: "What has inspired you to be so bitter?

"Tell us why you are so bitter You have a grudge against life"

Mr Bamford, who is considered one of the mildest politicians in Parliament, said later the reference was clearly to his disability

"It was water off a duck's back, but it was part of the pattern of personal references the Prime Minister made instead of answering the serious questions concerning the scandal

"His references to Dr Alex Boraine were also unfortunate," said Mr Bamford.

"He called him the high priest who walks around with Christ on his face For a Christian that was extremely unfortunate."

Mr Bamford said he had been called "bitter" in the past in the provincial council. Everybody knew what this referred to, he said.

The Prime Minister had been in the provincial council when Mr Bamford was attacked in this way while a provincial councillor, so he knew why he was doing it, said Mr Bamford.

Mr Kowie Marais, MP for Johannesburg North, said it was without doubt a reference to Mr Bamford's polio disability

"The Prime Minister really lowered himself in my estimation," said Mr Marais

"He came close to mentioning it directly I was holding my breath, because I thought he was going to say it in the House You just don't capitalise on someone's infirmities

"The Prime Minister's reply had no dignity and no statesmanship

"It was frightening to see the country headed by someone of that calibre and that disposition," Mr Marais added

Sunday Express

259

10/12/78

Vorster may quit say some

THE State President and former Prime Minister, Mr John Vorster, may retire some time in the new year, some political observers speculated this weekend after the special Parliamentary debate on the Information scandal.

Reasons given include the fact that the office of the President is being drawn into the political arena since he was at the helm as Premier for over 12 years.

Mr Vorster was the main target of the Opposition attack on the second day of the debate, for being party to a cover-up that had deceived Parliament, the public and members of his own Government

He was attacked for not closing down The Citizen when he knew a year ago that it was State funded, for allowing the former Information Minister, Dr Connie Mulder, to mislead Parliament about the matter, and, by his silence, allowing Dr Mulder to come within a handful of votes of being elected Prime Minister in September.

Mr Harry Schwarz, MP for Yeoville, said he had fought a general election with the support of The Citizen, knowing it was Government funded, while keeping the public ignorant of the facts

Mr Japie Basson and Dr Alex Boraine said the Prime Minister should ask Mr Vorster to step down. Constitutionally, the President acts on the advice of the Cabinet.

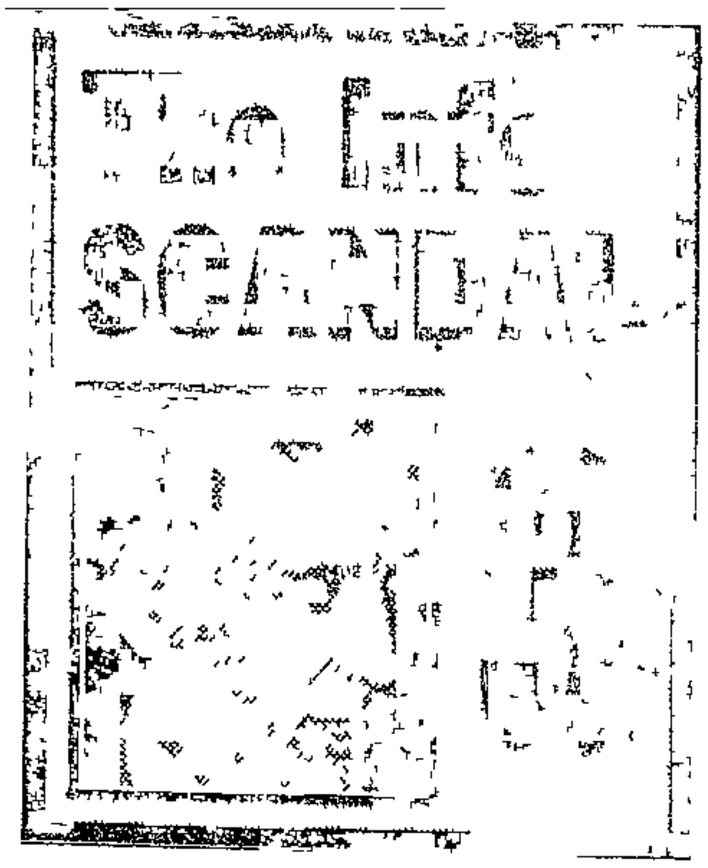
It is known that Mr Vorster was not in good health when he resigned as Prime Minister, and this was also a factor in the speculation that he could resign.

Dr Connie Mulder, now just the Randfontein MP is expected to resign in the near future. A deputation from his constituency saw him in Cape Town on Friday in this connection.

Many of his former followers and supporters in his race for the Premiership abandoned him this week after the report of the Erasmus Commission was published.

● It was announced in Parliament that a motion to appoint a select committee to consider the untrue statement by Dr Mulder that the government did not fund The Citizen would be debated early next year.

Such a committee would have the power to recommend Dr Mulder's permanent expulsion as an MP. This adds to his vulnerability, because Government members could well vote for such a measure.



Report tells of total denial and then an admission

How a R15m detail didn't concern Connie

Sunday Tribune 10/12/78

'Whenever Dr Mulder wanted to distance himself from a possible irregularity he resorted to the excuse that this was detail with which he did not concern himself' – Erasmus Commission report.

RHODIE'S JET SET REAL ESTATE MAN

Property all over the globe and



Van Zyl Alberts . . bought flats from Rhoodie using public money

suits from Harrods for the jet-set Info king



The Dolder Grand, a luxury hotel in Zurich, which costs R120 a night for a cheap double room. Eschel Rhoodie claimed R1 112 for two stops at this converted castle which has its own golf course

Harrods for the jet-set Info king

Sunday Tribune 10/12/78

The Dolder Grand, a luxury hotel in Zurich, which costs R120 a night for a cheap double room. Eschel Rhoodie claimed R1 112 for two stops at this converted castle which has its own golf course

By MARIAN SHEIN

JOIN the Civil Service, see the world and buy your suits at Harrods, might well have been the motto of former Secretary for Information Dr Eschel Rhoodie.

For during the five years he was the top executive in the department he travelled the world widely, lived well and according to the Erasmus report, accumulated properties on three continents.

He tucked most of his projects under the cloak of "secret projects" which gave him almost limitless spending because his Minister, Dr Connie Mulder, never put a ceiling on the amount of money he could call on.

Because his projects were secret Dr Rhoodie kept very little of their workings on paper. The details when available, were vague.

Between 1974 and 1978 Dr Rhoodie spent R934 901 accumulating property in his name This was ostensibly for the secret projects emergency fund — in case the source of secret project money ever dried up.

But these properties were in his name and efforts to change the registration were only made more than a year after their registration in Mr Rhoodie's name and then only after an inquiry into alleged irregularities in the department had begun.

These properties were:

- 10 flats in Clifton, Cape Town, the so-called Valhalla Flats,
- A stand at Plettenberg Bay (R49 000),
- Two houses in Pretoria;
- A house in Soweto;
- A house in London;
- A house in the United States,
- Two flats in France;
- Business premises in Johannesburg;
- A share in the farm Vlekver.

Four of the Valhalla flats, the London house and one of the flats in France have already been sold at the price for which they were bought The commission's report does not state what some of these properties were worth or what happened to the money from their sale.

The commission said it was difficult to establish whether the fixed property was used to best advantage. Some properties were let, others were used for the purposes of the department's secret projects while some were not fully used.

The interest was acquired in the farm Vrekver for the purpose of entertaining guests from abroad.

For two years cattle were farmed there but R50 000 was lost in the venture The department's share of the loss was R24 000.

When four of the Valhalla flats were sold they were bought by Mr Johannes van Zyl Alberts — a friend of the Information gang He used public money for part of the purchase

The Plettenberg Bay was bought and registered in Dr Rhoodie's name on May 17, 1976, for R49 000. After transfer fees and other costs the price was R51 700.

He said because he had to buy it quickly he did so in his name. Only a year later did he sign it over to the department — in June 1977 after former Auditor-General, Gerald Barrie, had begun investigating the affairs of the department.

On January 16, 1976, Dr Rhoodie signed for a cheque for R33 205 for The Citizen from the secret fund. The newspaper never received the money.

The money was borrowed by Dr Rhoodie to buy a holiday flat in Oscardee, Plettenberg Bay.

Dr Rhoodie sold it to Mr Arnon Milchan of Paris for R44 928. This was paid into Dr Rhoodie's personal bank account by telegraphic transfer from the Swiss Bank Corporation.

Despite efforts by Dr Rhoodie to have the property registered directly in Mr Milchan's name, it was first registered in Dr Rhoodie's name and later in Milchan's name.

As an example of Dr Rhoodie's free spending when on overseas trips the commission published an expense claim for a European trip between October 17 and November 4, 1976.

Eight people, including former Minister of Information, Connie Mulder, dined in Rome at a total cost of R293,72 — about R37 a head

On the same trip Dr Rhoodie claimed R313,07 for clothes and a suitcase bought from the exclusive London department store, Harrods

Also on the same trip Dr Rhoodie claimed R1 112 for two stops at Zurich's top luxurious hotel — the Dolder Grand

It is not stated in the commission's report how many people's accommodation this was for but the first stay cost R765,48 and the second R347,18.

The current rate for a cheap double room at this old-world luxury hotel is R120 a night.

'm a member of the Broederbond and proud of it, says PW

Tribune Reporter

IN AN emotion-laden speech reminiscent of the anti-"boerehaat" frenzy he helped stir up some years ago, the Prime Minister — P. W. Botha announced his membership of the Afrikaner Broederbond and stated he was proud to belong to this super-secret organisation.

He revealed this in Parliament on Friday in a fiery and acrimonious climax to a marathon two-day debate into the affairs of the now defunct Department of Information.

At one time the proceedings were held up several minutes while the Speaker, Mr Jannie Loots heard argument from both sides of the House whether a reference to Mr Botha as a "national disgrace" by the Progressive Federal Party's Chief Whip, Mr Brian Bamford, should be allowed to stand.

Mr Bamford refused for a while to withdraw the remark and seemed set to be ordered from the chamber before he changed his mind.

The incident marked the nadir of a prolonged clash between the two which began when Mr Botha took exception to a speech by Mr Bamford in which he said the Prime Minister had "deliberately misled" Parliament in his explanation of his personal involvement in the Information Affair.

Stating that Mr Bamford had "become embittered against life," Mr Botha said: "I ask him why?"

"We all know why," called one Nationalist interjector in an apparent reference to Mr Bamford being a polio victim who walks with the aid of a stick.

In the course of a tirade against Helen Suzman, he was obliged to withdraw a remark that he didn't like her "because she is always in the company of the enemies of South Africa."

Referring to the fact that Mrs Suzman is to receive a human rights award at the United Nations, the Prime Minister said people at the world body were the "enemies of South Africa."

"Like France and Britain?" Mr Harry Schwarz wanted to know.

Mrs Suzman, said the Prime Minister, "stands on writing that she has put her country in the worst possible light in the outside world."

Mrs Suzman replied: "I challenge you to show that, you insulting man."

Mr Botha also took the opportunity to explain a remark in his opening speech when he said that the Opposition must beware lest it "unleash powers" which would be impossible to control.

Relations between different race and language groups in South Africa were good but Afrikaners must not be given the impression that a taint of corruption applied to them all. "When I talk about 'powers that can be unleashed' what do I hear from the PFP? The same sounds I hear from Moscow; the same sounds I hear from Luanda," the Prime Minister said.

". . . and London, Paris, New York and the whole world," said Mr Bamford.

Sunday Tribune 10/12/78 259

By Marian Shinn

DR MULDER committed three "irregularities" as Minister of Information but the Erasmus Commission did not recommend that the Attorney-General investigate possible criminal proceedings against him.

These irregularities are typed in italics in the report Dr Eschel Rhoodie's irregularities are not typed in italics.

The commission found Dr Mulder's part in the foreign loans of about R16 million — with a total disregard of the Department of Finance — to be a serious irregularity

- Dr Mulder's role in the takeover of SAAN and running of The Citizen was an irregularity
- Dr Mulder acted irregularly by lending Louis Luyt R12 million.

Five loans

The Information Department's secret funds accountant, Mr Braam Fourie, told the commission that Dr Rhoodie raised five loans abroad — totalling R16 million and as far as he could establish from the records Dr Rhoodie had no authority to do so.

The interest on these loans was paid from secret funds.

Two of these loans are shown in the report to have been channelled through Thor Communicators, one of the department's front organisations.

The first loan of R3 035 820 was received in October, 1976, and the second of R1 301 064 in February, 1977.

Not aware

Dr Mulder said he had approved the foreign loans in principle but he had not been aware of such an astronomical figure as R16 million.

He admitted that he set no ceiling for Dr Rhoodie in connection with expenditure for the promotion of secret projects.

In the 1977-78 Budget the Minister of Finance made no provision for the department's secret fund Dr Rhoodie wrote to the Treasury claiming that Dr Mulder had told him a further provision of R3 million could be applied for.

Refusal

The Treasury replied that the Minister of Finance had given the Minister of Information no such undertaking and it was this refusal to supply R3 million that prompted the department to negotiate foreign loans.

The commission said it was difficult to believe that Dr Mulder had no part in this decision.

The commission also found that Dr Mulder's role in the SAAN take-over bid and the running of the Citizen to be an irregularity.

Price

Dr Mulder believed that the eventual cost to the State of The Citizen was in the sense the price South Africa had to pay to avoid Press censorship.

He felt, along with Dr Eschel Rhoodie, General Hendrik van den Bergh and Mr Johannes van Zyl Alberts, that immigrants, tourists and important visitors were getting a one-sided picture of the country because they could read only English newspapers.

Irregularly

The commission said Dr Mulder acted irregularly by lending Louis Luyt R12 million to be The Citizen's "owner".

Under cross-examination by the commission Dr Mulder tried sidestepping the questions on this, but eventually changed from a total denial to an admission that it was a loan.

Excuse

"It is also a good example of how, whenever Dr Mulder wanted to distance himself from a possible irregularity, he resorted to the excuse that this was detail with which he did not concern himself"

The commission also found that Dr Mulder was lax and negligent in giving Dr Rhoodie virtually unlimited discretion in dealing with public funds.

RHOODIE'S SILENT WOMEN

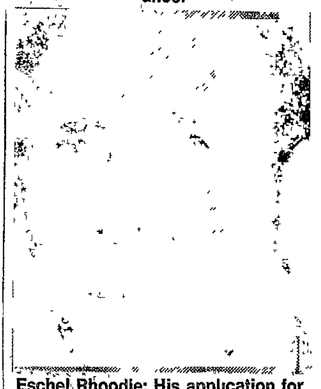
259
10/12/78
Sunday Tribune.

Angry husbands defend wives who were paid from secret fund

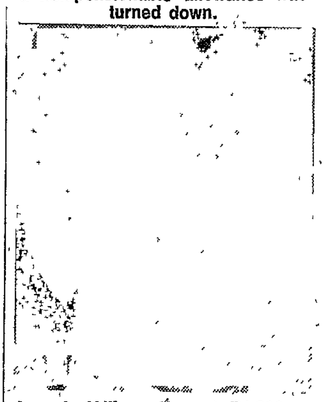
By VIV PRINCE and GEOFF DALGLISH



Denys Rhoodie: He was paid R5 580 by his brother as non taxable allowance.



Eschel Rhoodie: His application for a non-pensionable allowance was turned down.



Les de Villiers: He got R1 800 a year from the Public Service Commission.

HUSBANDS of Pretoria's silent women angrily defended their wives' involvement in the Information scandal. The wives were employed by Dr Eschel Rhoodie's now defunct Department of Information and — the Erasmus Commission disclosed — were paid money from the secret fund.

The wives are keeping mum about it — but their husbands are not. "My wife's done nothing wrong," said Mr D. J. C. Viljoen, a Pretoria builder.

Mr Viljoen was incensed by people probing his wife's extra earnings.

"My wife didn't work at the Department of Information to earn money, he stormed.

"Look what the Department of Information has bought me," he quipped, waving a hand towards his lush lawn. And then added, hastily: "If you print that I've got the money to fight you. I'm a builder. I don't work for any department, I've got the money.

Secretary

But if Mr Viljoen was incensed then Mr W G. Atterbury was cool and calm

His wife, Mrs H. Atterbury — one time secretary to Dr Deneys Rhoodie — was in the bath and not available, he said.

"Of course I'm worried that she was named," he said. "But she's done nothing to shake my belief in her"

Mr Atterbury said that during the Rhoodie era his wife used to finish at six or seven and he used to wait outside for her. "I never asked her what she was doing... we never discussed her work," he said.

Mr Atterbury said he knew what people were saying but it didn't worry him

Marian Shinn reports that Dr Rhoodie once applied to the Public Service Commission for a non-pensionable allowance because he was dealing with secret projects.

This was turned down.

He applied for an allowance of R1 800 a year similar to that granted to his deputy for planning Mr L. E S. de Villiers.

When Dr Rhoodie's application was turned down he applied for his brother, Deneys, but this was also turned down by the commission.

Dr Rhoodie then paid his brother a total of R5 580 over two years as a non-pensionable allowance out of the department's secret funds.

Allowance

Dr Deneys Rhoodie's allowance was non-taxable because it came from the fund, while Mr de Villiers had to pay tax on his allowance because it was official.

The application for Mr de Villiers' allowance was vague but claimed the allowance was necessary because he handled secret projects.

From August 1974 until August 1977 the secret funds also paid R6 588 in non-pensionable allowances to five women employees of the department from the secret fund. They were not taxed

It is not known what these allowances were paid for but it could be because they also handled "secret work".

Mrs Sarah de Klerk (later Louw), paid a total R3 794 in three years, was Mr de Villiers' secretary.

Miss Lorraine Wilkinson, who got R1 010 in 10 months was a secretary of Dr Eschel Rhoodie. She started off being paid R95 a month for five months before it jumped to R145 a month

Instalment

Dr Rhoodie's personal clerk Miss M. Kotze was given R1 004 in 14 monthly instalments. She got R80 the first month, it went down to R60 for five months and from the beginning of 1977 until the end of August last year it was R88 a month.

Mrs Atterbury is now the secretary for Mr Andries Engelbrecht, the new Director General of the Bureau for National and International Communication — which replaced the department.

Mrs Atterbury got R670 in 13 monthly instalments. She started off at R50 a month and then was not paid an allowance for about 16 months From January last year she was paid R40 a month for eight months

Mrs P. Viljoen, a clerk, was paid R160 in three monthly payouts.

Botha threatens to legislate against 'gossip'

By Bill Krige in Cape Town

LEGISLATION may be introduced next year to put an end to the "gossip" about the former Department of Information, the Prime Minister, Mr Piet Botha, has intimated in Parliament.

He spoke in the small hours of Saturday morning at the end of a debate into the information scandal which left unanswered most of the pointed questions asked by the Opposition.

Addressing the MP for Musgrave, Mr Ray Swart, of the PFP, whom he accused of wanting to create the impression that the entire Public Service Commission was 'rotten', the Prime Minister said: "I am going to say to him what I said to the Press. You get until May 30 to bring evidence to the Erasmus Commission, that includes the hero for Groote Schuur (Mr Brian Bamford), you must both come and put your gossip to the commission.

"I dare them to take their accusations before May 30 because after that we will have to put a stop to them," Mr Botha said.

His reference to a May 30 deadline coincides with the date given for the Erasmus Commission whose first interim report was discussed this week, to report finally.

But Mr Botha did nothing to dispel doubts expressed by the Opposition that his predecessor, Mr John Vorster, may himself have been part of a deliberate cover-up of the information scandal

This is in spite of the admission by the Prime Minister that "in theory" the Citizen belonged to the State.

"In the light of the Prime Minister's statement that the State is the owner of that newspaper, this is a scandal as big as anything we have here before us," "the Opposition's Chief Whip Mr Brian Bamford," told Parliament.

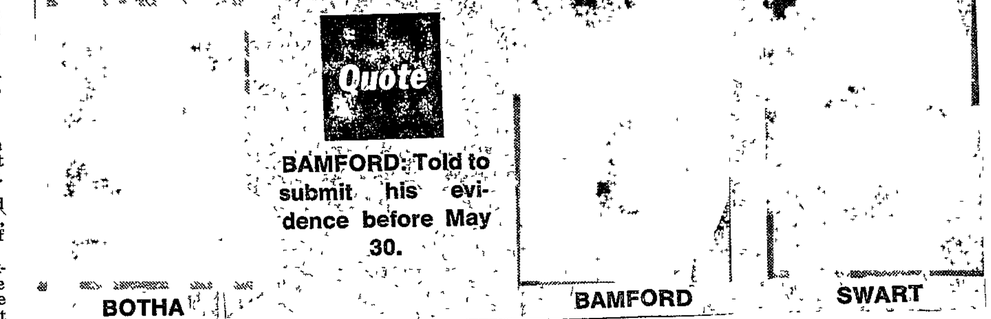
The doubts were expressed in spite of the unequivocal finding of the Erasmus Commission that Mr Vorster's integrity was 'unblemished' and that he had been misled by erstwhile security chief, General Hendrik Van den Bergh, whom it spotlighted as being the "power behind the throne."

The Erasmus Commission found that Mr Vorster not only knew of alleged irregularities in the Department of Information by mid-1977, having been informed by the then Auditor-General, Mr Gerald Barrie, but also of the secret Government funding of the Citizen newspaper by October or November last year, before the General Election.

Yesterday it was learned that the Nationalist supporting Afrikaans Press giant Perskor was to take over the Citizen, which has accumulated losses of public money, amounting to almost R32-million, for a mere R2,3-million.

Quote

BAMFORD: Told to submit his evidence before May 30.

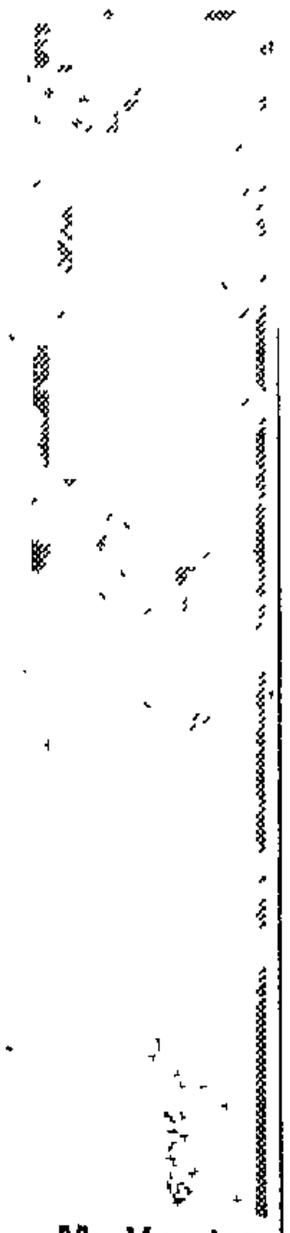


BOTHA BAMFORD SWART

SECRET FUND, INFO PROBES AND THE CITIZEN

How Mr Vorster was cleared

By MARIAN SHINN



Mr Vorster

FORMER Prime Minister John Vorster decided that the Department of Information's secret fund should be paid out of the Special Defence Account — which was probably illegal.

The Erasmus Commission cleared him of irregularities.

He also told the commission that this arrangement was not his doing — but that of former State President Dr Nico Diederichs and the department.

But the commission found that Mr Vorster "was in fact responsible for this arrangement."

The Erasmus Commission report said that at the request of the Office of the then Prime Minister (Mr Vorster) the department's activities in connection with sensitive projects had been financed from the Special Defence Account since the 1974-75 financial year.

The Minister of Defence, Mr P. W. Botha, and his department objected to the Prime Minister and the Minister of Finance about this funding of the secret projects

Arrangement

Despite this Mr Vorster decided that provision was to be made for these secret funds on the vote of the Department of Defence

During this time the department handed over about R57 million

In his evidence, Mr Vorster denied that he was "in the first instance involved in this arrangement and said it was an arrangement between Dr Diederichs and the department.

"In a statement which he issued on May 8, 1978, Mr Vorster stated that he assumed full responsibility for the way in which funds for the department were made available because he considered this to be in the best interests of South Africa.

"And the commission finds that Mr Vorster was in fact responsible for this arrangement."

Frequently in the report Dr Eschel Rhoodie states that Mr Vorster knew about the SAAN takeover bid and the funding of The Citizen.

Sunday Tribune

259

10/12/78

Dr Rhoodie told the commission that he told Mr Vorster that if the takeover bid for SAAN did not work steps would be taken to start an English language newspaper with department funds.

According to Dr Rhoodie, Mr Vorster's reaction to this was that it was all right, "but you must beware you don't catch your jacket in the door".

The alleged irregularities of the department were first taken to Mr Vorster at Libertas, his official residence by former Audtor-General Mr Gerald Barrie on June 27, 1977.

About two weeks later Mr Barrie visited Mr Vorster in the Kruger National Park to tell him the department's irregularities were disquieting

Information

The commission's report said: "Mr Vorster was shocked at the information which he received and told Barrie that he could not prescribe to him what he should do, but that he assumed that he would continue with his investigation

"It may be mentioned that Mr Vorster perhaps sometimes found it difficult to separate the wheat from the chaff because he smilingly told the commission how senior officers managed to find reasons for coming to see him at the game reserve"

On July 29 Mr Barrie submitted a secret report on the department to Mr Vorster Three days later he submitted a second report.

On the strength of these Mr Vorster instructed BOSS employee Lood Reynders to investigate the affairs of the department

In November last year Mr Vorster had a meeting with Dr Mulder, Dr Eschel Rhoodie, General van den Bergh and Mr van Zyl Alberts at Libertas to discuss the information relating to the secret fund that Mr Reynders had supplied

Mr Vorster became depressed and was taken ill at about 11.30pm and asked to be excused

The Reynders report — which found no irregularities in the Department of Information and which he was forced to write under pressure from Dr Mulder and General van den Bergh — was false but Mr Vorster did not realise it

"According to various witnesses, Mr Vorster was also involved in the irregular use of public funds in connection with The Citizen.

"After carefully considering the evidence on all the matters, the commission accepted Mr Vorster's testimony as the truth and rejected the evidence which directly contradicted him, the most important of which was that of General van den Bergh, Dr Mulder and Dr Rhoodie.

Consideration

"The commission gave careful consideration to the question whether he (Mr Vorster) should not have terminated the financing of The Citizen immediately he was alerted to the fact that public funds were involved and that it was running at a loss

"The only criticism that can possibly be levelled at Mr Vorster is that during the following nine months he did not take steps to get rid of the newspaper."

During these months The Citizen lost an average R400 000 a month, a total loss of R3 600 000 to the taxpayer.

"The commission considers that the decision of Mr Vorster, then a sick man, that publication should continue temporarily to see whether the newspaper could not be sold at the least possible loss was in the circumstances a salvaging attempt in the interests of the State."

Sunday Tribune
10/12/78
259

Venture

In the months from the time the previous Prime Minister learned of the Citizen venture until his retirement from that office in September this year, the newspaper lost an estimated additional R4 million in taxpayers' money.

Mr Harry Schwarz, of the PFP said that the evidence given to the commission by General Van den Bergh, by former Information Minister, Dr Connie Mulder, by his departmental secretary, Dr Eschel Rhoodie, and by advocate Retief Van Rooyen, all pointed to Mr Vorster having a knowledge of the Citizen's funding "from a very earlier date than he admits to."

More important however was the fact that when Dr Mulder told Parliament in May this year that no Government money whatsoever was being channelled into the newspaper, the previous Prime Minister was present.

Disco tragedy

A PLEASANT nights at a disco turned to tragedy for two brothers yesterday when both were shot by an unknown gunman.

Anthony Boschoff, 22, and brother Barry, 24, were on the verge of leaving the Europa Hotel, Johannesburg, when an argument broke out in the entrance of the disco. According to police, a white man stood on a chair, pulled out a gun and shot the brothers. He then fled.

Anthony — shot in the neck — is in a critical condition in Johannesburg hospital. Barry, shot in the hand, was treated and discharged

Teacher's shock death

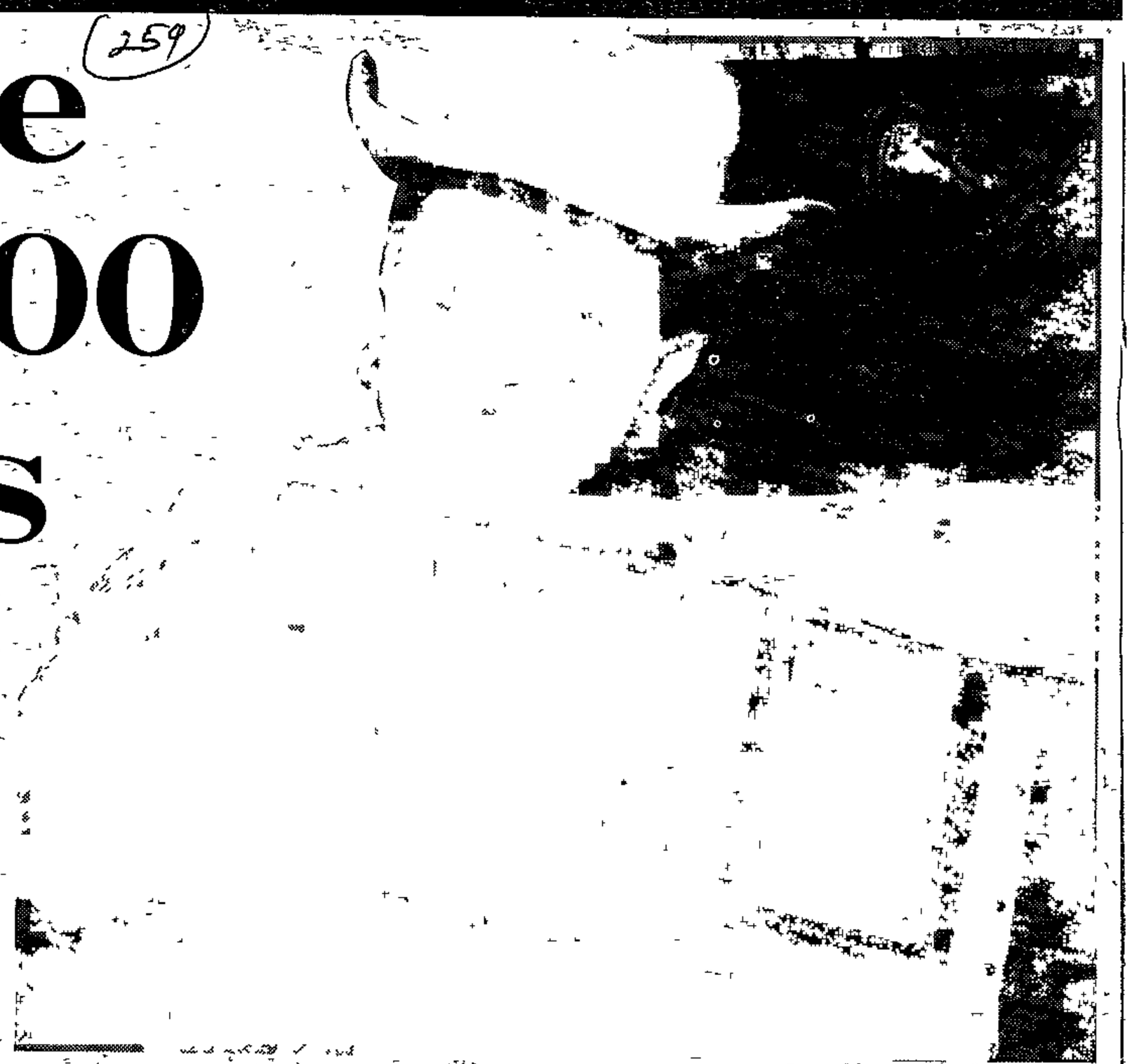
A 36-year-old Alice woman Mrs Annabora Keevy was found shot and unconscious in her car on Thursday night. She was rushed to hospital but died shortly afterwards.

A revolver was found in the car. Foul play is not suspected.

The news of her death has caused shock and deep sorrow in the town where she was a well liked and respected teacher at the local school. She taught there until it closed on Thursday morning.

FORMER BEAUTY QUEEN OFTEN SAW MULDER AT THE UNION BUILDINGS

How Connie got R120 000 for Norma's TV series



● Norma Foster with a can of the 'Wildlife in Crisis' TV series.

FORMER Miss South Africa Norma Foster, who produced the TV series "Wildlife in Crisis," obtained an overdraft of at least R122 000 — and possibly as much as R150 000 — from the Trust Bank on the recommendation of Dr Connie Mulder while he was still Minister of Information,

SUNDAY EXPRESS EXCLUSIVE

BY DESMOND BLOW

tween R120 000 and R150 000

He said also that when he claimed his salary — between 15 000 and 16 000 US dollars — from Miss Foster it was paid by the Trust Bank

He said he first met Dr Mulder — "and that affable sidekick of his", Dr Rhoodie — in Los Angeles where Miss Foster introduced

259 10/12/78 Sunday Express

can't remember the names — and they had me out of there in no time

"We always knew she had political connections, it was no secret."

According to a member of the crew, Miss Foster told them that the Department of Information was paying the company's R50 a day dues to film in the park, plus all their accommodation and food.

But a spokesman for the Kruger Park, Mr Boet Immink, denied this.

"The company paid all its own fees," he said.

Mr Dreifuss and a film cameraman, Mr Francois Marais, who shot a lot of the film for Miss Foster, confirmed that Dr Mulder had had a special screening of the first three films.

Another cameraman, Mr Les Kottler, who now lives in Canada, told me by telephone:

"We all believed, because of what Norma said, that the money for the film came from the Government."

Miss Foster was due to return to South Africa on November 18, but she has not arrived.

I telephoned her office number in Los Angeles, where she lives, and was told that nobody had seen her for months.

Her New York attorney, Mr Francis Purcell, said he had seen her three weeks ago in London, but did not know her present whereabouts.

The woman who has been running her office at Killarney Studios has not been paid her salary for some time, and she still owes fees to her auditors.

Miss Foster removed her books from the auditors several months ago.

Her company, Normova Productions (Pty) Ltd, was founded on September 14, 1973 with the object of making films.

The company has a listed capital of 4 000 one rand shares, of which R2 003 were issued.

Miss Foster held about 80% of the shares and the others were held by Mr Seligson and Mr Purcell, the other two directors when the company was founded.

A year later Mr Seligson resigned as a director and ceased being Miss Foster's legal adviser in the matter.

This week Mr Seligson refused to say why he had resigned, although he confirmed that he had been at the screening of the pilot films in 1974. But I understand he was concerned about the spiralling overdraft, although Miss Foster assured him there was nothing to worry about.

From New York Mr Purcell told me that he knew nothing about Normavor Productions and had never been to South Africa.

"I have never met Dr Mulder, and only know what I have read about him in the newspapers," he said.

He said he had raised 180 000 dollars in America for the production of "Wildlife in Crisis".

When I said that R122 000 had been raised on overdraft from the Trust Bank Mr Purcell said he knew nothing about it.

He refused to say how he could have been unaware of this when he was a director, or from whom he had raised the 180 000 dollars in America.

"I am a very busy man and there are calls waiting for me," he said, and hung up.

Dr Jan Marais refused to comment on the report. He said that had been his practice while he was the chairman of Trust Bank, and it was the strict principle of banks everywhere not to comment on their clients' accounts "even for R10".

He said he did not know whether the overdraft had been repaid because he had not dealt with the technical side.

When I told Dr Marais that he should have some idea because Norma Foster had flown to Cape Town to see him, he repeated that he could not disclose any information about a client.

with only some minor jewellery and an insurance policy as surety.

Miss Foster told colleagues Dr Mulder arranged the overdraft with Dr Jan Marais, then chairman of Trust Bank

Dr Marais is now Nationalist MP for Pinetown.

During the three years Miss Foster, 40, made the series, at an estimated cost of R400 000, she kept running into money trouble She had had no previous experience of film producing

When she needed to raise more money, she would be flown to Cape Town free by SAA to see Dr Mulder and then Dr Marais, and her overdraft would again be raised

Public relations manager for SAA, MR J A Joubert, said SAA were compensated for whatever tickets were issued to Miss Foster through publicity on the TV series

Mr Arthur Dreifuss, who spent two years in South Africa as director of the series, said from Los Angeles that he had "marvelled at how a completely inexperienced producer could have raised so much money with so little trouble"

He said there was no doubt that Miss Foster raised money for the film at the Trust Bank. He said the loan she raised was be-

Sunday Express

259

10/12/78

them and the series was discussed

Every episode of the series was sent to Dr Mulder for his approval Miss Foster would also see Dr Mulder at the Union Buildings, Pretoria

After her first visit to him there in early 1973 he sent her to see Mr J A Senekal of the Reserve Bank the same day

"Miss Foster was very secretive and did not say what she discussed with Mr Senekal," I was told

Miss Foster also sometimes visited the Department of Information and saw the Rhoodie brothers

Miss Foster used to explain her close, unusual relationship with Dr Mulder by saying she had been reponsible for introducing Dr Mulder to Mr Gerald Ford when he was President of the United States As a result, she said, Dr Mulder would do anything for her

According to Mr Dreifuss the series was taken over for worldwide distribution by Viacom International of New York in 1975

It has been distributed in 30 countries including Hong Kong, Mr Dreifuss said

"But we frankly don't think the Trust Bank is going to see its money," said Mr Dreifuss

"According to papers I procured the series has grossed between 8 000 and 9 000 US dollars per programme If you multiply that by the 26 programmes and deduct general costs, distribution costs, advances and that kind of thing, you realise the series hasn't been too sucessful."

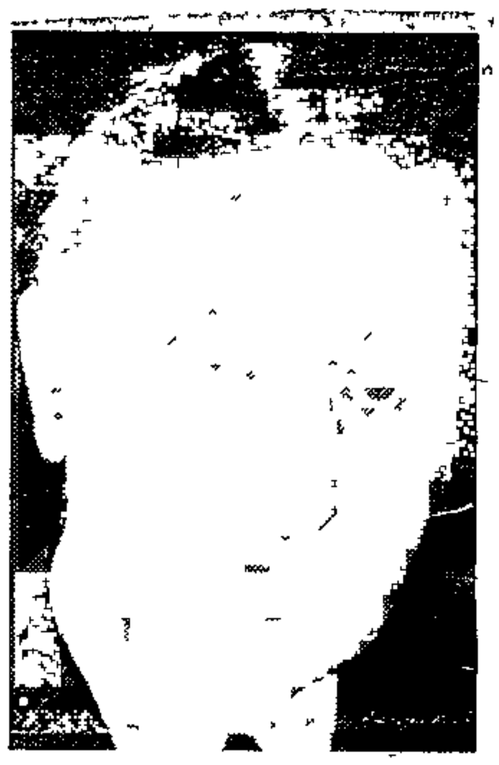
I was unable to establish this week whether Miss Foster has repaid any of the overdraft

Mr Dreifuss has had papers served on Miss Foster, via the Director's Guild of the United States, for several thousand dollars of royalties he says she owes him. He said the guild had not been able to locate Miss Foster in the US.

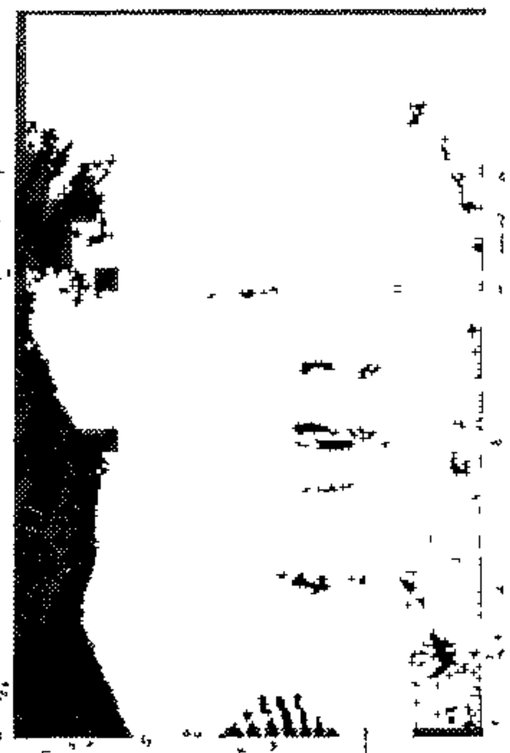
A spokesman for the Trust Bank refused to speak to me about the overdraft this week

Miss Foster told members of her film set while they were filming at Skukuza in the Kruger National Park that all the accommodation and food bills were being picked up by the Department of Information

Dr Mulder, as well as his secretary and his chauffeur,



● Dr Marais . now an MP



● Dr Mulder saw pilot films

were the special guests of Miss Foster at a screening of the first three rough "pilot" films of the series at Irene Studios in Frost Street, Auckland Park, Johannesburg in early 1974

The only other guest in the studio was Miss Foster's attorney at the time, Mr Leon Seligson

Miss Foster boasted to members of the film crew, and even to her brother-in-law in Johannesburg, of her high-level Government contacts

"Doors would open to her that would open to nobody else," a member of her crew told me

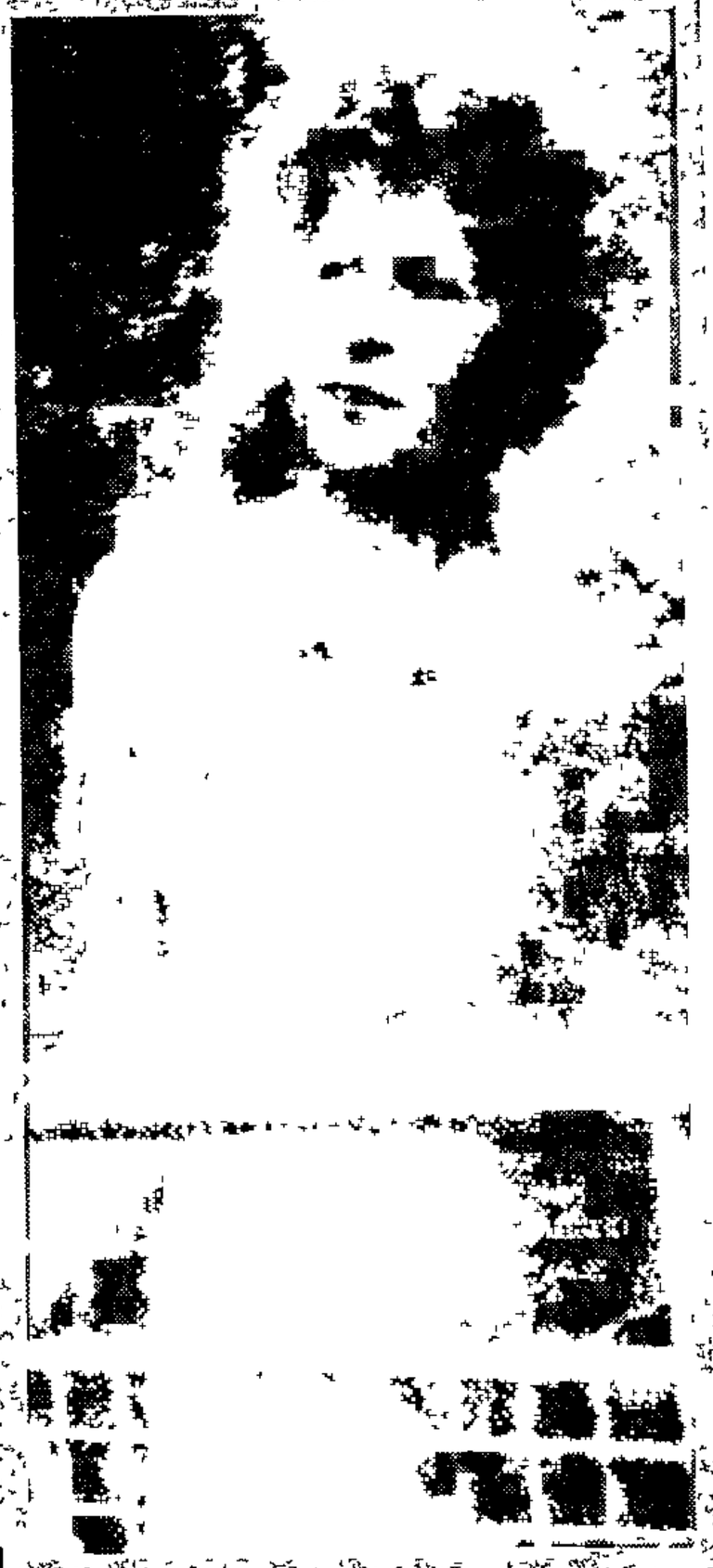
"In the Kruger National Park she was allowed to film where nobody else had been allowed"

Mr Dreifuss said "There can be absolutely no doubt that Miss Foster had friends in high places When I first arrived at Jan Smuts I was held there because there was some confusion over my visa

"Miss Foster called some of her high-level friends — I

I can't comment, says Jan Marais

Katie Rhoodie threatens to cool down the Express



● Mrs Lood Reynders, pictured at her garden gate, was polite to the Express but said her husband did not want to say anything at this stage.

MRS KATIE Rhoodie, wife of Dr Eschel Rhoodie, threatened to turn a hose on the Sunday Express this week if we didn't immediately leave the wrought-iron gate of her luxurious Menlo Park home.

As we drove up to the high white-walled Rhoodie home Mrs Rhoodie, by now a veteran in dealing with the Press — especially those of us from certain English language newspapers — smelt a rat and went scurrying from her glorious garden, which she was watering, to the safety of an upstairs room.

Seconds later this volatile, immaculately made-up, red-haired beauty — renowned for her huge selection of glamorous wigs — peered out from behind net curtains.

"What do you want?" she said. I told her my name and that of my newspaper. "Well, in that case I have no comment. No comment. Go away." I asked her when she was expecting her husband back and she said "If you don't go away, I am coming downstairs to turn the hose on you."

It was extremely hot in Pretoria on Friday and I told her laughingly it would have been a welcome relief from the mugginess of the day. "Ja, you'd enjoy that wouldn't you?" Mrs Rhoodie did not find the situation as amusing as we did.

The house, scene until recently of some of Pretoria's most glamorous, high-powered entertaining, is one of the loveliest in the exclusive Menlo Park district.

In the rolling garden is a huge games room, with a table tennis table in the middle. The garden is obviously well-maintained. There are attractive painted pots dotted round and along the brick-paved driveway.

The garage doors were firmly closed when we arrived and found Mrs Rhoodie, stylishly dressed in slacks and a loose overshirt, doing her bit to give the plants, at any rate, some relief from Pretoria's summer heat.

By PETA THORNYCROFT

More hospitable towards the Sunday Express on Friday was Mrs Lood Reynders, wife of the man who is reported to have broken down and cried when giving evidence to the Erasmus Commission last month.

Her husband was not home when we arrived, but Mrs Reynders, although cautious about his whereabouts, was extremely courteous and promised to tell him we had called.

She said she didn't think he wanted to talk to the Press at this stage.

We called back after Mr Reynders returned from work. He and his wife and two friends were sitting in the garden of their neat home.

Mr Reynders disappeared and his wife came to the gate and said: "My husband thanks you for calling, but asked me to tell you that he doesn't want to talk about the whole thing at this stage.

"Maybe next year, when things have quietened down, he will speak. I am sorry, but he says he's had enough now."

Mrs Reynders said she disliked the attention being focused on her and her family as a result of the Information scandal.

"I hate it. It must be terrible to be always in the papers. I just want to forget everything and get back to normal again. We are just ordinary people."

Sunday Express 259 10/12/78

Standing of Pik in NP at new low

THE Nationalists papered over the cracks in party unity during the extraordinary debate on Information — but Foreign Minister Pik Botha's stakes seem to have reached a new low.

This came to light this weekend after the party had to face the public in weaker shape than at any time in recent history

The position of Dr Connie Mulder, former Information and Plural Relations Minister has become untenable, and he is not expected to walk into the House of Assembly as an MP again.

He has lost much of his support, but his former allies have still not lost their antagonism for the verligte Foreign Minister

The massive Transvaal following which Dr Mulder enjoyed has been transferred more or less intact to Dr Andries Treurnicht, verkrampte successor to Dr Mulder as Transvaal Nationalist leader.

Inside the Transvaal the anti-Pik Botha sentiment persists His supporters are concerned that he remains unpopular with his new provincial leader, and is out of step with most Transvaalers

Oddly, he sits directly in front of Dr Treurnicht in Parliament — with his Transvaal leader, "breathing down his neck" as New Republic Party leader Mr Vause Raw put it.

In the party the position of provincial leader is enormously powerful, and Transvaal leader even more so

Many observers remarked at the special session of Parliament that Dr Treurnicht, who sits in the third row in the House, is now the boss of a large number of Transvaal Nationalist Ministers who sit directly in front of him

Dr Treurnicht made one reference to his continuing absence from the Cabinet despite his recent elevation to the Transvaal leadership

He took a serious view of joint Cabinet responsibility when he spoke in the Information debate, but he pointed out that as he was not in the Cabinet, he could not share that responsibility for anything referred to by the Erasmus Commission.

Behind the scenes Dr Treurnicht has been patching things up with more verligte Nats who formerly opposed him, and continues to emphasise his support for the Prime Minister

As a man who was prepared to bide his time in relative obscurity for years, and who refused to join his allies when they walked out of the party to form the Herstigte Nasionale Party, he is expected to remain patient and not to make any rash moves that could split the party

Less predictable is the position of Mr Pik Botha, who although overwhelmingly popular with the man in the street, could leave if his position deteriorates, observers believe.

THE INFORMATION FILE

By JOHN MATISSON
Political Correspondent

Eschel and that Seychelles trip

By KITT KATZIN

AT the time the Sunday Express broke the news in April of the now-famous Seychelles trip — the second to the island in two years — Dr Eschel Rhoodie denied it was a Government venture and accused the Sunday Express in an interview published by The Citizen of being "fundamentally inaccurate".

Later, however, he said the trip was an official Government secret venture, though his Minister at the time, Dr Connie Mulder, insisted in Parliament that the trip was private

Two police reservist divers accompanied Dr Rhoodie on the 1977 trip — to teach his children, Anne-Marie, then 17, and after whom the secret Citizen operation was named, and his son, Eschel Jnr then 14, to scuba-dive and snorkel The frogmen stayed with Dr Rhoodie at the luxury Mahe Beach International Hotel Their bills, including hotel accommodation (R254), were paid for by Thor Communicators

259

Eschel had plans to go to Chile

THE INFORMATION FILE

By KITT KATZIN



● Dr Alex Boraine, PFP MP, arrives at Parliament for the Information debate this week that has gripped the imagination of the whole country.

THE central figure in the Information scandal, Dr Eschel Rhoodie, was planning to reach South America soon — and to lie low for a while in the Chilean capital of Santiago.

Dr Rhoodie's vivacious wife Katie, who has refused to talk to newsmen, is also preparing to leave South Africa shortly for a quiet holiday — at least the third time this year she has gone abroad

Mrs Rhoodie has already booked airline tickets, presumably for herself and her two children, but it is not known exactly when she plans to fly out

Dr Rhoodie, whose passport was withdrawn two weeks ago — technically he is obliged to surrender it to the nearest South African diplomatic mission abroad — had been planning his trip to South America for the past few weeks

It is believed that certain personal contacts in the United States are acting as "go-betweens" to help him reach Santiago where, I understand, Dr Rhoodie was planning to stay for a while

In Parliament this week the Erasmus Commission recommended that certain irregularities perpetrated by Dr Rhoodie and others, including his brother, Dr Deneys Rhoodie, whose passport has also been withdrawn, be referred to the Attorney General for possible criminal proceedings

The flamboyant 43-year-old former Information Secretary, who claimed on TV recently that the South African Press had merely scratched the surface of his department's secret dealings, has gone into hiding in Europe. But officials at the South African Embassy in London, who have been on the lookout for Dr Rhoodie since his passport was withdrawn, have failed to make contact with him

Yesterday South Africa's consul-general in London, Mr R J J Matthee, said the embassy was also checking on Dr Rhoodie's plans to fly to South America

Mr Matthee said embassy officials did not even know if Dr Rhoodie was travelling on a South African passport

He emphasised, too, that if Dr Rhoodie was tracked down in Britain, and refused to surrender his passport, he could remain in the country for at least six months on the strength of having entered the country legally as a bona fide visitor

"We cannot force him to hand it over and neither can we compel him to return to South Africa," Mr Matthee said

Meanwhile, it is possible Dr Rhoodie has postponed plans to reach Chile, and it is understood he has called for legal advice

In Pretoria yesterday a spokesman for one of the city's biggest legal firms, Schwarz, Goldblatt, Bloch and Gross, declined to confirm or deny reports that one of its senior partners, Mr Mervyn Gross, had been called to Europe by Dr Rhoodie

A relative at Mr Gross's home told me Mr Gross had flown to Europe on Wednesday to have discussions with a client The spokesman, however, declined to identify the client

A secretary at Mr Gross's office refused to comment, except to say that the office had no contact address abroad for Mr Gross, had not heard from him, and that as far as she knew Mr Gross had gone abroad to meet visitors coming to South Africa for a short holiday

She declined to comment on reports that Dr Rhoodie had deposited R25 000 with the legal firm before Mr Gross flew out

From Cape Town yesterday, the leader of the New Republic Party, Mr Vause Raw, told the Sunday Express the Government should immediately investigate rumours of millions being stashed away in steel army trunks, numbered bank accounts and farms in South America

Mr Raw said the rumours and whispers about bank accounts and farms in Paraguay went down the corridors of power in Pretoria

Sunday
Express
10/12/78

259.

Now Hortors boss admits links

By KITT KATZIN and JEAN LE MAY

HORTORS director Mr Stuart Pegg told the Sunday Express yesterday that his company had been closely involved with the Information Department in several secret projects mounted abroad.

Mr Pegg's acknowledgement that Hortors was connected with the Information Department and its former Secretary, Dr Eschel Rhoodie, comes three weeks after Mr David Abramson, chairman of Hortors, specifically denied to the Sunday Express that there was any connection between Hortors and/or Dr Rhoodie and the Information Department.

But Mr Pegg emphasised that Hortors was not a front organisation of the Department of Information.

Mr Abrahamson also has a connection with another front company of the former Department — the Homerus Finance Corporation in which he is a director and 50% shareholder.

The other director is Mr John Heinrich, a Johannesburg businessman.

This company is a vehicle in favour of which postdated cheques for more than R13-million were made out by Mr Louis Luyt to repay the loan he took from secret Informationm funds to run The Citizen.

Mr Pegg, who returned to Johannesburg from Europe this week, admitted to the the Sunday Express yesterday that while Hortors was not a front organisation it had been closely connected with Information Department secret projects abroad.

"We were involved with the department in a total business sense and we had certain agreements with Dr Eschel Rhoodie.

"They looked upon us as businessmen to keep a a business eye on their secret projects in Europe.

"From this developed a relationship between ourselves and the Department of Information, and ar agreement that went a lot wider than any of the parties had originally anticipated."

The dealings were fruitful, said Mr Pegg, and there was no doubt that they benefited both sides.

"Please remember that I am a businessman first and foremost."

He said both he and Mr Abrahamson believed in what they were doing — "we believed it was a good thing for South Africa and that we were acting in the best interests of the country".

He said Mr Abrahamson had left South Africa essentially to regain his health.

"He needs a long rest and we thought it best to send him to Europe for a while to get away from it all," Mr Pegg said.

● Irregularities discovered by the Pretorius Committee in the projects Morgan-Grampian and Hortors (the takeover by Mr Pegg and Mr Abrahamson of Hortors, as a result of buying shares into Morgan-Grampian) are being investigated by the Erasmus and Van der Walt Commissions.

● For the full Hortors story see later editions of the Sunday Express.

Sun. Express 16/12/78 (259)

How three men nearly hijacked a country

MULDER, RHOODIE AND CAME WITHIN HAIR'S POWER — THEN THE

BEHIND the drama and deceit of the grim South African experience that came to a climax as Parliament met in extraordinary session this week lies a story that can now be told for the first time.

It is a tale far more sinister than merely the misappropriation of public funds and the abuse of public trust A tale of how three men came chillingly close to hijacking the country through manipulations behind the scenes and a massive propaganda campaign aimed, not at the outside world but at South Africans themselves

Their schemes backfired at the last minute after coming within a hair's breadth of succeeding. And had they done so South Africans may well never have learnt the real facts of what was happening to them

These were the three men

● Dr Cornelius Petrus Mulder, 53, Minister of Plural Affairs, former Minister of Information, leader of the National Party in the Transvaal and thus the second most influential Nationalist in the country Often referred to as the Crown Prince of the National Party

● General Hendrik Johannes "Lang Hendrik" van den Bergh, 64, interned at Koffiefontein with the former Prime Minister, Mr Vorster, during the Second World War, and before his sudden retirement at the height of the Information Department scandal the head of the Bureau for State Security and Mr Vorster's adviser on security

As such he was one of the most powerful men in the country, and he arrogantly told the Erasmus Commission that nobody would stop him if he wanted to do something and he would stop at nothing

● Dr Eschel Mostert Rhoodie, 44, a close friend of General Van den Bergh and former Secretary for Information under Dr Mulder Organiser of a vast number of secret operations paid for out of secret public funds Many of these operations amounted to a massive propaganda campaign aimed at influencing South Africans to support the Nationalist Government — which, Dr Rhoodie is said to have hoped, would soon be headed by Dr Mulder as Prime Minister



Propaganda

Together and individually these men were well on their way to seizing control of the country and gaining sinister influence over the minds of the South African public when their plans went disastrously wrong and the Information Department scandal burst open

What may well in time become known as the "Grand Plan" had been carefully nurtured since 1972

It depended on Mr Vorster retiring as Prime Minister and assuming the job of State President round about 1979

Dr Connie Mulder would have been the natural choice to replace him

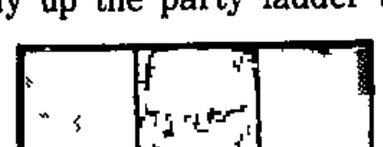
Nobody else posed a serious challenge for the position — certainly not Mr P W Botha, who could at most count on Cape support and a scattering of votes from the other provinces, nor Mr Pik Botha, who was both too junior in the Cabinet and suspect because of his "verligte" stance

General Van den Bergh would continue, if only on a contract basis, as security adviser to Dr Mulder and Mr Vorster — the "eyes and ears" of the Prime Minister, as he had been described, with awesome powers to initiate bannings, detentions and other actions against individuals and organisations through his security reports

And what of Dr Eschel Rhoodie, the third member of the "take-over" triumvirate? As an irrepressible Secretary for Information, he had done a great job He was also a close personal friend and confidant of both Dr Mulder and General Van den Bergh And a vital part of the propaganda machine

So it was planned that Dr Rhoodie would relinquish his post as Secretary for Information and become Minister of Foreign Affairs — with responsibility for Information, too

Like Dr Mulder, who had meticulously worked his way up the party ladder to



Sinister

his power base as Transvaal leader, the other two men had not been idle

In his position as security adviser, General Van den Bergh already wielded enormous power But his actions went further than that

According to the findings of the Erasmus Commission, he had succeeded in becoming a sinister power behind Mr Vorster Through the information that he fed to the already ailing Prime Minister, he manipulated Mr Vorster's decisions and at times did not carry out instructions he was given doing exactly the opposite

The awesome power of General Van den Bergh was testified to by Mr Lood Reynders, one of the general's top lieutenants Mr Reynders was found by the commission to have been in fear of his life

And then there was Dr Rhoodie. He was an important link in the triumvirate's scheme to gain control of an English newspaper When the attempts to buy the Natal Mercury and later South African Associated Newspapers failed, he played a vital role in the establishment of The Citizen newspaper through secret public funds and by using as a front man fertiliser magnate Louis Luyt

And the purpose of The Citizen was clear Far from being founded to counter the effects of the English opposition Press overseas, as was later claimed by the Nats when the bubble burst, it was started to influence English-speaking South Africans in favour of Nationalist ideology.

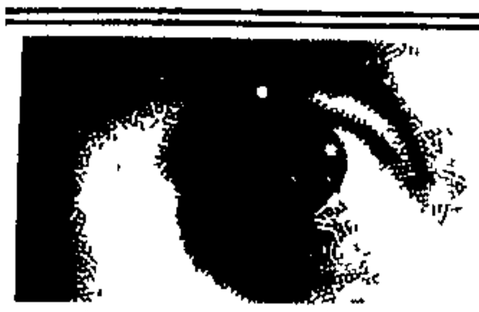
The newspaper was in fact described by the Erasmus Commission as a party political newspaper — though it cost the taxpayers, without their knowledge, millions of rands

Dr Rhoodie's propaganda machine did not stop there, however Using the massive secret funds clandestinely — and irregularly — made available to his Department, he set about building it bigger and better Front companies were established Plans were made for Black cinema chains, which would obviously provide a powerful means of influencing the Black population Other publications were proposed or started All would be powerful propaganda weapons at Dr Mulder's disposal when he became Prime Minister

Sunday Express
10/12/78

259

Connie's upset victory



MY EYE

An irreverent column by ALEXANDER DE KOK

THE way I read it, Dr Connie Mulder sees the revelations in the Erasmus report as some sort of moral victory You know, like losing at rugby but knowing that you had played the better game

His top supporters seem to share that point of view That must be why they passed a motion of confidence in Dr Mulder this week and talked grandly about his honesty and so on

Lying to Parliament does not make a man dishonest then, I gather In fact, your fans rather love you for it.

Of course, there are many ways of looking at the Erasmus findings Had Dr Mulder still been in his old position of power I would not have been surprised to see them reported thus in that Nat newspaper which he started with other people's money

"TRIUMPH FOR DR CONNIE" the headline would have trumpeted and underneath in smaller type "Clean hands in the Cabinet" The story, naturally, would have run something like this .

"The report of the Erasmus Commission of Inquiry into the so-called Info Scandal contains big shocks for the liberal-leftist Opposition Press

"After all the smear stories about the department and the Government in the past months, the report uncovered not one shred of evidence that:

- Any member of the Cabinet ever holidayed at public expense in the Outer Hebrides or Upper Albania,
- One single cent of taxpayers' money was ever used to finance the Namboomspruit Recorder, the Wonderboom Mirror or Pampoenfontein Gazette,
- Either Dr Connie Mulder or Dr Eschel Rhoodie ever made FREE use of South Africa's submarine, the Maria van Riebeeck, for a se-

OOPRUK

Die getuienis gaan openbaar word, sê regter Erasmus

Volksblad 10/12/78

259

Van EDDIE BOTHA

BLOEMFONTEIN

OP genl. Langhendrik van den Bergh se woedende uitdaging het die Erasmus-kommissie nou besluit om getuienis wat voor hulle afgelê is, te openbaar. Die nuus het die voorsitter, regter Rudolph Erasmus gister eksklusief aan RAPPORT gegee.

Met die uitsondering van getuienis wat die landveiligheid raak, of die kommissie se werk vorentoe sal belemmer, sal alle getuienis vir die volgende parlementsitting in Januarie aan Volksraadslede vrygestel word en „hulle kan dit gee aan wie hulle wil".

Hiertoe het hy die samewerking van die Eerste Minister, mnr. P. W. Botha, en die leiers van die drie opposisiepartye, mnre. Colin Eglin (PFP), John Wiley (SAP) en Vause Raw (NRP) sê regter Erasmus.

Terselfdertyd bevestig hy dat hy genl. Van den Bergh se snedige en minagtende opmerkinge oor die kommissie na die Prokureur-generaal vir optrede verwys het.

„En as die Prokureur-generaal weier om hom te vervolg, kan ek die Eerste Minister vra om die Minister van Justisie opdrag te gee om genl. Van den Bergh te vervolg," het regter Erasmus aan RAPPORT gesê.

Persoonlik, sê die regter, voel hy nie gekrenk deur die aanvalle van genl. Van den Bergh op die bevindinge van die kommissie nie. „Dit is vir my soos 'n klap teen die muur," het hy gesê.

So staan sake ná 'n week van bitterè woelinge binne en buite die parlement rondom die omstrede Generaal- wat volgens kommissiegetuienis een van en moontlik selfs die sleutelfiguur in die Inligting-debakel sou wees. Meningsverskil het, na RAPPORT verneem, binne die Regering ontstaan oor die optrede van die voormalige Hoof van die Buro vir Staatsveiligheid ten opsigte van die bevindinge van die Erasmus-kommissie.

Hy het die kommissie afgemaak as „'n klug", heelwat van die getuienis onomwonde as „leuens" bestempel, gesê sommige antwoorde van getuienis is verkry op blatant „leidende vrae", en gepraat van „afleidings, gevolgtrekkings, suspisies en dies meer . . sonder enige substansie" waarop die kommissie sy bevindinge sou gegrond het.

* VERVOLG OP BL. 23 *

Mnr Schlebusch het deur sy sekretaris, mnr. L D van Stade, aan RAPPORT gesê hy het geen kommentaar oor die saak nie en hy „werk daaraan".

Berigte dat dr. Rhoodie in Londen opgespoor is, kon gister nie by die Britse departemente van binnelandse en buitelandse sake, of by die Suid-Afrikaanse ambassade in Londen bevestig word nie.

Rhoodie nog soek

MNR ALWYN SCHLEBUSCH Minister van Binnelandse Sake, sê hy weet nie van 'n verklaring wat gister deur Sapa uitgereik is en waarin gesê is dat hy bevestig het dat dr. Eschel Rhoodie in Londen opgespoor is nie

P. Ti 2 O

It is believed that Government will soon announce the setting up of a Commission on Local Government to report within the year. Extensive discussions currently being conducted at the District and Village level on the TGLP White Paper proposals and the work of the expected Commission on Local Government suggest that by early 1978 Botswana could have the legislative and the programmatic wherewithal to tackle the central economic and social problem of growing rural poverty.

Current Problems

The purpose of this paper is to review the requirements for rural development in Botswana and to evaluate current a[illegible]ose requirements. The paper will argue that Botswa[illegible] overly legalistic and a rather too mechanistic approach [illegible]g with local conditions and the small size of the popula[illegible]

Botswana's rural economy is fragile, governed as [illegible]ty of the rains. In the past some 35 000 Botswana ann[illegible] in South Africa as migrants. In other words, one-q[illegible] our force underwrote the fluctuations in rural incomes[illegible] work outside the country. Today it is known thanks t[illegible] tribution Survey, [illegible] rural poverty. [illegible] aining 35% of t[illegible] ouse- hold ann[illegible] strong correlat[illegible] ion in the owne[illegible] ing.

The high [illegible] eral growth o[illegible] Governmer[illegible] ring and const[illegible] The carpl[illegible] of the re[illegible] the first two [illegible] ation qualified [illegible] ional Developmer[illegible] rates of employ[illegible] e to

(2591)

Dis ook in gedrang: 'n Huis van R17 500 in Soweto



SO lyk die huis van R17 500 in Soweto wat glo met Inligting se geld gekoop is.

‚R500 vir Rus bedoel'

Sehume sê hy wis niks

Deur FREEK BADENHORST

DIE huis in 'n swart woonbuurt wat met Inligting se geheime geld gekoop is, is dié van mnr. Leslie Sehume, voorheen verbonde aan die Komitee vir Regverdigheid in Sport, sê die inwoners van Soweto.

Rapport
10/12/78 259

DIE MAN WAT DIE BOEKE MOES HOU



MNR. BRAAM FOURIE Hy sê dr. Eschel Rhoodie sou hom gebreek het as hy oor sy kop gegaan het

„EK het 'n Russiese regeringsgas onthaal met daardie ekstra R500 wat dr. Eschel Rhoodie aan my laat stuur het."

So vertel mev. Helena Pieterse, sjarmante vrou van die filmbaas André Pieterse, oor haar aandeel in die R4 500 wat dr. Rhoodie aan haar gestuur het sodat sy as tussenganger kon betaal vir Inligting se hokkie op Loftus Versfeld.

* Mev. Pieterse het net R4 000 van die geld aan die Noord-Transvaalse Rugby-unie gestuur In sy getuienis voor die Erasmus-kommissie het haar man gesê hy meen die R500 was vergoeding vir die gebruik van sy vrou se bankrekening

Vir haar en haar vriende is dit 'n jammerte en 'n teleurstelling dat sy op hierdie manier onwetend by die Inligting-debakel betrek is, sê mev Pieterse. Feit is dat sy die anti-kommunistiese Rus prof. Michael Agurski ruim onthaal het. Hy is in November 1976 na Suid-Afrika gebring en het onder meer op TV verskyn.

Hy het op George by hulle ingewoon en onthale is gehou sodat hy uitgesoekte mense kon ontmoet. Sy en

VERSLAG

REPUBLIEK VAN SUID-AFRIKA

van die

KOMMISSIE VAN ONDERSOEK

na

BEWEERDE ONREËLMATIGHEDE IN DIE VOORMALIGE DEPARTEMENT VAN INLIGTING

Rapport
10/12/78 (259)

André Pieterse se vrou vertel van haar rol in die saak

haar man het hom in Kaapstad gaan haal en agterna ook vir 'n private vliegtuig betaal

Eers verlede jaar het sy die R500 ontvang en sy het gedink dit is vir die koste wat sy aangegaan het met die Rus se besoek.

* In die Erasmus-verslag word gesê dat die betaling van die huurgeld van R4 000 vir die Thor-hokkie op Loftus klaarblyklik vir dr Rhoodie 'n probleem was.

Hy het sy rekenmeester opdrag gegee om 'n tjek vir R4 500 uit die geheime fonds aan die Pieterses uit te maak. Dit is vergoeding vir werk wat aan 'n anti-Kommunistiese prent gedoen is, het hy gesê

Hierdie transaksie, het die kommissie bevind, illustreer baie treffend hoe die rekenmeester om die bos gelei kan word met betrekking tot die uiteindelike gebruik van die geld wat hy uitbetaal

* Die kommissie het bevind dat mnre Pieterse en Luyt nie van ongerymdhede beskuldig kan word nie.



MEV. HELENA PIETERSE, wat vertel van die R500 en die besoek van 'n Russiese professor

Die komitee het geld van mnr. Louis Luyt en later van mnr. Gary Player ontvang. Albei was ook direkteur van The Citizen

Die komitee het hom beywer vir die binnelandse sportveranderinge en internasionale aanvaarding op sportgebied.

Al wat mnr Sehume weet, is dat mnr. Gert Wolmarans, voorsitter van die komitee, vir hom die huislening gereel het Hy het aangeneem dit kom uit die komitee se fondse

Die maandelikse paaiement is gereeld van sy salaris afgetrek, maar aan wie dit oorbetaal is, weet hy nie

As dit staatsgeld is, sal die lewe vir hom en sy gesin onhoudbaar word in Soweto As hy vooraf moes weet dat daar staatsgeld in die komitee was, sou hy ook nooit daar gaan werk het nie

Die komitee bestaan nog maar werksaamhede is gestaak. Mnr. Player het gesê dis duidelik dat wat hulle ookal doen, hulle nie hond sal haaraf maak nie.

Mnr. Wolmarans sê die komitee het gereeld kontanttjeks van mnr. Luyt en na hom van mnr. Player gekry Die geld vir mnr. Sehume se lening is van mnr Luyt ontvang

Die terugbetalings op die lening van R17 500, die bedrag wat in die Pretorius-verslag genoem word, word nie in 'n spesiale fonds gestort nie, maar word vir die werksaamhede van die komitee gebruik.

„Dit sal nie reg wees om die hele lening van mnr. Sehume te verhaal nie — as dit 'inligtingsgeld is — want hy het al 'n groot deel van die lening afbetaal," sê mnr Wolmarans.

Eschel sou hom breek, sê Braam Fourie

Rapport 10/12/78 (259)

DR ESCHEL RHOODIE sou hom gebreek het as hy oor sy kop gegaan en by iemand anders gaan kla het, sê mnr. Braam Fourie, die man wat moes boek hou van die R64 miljoen wat die gewese Departement van Inligting aan geheime projekte bestee het.

Die 46-jarige mnr Fourie — wat geen universiteitsopleiding in boekhou of rekeningkunde het nie en wat man-alleen die syferwerk vir Inligtinge se geheime miljoene moes doen — bieg dat hy besef het hy kan nie alleen die mas opkom nie

Daarom het hy gevra dat nog 'n rekenmeester hom moet kom help en het die staatsdienskommissie so 'n pos goedgekeur. Die moontlike kandidate vir die belangrike pos was egter nie vir dr Rhoodie aanvaarbaar nie, sê mnr Fourie

Dr. Rhoodie het aan hom gesê hy „wil eenhonderd persent seker maak van die man wat daar inkom, hy wil nie ekstra risiko's loop nie" Die pos is nooit gevul nie

In sy gestreepte kamerjapon in sy huis in Villieria, Pretoria, vertel mnr. Fourie hoe hy daagliks met die veelbesproke geheime miljoene van Inligting gewerk het.

„Dit was een van die eienaardigste posisies vir 'n boekhouer om in te wees Ek sal dit nooit weer doen nie. Ek weet nou van bate beter "

Mnr. Fourie, wat aansterk ná 'n skildklieroperasie, sê hy het nooit vermoed „dinge loop skeef nie, maar ek het beslis besef dinge ruk hand-uit Die taak het te groot geword om te beheer."

Mnr Fourie is in Julie 1972 tot senior rekenmeester in die Departement van Inligting bevorder Hy het 28 jaar gelede in die rekeningafdeling van die ou Departement van Lande met syfers begin werk

Toe dr. Eschel Rhoodie in 1973-74 met geheime projekte begin, het hy boek gehou van die oop en geheime rekening van die departement.

Toe die geheime projekte begin toeneem, het dit 'n yslike taak geword.

In 1974—75 het sy werk bo normaal begin toeneem en het hy nog 'n rekenmeester aangevra. „Ek het altyd gevoel een man alleen kan nie belas word met die taak nie. Dit is net ongehoord "

Hy het nie 'n „clue" gehad van geheime projekte nie Die projekte was gekodifiseer en hy het net opdrag gekry om onder die of daardie kode soveel of soveel aan 'n bank of persone uit te betaal.

Hy het geen beheer oor betalings gehad nie en kon ook nie uitgawestate kontroleer nie. Dr. Eschel Rhoodie. sy broer Deneys, Adjunk-sekretaris, en mnr. Les de Villiers kon uitgawes magtig

As hulle gesê het betaal, dan betaal jy. Hy kon niks bevraagteken nie.

Dr. Deneys het normaalweg nie bewysstukke bygesit vir sy uitgawes nie „Hy het gewoonlik 'n voorskot getrek en as hy iets indien, word dit net verreken teen sy voorskot."

Dr. Eschel en mr. De Villiers het gewoonlik strokies of stawende bewyse van uitgawes ingedien, maar daar was ook gevalle waar hulle nie strokies aangeheg het nie

Mnr. Fourie het geen reg gehad om teen te stribbel nie. „Die probleem was dat hulle delegasiemagte gehad het om betalings uit die geheime fonds te gelas. As hulle by jou kom met 'n kostestaat, was dit al klaar gemagtig."

Mnr. Fourie se grootste taak was „om die begroting te beheer — hoeveel aan elke projek bestee is".

Hy moes jaarliks state voorlê oor hoeveel aan elke projek bestee is. „As hulle 'n bedrag aan 'n projek toegeken het, kon ek nie sê dis verkeerd nie."

Hy kon met niemand gaan praat het wanneer iets hom gehinder het nie. Alles het met geheime projekte te doen gehad.

„Niemand was veronderstel om te weet nie. Tot my vrou en kinders het nie geweet nie."

Hy het „lekker begin werk" toe mnr. Louw Reynders van die Buro vir Staatsveiligheid in Julie-Augustus 1977 ouditerings kom doen het

„Toe kon ek terugval op iemand en sê dit of dat sal nie goedgekeur word nie. Ek kon my probleme met iemand bespreek."

Mnr. Fourie sê 'n jaar gelede was dr Rhoodie so sterk gewees dat hy enige man kon gebreek het

RAPPORT: As u oor sy kop by iemand anders gaan kla het, sou hy u gebreek het?

Mnr Fourie: O ja, beslis.

Net bly dis alles verby



MEV SUSANNA ERASMUS

Van ANDRÉ KOTZEE
BLOEMFONTEIN

„DIT was 'n spanningsvolle tyd, veral vir my en die kinders hier by die huis. Ek het nie geweet wat gaan kom nie. Ek is net bly dit is alles verby."

So sê mev. Susanna (Swartkop) Erasmus, vrou van regter Rudolph Erasmus.

Regter Erasmus het verlede Sondag, presies 'n maand nadat die kommissie met sy werk begin het, huis toe gekom. Intussen was Waverleyhuis, hul woning, gedurig onder polisiebewaking.

„Hy het my elke aand gebel en verseker dat hy veilig en gesond is," vertel sy. „Ek kon hoor hy is moeg, maar was altyd opgeruimd."

Wat hom betref, sê regter Erasmus, vir 21 dae het hy gemiddeld 3½ uur per nag geslaap. „Party aande het ek darem teen middernag in die vere gekom, maar dan skrik ek weer teen twee-uur wakker, die saak malende in my kop

„Dan staan ek maar op en skryf die verslag tot ek weer vaak word," sê regter Erasmus.

The Info SCANDAL 4

Horwood in a hurry

MULDER SHOWED HOW EASY IT WAS TO MAKE THE MAN WHO HANDLES YOUR CASH SIGN AWAY MILLIONS



RAW: The Minister bluffed Parliament

By PETER MANN

THE MINISTER of Finance, Senator Owen Horwood, once signed away R14,8-million of taxpayer's money — without reading what he was signing.

Although Senator Horwood is cleared by the Erasmus Commission, he emerges in the report as a man who gave in easily to pressure.

"To show that Dr Connie Mulder, the disgraced Minister of Information, was "a master at the art of rushing somebody into a decision" the report quotes an incident in 1978 on which Senator Horwood gave evidence before the commission.

The report says: "Senator Horwood said in evidence that one day in April Dr Mulder had summoned him urgently to his office and laid before him a letter with a schedule in respect of expenditure required in connection with secret projects

"Dr Mulder told him that it was of urgent importance that he immediately approve the payments to the amount of R14,8 million, since payments were already due.

"Dr Mulder asked him quickly to initial the letter as well as each page of the schedule because the Auditor-General would require this before payment could be made. He was not given the opportunity of going through the documents, because the matter was too urgent.

Complied in good faith

"Senator Horwood testified that he then, in good faith, complied with Dr Mulder's request as a result of pressure exerted on him.

"The letter was marked 'Uiters Geheim — Geen Afskrifte' (Top Secret — No Copy)

"On the face of it, the request contained in the letter was in order, namely for authority for the payment of R14,8 million which had already been approved in the Budget.

"Senator Horwood testified that he began to have misgivings almost immediately and then asked the opinion of the law advisers on the necessity of each specific project payment having to be approved and signed by the Minister of Finance before the Auditor-General permitted payment to be made.

"The opinion of the law advisers was that it was not a requirement under the Exchequer Act that he had no knowledge of the projects when he signed and that he did not wish the impression to be left that, by his initials, he had approved the project.

"He confirmed once again that he was cancelling the initials and signature and returned the copy of the documents that he had in the meantime received from Dr Mulder on which he had made the cancellation.

Original filed

"It will be noted that, in spite of the fact that the document was so very secret that 'Geen Afskrifte' was typed on it, Dr Mulder did not return the letter itself to Senator Horwood, but a photocopy of it.

"It appeared subsequently that the original, on which Senator Horwood's initials and signature were not cancelled, were retained in the department's files.

"This last-mentioned original was then referred to in evidence before the commission by Dr Rhoodie as proof that Senator Horwood had been informed of details of all secret projects".

The report adds that once Senator Horwood had thought about it, he had taken immediate steps "not to be caught in an easy trap".

Senator Horwood also received a blasting during this week's debate on the Erasmus report from the leader of the New Republic Party, Mr Vause Raw, who said he had "bluffed" and "humiliated" Parliament.

Mr Raw rejected the fact that the commission had cleared Senator Horwood. He referred to the fact that Senator Horwood in March told Parliament that he knew of no irregularities or difficulties with funds.

"Did he not know that the Auditor-General was investigating the funds?" Mr Raw asked.

He added: "He bluffed us and we accepted his assurances Parliament was humiliated."

Ek is nog prime, sê Generaal

VERSLAG
van die
KOMMISSIE VAN ONDERSOEK
na
BEWEERDE ONREELMATIGHEDE IN DIE VOORMALIGE DEPARTEMENT VAN INLIGTING

REPUBLIEK VAN SUID-AFRIKA

HY staan daar tussen die blou fluweelstoele in die sitkamer van sy huis op Waterkloofrif, Pretoria. Oopnek-langmouhemp, elegante slenterbroek.

Blou oë beurtelings rustig en ysig agter die grootraambril. Bruingebrand. Superfiks. Dis boer wat so maak.

Die perskonferensie wat hy belê het om die Erasmus-kommissie se „skandalige aantygings" teen hom te weerlê, is afgeloop. Hy lyk tevrede met die gang van sake. Die kommissie het hy met honende minagting uitgemaak vir „'n klug", vol „gevolgtrekkings, afleidings, spekulasies en dies meer sonder enige substansie" Hy daag die kommissarisse om die volledige transkripsie van sy getuienis beskikbaar te stel „sodat 'n Alleman self daaroor kan oordeel".

Vir nuusmanne wat jantjie was dat hulle nie die historiese spesiale parlementsitting oor Inligting in Kaapstad kon meemaak nie, lewer Waterkloofrif, Pretoria, Donderdagmiddag ten minste 'n sideshow duisend.

Genl Langhendrik van den Bergh trek hom op tot sy volle, lange lengte. Klop-klop ingenome op 'n plat maag.

„Net jammer my jare is teen my," sê Luyt nie voor my sê, onder eed waar ek hom onder kruisverhoor kan neem nie.

U ontken kategories dat u enige toesmeer beoog het?

Ek smeer toe vir g'n niemand nie.

Hoe is u persoonlike betrekkinge nou met u jarelange vriend mnr John Vorster? Het u hom in die laaste weke gesien, van die verslag uit is?

Dis die vraag aan die hart van die grootste menslike tragedie van hierdie hele droewe Inligtings-debakel. Hierdie twee man was nie



ALTYD betroubaar, altyd onopsigtelik kort agter sy vriend premier Vorster — genl. Langhendrik saam met dr. Eschel Rhoodie by mnr Vorster tydens sy historiese besoek aan die Ivoorkus se Pres Felix Houphouet-Boigny. 'n Foto uit die Dawid en Jonathan-dae van mnr. Vorster en sy Generaal.

Deur Rykie van Reenen

En Reynders was glo bang vir hom: Dat hom dr Mulder herhaaldelik meegedeel dat mnr. Vorster absoluut daarteen is en

Rapport

(259) 10/12/78

die wêreld nou al weet sukkelend met 'n kondêm-boorgat se pype). Betreffende hul verhouding nou: Geen kommentaar

Hy gun mnr Vorster die reg om te getuig soos hy voel en het geen beswaar dat die kommissie dit aanvaar nie Wel, egter, dat hulle sy eie getuienis verwerp. Hy gee te kenne dat hy geframe is, tot sondebok van die Inligtings-debakel gemaak.

Maar hoekom? En deur wie?

Hy lig sy linker-wenkbrou Dis 'n kenmerkende, innemende gebaar Die blou oe kyk waterpas en veelseggend in joue Daarop kan ek jou 'n baie goeie antwoord gee Maar ek sal nie, sê hy, met die finaliteit van 'n amptelike geheim

Hierdie man sê pront. Niemand in Suid-Afrika weet soveel as hy nie (met name van elemente wat SA bedreig). Maar hy gaan niks verder sê nie Hy's nie meer staatsamptenaar nie. Hy vat orders van niemand nie En wie't hy wil, sê hy, kan hy soos vir die Staf na die duiwel stuur

Die middagvertoning het begin met 'n wapenskou Die Generaal gaan naal in die kamer langsaan, 'n skitterblink AK 47, die Russiese skietding wat aan terroriste uitgereik

Jy verbeel jou daardie kyk wil sê. Jy en ek, ons verstaan mekaar oor al hierdie koppe heen Jy betrap jou dat jy nogal gevlei voel

Die meester is in aksie, sien Hierdie hoofstuk se naam is RAPPORT-en-verstandhouding As die Generaal omblaai, is dit 'n smalende venyn so aanstootlik as wat sy sjarme netnou onweerstaanbaar was Hy lê dit aan die dag veral ten opsigte van sy gewese-Buro-kollega, mnr Lood Reynders, die man wat in trane uitgebars het voor die kommissie Dit wil hom voorkom, het die kommissie gesê, dat mnr. Vorster hier op 'n geknakte riet gesteun het:

Daarmee is hierdie getuie, wat soveel verdoemende dinge betreffende hom getuig het, uitgelewer aan die hoon van die Generaal

„Arme mnr Reynders Arme mnr Reynders geknakte riet met vrese in sy tranedal "

Hy boor hom met die hak in die grond in.

Mede-oud-geïnterneerde (en dus lid van 'n spesiale Afrikaner-elitekorps) Mede-broer. Medelid van die Buro van Staatsveiligheid In trane? Sy minagting ken geen perke

hy hom sou „vergruis"? Die stelling is net met 'n baie, baie leidende vraag uit Reynders gekry, sê die generaal En hy't nog nooit iemand vergruis nie. „Ek kon skaars 'n mieliepit fyngestamp kry, kleintyd "

Daar's twee kernklagte teen genl Van den Bergh in die Erasmus-verslag Die eerste is dat hy 'n dubbele rol gespeel het: hom aan die eenkant voorgedoen het as die getroue kameraad, van mnr Vorster wat net sy belange op die hart dra, en sy wense uitvoer, maar aan die ander kant geesdriftig meedoen aan die skemas van dr Mulder en dr Rhoodie, sê die verslag

Betreffende byvoorbeeld die Citizen „kon mnr Vorster tot 'n mate salig onder die waan verkeer dat sy afkeer vir die finansiering van 'n Engelstalige koerant uit staatsfondse aan dr Mulder, Rhoodie en ander oorgedra was Aan die ander kant kon hulle die indruk kry dat mnr Vorster nie alleen van hul optrede weet nie, maar dit ook goedkeur " Dr Mulder het voor die kommissie verseker dat dr Rhoodie en Van den Bergh hom herhaaldelik verseker het dat mnr Vorster hom steun in verband met die Citizen

Genl Van den Bergh Ek weet nie van dr Rhoodie nie, maar „v.d. Bergh" het dit afkeur — „ek sal mnr Vorster dit ter ere gee "

Hy „sweer voor God" dat hy dit oor en oor en duidelik aan dr Mulder en dr Rhoodie gesê het, beduie die Generaal met sy hele arm Nog 'n mooi vriendskap na die maan?

Die ander ernstige klag teen die Generaal is dat hy (soos, na bewering, dr Connie Mulder) in die laaste dae van mnr Vorster se bewind op Reynders druk uitgeoefen het om 'n verslag uit te bring dat hy geen onreelmatighede in dr Mulder se departement teengekom het nie 'n „Skoon" verslag, sê die kommissie, sou vir dr Mulder 'n oop pad in die komende premiersverkiesing gee

„Lyk my daar's mense wat teen 'n oop pad vir dr Mulder is," brom die Generaal halt in sy baard. Hy ontken ten enemale dat hy onregmatige druk op mnr Reynders uitgeoefen het.

*Nou die sleutelvraag was hy 'n voorstander van dr Mulder se kandidatuur vir die premierskap?

Dis die vraag waarop die Generaal sê No comment.

Rapport
259
10/12/78

\PPORT (ook maar in sonde ontvange) nders was u nog prime?

Die Generaal, ligweg gekrenk „Ek is nog prime!"

Aitsa! Die Generaal bedoel maar net hy's in prima kondisie, 64 jaar oud ofte nie

Maar misverstand was moontlik Die Erasmus-kommissie teken hom as een wat sy amp en persoonlike vriendskap met mnr John Vorster gebruik het om „sake in Suid-Afrika te manipuleer soos hy wou", wat soms volgens hom — so skryf die kommissie altans — mnr Vorster se besluite „vir hom geneem het", homself gesien het as „die mag agter die troon".

Min mense in Suid-Afrika besef hoeveel mag Van den Bergh het, het mnr Louw Reynders, man uit sy eie gewese departement van Staatsveiligheid, met bewing voor Erasmus getuig

In die Parlement vandeesweek sê mn. Alwyn Schlebusch, onverbiddelike Vrystaatse partyleier, hierdie man was „die meesterbrein agter baie van die onreelmatighede van die gewese Departement van Inligting" Hy het „ontsettende mag" gehad

Onreelmatighede? Terugflits. In 1963 toe hy veiligheidshoof word, so vertel hy vanjaar nog weer aan Koos van der Merwe, toe „het ek na my kinders en ander s'n gekyk en gesê Biedêm die rule of law, as die manne (die revolusionêre magte van die sestigs) in hul doel slaag, sal daar in elk geval g'n rule meer wees nie".

As dit om my land gaan, geld geen reels nie, sou ook dr Connie Mulder vanjaar nog weer sê "En die daad by die woord voeg

Vandeesweek herinner die Generaal die Erasmus-kommissie dat hulle hoegenaamd kan vergader net danksy „die optrede van die man wat as veiligheidshoof sy deeltjie bygedra het — hoe power ook al", drup die nederigheid sarkasties. Hulle wil hom mos kom sê hy's „arrogant", die kommissie

Genl Van den Bergh sê hy's tot in sy siel geskok dat sy eie mense hom so in die rug geskop het, ja Teenoor hom is die ernstigste karaktermoord gepleeg wat nog in SA voorgekom het Ter wille van sy familie, sy vriende moet hy hom verweer, sê hy terwyl 'n plaatjie kleinkinders om hul oupa klouter en jakker.

As daar een ding is wat hom duidelik bitterlik vererg — nog meer selfs as die verwerping van sy getuienis ten gunste van andere se „vertolkings" — dan is dit die manier wat die kommissie het om sommer hierjy van „v d Bergh" te skrywe terwyl dit „dr Connie Mulder" voor en „dr. Eschel Rhoodie" agter is

En nog 'n ding dat hulle hom, soos 'n potensiele verraaier, soos jare gelede by internering, sommer met kruisverhoor loop sonder dat hy eens weet wat die klag teen hom is, sonder dat hy getuies teen hom onder kruisverhoor kon neem, of eens weet wie hulle is

„Ag shame" sal die Star later die week skryf namens talle wat in die laaste jare sonder verhoor in SA aangehou is

Ewewel, agt getikte folio's weerwoord het die Generaal op paragrawe in die Erasmusverslag wat op hom slaan Hy lees dit voor omtrent met „expression", soos die oumense sou sê 'n Lang regter-, dan weer 'n lang linkervoorvinger beklemtoon skoolmeesteragtig sleutelwoorde, of 'n sterk bruingebrande werkshand (met goue troupand) maak bree ekspressiewe gebare

„Dis al wat ek wou sê. Verwaand, nè?" sluit hy af Klaargepraat Geen vrae nie

Maar die jaers kry tog 'n paar keer die kwaad leeu uit die lang gras opgejaag. Met vrae soos

Louis Luyt het voor die Mostert-kommissie gesê die Generaal het die ondersoek na Inligting se geheime projekte onderneem omdat hy self baie diep betrokke was by baie van hulle en so wou seker maak dat sekere dinge nooit aan die lig kom nie Wat sê hy daarop?

Daarop sê hy afgemete Dit sal Louis



BULHOND en rottweiler Genl. Hendrik van den Bergh en sy hond, Mercedes, Vrydag ná die perskonferensie (Foto. Janetta Krynauw)

Dawid en Jonathan, saam geïnterneer op Koffiefontein, onafskeidbare wapenbroers teen revolusionêre magte in die jare sestig, mede-argitekte van Suid-Afrika se stoutste detènte-pogings, van menige internasionale toenaderings-inisiatief .

Hoe is dit nou met hulle, terwyl sowel die Mostert- as die Erasmus-kommissie getuienis aangehoor het wat daarop dui dat mnr Vorster van 'n kant af deur sy groot vriend mislei is — ook ten opsigte van Inligting se Citizen-inisiatief wat die oog geword het van die verskriklike storm in dr Connie se teekoppie?

Die Generaal trek g'n spier Nee, sê hy, hy het Hy kan nou nie mooi onthou presies wanneer laas hy vir mnr Vorster gesien het nie Hy was die laaste ruk op sy plaas (soos word en wat, so lees die silwerplaatjie op die kolf, deur Rhodesie se Selous Scouts aan hom geskenk is

Hy gooi die geweer teen die skouer krink die bajonet, lê aan, maak of hy die koerantmanne storm — toe maar . Dis verseel, net 'n ornament, nou "

RAPPORT Is dit 'n wapen vir aanval of verdediging vanmiddag, Generaal?

O, vir verdediging, vir verdediging! kom die antwoord dadelik Daardie linker-wenkbrou lig weer Dis weer oog-tot-oog kontak

Rapport

259 10|12|78

Groot regter moet nou beslis, sê Reynders

Deur THINUS PRINSLOO

„DIE groot regter moet nou maar eendag besluit wie die waarheid gepraat het," sê mnr. Louw Reynders, wat onder druk van dr. Connie Mulder en genl. Hendrik van den Bergh 'n vals verslag aan die gewese Eerste Minister, mnr. Vorster, opgestel het.

Mnr. Reynders van die Buro vir Staatsveiligheid, wat die hele land in beroering het met sy getuienis voor die Erasmus-kommissie dat hy vir sy eie lewe gevrees het, het die naweek sy stilswye teenoor RAPPORT verbreek en gesê:

„Wat ek gesê het voor die kommissie, het ek gesê en ek volstaan daarby . . . die groot regter moet nou maar eendag besluit wie die waarheid gepraat het."

Die uitlating van mnr. Reynders kom nadat genl. Van den Bergh, gewese hoof van die Buro, Donderdag op 'n perskonferensie heftig ontken het dat mnr. Reynders rede gehad het om hom te vrees.

Die Erasmus-kommissie het bevind dat mnr. Reynders die vals verklaring opgestel het nadat hy onder geweldige druk geplaas was deur dr. Mulder en genl. Van den Bergh.

Genl. Van den Bergh het Donderdag op 'n perskonferensie veral teen mnr. Reynders se getuienis te velde getrek. Hy het heftig ontken dat mnr. Reynders nodig gehad het om hom te vrees.

Hy het na mnr. Reynders, wat die bedrywighede van die gewese Departement van Inligting in opdrag van mnr. Vorster moes ondersoek, verwys as 'n „mede-oud-geïnterneerde en mede-bróer".

Genl. Van den Bergh het later na mnr. Reynders verwys as die „geknakte riet wat herrys het".

Toe mnr. Reynders voor die kommissie getuig het, het hy in trane uitgebars toe hy beken het dat die verslag vals was

Hy het toe „soos 'n sweer wat oopgemaak word, sy gemoed skoongemaak".

Volgens mnr. Reynders se getuienis voor die kommissie was hy bang dat genl. Van den Bergh hom sou „vergruis", want „min mense besef in hierdie land oor watter mag Van den Berg beskik".

Mnr. Reynders het aan RAPPORT gesê dat hy nooit die woord „vergruis" gebruik het nie, maar wel die woord „verguis".

„Ek sien darem die kommissie sê jy mag regstellings maak. Jy mag hulle nie kritiseer nie . . . Ek het nie die woord vergruis gebruik nie. Ek het die woord verguis gebruik, en dit is vir my 'n hemelsbree verskil. Dit kon 'n tikfout gewees het."

Mnr. Reynders sê hy is nie bewus van enige stappe om hom af te dank omdat hy 'n vals verklaring aan mnr. Vorster gemaak het nie.

freehold lands, which comprise only 6% of Botswana and on which live only 4% of the population, deliver half the cattle slaughtered by the BMC.[1] Traders and speculators, and co-operatives deliver a further 25%. The remaining 25% of the supply of cattle to the BMC comes from the tribal lands. The latter despite the fact that the tribal lands comprise 71% of Botswana and that tribal grazers who could afford to do so have gained control of much of the state land, which comprises 23% of the total, by means of sinking boreholes. Only 25% of the cattle sold to the BMC comes off 94% of the land. The evidence suggests that a few freehold ranchers and a larger number of cattle speculators have exploited the favourable beef prices by buying in stock from tribal grazers for fattening prior to sale to the BMC. In contrast to the average of roughly 185 000 cattle sold to the raged roughly 38 000. Steeply differ-

the dominance of a "business" sector

tribal grazers cannot be expected to

early claims for rights over tribal

ial.

uestion, "what is there to prevent the

ranching on leasehold estates on the

grazing of animals attached to their

Connie plea
by NP

* VERVOLG VAN BL. EEN *

word Dit sal die seel op sy verneder
gesê
Volgens Beeld het 'n minister laat blyk dat dr Mulder
nie langer in die Nasionale koukus geduld sal word
nie. As dr Mulder nie self uittree nie, sê die minister,
sal hy self 'n mosie voorstel dat dr. Mulder uit die
koukus geskors word.
"Of hy ook uit die Nasionale Party bedank, is 'n
saak vir dr. Andries Treurnicht, die nuwe Transvaalse
leier van die party," het die minister volgens Beeld
gesê.
Toe Nasionalliste die week van dr Connie se brief
en sy voorneme hoor, was daar 'n gebrom. Hulle voel
hy het meer as tien uur kans gehad om sy saak voor
die kommissie te stel. Die party het die versiag in
sy geheel aanvaar, ook die kritiek op dr. Mulder, en
sy optrede in die koukus kan sake net vertroebel.
Hulle wys daarop dat daar 'n passasie in die versiag
is wat duidelik toon dat dr. Mulder met draaie, ontwykende
antwoorde en die spel met woorde sy saak probeer
goedpraat het.
"Toe was hy onder kruisverhoor geneem deur die
prokureur-generaal van Kaapland, adv. Braam Lategan,
en die het gesukkel om die erkenning uit hom te kry
In die koukus sal dr Mulder nie onder kruisverhoor
wees nie, en hy sal 'n mens maklik om die pinkie
kan draai, hoe weed dit ook al is om te sê," het
'n Nasionalis aan RAPPORT gesê.
Kort ná Woensdag se koukus het 'n groep van dr.
Mulder se grootste ondersteuners van vroeer — ook
werwers vir sy kandidatuur vir die premiersverkiesing
— hom in soveel woorde gaan vra dat hy om sy eie
om hulle onthalwe liewer nou uit die politiek moet
tree.
Maar daar was ook ander wat nie saamgestem het
nie. Hulle voel hy moenie nou, terwyl die pot borrel,
as LV bedank nie. Hy moet ruskans kry en daarna
moet hy 'n besluit neem wat in die belang van die
party is, het een teenoor RAPPORT opgemerk.
Dr Mulder se afdelingsbestuur staan in hierdie stadium
nog by hom. Die week was lede van die bestuur in
die Kaap om dr. Mulder te spreek. Daar word verstaan
dat daar wel druk uit hoe kringe op die afdelingsbestuur
is om dr. Mulder tot 'n "eervolle uittrede" aan te
spoor.
Dr Mulder het Donderdag die verrigtinge in die Volks-
raad op binnekring-televisie vanuit 'n ministerskantoor
gevolg. Donderdag was hy en sy vrou by sy gewese
ministerswoning om in te pak

* VERVOLG OP BL. 23 *

Van Ons Politieke Berliggewer
KAAPSTAD

DR. CONNIE MULDER will nie nou as LV bedank nie. Hy vra 'n geleenthei om met volgende jaar se parlementsitting sy saak voor die Nasionale koukus te stel — maar die kanse lyk skraal dat hy toegelaat sal word, verneem RAPPORT.

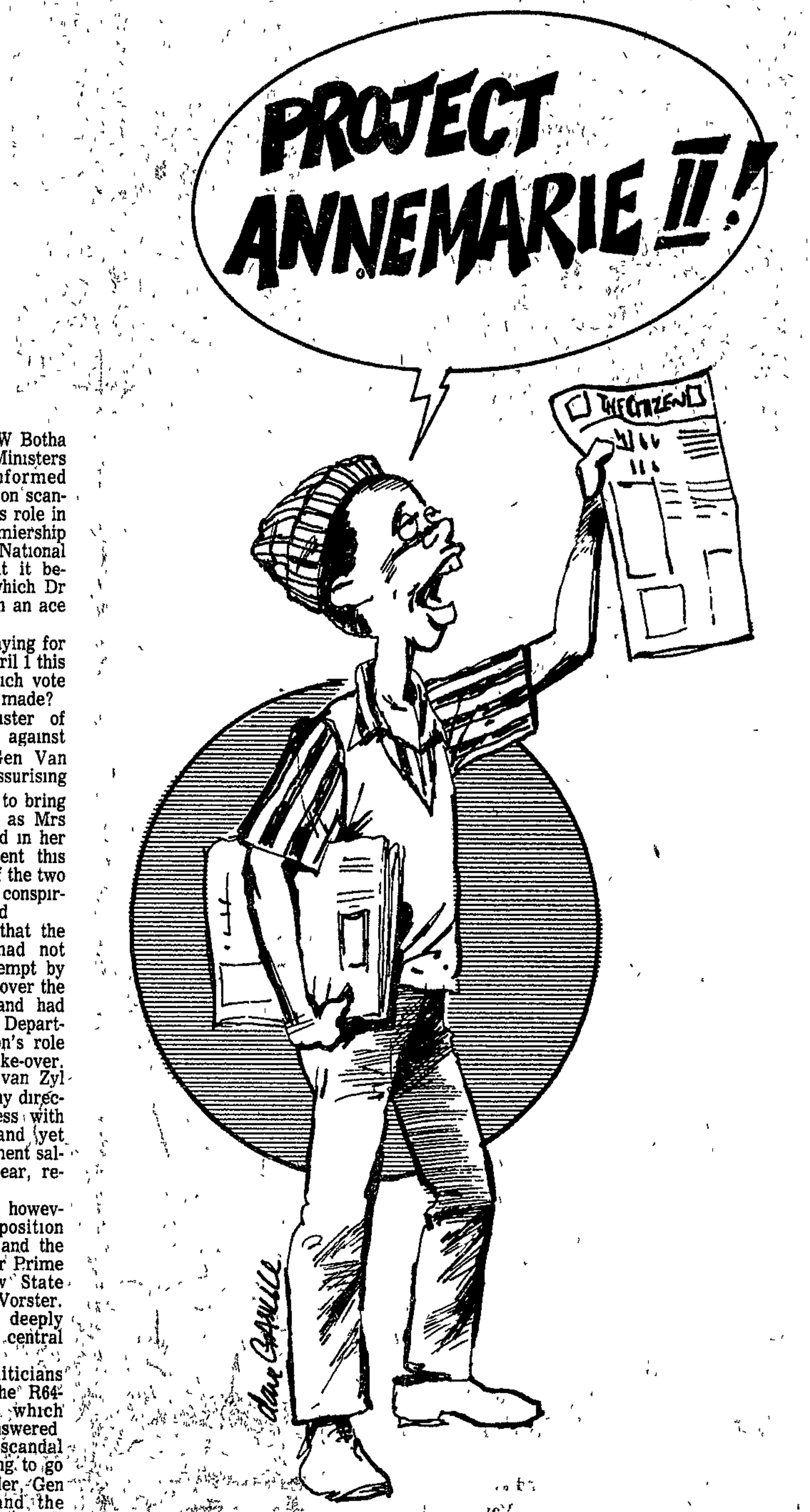
Dr. Mulder, wat op advies nie Woensdag se belangrike koukusvergadering en die verrigtinge in die Volksraad bygewoon het nie, het 'n brief aan die party gerig waarin hy sy wense uiteensit om die koukus toe te spreek.

Hy het paragrawe in die Erasmus-verslag wat op hom betrekking het, in die brief genoem en gesê dat hy ter verduidelking sekere bevindinge sal wil toelig.

Van sy eens beste vriende in die koukus glo egter dat dit vir hom en die party die beste sal wees as hy nou as Volksraadslid bedank. Sy verdere teenwoordig- heid in die koukus sal 'n verleentheid skep, en buitendien is daar 'n wesenlike moontlikheid dat hy geskors kan

Sunday Times 10/12/78 2

++INSIDE INFORMATION+++INSIDE INFORMATION++



● Why had Mr P W Botha and other Cabinet Ministers who had been informed about the Information scandal and Dr Mulder's role in it before the premiership race not told the National Party caucus about it before the election which Dr Mulder came within an ace of winning?

● Who had been paying for the Citizen since April 1 this year and under which vote were the payments made?

● Would the Minister of Justice take action against Dr Mulder and Gen Van den Bergh for pressurising Mr Lood Reynders to bring out a false report, as Mrs Helen Suzman noted in her speech in Parliament this week? The action of the two men amounted to a conspiracy to commit fraud

MPs also noted that the Erasmus report had not touched on the attempt by Dr Rhoodie to take over the Washington Star, and had not reported on the Department of Information's role in the Hortors take-over. The role of Mr J van Zyl Alberts, the company director who did business with the Government and yet was paid a Government salary of R15 000 a year, remained shadowy.

The key question, however, raised by Opposition MPs was the role and the future of the former Prime Minister, and now State President, Mr John Vorster.

Nationalists are deeply worried about this central issue.

These, said politicians this week, were the R64-million questions which would have to be answered

The Information scandal was not simply going to go away with Dr Mulder, Gen Van den Bergh and the Rhoodies shouldering all the blame.

Eschel Rhoodie stays out of sight

Sunday Times Reporters

DR ESCHEL RHOODIE — "missing" since last Friday when his passport was declared invalid — has been traced to London

This was confirmed yesterday by Interior Minister Mr Alwyn Schlebusch amid reports that Dr Rhoodie's wife, Katie, was making preparations to join him and that he was consulting his lawyers in London

Mr Schlebusch said he had no further information at this stage but that the British Home Office would have further particulars relating to Dr Rhoodie's presence there.

But Dr Rhoodie — now said to be planning to go to Chile — has not been in contact with the South African Embassy in London according to the Consul-General, Mr R J J Matthee.

Sunday Times
259
10/12/78

+INSIDE INFORMATION+++INSI

The Citizen sale: PFP took legal advice

THE Progressive Federal Party investigated the possibility of obtaining a court order preventing the sale of the Citizen newspaper to Perskor, but now intends raising the matter at the next session of Parliament, the party's financial spokesman, Mr Harry Schwarz, said yesterday.

And executives of the Argus Group and SAAN condemned the sale of the Citizen as "unbelievable" and "outrageous", while the chairman of Nasionale Pers said his group might comment later.

By NEIL HOOPER

They were reacting to the official announcement by the chairman of Perskor, Mr Marius Jooste, that the group had bought the Citizen newspaper from Mr Hubert Jussen and his group for R2,3-million

The Citizen was launched by the Department of Information in 1976, and until recently the newspaper, which has already lost more than R32-million, has been secretly financed by Government funds at the expense of the taxpayer

"We considered getting an interdict to stop the sale, but our legal advice was that South African taxpayers do not have the right to go to court to protect their rights," Mr Schwarz said

Reprehensible

"Only the Government can do this. During the past special session we raised the matter, but the Prime Minister, Mr Botha, did not reply

ment to have done would have been to close down the newspaper

"The circulation of the Citizen has been built up with taxpayers' money on a lavish scale, and it is clear that the new owners will get the benefit of this

"The price mentioned is unrelated to the cost to the taxpayers In any case, it doesn't seem to be coming to the State"

Mr L E A Slater, chairman of the Argus Group, yesterday described the takeover as "unbelievable".

He called for a much fuller disclosure of how the R2,3-million purchase price was made up.

He wondered how such a deal could be made with known supporters of the National Party. It was particularly remarkable because Dr Connie Mulder, the former Minister of Information, was still on the board of Perskor

"To permit the sale of the newspaper would be morally reprehensible by the Government In my view there should, if necessary, be legislation to stop the sale

"We will ask for it again at the next session of Parliament, and will ask the Government to legislate retrospectively if necessary"

Mr Schwarz said his party was also going to ask the Erasmus Commission to investigate the circumstances in which the Government abandoned its rights in the Citizen

"In our view the only moral thing for the Govern-

Mr Clive Kinsley, managing director of South African Associated Newspapers, which among others publishes the Sunday Times, the Sunday Express and the Rand Daily Mail, yesterday described the Goverment's action in allowing the sale of State property as "outrageous and arrogant"

Questions

He said that it had become clear that the Citizen had been financed with public funds, "one would have expected the Government to have acted with a greater degree of sensitivity"

He said the public was entitled to the fullest details of the Citizen transaction Questions that needed to be answered were

- How was the purchase price arrived at?
- Who was likely to benefit from the proceeds of the sale?

"The public is also entitled to ask why one particular publishing company is treated on a preferential basis"

In his statement about the purchase of the Citizen, Mr Jooste said the decision to buy the Citizen had been reached for various reasons

- There had been an astounding number of requests which the public had directed to Perskor
- Perskor believed that the Citizen had a good business future
- There was a need for a English-language newspaper like the Citizen

Sunday Times 10/12/78 259

INSIDE INFORMATION+++INSIDE INFORMATION+++INSIDE INFORMATION+

Info opened a Pandora's box — MPs

THE Erasmus Commission's report and this week's two-day debate in Parliament uncovered only the tip of the Information scandal, Opposition leaders said yesterday.

But Pandora's box had been opened, — and it would be impossible for the Government now to shut the lid.

The debate in Parliament was not the end of the story, the leader of the Opposition, Mr Colin Eglin, told the Sunday Times

"Indeed the past week has produced more questions than answers."

Nationalists already deeply shaken by the disclosures of the past week were now waiting for the next blow to fall.

NRP leader, Mr Vause Raw agreed. The debate had left too many unanswered questions, he said. There would be "more shocks to come", the present revelations were only the beginning, not the end of the story.

Nationalists, troubled about the role of the former Prime Minister, Mr Vorster, as disclosed by the Erasmus report, are openly concerned about General



Fleur de Villiers

Van den Bergh's allegations and about mounting speculation that Dr Eschel Rhoodie and his brother, Dr Deneys Rhoodie will "reveal all" if they are brought to court

The Erasmus and Pretorius reports and the Perskor take-over of the Citizen had simply raised more unanswered questions, Mr Harry Schwarz MP told the Sunday Times yesterday.

These were:

● What were the other front organisations mentioned in the Pretorius report whose indentity has not yet been disclosed?

● What had happened to the R7-million Government-guaranteed Volkskas overdraft to the Citizen now that the paper had been taken over by Perskor?

● How had Dr Eschel Rhoodie been able to raise a R16-million foreign loan without the Minister of Finance's permission — and what had happened to the money?

● The Erasmus report indicated that the Information Department had its own "secret service" which it had deployed against Swapo and in Soweto. Was this so?

● What were the names of the 49 companies both in South Africa and abroad in which the Government had shares?

● Why did Mr P W Botha and the Minister of Finance, Senator Owen Horwood, disclaim responsibility for the non-auditing of Information's "secret funds" when according to the Defence Act, the special Defence fund from which they were drawn could be audited to an extent determined by the Minister of Finance in consultation with the Minister of Defence?

Other questions raised by MPs after this week's debate were.

Sunday Times

259

10/12/78

'Back-room' mag Chief bought Rhoodie flat

ISRAELI Arnon Milchan — the man who bought a Plettenberg Bay flat from Dr Eschel Rhoodie in circumstances which the Erasmus Commission said pointed to a "serious irregularity" — ran a Paris-based magazine, West Africa, for the Information Department.

The magazine was one which Hortors directors David Abramson and Stuart Pegg tried to reorganise for the Information Department after it got into financial and management difficulties

Mr Abramson and Mr Pegg eventually organised the return of R105 600 (66 000 pounds) to the department which now no longer owns the magazine.

The Erasmus Commission reported that on January 16 1976 Dr Rhoodie gave G-fund accountant Mr Braam Fourie instructions to obtain a bank cheque to the amount of R33 205 for use in the Citizen project

Dr Rhoodie signed personally for the receipt of the cheque but no such payment could, however, be traced at the Citizen.

An investigation instituted by the commission revealed that the cheque had been paid into the account of Oscardee Investments (Pty) (Plettenberg Bay Holiday Flats Trust Account) on January 23 1976

Further investigation revealed that on February 1 1976 Dr Rhoodie had entered into a purchase agreement with Oscardee (Pty) for the purchase of a flat at Plettenberg Bay for R33 250

The balance of R45 on the purchase price was paid over to Oscardee (Pty) on February 5 1976

Before the flat was registered in Dr Rhoodie's name he resold it to Mr Arnon Milchan of Paris, France, for $51 800 (R45 043, current rate). A document in this connection dated September 16 1976 was signed by Dr Rhoodie

"I hereby certify that I have sold apartment 204 at Oscardee, Main Road, Plettenberg Bay, Cape Province, to Mr Arnon Milchan for the amount of $51 800 effective today."

On the same date an amount of R44 928 was paid into Dr Rhoodie's personal bank account as a telegraphic transfer from the Swiss Bank Corporation

Despite efforts by Dr Rhoodie to have the property registered directly in Mr Milchan's name, it was first registered in his name on September 20 1978 and subsequently in Mr Milchan's name

The costs involved in the transfer were R957,88 and were paid by Dr Rhoodie.

Mr Justice Erasmus reported. "This transaction came to the commission's attention at a very late stage and Dr Rhoodie, who left for overseas at that time, could not be confronted with the facts."

Dr Rhoodie had, however, testified that the transaction involving the purchase of a stand in Plettenberg Bay for R52 700 was the only transaction in which he bought fixed property on behalf of the department in his own name

"The commission is of the opinion that the facts of this case point to a serious irregularity," according to the Erasmus report.

By EUGENE HUGO

259

ONLY 24 National Party votes saved South Africa from probable rule by a cabal of three men fired with insatiable lust for power.

The furtive cabal that came within an ace of taking over South Africa

That small caucus majority which elected Mr P W Botha as Prime Minister thwarted finally a conspiracy with one ultimate aim To crown Dr Connie Mulder on the Nationalist throne.

And sharing behind the scenes in that supreme authority would have been spy boss General Hendrik van den Bergh and his propagandist "pupil", Dr Eschel Rhoodie

They came desperately close to achieving their aim In the first Nationalist caucus ballot on September 28 only six votes separated Dr Mulder from outright victory It was 20 of Foreign Minister Pik Botha's supporters who changed that first 78-72-22 ballot into a 98-74 majority for Mr P W Botha

It was the eleventh hour move of Pretoria Advocate Retief van Rooyen that forced an already burgeoning Information scandal into the premiership race when he decided to "tell all" to five Cabinet Ministers the weekend before the election

At the same time former Prime Minister John Vorster was to make it clear that the investigation into the affairs of the Information Department was not yet over despite the leaked report of Mr Lood Reynders, which it was claimed, exonerated Dr Mulder

In the drama of those last few days before the election Mr Vorster also scotched a final bid by Gen Van den Bergh to personally clear Dr Mulder on the strength of the investigation he had been appointed to carry out for the former Prime Minister

The day that Gen Van den Bergh had planned a Press conference to announce Dr Mulder's innocence, Mr Vorster announced that the BOSS chief would retire

Two attempts to persuade Dr Mulder to stand down failed but word was already spreading among Nationalists and, reinforced by an unprecedented statement backing Mr P W Botha from Free State leader Alwyn Schlebusch, the caucus voted Dr Mulder into defeat

The triumvirate's grab for total control was lost when it was all but won

Together they were the manipulators

For they manipulated the truth, millions in public funds, a sick Prime Minister Vorster, the Cabinet, Parliament, the electorate, and their own public service colleagues who either trusted them or feared them

This emerges from the Erasmus Commission report

Stealthily they spun a web of intrigue financed by the R64-million secret G-fund Their multi-tiered network of agents and dupes both overt and covert stretched through South Africa to Europe and the United States

Secrecy was so important and the stakes so high in what they deemed "the interests of South Africa" that some of the people surrounding them lived in fear of their lives

And it was this secrecy which, in the words of Mr Justice Rudolph Erasmus, "gave rise to covert acts and malpractices" of a scale unknown in this country where Afrikanerdom had always prided itself on its "integrity"

By EUGENE HUGO and NIC VAN OUDTSHOORN

In the course of more than five years of plot and counter-plot Dr Rhoodie and his agents took lavish trips, paid anonymous "collaborators" sums ranging from R250 to R55 000 without proper documentation and drew "fees" of up to nearly R10 000 for individual trips abroad

To supplement normal remuneration for the people who worked on his G-fund projects, Dr Rhoodie paid special allowances In one case his brother, Denys, was paid R5 580 over a three-year period He did not pay tax on the money

PROPERTY DEALS

At the same time Dr Rhoodie bought and sold fixed property in South Africa, Europe and America One sum of R33 000 was drawn to be injected into the Citizen newspaper but was used instead to buy property in Plettenberg Bay in Dr Rhoodie's own name

But this week the triumvirate stood exposed and disgraced, with a shocked and bewildered public slowly grasping the full extent of the sinister web which almost enveloped them

It all started when Dr Eschel Rhoodie, at the age of 39, relinquished the associate editorship of To the Point magazine to become Secretary for Information

It was Dr Connie Mulder, who in September 1972 as Minister of Information, insisted on the appointment of Dr Rhoodie against the recommendations of the Public Service Commission The Cabinet backed Dr Mulder and with the appointment of his protege the first link in the conspiracy was forged

The clandestine projects of the department were decided upon very soon after Dr Rhoodie's appointment, if not before The two propagandists knew very little about undercover work, but an old friend with a wealth of experience in this field was close at hand He was Gen Hendrik van den Bergh, head of the Bureau for State Security and confidant of the then Prime Minister, Mr Vorster

As Judge Erasmus relates it "Van den Bergh and Rhoodie were close friends and, although employed in different departments, co-operated closely in the sphere of secret projects

"According to Van den Bergh, Dr Rhoodie frequently visited him at his office in the bureau In this way Van den Bergh, with his wider experience and knowledge, was able to give Dr Rhoodie sound advice whenever he consulted him, especially during the early stages of his career as Secretary of the department."

This forged the third link

For the secret projects the manipulators needed secret funds

But no such money had been voted by Parliament to the Department of Information So Dr Rhoodie persuaded the Minister of Finance, Dr Diederichs, to use an "unconventional" method to supply his department with secret funds

Money was granted from the Prime Minister's budget on condition that the funds could only be used for projects which the Prime Minister personally approved "in the national interest"

PAYMENT OKAYED

In March 1973 the Treasury authorised payment of R293 000 to the Department of Information, to be paid via an account of the Bureau for State Security

Judge Erasmus reports "The fact, as alleged, that the amount of R293 000 was approved for 'security services', while in reality it was intended for sensitive projects of the department, opened up the possibility that money for sensitive projects of the department would thenceforth be channelled to the department through the bureau or possibly through some other department concerned with State security In this way the Department of Defence became involved with secret funds intended for the Department (of Information)"

This Defence budget is exempt from audit by the Auditor-General

From this small start the secret allocation grew to R793 000 in the 1973/1974 book year The following year it topped R13-million shooting up to over R19 million in 1975/76

By the end of the 19 book year the department had received a total of more than R64-million in secret funds

With this money the manipulators launched between 160 and 180 clandestine operations

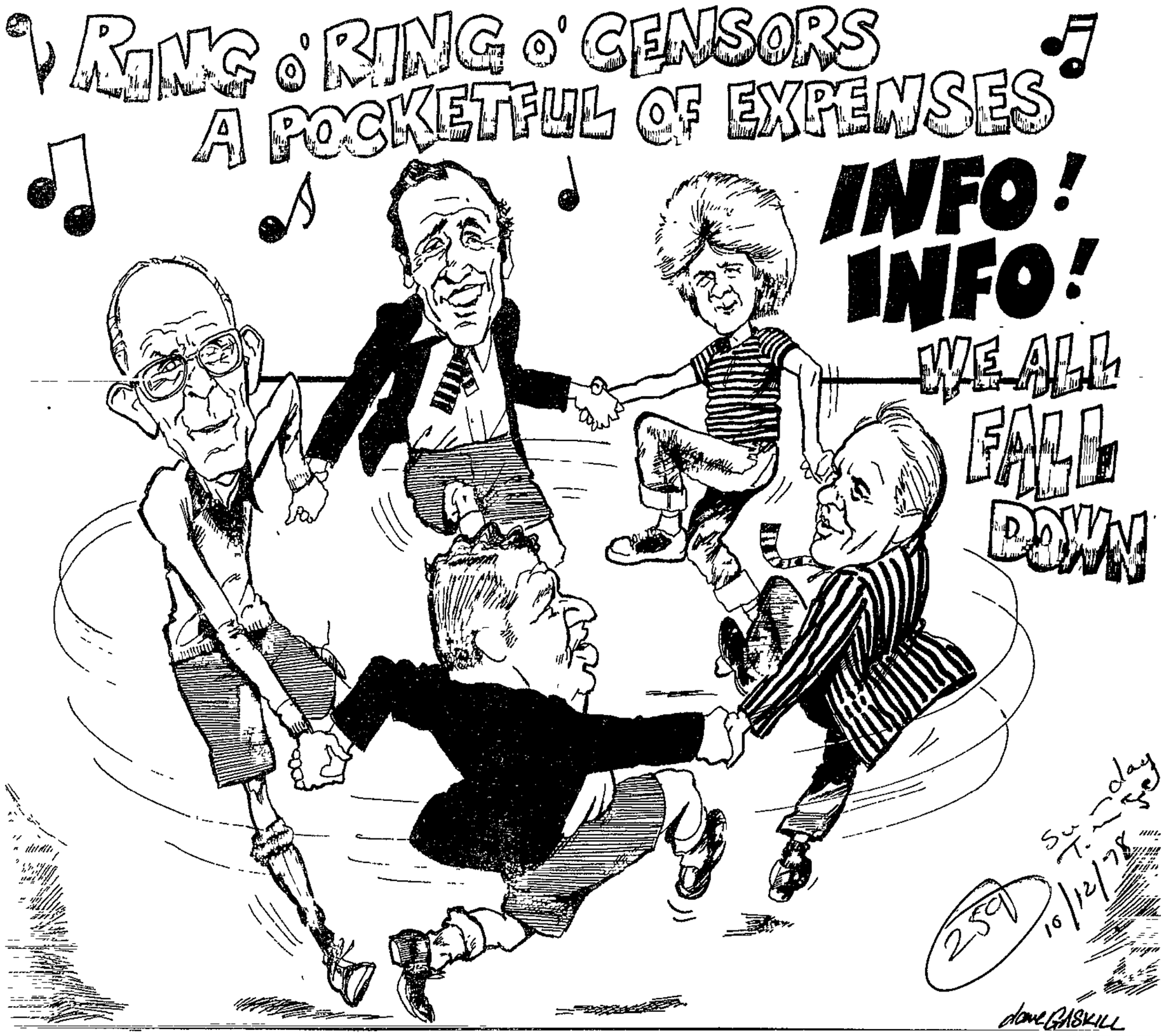
To make them work they needed people they could manipulate

And into the covert arena stepped among others businessman Jan van Zyl Alberts, fertiliser magnate Louis Luyt, film producer Andre Pieterse, Advocate Retief van Rooyen, American publisher John McGoff architect Oscar Hurwitz Foreign Affairs Association director Cas de Villiers and SABC commentator Rex Metrowich

The most ambitious project of the manipulators was a three-pronged attempt to manipulate the people of South Africa through grabbing control and subverting to their own ends part of the independent English Press

Their first target was the vulnerable Natal Mercury and early in 1973 they enlisted Mr Laurie Morgan to act as their front man in a takeover bid

Instructing Mr Morgan were Gen Van den



Bergh and Dr Piet Koornhof (now Minister of Plural Relations) But the project flopped

The next plot was hatched at a braaivleis at the home of Gen Van den den Bergh almost two years later

Mr Van Zyl Alberts suggested a takeover of South African Associated Newspapers — publishers of the Sunday Times, the Rand Daily Mail and the Sunday Express — and this was enthusiastically received by Dr Rhoodie and Dr Mulder

Mr Van Zyl Alberts was by now earning R15 000 a year tax free as a fulltime agent or front for the department's secret projects section. His salary came from the secret fund.

NEW MAN NEEDED

Sunday Times 16/12/78 (25)

Mr Van Zyl Alberts was to buy SAAN shares with secret funds As Judge Erasmus put it "Project Annemarie had commenced."

Mr Van Zyl Alberts discovered that R9-million would be required to buy control of SAAN — but they needed another front man ostensibly wealthy enough to have that kind of money

The man they chose was Louis Luyt

Word of the takeover bid leaked out and although Mr Luyt eventually offered R12-million for control of SAAN, the manipulators were again thwarted

The next step was to launch the Citizen with Mr Luyt again acting as front man

Although this newspaper would continue to be published this project was also a flop, costing the taxpayer a massive R32-million dredged from secret funds

Judge Erasmus summarised some of the department's other secret projects "The department published or financed several books, financed periodicals to which well-known overseas writers contributed, such as Panorama, appointed individuals as collaborators, created front organisations in the country such as Thor Communicators, set up front organisations abroad such as Pine Tree Drive Company, bought out existing companies for its purposes and staffed them with able businessmen and also harnessed the services of existing companies"

Judge Erasmus paints a damning picture of Gen Van den Bergh

The commission was strongly under the impression that Gen Van den Bergh actually used his office and his personal friendship with Mr Vorster to try to influence the course of events in South Africa himself

"He saw himself as the power behind the throne who, through the person of Mr Vorster, tried to manipulate events in the direction that he wanted them to go"

Nor was Mr Vorster the only member of the Cabinet to be used by the triumvirate Dr Mulder once got the Minister of Finance, Senator Owen Horwood, to sign documents authorising payment of R14,8-million without being given a chance to examine them properly

BARRIE STRAIGHT

The one man who could not be manipulated was Mr Gerald Barrie, the Auditor-General A campaign to discredit him and threats of prosecution under the Official Secrets Act could not deter the determined official

His secret report and a subsequent parliamentary select committee probe led to the premature retirement of Dr Rhoodie and the disbanding of his department

At the same time another investigation, conducted in secret by BOSS agent Mr Lood Reynders, was not so successful

The manipulators got at him.

Dr Mulder telephoned Mr Reynders and asked him to issue an immediate report exonerating the department This was in March 1978

Mr Reynders was not happy and after talking to Mr Vorster, the Prime Minister advised him not to issue a certificate clearing Dr Mulder's department

General Van den Bergh insisted that Mr Reynders issue the certificate and the secret agent, obviously terrified, complied

In September Mr Vorster announced his retirement — the moment the manipulators had fervently been working towards

What they needed was to "bury" the Information albatross — and to do so Mr Reynders's report "clearing" Dr Mulder was leaked to the Transvaler by Dr Mulder himself

This did not help because Mr Vorster, on the eve of the Prime Minister's election, made it clear that investigations were continuing

At the same time collaborator and Thor front man Mr Retief van Rooyen decided to tell all and his information brought new pressure on Dr Mulder from Cabinet Ministers to withdraw from the race He refused

But word spread in the caucus and Mr P W Botha emerged as Prime Minister

DESPERATE ATTEMPTS

Mr Justice Erasmus put it this way "It seems to the commission that, in the last days of Mr Vorster's Prime Ministership, when Mr Vorster was already seriously ill and all those around him knew that he was on the point of retiring Van den Bergh tried to influence the election of the new Prime Minister by forcing Reynders to report that there had not been any irregularities in the department

When manipulation failed there were desperate attempts to cover up — even by going so far as to destroy State documents

But in the end all started emerging What Dr Mulder Dr Rhoodie and Gen Van den Bergh forgot is that the truth cannot always be manipulated

10/12/78

259

Sunday Times

The sword of doom hangs over the Nats

By EUGENE HUGO and NEIL HOOPER

A THREAT of damaging new disclosures hangs like a sword over the National Party as the infighting with General Hendrik van den Bergh, former head of BOSS and mastermind of many Information activities, gains momentum

The former head of South Africa's secret services has given every indication this week of spoiling for a fight — and of wanting to bring the battle into the courts where new disclosures may be possible

The same is true of Dr Eschel Rhoodie He, too, has accumulated a mass of information over the years and he is consulting his lawyers in London

Even Dr Connie Mulder, the third member of the triumvirate, has been described as having information which he could use, Samson-like, to bring down the entire Nationalist structure

There are now fears that Gen Van den Bergh in his capacity as Secretary for State Security accumulated files on every South African politician, which he could use if pushed into a corner

At the same time, it emerged from the Erasmus Commission report that Dr Rhoodie instructed his staff to destroy all secret G-fund documentation — except papers which "give us a hold over colleagues"

Shake

Between them the two main characters in the Information debacle, who now face possible prosecution, are reported to have enough information about individuals to shake the National Party to the core

It is pointed out in political circles that Gen Van den Bergh arrogantly told the Erasmus Commission that if he wanted to do something nobody would stop him and he would stop at nothing

This attitude was reinforced at a Press conference which Gen Van den Bergh called at his Pretoria home on Thursday afternoon, where he bluntly said "nobody in South Africa knows as much as I do"

Referring to the claim in the Erasmus report that he had told the commission that the Minister of Finance, Senator Horwood, owed him R800 000 for the Citizen, Gen Van den Bergh said

"The R800 000 had nothing to do with the Citizen Mr Vorster and Senator Horwood know what project it was intended for"

He said that although he and Mr Vorster had strongly opposed the project, it was still continuing when he retired

During the Press conference he repeatedly called on the Government or the commission to publish a full transcript of the evidence he had given

Gen Van den Bergh said he had been shocked to the core by the commission's report, which he claimed was one-sided and often unsubstantiated

He said in contrast the investigation that he had been carrying out into the Department of Information had been extremely thorough

"My people worked day and night to extract everything worthwhile and memoranda were drawn up on each and every aspect. I personally spoke to and questioned Dr Rhoodie about each memorandum that was prepared for me He gave me everything he would, could or wanted to give me

Facts

Asked what his attitude was to official coverups he said "I do not cover up for anybody I only deal with facts"

Gen Van den Bergh said on December 5 1976 — the day that he had learnt about the intention of the Department of Information to fund the Citizen newspaper — he had also informed the then Prime Minister, Mr Vorster

Mr Vorster had expressed his absolute opposition and Gen Van den Bergh claimed he informed Dr Mulder and Dr Rhoodie of this "I swear before God that I passed this information on to them"

Asked if this was the case, why had Mr Vorster not prevented the publication of the newspaper, Gen Van den Bergh replied "I could give you a very good answer, but I am not going to"

Gen Van den Bergh faces possible prosecution for contempt under the Commissions Act after Mr Justice Rudolph Erasmus referred some of his statements to the Attorney-General of the Transvaal

Dr Mulder and Dr Rhoodie are expected to react to the Commission's findings in due course

It's Mr Nobody's house as Wrab dodges Info issue

By ENOCH DUMA

TOP officials of the West Rand Administration Board (WRAB) are protecting the owner of a Soweto mystery house said to have been bought with part of the Department of Information's secret funds.

"This is a private matter, involving a private transaction between the owner of the house and the board," said Dr Walter Cohen, a senior information official of Wrab.

"No, we are not disclosing any names, you can quote me on that We do not want the board to be dragged into this matter."

I put it to Dr Cohen that certain people in Soweto were speculating on several names and where it is located to the Press.

"I know about that," he said "Some black reporters have actually mentioned someone's name. I am not in a position to deny or confirm the involvement of this person."

According to the Erasmus report, from 1974 until this year R934 901 was set aside to buy properties, including the house in Soweto

No reference is made in the report about the occupant of the house or in what township it is located.

Mr Justice Rudolph Erasmus this week would not reveal the owner of the house

A reporter from a Johannesburg daily paper questioned a man in Dube about the ownership of his house. In the heat of the interview the man ordered the reporter to leave his premises.

There are no records showing the board's dealing with the defunct Department of Information on the house in question, said Mr F W Robins, Wrab's deputy director

"This is a cover-up of yet another cover-up," said Dr Nthato Motlana, chairman of the Soweto Committee of Ten.

"The identity of the person who owns this house should not be kept secret."

LES de Villiers vows: I'll tell all

By RICHARD WALKER
New York

FORMER Deputy Secretary for Information Mr L E S de Villiers vows he is ready to fly home whenever the Erasmus Commission wants him — and then to tell all.

"It will all be answered at the appropriate time," he promised when I put to him a series of questions, including the charges that his former boss, Dr Eschel Rhoodie, had provided him with private cash and that he had been involved from the start in the secret financing of the Citizen newspaper

But so far, he made it clear, he has not been asked to appear before the commission

He left open the question whether he will seek to stay with Madison Avenue publicist Sydney Baron if — as is predicted by informed sources here — its contract with the South African Government is terminated

As yet, he noted, he does not have permanent resident status in the US

Baron's R560 000-a-year South African contract runs out next March

In records lodged with the US Government, Baron asserts that it appointed Mr De Villiers as a board vice-chairman and president of its South African subsidiary at R25 000 a year — a quite humble sum by New York standards

Pressed to say whether he quit the civil service and joined Baron because he felt he was being manipulated by General Hendrik van den Bergh, Dr Connie Mulder and Dr Eschel Rhoodie, Mr De Villiers stayed silent

"All those things that relate to, or that the Erasmus Commission is interested in — no comment," he said

Baron's records filed as a foreign agent are available only to July, but they reveal a costly operation

Disbursements through the Johannesburg office alone are listed at R73 000



Erasmus insists: Charge Lang Hendrik

10/12/78 (259) Sunday Times

A commission like this will not let itself be put off by General Van den Bergh's judgments. If I pay attention to every baboon, where will I be then?





Picture: RAND DAILY MAIL

A 'golden' Merc— all part of Eschel's image

company car provided by an overseas group of investment analysts for whom he works as a consultant.

Dr Eschel Rhoodie retired prematurely from the Information Department as a wealthy man.

But this week it emerged from the Erasmus Commission report that he was not quite the man of property it was first thought.

Properties in his name were in some cases bought with Government funds, according to the Commission's report.

However, Dr Rhoodie (above) still maintains a comfortable life-style that includes a R29 000 golden luxury Mercedes 450 GLC sports car, which he says is a

MR JUSTICE Rudolph Erasmus has asked the Attorney-General to prosecute former spy boss General Hendrik van den Bergh — and said that if this was not done, he could ask the Prime Minister to order the Minister of Justice to take further action.

By NIC VAN OUDTSHOORN

The judge told me in an interview that details of the general's alleged contempt of the commission he headed had already been referred to the Attorney-General

This arises from remarks by Gen Van den Bergh at a Press conference, including references to the Erasmus Commission as a "farce"

"A commission like this will not let itself be put off by Gen Van den Bergh's judgments," the judge said

"If I pay attention to every baboon where will I be then?"

He said there was nothing else he could do about Gen Van den Bergh "I cannot shoot him or poison him"

The judge told me the commission was not yet sure of the extent of the Information affair

"You see, we investigate a matter and we finish that, but then there are pointers everywhere Whether or not it is an iceberg I do not yet know — we are looking into that"

The judge revealed that he had expected the Prime Minister, Mr P W Botha, to react in Parliament at the end of the Information debate to Gen Van den as giving details about the release of testimony which had been given before the commission

Mr Botha in fact made no mention of these matters during the debate

The judge said he would make some of the testimony available "in the course of time when I have completed my work or have finished certain aspects

"This I will do, subject of course to national security"

Fleur de Villiers reports from Cape Town that part of the evidence led before the commission will be released before the next parliamentary session

Mr Justice Erasmus said Gen Van den Bergh's evidence could be released in this section

Asked if other Government departments could be involved in his investigations in the future, he said the Press always wanted to know things that he did not yet want to make public

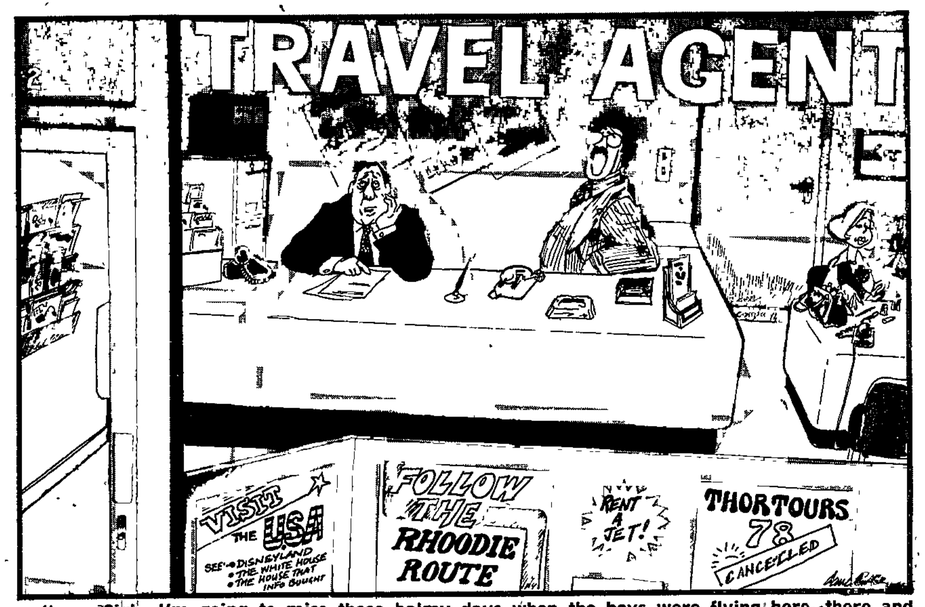
He confirmed, however, that the commission was not only investigating the Department of Information but also related matters — "like Hendrik van den Bergh and Mr Vorster"

The judge said he did not take the criticism from Gen Van den Bergh seriously "To me it is as if he had spoken to a wall

"I am a judge If a murderer tells me he did not do it and I say he did . ."

Asked about moves for the takeover of the Citizen, which had not been completed when I spoke to him, Mr Justice Erasmus said he had no comment

"It is not my job and it falls outside my mandate," he said



" . . . Sigh. I'm going to miss those balmy days when the boys were flying here, there and everywhere, no expenses spared."

259
Sunday Times.
10/12/78

Oh, what drama! What tales they told!

By Wynter Murdoch

THE cast of the "Information Scandal" gave relatively good performances — until the Erasmus Commission brought the curtain — and the house —down

With **DR ESCHEL RHOODIE** emerging as star of the show in a forceful, James Bond-like role, the secret agents of the now defunct Department of Information weaved a web of deceit around the South African public

DR CONNIE MULDER, co-star in the drama, told the country on November 18 that the Government did not give money to newspapers His claim reiterated a statement he made to Parliament in May: "I want to say at once that the Department of Information owns no newspaper in South Africa and operates no newspaper in South Africa We have nothing to do with them."

Otherwise

JUDGE RUDOLPH ERASMUS found otherwise In terms of his commission's report Dr Mulder attended a secret meeting in Pretoria in December 1975 to discuss the "deliberate implementation" of Project Annemarie — the establishment of The Citizen. By February this year Project Annemarie had cost the taxpayer nearly R27-million, increasing later to nearly R32-million

Supporting Dr Mulder's claims that The Citizen was a privately owned newspaper was **MR LOUIS LUYT**, fertilizer magnate In an interview with the Sunday Times in February this year Mr Luyt "categorically denied" that the newspaper had ever received a cent of Government money "

The Erasmus Commission found that Mr Luyt had agreed during September 1975, "to fill the role as front man" for the Department of Information takeover of South African Associated Newspapers When that fell through, he agreed to become "owner" of the newspaper proposed in Project Annemarie

After Mr Luyt had "sold" The Citizen, the chairman of the new "owners", MR HERBERT HUSSEN a former Dutch publisher now resident in South Africa, told the media· "There is no Government money in the newspaper and if anyone suggests there is, I will sue him "

GENERAL HENDRIK VAN DEN BERGH could be nominated for an Oscar for his roles in Project Annemarie. The former chief of BOSS and evaluator of secret Department of Information projects said in an interview published in Die Transvaler last month "I strongly deny that as far as The Citizen is concerned I had a share in the alleged Mulder/Rhoodie/Van Den Bergh conspiracy, I also strongly deny that I was the instigator of the whole Citizen affair or what followed "

The Erasmus Commission found that the general's double role had served to confuse On the one hand he presented himself as a loyal comrade to the former Prime Minister, Mr Vorster, while on the other he was an enthusiatic participant in Dr Mulder's and Dr Rhoodie's schemes.

Dynamite

However inspiring "Lang Hendrik's" performance might have been, only **DR ESCHEL MOSTERT RHOODIE** did better.

Described by Dr Mulder in Parliament in May as an expert who knew his subject, and a man who had the necessary "drive and dynamite to take his department to great heights", Dr Rhoodie not only hoodwinked the taxpayer, but says the Erasmus Commission's report, he also misled the Department of Defence, was guilty of neglect and gross negligence, and went so far as to destroy departmental documents in an attempt to conceal irregularities pointing to fraud and theft.

Dr Rhoodie was said by the Erasmus Commission to have played the shadowy role of mastermind in as many as 180 of the Department of Information's secret projects

Dr Rhoodie threatened in July "I will be taking action against certain newspapers that have published various information about me The actions could very well end in the courts "

Mysterious

Asked by the Sunday Times in April about the mysterious Department of Information front company, Thor Communicators, Dr Rhoodie replied: "I do not know what Thor Communicators does "

According to the Erasmus Commission, Thor was used for raising foreign loans, which altogether totalled R16-million

Bit player **ANDRE PIETERSE**, a friend of Dr Rhoodie's and a director of Thor, was no more forthcoming when approached by the Sunday Times in May about the activities of the company.

Co-director of Thor, **MR RETIEF VAN ROOYEN**, was also uncommunitive about the company. But he went on record as saying: "Thor is a private company and has nothing to do with the Government "

MR JAN VAN ZYL ALBERTS emerged as the strong, silent type Persauded in 1973 by Dr Rhoodie to act as a front in several projects the Information Department wanted to launch, he played a major role in the establishment of The Citizen, and in the attempted SAAN takeover

NO TAX ON THE CLAIMS MADE BY DENEYS

Although no provision was made for additional remuneration, such claims were all paid when Denys Rhoodie asked for them. He paid no tax on this money and was the only official to have claimed such fees.

From 1975 to the end of 1977 Deneys Rhoodie was paid R5 580 as additional remuneration. For the first two years, this was R150 a month, and for 1977, R165 a month.

He also made extensive use of this means to recover money on other trips — putting in claims for as much as $6 000 (R5 217) for a trip to London, Paris and The Hague in 1975.

In explaining to the Erasmus Commission why he was paid the money, he said the "werkloon" payments were to defray the expenses of "anonymous collaborators".

And it is these unknown agents who figure prominently in the commission's report as the recipients of large amounts of cash paid through Dr Rhoodie.

Between June 1974 and January the next year, Dr Rhoodie received R76 750 in this way.

No vouchers were filled in to show that the money was paid to such people. Often cheques were drawn merely on the strength of a phone call from Dr Rhoodie or a scribbled instruction to his accountant, Mr Braam Fourie.

STILL A LOT THEY CAN'T ACCOUNT FOR

But these anonymous collaborators got a paltry sum compared to the department's other secret projects — such as the funding of the Citizen

In the last four years, Dr Rhoodie controlled more than R64-million, some of which remains unaccounted, for and much of which has not been recovered.

Besides his an his wife's lavish trips abroad each year paid for from secret funds, and the channelling of nearly R32-million to the Citizen, Dr Rhoodie organised extensive buying of property — often registered in an individual's name, including his own

His purpose: To ensure that his department would never run out of secret funds. By investing money the department had at its disposal at the time, he would ensure a supply of secret funds for the future.

Among the properties bought, were a house in America and London, two flats in France, 10 flats in Cape Town, a stand in Plettenberg Bay, a share in a farm, two houses in Pretoria and one in Soweto.

The investments in fixed property was just one of the 160 to 180 secret projects that Dr Rhoodie had initiated and controlled as head of the department.

Other projects designed to portray the "true image" of South Africa abroad are

INSIDE INFORI

259

Sunday Times
10/12/75

A FRUIT-munching, coffee-guzzling, newspaper-obsessed jet-setter who tipped generously, forgot his clothes in hotels and shopped at the most expensive stores.

That is the portrait that emerges in the Eramus Commission's report of Dr Eschel Rhoodie

JILL McILRAITH REPORTS ON A TRIP IN THE LIFE OF ESCHEL RHOODIE

A trip in the life of Dr Rhoodie — and there were many — reads like a travelogue of the best that Europe and America have to offer And all paid for by the South African taxpayer

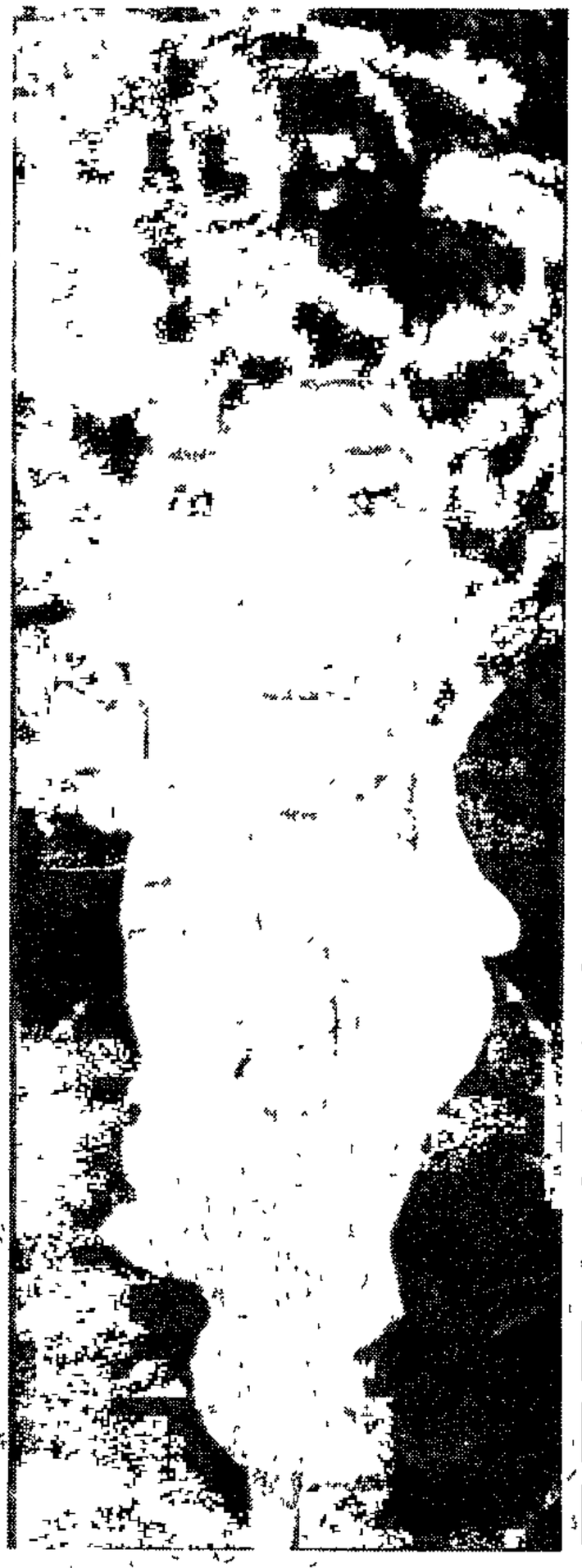
He flits from an hotel in Athens to Rome for a dinner costing R293,72. After paying R55,10 for the return of his clothes left in Greece, he touches down at the Innsbruck Hotel (R178,43), passes through Salzburg (R268,25), and then drops in at Munich for a reception for 20 people (R280).

AND THEN ANOTHER RECEPTION

Popping up in Oslo, Norway, he holds another reception, this time costing less than half the German affair, before stopping off in London to do some shopping for himself at Harrods (clothes and suitcase, R332,26).

And then it's off to Zurich in Switzerland (two stops costing a total of R1 112,66) before touching down at Johannesburg with the State R4 237,66 the poorer for "out-of-pocket expenses" for the 18-day trip.

And this didn't include most of the airfares which — as was usual policy with the Department of Information — were booked through a private travel company, Vacations Unlimited, thus guaranteeing Dr Rhoodie the secrecy he demanded at a cost of R17 000 which the South African Railways paid to the company in commission.



At his side on four free trips: Mrs Katie Rhoodie

On this trip, which took place from October 17, to November 4 1976, Dr Rhoodie was accompanied by Dr Connie Mulder, and four others including a Bureau agent.

Travelling with the party was Mrs Suzanne Mulder and Mrs Katie Rhoodie who that year accompanied her husband on four trips abroad — three to Europe and one to the Seychelles. The next year she went with her husband to Europe and America and then to the Seychelles — all at State expense.

She was not the only wife of senior Information officials who went on expenses-paid trips — Dr Denevs Rhoodie's wife accompanied him on three trips to Europe and America in two years and Mr L E S de Villiers' wife did similar jaunts, twice to the Seychelles with her husband, and once to America.

After the 18-day trip to Europe in 1976, Dr Rhoodie was also reimbursed for R80 spent on tips, fruit, newspapers, and coffee, and R252,37 spent on taxis and hiring transport

All of which upstaged older brother Denys who, a few months previously, had paid a 23-day visit to the United States and claimed $3 153,67 (R2 742) for expenses.

Largest among the items Denevs Rhoodie claimed — and was paid out for without question — was number three, entitled "werkloon" (fees) — $2 300 (R2 000). On his claim slip Denys explains this total by saying: 2 x $50 per day (April 9 - May 3).

(659) SUNDAY TIMES, December 10 1978

It was spend, spend, spend when Info paid the bill

[redacted]

also outlined in the Erasmus report.

They include publishing books (and the funding of an ostensibly independent newspaper), employing what appears to be dozens of never-named collaborators; establishing front organisations which accepted large sums from the secret fund and whose directors couldn't ask questions, buying other companies; bringing guests from abroad and numerous trips there by senior Information officials; and giving seminars and lectures to unidentified audiences.

And then there were the other projects that couldn't be kept so secret — like the buying of a box at Loftus Versveld, used by family and friends to watch rugby.

Rented in his name, Dr Rhoodie arranged for the payment of R4 000 to be made via America and film producer, Mr Andre Pieterse

The money was later paid back to Mr Pieterse from the secret funds with an additional R500 — which Mr Pieterse took to be payment to his wife for the use of her bank account

And of course, the 1976 Grand Prix, sponsored by the Citizen which, unknown to the public, was acting as a front for Rhoodie's department

But Information's real talent lay not in dealing with thousands of rand, but with millions: Dr Rhoodie raised overseas loans totalling R16-million without Dr Mulder approving the details, paying the interest from the secret fund

And, it seems, he gave loans as easily as he raised them. Mr Louis Luyt, fertilizer magnate and the department's front man behind the Citizen, got a loan of R12-million on Dr Rhoodie's authority.

In June this year, the two men agreed that the money plus nearly R4-million interest, would be repaid by Luyt over seven years and into a bank account stipulated by Dr Rhoodie.

And running like a snake through the department's machinations over the last few years is the attempted cover-up, The withholding of facts from the Auditor-General, Mr Fourie's inability to be able to question to whom and why money was paid out and Dr Rhoodie's instructions to destroy departmental documents and his accountant's reluctance to comply.

As the Erasmus Commission commented, the problems had started with public money being labelled secret funds and the wide interpretation given to what they could be used for

The result was wide-ranging irregularities from maladministration to theft and fraud, the pouring of millions of taxpayers' money into a party-political newspaper and the unaccounted for use of even more funds from the State kitty.

Table II

Hypothetical Family Budget of Family in Poorest 5% Category with an Employment Guarantee Programme and a Company Grazing System

	Before		After	
	Income	Expenditure	Income	Expenditure
Farm Operations	21	5	100	25
Other Income	99	-	70	-
Transfers	40	-	10	-
EGS	-	-	250 (1)	-
Sale of Annual Rental on Grazing Rights	-	-	50 (2)	-
Home and Farm Improvement	-	-	-	60
Tax on Grazing Rights	-	-	-	20
Education	-	5	-	40
Health	-	5	-	15
Consumption	-	145	-	310
Savings	-	-	-	30
	160	160	480	-

(1) Need R450 to reach pover
employment programme abov
improvements, Consumptior

(2 Calculated on rough share

N.B.

Acce
graz
i Incr
oper
ii Incre
propo
iii Raise
iv Incre
each,
cropt
v Create
share
storag
effici

* VERVOLG VAN BL. EEN *

te koop nadat u gehoor het
van die bevindinge van die
Erasmus-kommissie, of voor
Die beeste, wat nou so in
die nuus is, tel presies sestig
Daar is twee huise op die
plaas Mnr Geyser en sy gesin
woon in die een en die ander
is die tuiste van sy skoonpa
Ons weet nie hoe dit binne
geld is nie
Die pragtige, groot plaas,
waar 'n mens die sonopkoms
kan ruik, het volop wild en
daar word met trots geboer

Verlies vrek ver loop haal

Deur GIELIE DE KOCK

DIE dag toe die gewese Departement van Inligting besluit het om in boerderybelange te belê, het hy dit vrekver gaan doen.

Eintlik is dit nooit erder as die luguitlike afstand van 50 km na Johannesburg, want dit kan 'n draaie ry om die plaas te kry en as jy dit moet doen in die ongenadige Laeveldse son, voel dit of daar nimmer 'n einde aan die afstand kom.

Volgens die verslag van die Erasmus-kommissie is die plaas Vrekver aangekoop om buitelandse gaste daarsteen uit te haal. 'n Boerdery is ook begin met binne twee jaar meer as R50 000 getoon het.

Intussen is die plaas ingeboer deur 'n ruiter-wildtuin. Vandaar RAPPORT vandeesweek aangekom het om te probeer vasstel wat dan verkeerd geloop het met die boerdery.

Intussen is dit ingekoop deur mnr. Jan van Zyl Albert, 'n front lenaar van The Citizen, en ook deur die gewese Departement van Inligting aangekoop.

Dit is mnr. Albert se skoonseun, mnr. Jack Geyser, wat ons op Vrekver aantref, hoewel die naambord langs die pad aandui dat die plaas Makwala heet.

Mnr Geyser — „dit het niks met julle te make hoe oud ek is nie" — is waarskynlik normaalweg 'n baie vriendelike man. Maar op die besondere dag had hy nie baie lus om met koerantmense te gesels nie.

„Ek is net tydelik hier en is besig om te onderhandel om 'n ander plaas te koop. Ek het beslis niks voor die tyd geweet nie en nou weet ek net wat ek gelees het. Wat my betref, was hierdie nog altyd my skoonpa se plaas," sê hy.

Mnr. Geyser, 'n baie lang kêrel van oor die 2,05 m, gesels by die motor, weg van die huis en weg van sy vrou, Annemarie, en hul kinders. Hulle sit eenkant onder die skadu van 'n boom.

Het u met die onderhandelinge begin om 'n ander plaas

*** VERVOLG OP BL. 23 ***



'N GEDEELTE van die opstal op Vrekver, of dan Makwala, soos die plaas herdoop is. Mnr. Geyser, wat regs aangestap kom, en sy gesin woon hier. Sy skoonpa, mnr. Van Zyl Alberts, woon in 'n tweede huis op die plaas.

THE sensational report of the Erasmus Commission this week gave the nation a chilling glimpse behind the sacred curtain of power. And what the people saw left them stunned.

There, in the shadows behind the seat of government, flitted the tall and rangy figure of a sinister puppet-master.

It was the man they call "The General" — Hendrik van den Bergh, former chief of the Bureau for State Security and trusted confidant of Mr John Vorster.

A man of lean and hungry looks, he was portrayed in the commission's report as a Machiavellian figure who sought to rule by intrigue It was an image he vigorously denied this week

Angrily sweeping aside the Erasmus report as a "farce", he said in injured tones that he was shocked to his soul. He called on the commission to release full details of his evidence.

But his strenuous denials and his counter-challenges brought a sharp rebuke from the National Party's Free State leader, Mr Alwyn Schlebusch, who warned the general to stop making "questionable, cynical and unbalanced" statements.

Despite what General Van den Bergh says now, the intimidating spectre of his power was enough to destroy the composure of a hardened BOSS investigator, who burst into tears before Mr Justice Erasmus and his two commissioners as they delved into the activities of the former Information Department.

The Erasmus report has given the first real insight into the enormity of the political role played by Gen Van den Bergh, the country's arch-practitioner of the cloak-and-dagger strategy

Tearing away his cloak to reveal the dagger the Erasmus Commission sketched a man of ominous stature.

An arrogantly powerful man a stealthy manipulator who played a double role in his dealings with a sickly Prime Minister Vorster, both deceiving and defying him

A man who says Judge Erasmus, admitted quite openly that "he would stop at nothing" to achieve his own ends and that nobody would stand in his way



Sunday Times 10/12/78 259

The commission says quite bluntly that Gen Van den Bergh saw himself as "the power behind the throne" when Mr Vorster was Prime Minister and he was head of BOSS

Furthermore, when Mr Vorster resigned he apparently saw himself in the role of kingmaker and, in the view of the commission, tried to influence the election of the new Prime Minister in favour of Dr Connie Mulder

All this, in the context of the commission's full observations on Gen Van den Bergh, adds up to a startling disclosure of such immense political overtones that it almost overshadows everything else in the report.

The implications are far-reaching. Although the commission dealt only with the Information scandal and its inherent subterfuge and, the association between Mr Vorster and the general goes back many years to the time when they were

By RIC WILSON

interned together in Koffiefontein during World War II

Their friendship grew later into a "business" partnership Gen Van den Bergh played chief of Security Police to Mr Vorster's Minister of Police and eventually became head of BOSS under the Vorster premiership.

Secretly, he wielded enormous and fearful power behind the scenes. This is shown in evidence to the commission by Mr Lood Reynders, the BOSS man who was "in fear of his own life" and became so overwrought under cross-examination that he broke down in tears.

"Few people in this country realise what power Gen Van den Bergh has at his disposal," said Mr Reynders, who conducted a secret inquiry into the Department of Information and subsequently released a false report.

Mr Reynders told the commission that he was frightened of Gen Van den Bergh He feared that if he opposed him, the general would crush him.

The commission says it saw Mr Reynders's statement in perspective only when Gen Van den Bergh himself testified

"He had told the commission arrogantly that if he wanted to do something nobody would stop him and that he would stop at nothing," said the report.

"He was in charge of a formidable network of agents whose qualities he described in sinister terms."

The commission was left with the strong impression that Gen Van den Bergh did not confine himself to his role as security watchdog. He used his office and his personal friendship with Mr Vorster to try to influence the course of events in South Africa himself

"He saw himself as the power behind the throne, through the person of Mr Vorster, he tried to manipulate events in the direction he wanted them to go For this reason he sometimes withheld certain facts from Mr Vorster and sometimes gave him only selected facts.

"Then again there were times when he ignored Mr Vorster's instructions Sometimes he traded on the Prime Minister's name to gain his own ends

"According to Van den Bergh he not only exercised considerable influence over Mr Vorster but at times made Mr Vorster's decisions for him"



At his Press conference this week, at which he proudly showed a silver-plated automatic rifle, Gen Van den Bergh challenged the commission to produce specific facts to substantiate these claims

"I am convinced Mr Vorster will take exception to this," he said, asking the commission to name the decisions he made for the Prime Minister.

In the eyes of Judge Erasmus and his commissioners, Gen Van den Bergh also played an important role in the establishment of The Citizen newspaper — money for which was channelled to the Information Department through BOSS.

And because he dominated and controlled Mr Reynders — forbidding him to report to Mr Vorster — the commission felt there was a "real danger at all times of material irregularities being covered up through Van den Bergh's actions and interference"

Supporting this contention is evidence given to the now-defunct Mostert Commission by Pretoria advocate Mr Retief van Rooyen, one of the men who decided to fight any possible cover-up

He told Judge Mostert that Gen Van den Bergh had suggested to him that he "would drag the whole thing out until such time as it was dead".

The Erasmus report gives a revealing insight into the relationship between the general and Mr Vorster, clearly showing that it was not the master-servant association that it should have been.

Gen Van den Bergh openly defied Mr Vorster over the question of selling expensive furniture bought from the Information Department's secret funds The evidence of the two men was contradictory.

Although Mr Vorster expressly forbade the general from reselling the furniture to Dr Rhoodie, he did precisely that, the commission found, and told the Prime Minister he had sold it to a company

Gen Van den Bergh's power-play is further illustrated in the pre-election manoeuvring in the Prime Minister stakes

It appeared to the Erasmus commission that when Mr Vorster was already seriously ill and all those around him knew he would retire, Gen Van den Bergh tried to influence the election of a new Prime Minister by forcing Mr Reynders to report that there had not been any irregularities in the Information Department

"A 'clean' report would have given Mulder an open road in the election," says the commission

Although they had been life-long friends and Mr Vorster was then a sick man, an element of duplicity is revealed in the Vorster-Van den Bergh partnership

The Erasmus investigators say they gained a clear picture of the general as a man who played a double role.

"On the one hand, he presented himself to Mr Vorster as the loyal comrade who had nothing but Mr Vorster's interests at heart, and carried out his wishes, but on the other hand he was an enthusiastic participant in Mulder's and Rhoodie's schemes

"Consequently, Mr Vorster could to some extent remain blissfully under the mistaken belief that his disapproval of the financing of an English-language newspaper from public funds had been conveyed to Mulder Rhoodie and others



"They, on the other hand, could gain the impression that Mr Vorster not only knew what they were up to but also approved their actions"

To the allegation of his double role, the general — who told newsmen he had lost his reading glasses — replied "Really, it is beneath my credibility to comment on this, distorted or not ... I look round without my glasses but see nothing"

As for his dealings with his BOSS underling, Mr Reynders, the general said with mock compassion "Poor Reynders, you must have indeed been full of fear"

Frightened enough to burst into tears.

(259) 10/12/78

(259)

OUT OF THE SHADOWS . . .

This sinister man who admits he would stop at nothing

Sunday Times

10/12/78

259

At the same time former Prime Minister Mr John Vorster was to make it clear that the investigation into the affairs of the Information Department was not yet over despite the leaked report of Mr Lood Reynders which, it was claimed, exonerated Dr Mulder.

In the drama of those last few days before the election Mr Vorster also scotched a final bid by General Van den Bergh to clear Dr Mulder on the strength of the investigation he had been appointed to carry out for the former Prime Minister.

Retire

The day that General Van den Bergh had planned a Press conference to announce Dr Mulder's innocence, Mr Vorster announced that the BOSS chief would retire.

Two attempts to persuade Dr Mulder to stand down failed but word was already spreading among Nationalists. Reinforced by an unprecedented statement backing Mr P W Botha from Free State leader Mr Alwyn Schlebusch, the caucus voted Dr Mulder into defeat.

The triumvirate's grab

Refined

During the years they refined their secret machinations.

Stealthily they spun a web of intrigue financed by the R64-million secret G-fund. Their multi-tiered network of agents and dupes both overt and covert stretched through South Africa to Europe and the United States.

Secrecy was so important and the stakes so high in what they deemed "the interests of South Africa" that some of the people surrounding them lived in fear of their lives — particularly if they dared to talk.

And it was this secrecy which, in the words of Mr Justice Rudolph Erasmus, "gave rise to covert acts and malpractices" of a scale unknown in this country where Afrikanerdom had always prided itself on its integrity.

In other words, as Judge Erasmus put it, "secrecy became a Judas cloak for all those who act dishonestly, to put in false claims and to steal".

But this week the triumvirate stood exposed and disgraced.

It all started when Dr Eschel Rhoodie, at the age of 39, became Secretary for Information under Dr Connie Mulder.

Sunday Times 10/12/78 259

A cabal that almost took over S Africa

By EUGENE HUGO and NIC VAN OUDTSHOORN

ONLY 24 National Party votes saved South Africa from probable rule by a cabal of three men fired with insatiable lust for power

That small caucus majority which elected Mr P W Botha as Prime Minister thwarted finally a conspiracy with one ultimate aim: To crown Dr Connie Mulder on the Nationalist throne.

And sharing behind the scenes in that supreme authority would have been spy boss General Hendrik van den Bergh and his propagandist "pupil", Dr Eschel Rhoodie

They came desperately close to achieving their aim.

In the first Nationalist caucus ballot on September 28 only six votes separated Dr Mulder from outright victory. It was 20 of Foreign Minister Pik Botha's supporters who changed that first 78-72-22 ballot into a 98-74 majority for Mr P W Botha.

It was the eleventh hour move of Pretoria advocate Mr Retief van Rooyen that forced an already burgeoning Information scandal into the premiership race when he decided to "tell all" to five Cabinet Ministers the weekend before the election

for total control was lost when it was all but won

Together they were the manipulators.

For they manipulated the truth, millions in public funds, a sick Mr Vorster, the Cabinet, Parliament, the electorate, and their own public service colleagues who either trusted them or feared them.

This emerges from the Erasmus Commission report

The two propagandists knew very little about undercover work, but an old friend with a wealth of experience in this field was close at hand. He was General Hendrik van den Bergh, head of the Bureau for State Security and confidant of the then Prime Minister, Mr Vorster.

Forged

This forged the third link.

For the secret projects the manipulators needed secret funds

But no such money had been voted by Parliament to the Department of Information So Dr Rhoodie persuaded the then Minister of Finance, Dr Diederichs, to use an "unconventional" method to supply his department with secret funds

By the end of the 1978 book year the department had received a total of more than R64-million in secret funds.

With this money the manipulators launched between 160 and 180 clandestine operations

To make them work they needed people they could manipulate

And into the covert arena stepped among others businessman Jan van Zyl Alberts, fertiliser magnate Louis Luyt, film producer Andre Pieterse, advocate Retief van Rooyen, American publisher John McGoff, architect Oscar Hurwitz,

Foreign Affairs Association director Cas de Villiers and SABC commentator Red Metrowich

Early on Dr Rhoodie had already authorised his brother, Deneys, and Mr L E S de Villiers — his two deputies in the department — to spend secret funds.

Manipulate

The most ambitious project of the manipulators was a three-pronged attempt to manipulate the people of South Africa through grabbing control and subverting to their own ends part of the independent English Press.

Judge Erasmus paints a damning picture of General Van den Bergh.

The commission was strongly under the impression that Gen Van den Bergh used his office and his personal friendship with Mr Vorster to try to influence the course of events in South Africa.

Finally, in September, Mr Vorster announced his retirement — the moment the manipulators had fervently been working towards

What they needed was to "bury" the Information albatross — and to do so Mr Lood Reynders's report "clearing" Dr Mulder was leaked by Dr Mulder himself.

This did not help because Mr Vorster, on the eve of the Prime Minister's election, made it clear that investigations were continuing.

At the same time collaborator and Thor front man Mr Retief van Rooyen decided to tell all and his information brought new pressure on Dr Mulder from Cabinet Ministers to withdraw from the race He refused.

But word spread in the caucus and Mr P W Botha emerged as Prime Minister

Influence

Mr Justice Erasmus put it this way "It seems to the commission that, in the last days of Mr Vorster's Prime Ministership, when Mr Vorster was already seriously ill and all those around him knew that he was on the point of retiring Van den Bergh tried to influence the election of a new Prime Minister by forcing Reynders to report that there had not been any irregularities in the departments."

When manipulation failed there were desperate attempts to cover up — even going so far as the destruction of State documents

But in the end all started emerging What Dr Mulder, Dr Rhoodie and Gen Van den Bergh forgot is that the truth cannot always be manipulated.

THEY should learn to trust the courts and persons like the Auditor-General

THE only ray of hope in the gloom is the Press and judiciary

THE definitions of the secrecy and security laws make them preposterously broad

THE Biko case showed that certain agencies are a law unto themselves

Baling out of Muldersdrift

10/12/78 Sunday Tribune 25

Comment

The cardinal sin...The Lie

OF ALL the many sins committed by those connected with the Information Department scandal, the cardinal sin was The Lie.

It was not just that people in high office were devious and misleading or that frightened officials failed to speak out against those in authority over them. It was that at Cabinet level and before Parliament and the people, ministers either pretended not to know what was going on or evaded their responsibility to find out when it became glaringly apparent that things were seriously amiss.

Their acts of commission and omission together added up to a massive cover-up of the worst corruption, deceit and theft this country has experienced.

The nation was deceived.

At Cabinet level there were those who knew of the malpractices, yet stayed silent. Some are still in high office.

This is the tragic, lingering, and gravely disturbing fact which emerged so clearly during the two-day debate in Parliament on the report of the Erasmus Commission. And throughout it all, the question which was never satisfactorily answered was precisely which ministers knew what about the scandal and when individual ministers came by their knowledge.

It was not only that Dr Connie Mulder lied in Parliament in answer to the question whether the Government was funding The Citizen, it was that he did so in the presence of other Cabinet Ministers, including the Prime Minister, Mr Vorster, who, in the words of the PFP's Mr Harry Schwartz, "listened to the lie and knew it was a lie."

That they let the lie go unchallenged is an indictment most disturbing. It is the more disturbing because through all the hours of debate there was no explanation as to why the deception was allowed to go on and why it took so long before effective action was taken to check the corruption.

The implications of such deceit can be gauged by the narrowness of the victory that Mr P. W. Botha had over Dr Mulder in the contest for the premiership. Dr Mulder was proposed and seconded by Cabinet Ministers who should have known their man. Dr Koornhof and Mr Kruger could hardly have been unaware when they nominated Dr Mulder of how deeply he was implicated.

Had he won and taken command of government there is no knowing where the catastrophe would have ended. Those same two ministers are still in government. Whether they should be is a matter for the people to decide.

The honourable and proper course now is for the Prime Minister to resign, go to the people and secure a fresh mandate.

As we said last week, we do not think an election now would result in a change of governing party but it would enable the voters to effect a purge of which those in authority seem incapable.

It is the only way of establishing a truly clean administration.

INQUIRY INTO BOSS NEEDED

HARRY SCHWARZ described him as one of a "sinister triumvirate"; the Erasmus Commission says he saw himself as the "power behind the throne"; Helen Suzman described him as the man who "manipulated his own Prime Minister."

All were speaking of General Hendrik van den Bergh, who was head of BOSS and before that head of the Security Police.

Undoubtedly he was a man of immense influence, an influence exceeding far that of an ordinary department head in Government. His activities — those, at least, that we know of — have caused disquiet even to MPs like John Wiley, whose sympathies are close to those of the National Party. Wiley has urged an inquiry into BOSS as essential "to the purging process" in the light of the Erasmus report.

Helen Suzman goes further. She wants the inquiry "into every case of every person banned or detained or held under the Security laws."

We support these calls for a full inquiry into BOSS and into the activities of the retired General.

Sunday Tribune 16/12/78

259

By RODNEY HAXTON

A last toast from Connie before the Info roasting

SOMEWHERE outside Pretoria last weekend 250 guests went to a farm to celebrate the wedding of General Hendrik van den Bergh's youngest daughter, Adele.

There to regale them and to toast the happy young couple was none other than Dr Connie Mulder, the man who nearly became Prime Minister before losing his Cabinet job and, later, the leadership of the National Party in the Transvaal . . . and whose very seat in Parliament looks a bit rickety at the moment.

The Mulder toast was filled with mirth — and very nearly turned out to be the story of his political life.

He told guests that when a bridegroom walks down the aisle he feels like a prime minister — but soon after the wedding discovers that he's not even in the cabinet.

For the trials ahead of the newlyweds Dr Mulder's advice came in the form of a little parable about a thin, flexible reed and a large, sturdy tree both caught in a storm.

The reed, he said, bent and rode out the storm. The tree resisted, and when the storm was over the reed remained standing and the tree was uprooted.

The moral to his story, and his advice to the young couple: In times of trouble lie low and bend a little so that afterwards you can rise again.

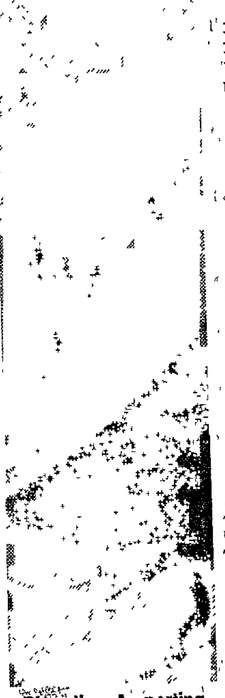
★ ★ ★

NOW for a Grim Fairy Tale of my own . . .

Once upon a time in the old Transvaal there was a mighty tree that loomed large over all the other trees that grew in that neck of the woods.

Among the smaller trees were many doringbome and bitterbossies and a few reeds; but the stout outjie tree, upon which grew many a Connies, cast a shadow over them all. He was a tall tree, up-Right and with a great trunk — and even greater ambitions of becoming king of all the jungle.

But in the midst of all the mighty efforts to make him king there blew up a terrible storm in the form of a nasty scandal. The



Rhoodie: A parting crack at 'traitors'

Wedding's over for the man who almost became PM

ambitious tree had an Information Affair with, among others, one of the more dubious Citizens of the jungle.

As time went by the mistress proved not only to be very loving, but also very demanding — particularly on the jungle coffers which all the little shrubs and bushes had shed their leaves to fill.

As the storm Eschelated it whipped about the outjie tree, scattering first his leaves and then ripping away the bark.

Finally, under great Press-ure, the tree who wanted to be king crashed to the ground with an almighty Van der Bang, crushing some of the bitterbossies and doringbome that grew closest to him.

The little reeds who had lain low during the storm and bent with it, remained standing. And, along with the rest of the foliage of the forest, they sighed a deep sigh and sang a sad little dirge: "O moenie huil nie, O moenie Treur-nicht . . ."

For they knew that, unlike humble little reeds, giant trees cannot lie low enough to weather the storm — unless they can lie well enough.

★ ★ ★

REMEMBER that very Rhoodie-mentary bit of reasoning from Dr Eschel hours after he was removed from his Secretary for Information office?

In a parting crack at "traitors" who had leaked certain secret information to the Press, he said: "I hope that the police will be successful in catching the guilty official or officials, whoever they may be."

Yes, it's high time they were tracked down — to receive the medals they so richly deserve for the part they played in uncovering corruption in high places.

Don't you agree, Dr Rhoodie . . . wherever you may be?

★ ★ ★

AS THE Government's agents trot around various parts of the globe disposing of houses and flats acquired by various former Information Department people, the words of Dr Eschel Rhoodie's wife, Katie, come echoing through the months.

"Some people," she said indignantly, "think a civil servant must live in a three-roomed, flat-roofed house on the wrong side of town."

True, some people probably do feel that way — but most folk I know would love to know who was living in that R500 000 flat on the right side of Cannes.

★ ★ ★

IRONICALLY, just before the elections last year the Government announced it was considering issuing a stamp in 1979 to commemorate 150 years of Press freedom in South Africa.

A free Press?

Ask the taxpayers who have just forked out R31 million for The Citizen. They might feel that South Africa has the most expensive Press in the world.

★ ★ ★

AFTER listening to Prime Minister Botha "warning" the Press in Parliament this week, I somehow wonder if what the Government was trying to say last year was not that it was going to give the Press a stamp — but rather that it was going to stamp on the Press in 1979.

★ ★ ★

When secrecy causes graft to breed

Sunday Tribune
10/12/78
259



By Professor Anthony Mathews
Head of the Department of Law at the University of Natal in Durban

THE GENERAL reaction of the white population to the publication of the Erasmus report is almost certainly a compound of satisfaction and relief.

Relief that the misdeeds which everyone, including the "moron in a hurry" (a new character-type recently invented by the British judiciary), knew to have been committed despite the extensive cover-up by members of Government up to the highest levels of public office, have either been finally exposed or stand on the point of exposure through further investigation.

Relief also that the obvious culprits are likely to be prosecuted and that "justice will take its course."

Satisfaction will be felt because most members of the Government have been cleared of complicity, including the State President and the Prime Minister Those who have been pronounced clean can therefore proceed with the task of ensuring white survival and stemming the "onslaught against South Africa."

Survival

Neither the relief nor the satisfaction is fully or substantially justified For one thing not every culprit is likely to be brought to book since the machinery of justice is legally and practically in the control of the Government responsible for the most massive programme of maladministration in the history of our country. The record of the justice authorities in bringing before the courts the right-wing terrorists of our society hardly inspires confidence. For another, though we must assume that the high officers of Government that the Erasmus Commission has exonerated are not culpable in the legal sense, it is simply nonsense to exonerate them in the constitutional or political sense.

Whether he participates in the acts of maladministration or not, a minister is constitutionally and politically responsible for what happens in his Government totally dedicated to them. Unless these laws, practices and attitudes change, we can expect more skilful misuse of public power in the future behind more adroitly deployed smokescreens.

What then is needed to prevent a repetition of the events that the Press and Judge Mostert first revealed and the Erasmus Commission has now underlined? Only marginal and ineffectual changes can be expected of a Government that continues to make power, and not accommodation and negotiation, the principal ingredient of national politics in South Africa. Secrecy, it has been said, is "the natural ally and stuff of authority" and while the Government continues to respond to internal pressures for change by the naked use of power it will maintain and even extend the current and widespread secrecy laws and practices. In the politics of conflict and confrontation secrecy will remain in important weapon.

Security

If the Government were to be willing to change its course, there are a number of obvious steps it could take to check corruption and limit maladministration. It could create Parliamentary standing committees with authority to oversee the activities of the administration and power to call witnesses and send for papers and documents It is essential that such committees should be bi-partisan and should operate in public except where national security is clearly and directly involved The Government could also limit the ludicrously wide secrecy laws now in force. It is, for example, an offence to communicate in a prejudicial manner, any information relating to "any military, police or security matter" The relevant Act defines a "police matter" as any matter relating to the preservation of internal security or the maintenance of law and order by the police and a "security matter" as any matter relating to the security of the Republic

These definitions make the coverage of the secrecy laws preposterously broad



MULDER: Spoke of giant trees and pliable reeds.

259 Sunday Tribune 10/12/78

department. Similarly, the executive can hardly escape constitutional and political responsibility both for the acts of maladministration and the continuous cover-up that the Government practised, including deception of Parliament. In a truly responsive and responsible Government these men should not (and could not) remain at the helm of the ship of state.

There are more basic reasons why the reaction of satisfaction should be a highly qualified one. The very task of guaranteeing white survival which the exonerated members of Government are now free to pursue is the one which has resulted in the subordination of all values of good Government to the maintenance of a massive power-system geared to repression

Funds

Among the values so subordinated are those of open and clean Government which, we have been told so often, must give way where the "interests of South Africa" (as interpreted by the ruling party) are in jeopardy. Once a government makes 'survival' the highest principle all other virtues will sooner or later fly out of the window. White survival is supported by a great and forbidding structure of laws and practices including those which have broadened the concept of national security to include whatever the Government chooses to make of it, and which have legitimised secrecy in every sphere of administration to which the ruling party decides to extend it.

When earlier this year an Act was passed by Parliament authorising secret funds in every department of Government and authorising a restricted audit of such funds, the Government that introduced it was already aware of maladministration in the Information Department Instead of heeding Woodrow Wilson's maxim that "corruption thrives in secret places, and avoids public places" it secured the passage of a law that legitimised wider secrecy practices. After the Press had published Mr Justice Mostert's revelations, one of the first reactions of the Prime Minister was a threat to introduce laws to control the newspapers; he wishes therefore, to neutralise the one public agency that can still let a little sunlight into the darker corners of administration.

Another reason for qualified optimism, if not pessimism, about the Erasmus revelations is that they reveal in such stark terms how the Government has created a security apparatus beyond the control of the civil authorities. General van den Bergh's evidence to the commission that "if he wanted to do something nobody would stop him and that we would stop at nothing" must not be dismissed as idle boasting. Laws remain on the statue book which enabled him to do just that and will enable others to do so in the future. In fact, the Biko case had earlier demonstrated the truth that certain agencies created by the Government are laws unto themselves.

Secrecy

As happened in the case of detainees there will no doubt be regular alternations between gross abuse of the laws and less reprehensible misuse of power following public and international outcries after disclosure of the horrifying facts. But all the laws, practices and attitudes which made maltreatment of detainees possible and which facilitated the maladministration and corruption in Government (and its cover-up for a long period), are still in force and seem likely to be kept in force by a

It is also well-known that national security in South Africa can be made to mean anything that the Government desires to incorporate into that concept, and this will have to be changed if maladministration is not to flourish under a security cloak. Finally, the Government could begin to trust the courts and persons like the Auditor-General by giving them broader oversight powers even where national security is at stake. One of the frightening things in this country is that the Government trusts nobody outside its party-political ranks.

Press

All these changes assume a Government ready and willing to qualify its basic policy in the interests of open and clean administration At present there are almost no signs that this is so. In the debate on the Erasmus Commission report, the Prime Minister repeated his attack on the English Press and made the usual references to the need for a "no holds barred" war against South Africa's enemies Such a war means that we introduce virtually all the evils in Government that we claim our enemies wish to force upon us. While such an attitude prevails we can expect little from our Government. The only hope that shines through all this gloom is that two institutions will diplay the courage that is needed to keep administration reasonably clean and uncorrupt. The first such institution is the Press, and this includes the Afrikaans Press whose willingness to expose and condemn has up to now operated **ex post facto** and after criticism of the "muck-racking" of the English Press.

The second instutiton is the judiciary which needs to act more regularly in the Mostert tradition. It is a dismal fact that not one of his colleagues has publicly supported Judge Mostert. All that they need to have said is that they would not be prepared to serve on Government commissions while it continued to treat independent-minded men as it did Judge Mostert. In the days that lie ahead courage will be a centrally important virtue in politics and we can only hope that there will be more of it

(25) Sunday Tribune 10/12/78

Vause Raw attacks sale of the Citizen

Tribune Reporter

THE sale of The Citizen to the giant Afrikaans publishing house of Perskor was "totally unforgiveable", the leader of the NRP, Mr Vause Raw, said yesterday.

The newspaper which in little more than two years of production gulped down almost R43 million of the taxpayers' money will become the property of Perskor on January 9 next year.

The contract will be back-dated to today.

The price agreed upon between Mr Hubert Jussen and Perskor is R2 300 000

Perskor is the largest Afrikaans and Nationalist party supporting publishing group in the country.

The transaction was completed in spite of the Prime Minister, Mr Piet Botha, conceding in Parliament this week that "in theory" at least The Citizen was owned by the state

"The sale is totally unforgiveable. It will do more than anything else to alienate the good the Government may think that it has done in the debate which took place this week," he said

Mr Raw was also sharply critical of the performance of the Prime Minister in winding up the extraordinary special session of Parliament

"To resort to Afrikaner nationalism in answer to a debate which dealt with the hard facts revealed by the judicial commission will have done little to clear the air," Mr Raw

Grand Prix salvage bid grinds to a halt

Tribune Reporter

A GIANT question mark hangs over the future of the South African Grand Prix at Kyalami following revelations that the world championship race received secret funds channelled through The Citizen newspaper.

The 1979 event is scheduled to be held on March 3 at a cost of R775 000 but this week a tight-lipped Mr Alex Blignaut, manager of the South African Motor Racing Club, said: "'It's still in the melting pot."

Top-level negotiations to pave the way for a dramatic R1 200 000 takeover of the Kyalami circuit and Grand Prix by a group of British businessmen appeared to be at a standstill.

Key men

Key figures behind the scheme are Mr Bernie Ecclestone, head of the Formula One Constructors Association, and Mr Max Mosley, a FOCA race organiser, but the go-ahead depends on approval by the South African Government.

After several months of behind-the-scenes bargaining the organisers could now face the prospect of running the country's premier race without a major sponsor.

In 1976 when the Grand Prix was threatened with financial collapse because of soaring costs, fertiliser magnate Mr Louis Luyt stepped in with an agreement to underwrite the losses through The Citizen newspaper which was not yet on the market.

Sponsorship

Last year, according to the Erasmus Commission's report, The Citizen provided sponsorship worth R220 000 from Department of Information funds.

This year's shortfall was made up by The Citizen and Associated Engineering Group in a joint sponsorship deal.

Mr Francis Tucker, chairman of the South African Motor Racing Club, said he and his committee had been unaware that money had been channelled from the Department of Information.

"We honestly believed that The Citizen and, in particular, Mr Louis Luyt, were responsible for the sponsorship," he said.

On Friday night Van Zyl Alberts relinquished his position as publisher and managing director of The Citizen when it was sold to Citizen 1978, a newly formed Perskor company.

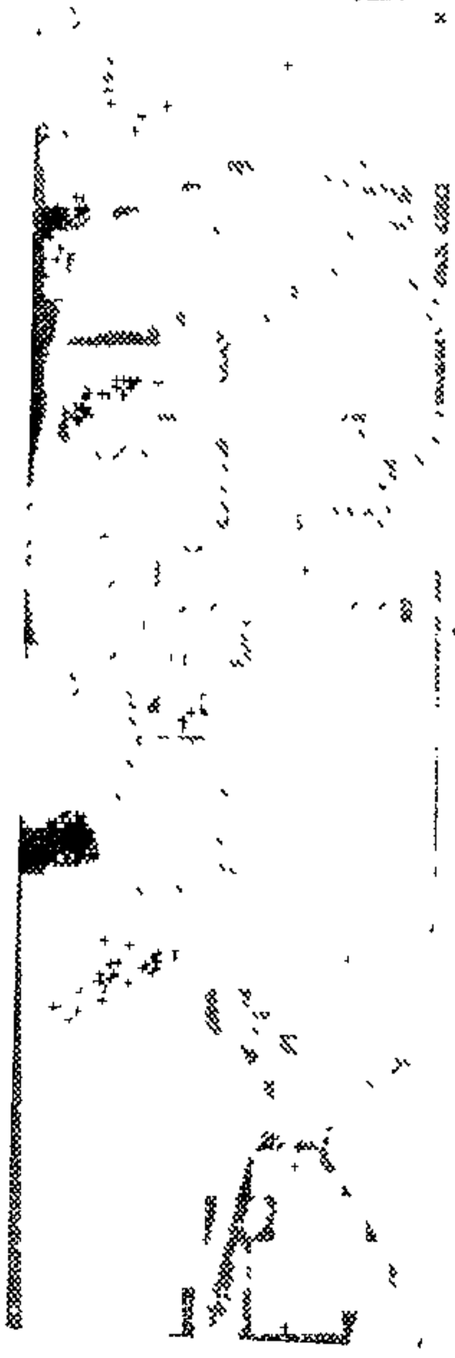
Van Zyl Alberts was paid R15 000 a year as an agent for the Department of Information.

He was persuaded by former Secretary Eschel Rhoodie to establish several new companies and trusts to serve as conduits for secret fund money.

From the evidence before the commission it was found that Van Zyl's private money and those from the department were so intertwined that a chartered accountant, Mr B O. Truter, could not unravel them in the time available to the commission.

What he did find was that properties in Alberts' private possession had been acquired with funds from the Exchequer

What happened to the R16 million over a loan that Rhoodie raised, contrary to Treasury regulations, will also be investigated.



Fertiliser magnate Louis Luyt — race officials believed Grand Prix sponsorship of R220 000 came from him and the Citizen newspaper.

259 SUNDAY

Investigation into property and financial transactions will continue

Probe into personal overseas bank accounts

Sunday Tribune 15/11/12.



Former BOSS Chief General van den Bergh — his evidence to the Erasmus Commission will be made public in the new year

By MARIAN SHINN

THE amount of money salted away in overseas personal bank accounts and properties will be the nub of the continuing probe by the Erasmus Commission which has been looking into alleged irregularities in the former Department of Information.

At home in Bloemfontein yesterday commission chairman Mr Justice Rudolph Erasmus declined to detail what avenues he would look at before the end of May.

"I can't disclose this for the simple reason that witnesses might be called with regard to various issues and they might leave the country before we talk to them," he said.

But it is known that the Deputy Attorney-General of Natal, Mr H. G. Klem, and Mr H. F. van Zyl, senior State advocate in Windhoek, who have been helping the commission, will probably go abroad soon to investigate what happened to secret fund money overseas.

Two Commercial Branch detectives will also help the commission with its continuing investigation.

Judge Erasmus said the purchase of a Soweto house by the secret fund would be looked at because he suspected it had not been "honest".

According to the commission's report published this week, one of the probes could be into the private property of Johannes van Zyl Alberts who resigned this week from the board of African International Publishing Company.

Sunday
Tribune
10/12/78

259

CITIZEN DRIVERS TURN DOWN 'PITTANCE' FROM PERSKOR

Tribune Reporter

THE traumatic developments in The Citizen newspaper scandal have left black staff drivers with a choice — accept a salary cut of more than 50 percent or leave.

They're leaving.

The seven car drivers were paid between R60 and R75 a week. Now they have been offered R30 a week — less deductions — by Perskor, the new owners of The Citizen.

And the drivers say that's just not good enough.

Bitter and resentful, the seven men have unanimously turned down the Perskor offer.

Now five of them face unemployment. Their leader, Mr Linton Macingwane, said they would rather be out of work than take a Perskor pittance.

"At The Citizen I earn R75 a week. Perskor offered me R30, less deductions. I cannot support a wife and four children on that," said Mr Macingwane.

On December 1, The Citizen drivers were given a month's notice. They will leave, they understand, with some bonus and holiday pay, but no future.

Only two of the seven have found suitable new jobs. The rest will be thrown on to the employment merry-go-round where jobs are few and applicants many.

"My wife feels bad. She said I should accept the Perskor job, anything is better than nothing. Then I showed her what R30 is," said Mr Macingwane, 41. "I haven't earned that sort of money since 1970. I have four children, one at university. I can't manage on R30 a week. I struggle on R75 but at least that's a fair wage."

Mr Macingwane said that Mr M Johnson, editor of The Citizen, had told his black drivers that Perskor would give them a job with plenty of overtime.

"I went to Perskor and that's when they told me about the wage," said Mr Macingwane. "I told them that's why most of the blacks are pinching — because they can't live on that sort of money. They mentioned the overtime. But they give time off not money for overtime."

Sunday Tribune

6/12/78

259

Smit murder questions bring Nat barrage

Tribune Reporter

THE murders of Dr Robert Smit, former National Party candidate in Springs, and his wife were raised by several MPs during the closing stages of the special parliamentary debate on the Erasmus Commission report.

Opposition speakers said that the Government should give the country the assurance that there was no link between the murders and the disclosures surrounding the defunct Department of Information.

Dr Alex Borraine (PFP, Pinelands) faced a barrage of interjections and cries of "How low can you sink?" when he spoke of a possible link between the murders of Dr Smit and his wife and the Information scandal

He said people all over were asking questions and the Government should give the people an assurance.

Mr N. B. Wood (NRP, Berea) said the rumours surrounding the Smit murders were highly damaging t. the morale of South Africa and to the country's image abroad.

"Not one Government speaker has stood up and said he wanted a thorough investigation into the whole matter," Mr Wood said.

Earlier in the debate Mr R. B. Durrant said it was despicable for Dr Borraine to suggest that there was a link between the murders and the Information scandal.

"Can you assure us that there is no link?" Opposition members interjected.

WHAT BOTHA SAID... AND WHAT HE KNEW

THE PRIME MINISTER, Mr P. W. Botha, appears to have misled the country about R57 million.

At a Press conference on November 3 — called in the wake of Judge Mostert's sensational disclosures about the abuse of Government money — the Prime Minister was asked about allegations that Defence Force money was being used by the Department of Information.

Special fund

A transcript of the Press conference reads as follows:

QUESTION: We have information that the money that helped to finance the Citizen came from the special equipment fund of the Defence Fund. Were you yourself aware that money was being used in this way?

MR BOTHA: I was aware that money was provided by Parliament for the purposes of the Information Department. But no funds voted for defence purposes were allotted to the Department of Information.

QUESTION: You would say that as a matter of fact and not as your belief.

MR BOTHA: I say that as a matter of fact.

But the Erasmus Commission report this week disclosed that Mr Botha knew as early as 1974 that Defence Force money was being used by the Department of Information.

Since 1974 the Defence Force has funded the department to the tune of R57 869 494.

The Erasmus report discloses that the Department of Information's secret activities were first

Sunday Tribune 10/12/78

259

Objected

Proof that Mr Botha knew of this comes when the commission report says: "The Minister of Defence, Mr P. W. Botha, now Prime Minister, and his department objected to the Prime Minister and the Minister of Finance about the use of the Defence Force to fund the Department of Information).

"Notwithstanding this, Mr Vorster decided that provision was to be made for these secret funds on the vote of the Department of Defence."

Sunday Tribune
10/12/78

259

The Info SCANDAL

ERASMUS TO RELEASE GENERAL'S EVIDENCE

By MARIAN SHINN

EVIDENCE of former chief of BOSS General Hendrik van den Bergh to the Erasmus Commission will be made public in the new year.

The chairman of the commission investigating the alleged irregularities in the former Department of Information, Mr Justice Rudolph Erasmus, said he had already appointed two men to weed out security matters from his evidence, before its release.

General van den Bergh had given him a "direct challenge" this week, said Mr Justice Erasmus.

After the commission's report was published the general called it a farce and said all his evidence should be made public.

"I think he should've shut up," said the judge.

He would not say whether the release of the evidence would be more damaging to General van den Bergh. "That waits to be seen," he said.

After his Christmas break Mr Justice Erasmus would have a look at what security matters had been pruned from the general's evidence . . . "I may re-insert some of it" and release it before Parliament re-opens in January.

The commission accused the general of being the power behind the throne, misleading former Prime Minister, Mr Vorster, and using his position to influence the course of South Africa.

RAND Daily Mail

MONDAY
December 11, 1978

Dragging down our country's integrity

WE ARE seeing the political morality of our country being dragged to an all-time low

The Information Department scandal is bad enough in itself, with all its deceitfulness and lies and the misappropriation of taxpayers' money (money which, it should be noted, was intended for the defence of the country); but now the scandal is being compounded by an official attempt to brazen it out.

Instead of the great cleansing exercise which the public expected, last week's special debate in Parliament turned out to be another great evasion The cover-up of facts which had gone on for so long turned into a cover-up of responsibility for those facts

The 'clean-up' which had been promised turned out to be merely a washing of ministerial hands.

This whole clandestine operation, we now know, dates back at least until 1973 The latest project to be uncovered was authorised by Dr Nico Diederichs when he was Minister of Finance. It all went on for years under the Vorster administration, with the Prime Minister's closest confidant as a key conspirator. Yet the public is asked to accept that there is no such thing as joint Cabinet responsibility for what happened.

Only Dr Connie Mulder and a few of his officials are blameworthy — even though others knew and joined in the conspiracy of silence.

And this is called a commitment to clean and honest administration!

At the very least one would have expected a government in such a situation to show a measure of humility before the public But instead it showed arrogance and aggression, with the Prime Minister resorting to some of the most distasteful personal attacks on Opposition MPs that have ever been heard in our Parliament.

Instead of apologising for what the Government has done, Mr P W Botha attacked those who exposed its misdeeds — and threatened to introduce legislation after May 30 to put a stop to "skinderstories".

What "skinderstories"? We would remind Mr Botha that these were not rumours (newspapers can't publish groundless rumours anyway, unless they want to be sued out of existence). They were facts. Facts which Mr Botha and his predecessor and his Government have been covering up for months, and would no doubt have continued covering up had it not been for the Press and the courage of an outraged Judge Mostert

But perhaps the most outrageous thing of all to have emerged from this so-called "clean-up" is the way the Government is apparently permitting the Nationalist newspaper company, Perskor, to take over The Citizen

Perskor's chief executive, Mr Marius Jooste, has admitted that the deal posed some "moral problems". We would say that was an understatement

Here is a newspaper — the Erasmus Commission found it to be a party political newspaper — which was built up with the expenditure of R32-million of taxpayers' money The Government deceived the public about it and lied to Parliament about it.

Now the deceitfulness and the lies have been exposed — and the Government calmly makes a gift of the publication to one of its own Nationalist publishing houses A company, moreover, which still has Dr Connie Mulder as a director.

What a rip-off of the public this is! What a travesty of political morality!

And how sad that most of the editorial staff of The Citizen are going along with such a shabby deal We would have expected more of our colleagues in the profession of journalism.

The editor of The Citizen, too, is trying to wash his hands of responsibility. He didn't know, he says, that the paper was funded with Government money when he was publishing all those bare-faced denials and abusing other newspapers

But we would point out that Mr Meyer Johnson was not only editor of The Citizen but also a director of the company which owned it, SA Today And directors have an obligation in law to know what is going on in their companies. If there is anything illegal, for example, they can be held personally liable.

We would suggest that any director, seeing a balance sheet which showed that his company had been granted a R7-million loan against issued shares worth R3, would be bound to demand a satisfactory explanation of who was guaranteeing that loan

Unless, of course, he didn't want to know.

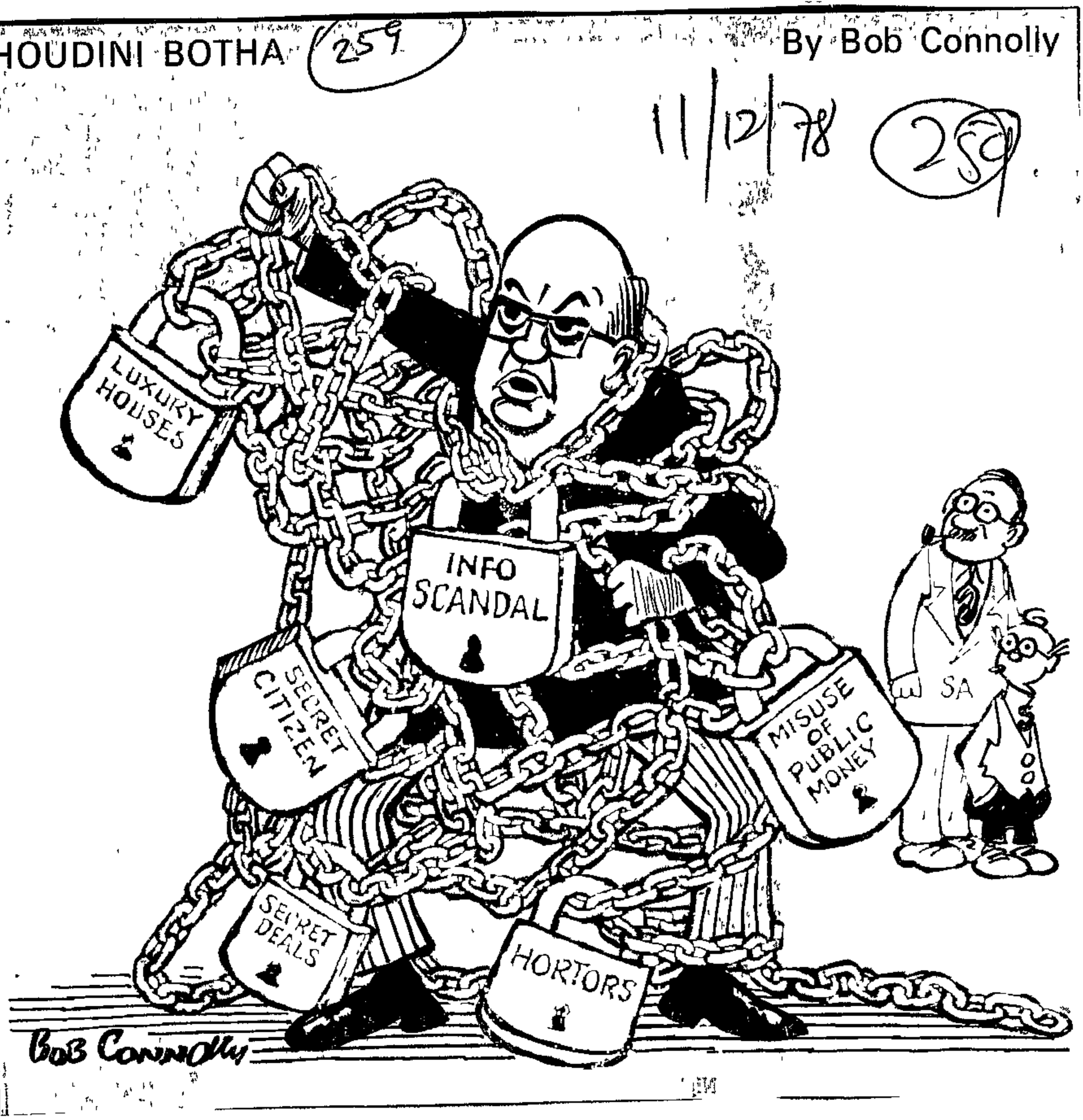
At all events, there can certainly be no question of either the editor of The Citizen or any member of his staff not knowing what the situation is now

And that is what gives them, like Mr Jooste, a "moral problem" to ponder

HOUDINI BOTHA (259)

By Bob Connolly

11/12/78 (259)



ern Transvaal farmhouse owned by Mr Jan Van Zyl Alberts and Mr John McGoff
Picture MIKE McCANN

's platteland hideaway

YN ELLIOTT

y sign — "Mokwalo Alberts" — on an al farm road is the at connects this re- bushveld with last Commission revela-

gs to one of the key partment of Infor- Mr Jan van Zyl managing director d Mr John McGoff, spaper publisher ıe properties listed eport as acquired department from d, and was intend- overseas guests erts' daughter, An- and her husband ıanaging the farm y are staying on ily until Mr Gey- e farm for cattle ranching

Mr Geyser said he knew nothing about the over 400 ha farm being "State property"

"If I had known that, I would not be sitting here now," he said

Mrs Geyser said her father had telephoned but had not said anything to her about the findings of the Erasmus Commission "He did not say anything to me on the telephone — you know we have party lines here

"The first time I knew this farm was supposedly bought with Department of Information funds was when I read it in the newspaper"

The Geysers, who sat chatting politely on rambling lawns in front of a spacious but modest bungalow-type farmhouse, said they had not received any overseas visitors since they had moved from Pietersburg to the farm, a few kilometres from the platteland town of Acornhoek

Mr Frank Dyason, who lives on a farm nearby, told the Rand Daily Mail yesterday that Mr Van Zyl Alberts was not the most considerate of neighbours

"He used my landing strip and flew in with a Beechcraft Baron with radar controls One night he hooted outside my lodge and I told him to go away as I did not want him to disurb my guests He told me not to speak to him in that manner and said he had some important Government officials with him," he said

Mrs Geyser declined to comment on her father's prominence in the Erasmus report "I did not know anything about the farm To my knowledge it is jointly owned by John McGoff and my father I am not prepared to say anything about my father until all evidence has been brought to light

"No one can simply condemn a man," she said

the deal

The consortium's offer had not involved anything illegal or dubious, but would have required approval by the authorities for exemptions or concessions under the exchange control regulations In the present situation, following the Information Department disclosures, any such approval was highly unlikely, he said

However he had recently learned of a possible alternative method of achieving what the consortium wanted

Not only would it be completely legal and open, but would not require the granting of any exemptions or concessions

It would involve participation by South African interests A major South African concern had shown some interest in it

POLITICAL comment in this issue by Allister Sparks, newsbills by Benjamin Pogrund, headlines and sub-editing by Colin Thompson, cartoons by Bob Connolly, all of 171 Main Street, Johannesburg

gs

ondent

Progres- MPs are Informa- ort-back oe Town o days and Mr ll speak n Town

he lead- on, Mr ne Bas- an der a meet- ule Mr r Brian e Som- l

n said to in- he im- pecial n

ry

it the wast- rican with n in a peo-

ndal tax- oney seas epre- , and lown

ıain- and

ıave

Weather Mail

THE weather forecast summary for today is

TRANSVAAL: Partly cloudy and hot with scattered showers and thundershowers. Isolated thundershowers will occur over the southwest

FREE STATE and CAPE, north of the Orange River: Fair and hot but partly cloudy over the northeastern parts with scattered thundershowers

CAPE, south of the Orange Fair to partly cloudy and mild but cloudy and cool in the southern and southeastern coastal regions and neighbouring interior with light rain. It will clear partially over the southern parts later.

NATAL: Cloudy and mild with scattered showers and thundershowers.

BOTSWANA: Fair and very hot but partly cloudy in the north and northeast with scattered thundershowers.

Temperatures are Celsius maximums expected for each city

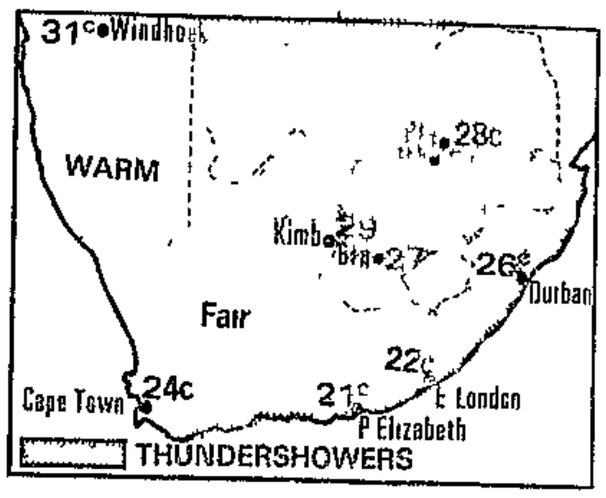
Rand Daily Mail Weather Station
YESTERDAY
December 10, 1978
Temperatures

09h00	14h00	21h00
19C	23C	18C

Humidity

73%	49%	70%

Max temp 24C
Min temp 15C
Rain 24 hours to 09h00 Nil
Sunset today 18h54
Sunrise tomorrow 05h09



SOUTH AFRICA YESTERDAY

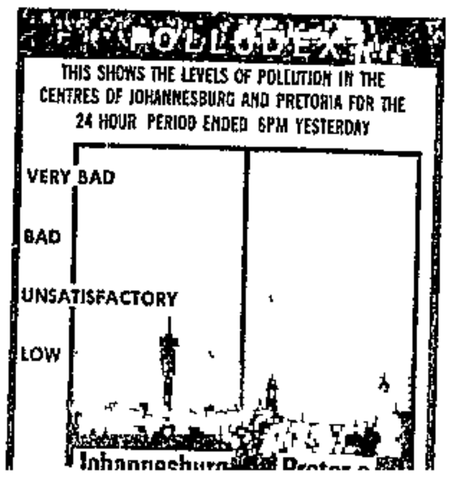
Temperatures at 14h00

	C		C		C
Bloemfontein	24	Jan Smuts	23	Potchefstroom	27
Cape Town	23	Nelspruit	28	Pretoria	27
Durban	28	Pietersburg	25	Skukuza	28
East London	21	Port Elizabeth	22	Standerton	25

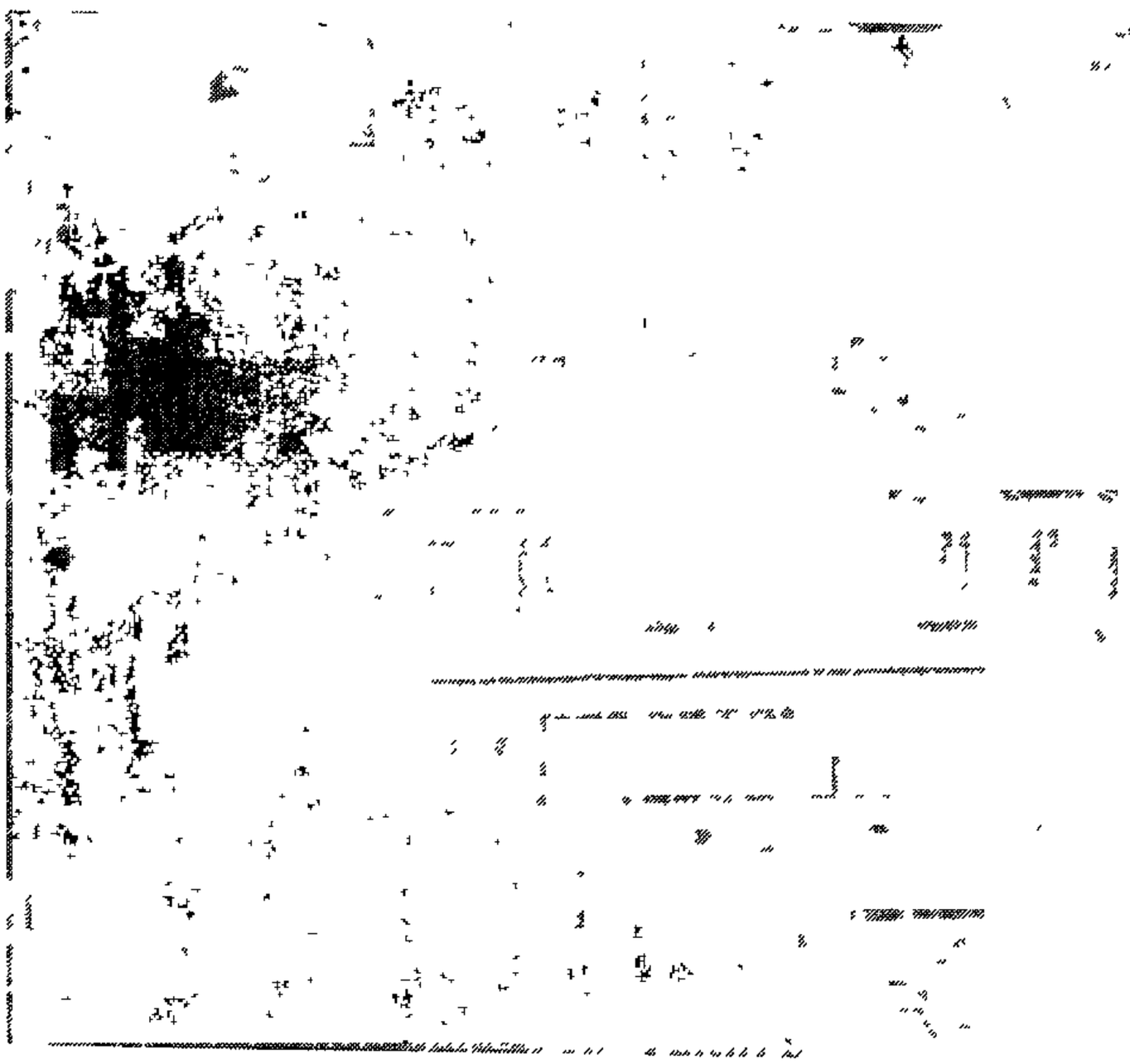
SOUTH AFRICA Hottest at 14h00 Messina 31C Coldest at 08h00 Sutherland 7C
TRANSVAAL Hottest at 14h00 Messina 31C Coldest at 08h00 Standerton 13C

THE WORLD YESTERDAY

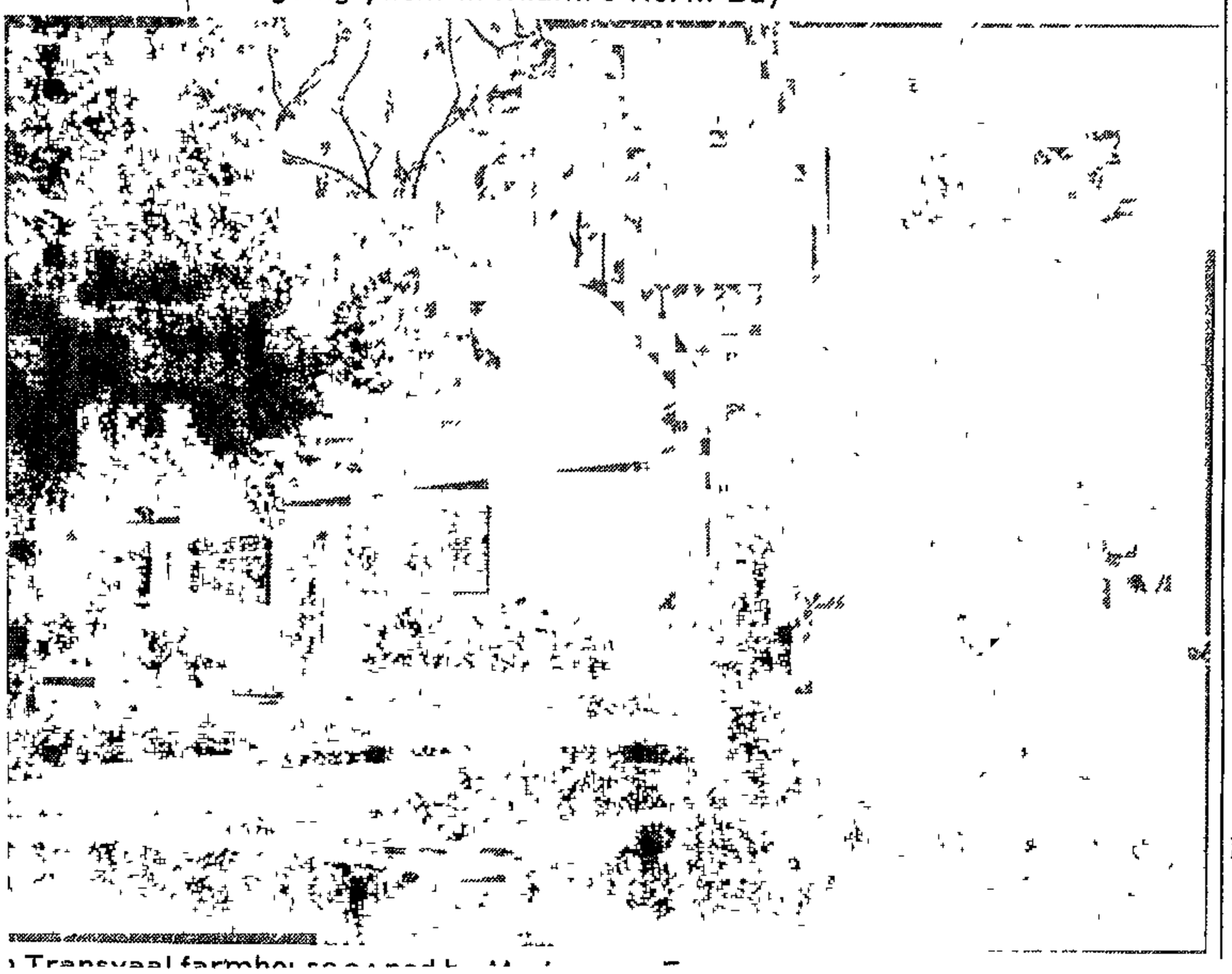
	Min C	Max C	Weather
Amsterdam	3	8	Cloudy
Berlin	5	8	Cloudy
Brussels	6	12	Clear
Buenos Aires	16	25	Sunny
Chicago	—16	—10	Clear
Hong Kong	20	26	Clear
Honolulu	21	28	Clear
Lisbon	17	20	Rain
London	11	15	Cloudy
Los Angeles	2	16	Clear
Madrid	11	16	Sunny
Miami	25	28	Cloudy
Montreal	—1	2	Cloudy
Moscow	—8	—5	Snow
New York	3	8	Clear



DIGITAL WATCHES
BELOW WHOLESALE
2 YEAR GUARANTEE
LCD ALARM
Hrs, mins, seconds, date, month, light, alarm.
NOW R59.95
2 YEAR GUARANTEE
LCD DIGITAL WATCH
NOW R25.00
2 Year Guarantee
CASIO LCD WATCHES
NOW R89.95
LADIES' LED DIGITAL WATCH
NOW R25.00
1 Year Guarantee
2 Year Guarantee
LCD CHRONO-GRAPH STOP WATCHES
NOW R39.95
Also Ladies' LCD Watches Below Wholesale
THE LARGEST RANGE OF QUALITY WATCHES—
100 Beautiful Models to Choose From.
2 Year Guarantee on all LCD Watches
PRICES EXCLUDE SALES TAX



/ of the rear of the R278 000 Miami Beach mansion bought by Dr Eschel Rhoodie and path lead across the lawns from the heated swimming pool to a mooring for a sea-going yacht in Miami's North Bay



Cash needed to stage GP

By LEICESTER SYMONS
Motor Editor

THERE is no hope for the South African Grand Prix, due to be run at Kyalami on March 3 next year unless the money for it can be raised in South Africa, according to Mr Francis Tucker, chairman of the South African Motor Racing Club, which owns the circuit and promotes the GP

The chances of raising the necessary sum of about R300 000 by public subscription will be among proposals discussed at a meeting of the club on Thursday

The offer by an overseas consortium to save the GP, to take over Kyalami, in a R1 200 000 deal, was dead, he told me in Johannsburg at the weekend

He dismissed any possibility of reviving the offer by bringing in local participation

But Mr Alex Blignaut, manager of SAMRC, is more optimistic, in spite of a report from London on Friday that Mr Max Mosley, one of the members of the overseas consortium, had said that it were no longer interested

Mr Blignaut believes there is still a chance to revive the interest and conclude the deal

E

259

11/12/78

RSM

according to the Erasmus Commission, received additional income.

● What ventures — other than the Grand Prix — were sponsored by The Citizen with taxpapers' money

erset West Town Hall

A PFP spokesman said the meetings were to inform the public of the implications of the special parliamentary session

BOSS bungled bribery bids, claims paper

PARIS — South Africa's former Bureau for State Security (BOSS) has been accused in Paris of bribing African officials to support dialogue

The attack, launched by the French weekly news bulletin Lettre d'Afrique, also claims BOSS wasted huge sums of money on its bribery efforts

The bulletin says that BOSS "possessed no political sense at International level, and certainly none regarding black Africa Today the National Party is trying to hide this truth by putting all the blame (for wasting public funds) on Dr Connie Mulder"

It continues. "South African public opinion was never kept informed about the large sums of money wasted in Africa South African diplomatic relations with Africa were undertaken in a lamentable fashion by people who knew nothing

"That is the real scandal Unfortunately for SA's taxpayers most of the money spent by BOSS overseas went on people who represented only themselves, and BOSS should have known it"

The bulletin is read mainly by diplomats in Paris and Africa

The French editors have close contacts with Ivory Coast President Felix Houphouet-Boigny and Senegalese President Leopold Senghor

to theft as
city in theft
gh which the
red great

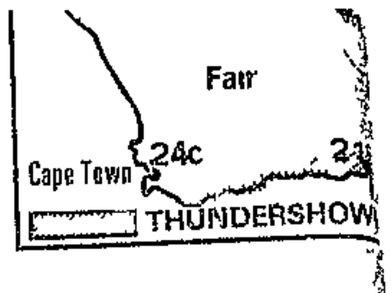
ad been tak-
hat Cabinet
e aware of
ning in their
d in matters
rol
of Finance,
wood, had
unaware of
gh of Infor-

zen'

● Whether General Hendrik van den Bergh, former head of BOSS, or Dr Mulder, furnished any alleged documentary proof to the Erasmus Commission for their contention that Mr Vorster knew before November 1977 that The Citizen was being funded with taxpayers' money

● What future safeguards exist for Parliament and the taxpayer to ensure that

09h00 14h00 21h00
19C 23C 18C
Humidity
73% 49% 70%
Max temp 24C
Min temp 15C
Rain 24 hours to 09h00
Nil
Sunset today 18h54
Sunrise tomorrow
05h09



SOUTH AFRICA YESTE

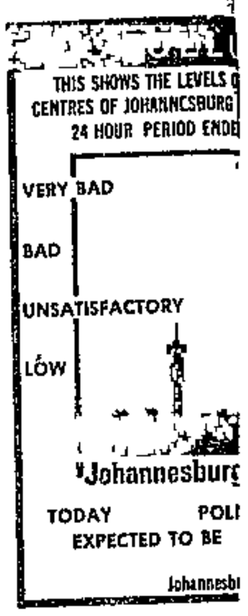
Temperatures at 14h00

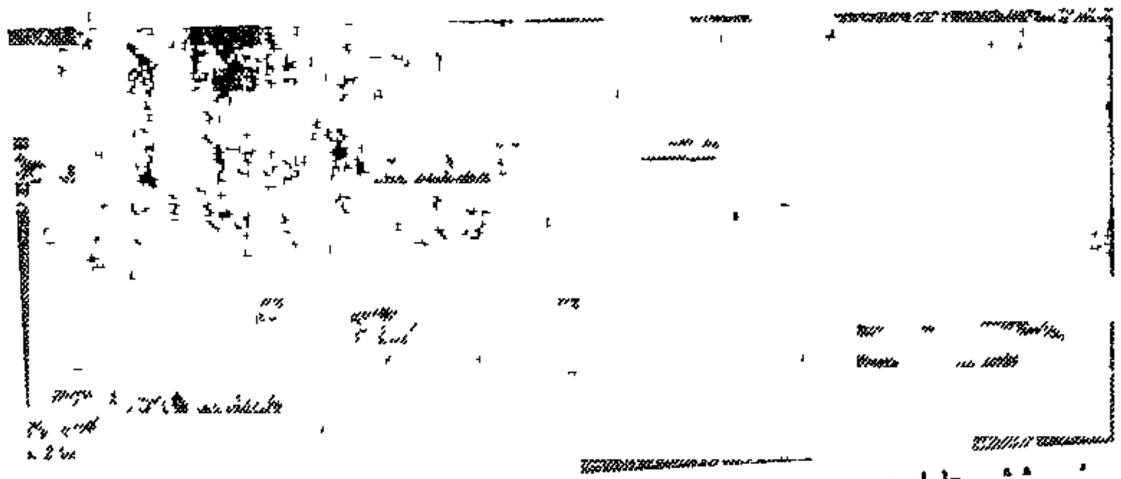
	C		C	
Bloemfontein	24	Jan Smuts	23	Pol
Cape Town	23	Nelspruit	28	Pre
Durban	28	Pietersburg	25	Ske
East London	21	Port Elizabeth	22	Sta

SOUTH AFRICA Hottest at 14h00 Messina 31C Coldest
land 7C
TRANSVAAL Hottest at 14h00 Messina 31C Coldest at
13C

THE WORLD YESTERDAY

	Min C	Max C	Weather
Amsterdam	3	8	Cloudy
Berlin	5	8	Cloudy
Brussels	6	12	Clear
Buenos Aires	16	25	Sunny
Chicago	−16	−10	Clear
Hong Kong	20	26	Clear
Honolulu	21	28	Clear
Lisbon	17	20	Rain
London	11	15	Cloudy
Los Angeles	2	16	Clear
Madrid	11	16	Sunny
Miami	25	28	Cloudy
Montreal	−1	2	Cloudy
Moscow	−8	−5	Snow
New York	3	8	Clear
Paris	9	14	Clear
Rio de Janeiro	20	32	Rain
Rome	2	16	Cloudy
San Francisco	6	11	Clear
Stockholm	−4	0	Cloudy
Tokyo	7	19	Cloudy
Toronto	1	4	Rain





The Eastern Transvaal farmhouse owned

Info's platteland hideaway

By MARILYN ELLIOTT

AN OLD red rusty sign — "Mokwalo Landgoed J v Z Alberts" — on an Eastern Transvaal farm road is the only landmark that connects this remote part of the bushveld with last week's Erasmus Commission revelations

The farm belongs to one of the key figures in the Department of Information scandal, Mr Jan van Zyl Alberts, former managing director of The Citizen, and Mr John McGoff, an American newspaper publisher

It was one of the properties listed in the Erasmus report as acquired by the disbanded department from an emergency fund, and was intended for entertaining overseas guests

Mr Van Zyl Alberts' daughter, Annemarie Geyser, and her husband Jack, have been managing the farm since August They are staying on the farm temporarily until Mr Geyser finds a suitable farm for cattle ranching

Mr Geyser said he knew nothing about the over 400 ha farm being "State property"

"If I had known that, I would not be sitting here now," he said

Mrs Geyser said her father had telephoned but had not said anything to her about the findings of the Erasmus Commission "He did not say anything to me on the telephone — you know we have party lines here

"The first time I knew this farm was supposedly bought with Department of Information funds was when I read it in the newspaper"

The Geysers, who sat chatting politely on rambling lawns in front of a spacious but modest bungalow-type farmhouse, said they had not received any overseas visitors since they had moved from Pietersburg to the farm, a few kilometres from the platteland town of Acornhoek

Mr Frank Dyason, who lives on a farm nearby, told the Rand Daily Mail yesterday that Mr Van Zyl Alberts was not the most considerate of neighbours

"He used my landing strip and flew in with a Beechcraft Baron with radar controls One night he hooted outside my lodge and I told him to go away as I did not want him to disurb my guests He told me not to speak to him in that manner and said he had some important Government officials with him," he said

Mrs Geyser declined to comment on her father's prominence in the Erasmus report "I did not know anything about the farm To my knowledge it is jointly owned by John McGoff and my father I am not prepared to say anything about my father until all evidence has been brought to light

"No one can simply condemn a man," she said

legal or dubious, but would have required approval by the authorities for exemptions or concessions under the exchange control regulations In the present situation, following the Information Department disclosures, any such approval was highly unlikely, he said

However he had recently learned of a possible alternative method of achieving what the consortium wanted

Not only would it be completely legal and open, but would not require the granting of any exemptions or concessions

It would involve participation by South African interests A major South African concern had shown some interest in it

POLITICAL comment in this issue by Allister Sparks, newsbills by Benjamin Pogrund, headlines and sub editing by Colin Thompson, cartoons by Bob Connolly, all of 171 Main Street, Johannesburg

Info meetings

Political Correspondent

CAPE TOWN — Progressive Federal Party MPs are to address three Information scandal report-back meetings in the Cape Town area in the next two days

Dr Alex Boraine and Mr Philip Myburgh will speak in the Rondebosch Town Hall at 8 pm tonight

Tomorrow night the leader of the Opposition, Mr Colin Eglin, Mr Japie Basson and Mr Tiaan van der Merwe will address a meeting in Sea Point while Mr Kowie Marais and Mr Brian Bamford speak in the Somerset West Town Hall

A PFP spokesman said the meetings were to inform the public of the implications of the special parliamentary session

Weather Mail

THE weather forecast summary for today is

TRANSVAAL: Partly cloudy and hot with scattered showers and thundershowers. Isolated thundershowers will occur over the southwest.

FREE STATE and CAPE, north of the Orange River: Fair and hot but partly cloudy over the northeastern parts with scattered thundershowers.

CAPE, south of the Orange Fair to partly cloudy and mild but cloudy and cool in the southern and southeastern coastal regions and neighbouring interior with light rain. It will clear partially over the southern parts later.

NATAL: Cloudy and mild with scattered showers and thundershowers.

BOTSWANA: Fair and very hot but partly cloudy in the north and northeast with scattered thundershowers

Temperatures are Celsius maximums expected for each city

Rand Daily Mail Weather Station

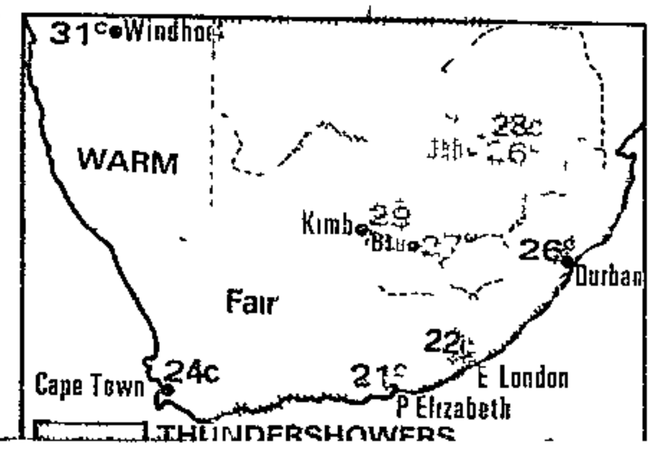
YESTERDAY
December 10, 1978
Temperatures.

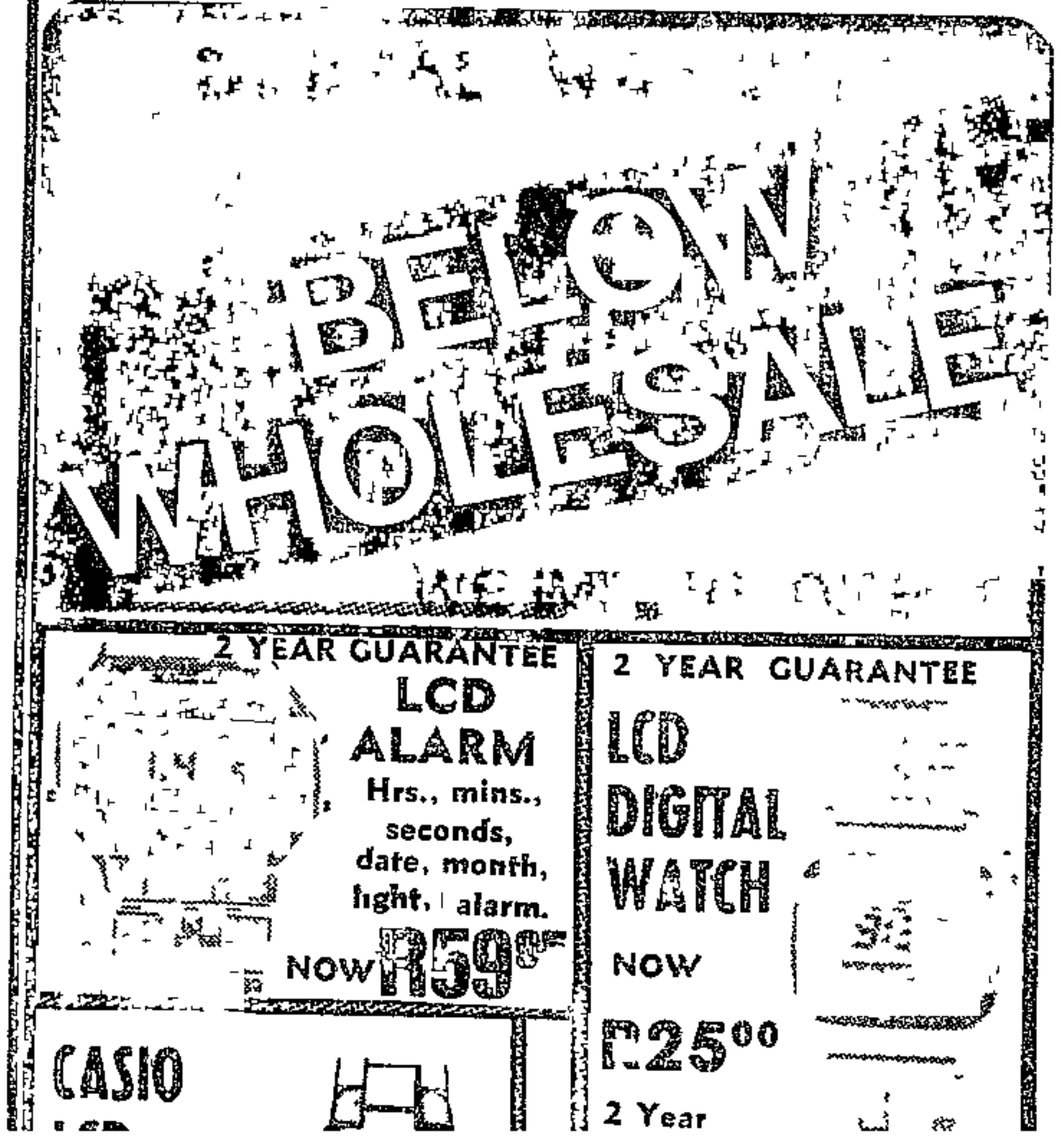
09h00	14h00	21h00
19C	23C	18C

Humidity

73%	49%	70%

Max temp 24C
Min temp 15C
Rain 24 hours to 09h00 Nil
Sunset today 18h54





259

11/12/78

World Press Institute to probe

Staff Reporter

THE INTERNATIONAL Press Institute (IPI) is to send representatives to South Africa to investigate the position of the Press in the Information scandal, IPI's chairman, Mr Ranald McDonald, said yesterday

Mr McDonald said from his home in Melbourne, Australia, that the IPI viewed the Government's attempts to gain a foothold in the free Press very seriously and was doing everything to bring it to the world's attention

He said the establishment of The Citizen was a clear example of a Government lowering the status of journalism to set up "a public relations agency, and in doing so, lying to the public"

"This is the most blatant example of this that has ever happened anywhere When the Government should have been handling a delicate situation with sensitivity, it trampled ideals and went ahead with its own plans regardless," he said

The Department of Information's attempt to buy the Washington Star was "an incredible and desperate ... to propogate its views ... influence the world ... ess It is outrageous"

"The behaviour of the Press in South Africa in exposing the Government's abuse was impeccable The world Press views the journalists of the newspapers who exposed it as highly professional and courageous In this the Press has served its country well," Mr McDonald said

Mr John Patten, president of the South African Society of Journalists, said yesterday the fact that the Government had dissociated itself from The Citizen roved it admitted it was ...rong

"The establishment of ne Citizen was a ruthless ...ove It was completely

Govt didn't answer key questions — PF

By MARTIN SCHNEIDER
Political Editor

THE PRIME Minister, Mr P W Botha, and the Government have left unanswered at least 26 key questions on the Information Department scandal, including a remarkable Opposition charge that the affair involves a possible 40 theft and fraud charges

This emerged yesterday as Opposition politicians assessed the 26-hour parliamentary session on the gross misuse of Information's massive R64-million secret fund

The debate, described by the Speaker of the House, Mr J J Loots, as one of the most important in the country's history, ended in pandemonium at 3,20 am on Saturday morning with an incensed Opposition charging that Mr Botha had failed to answer the nation

The House of Assembly was in a continual state of uproar as Mr Botha focused his final reply to the debate on strong personal attacks on Progressive Federal Party MPs

Assessing Mr Botha's response to the Opposition, PFP federal executive chairman Harry Schwarz said yesterday the Prime Minister had evaded at least seven key questions

He had also evaded the only Nationalist question, put by the party's Free State leader, Mr Alwyn Schlebusch, who had asked Mr Botha to consider limitations on the power of the Bureau for State Security (BOSS), now the Department of National Security

It appeared that Mr Botha had answered only three Opposition questions in his final reply He did, however, give the House one item of information it had never requested — the disclosure that he was a member of the Broederbond

the next six weeks, the next parliamentary session will be dominated by the scandal which will paralyse the activities of the Government"

Mr Botha rejected a call for an immediate General Election

He said he had not resigned as Minister of Defence when the former Prime Minister, Mr Vorster, had asked him to channel defence funds to Information because he was only prepared to break with Mr Vorster on a matter of principle

And he explained he had reappointed Dr Connie Mulder to the Cabinet after he became Prime Minister because it was the traditional practice to initially retain the previous executive

But among the key questions left unanswered by the Prime Minister were

- Opposition calls for Mr Botha to request Mr Vorster to stand down as State President after Mr Schwarz had directly accused the former Prime Minister of covering up the scandal

Mr Schwarz made the charge when he told the House that the former Minister of Information, Dr Connie Mulder, had lied to Parliament in May this year when he gave assurances that there was no Government money in The Citizen newspaper

"The former Prime Minister was present He was sitting there and listening to the then Minister of Information tell a lie and he knew it was a lie," Mr Schwarz said

- Charges by the PFP chief whip, Mr Brian Bamford, who told the House there were 20 circumstances indicating that Mr Botha had been party to a cover-up which started when Mr Botha agreed to channel Defence money to

(Mr Botha, however, told the Rand Daily Mail political staff yesterday he would approve the release of all evidence except that dealing with State security)

- Requests for the names of the eight organisations to be "openly" financed by the Government's Information services
- How The Citizen newspaper was funded from June, when the Department of Information was disbanded, until November 30 when the Government stopped funding the newspaper
- Why Dr Mulder had not been given a chance to reply to questions during the Information debate

Mr Schwarz said at least another 20 issues had remained unresolved

- Why the Minister of Finance, Senator Horwood, had told Mr Schwarz on December 1 this year that the Government would not consider stopping the sale of The Citizen until after the Erasmus Commission report when, in fact, the Government had already decided that it had no interest in or responsibility for the newspaper
- Why Dr Eschel Rhoodie, former Secretary for Information, was allowed to leave the country. According to the Erasmus Commission, Dr Rhoodie had committed irregularities "which pointed to theft as well as complicity in theft and fraud through which the State suffered great losses"
- What steps had been taken to ensure that Cabinet Ministers were aware of what was happening in their departments and in matters under their control

The Minister of Finance, Senator Horwood, had claimed he was unaware of the nature of much of Information's spending and, according to the Erasmus

The Citizen was a ruthless move It was completely unwarranted and suggested the existing Press was not doing its job properly That was an insult to the Press," he said

No word on Eschel

THE MINISTER of the Interior, Mr Alwyn Schlebusch, yesterday declined to comment on the activities of the former Secretary for Information, Dr Eschel Rhoodie

Sapa reported at the weekend that the Minister was not prepared to confirm rumours that Dr Rhoodie had been traced in London, but later reported that the Minister had in fact confirmed this

A newspaper report yesterday morning quoted the Minister as denying he had told Sapa that Dr Rhoodie had been traced in London

A spokesman for the Minister said in Pretoria yesterday afternoon that he was not prepared to discuss the matter — Sapa

disclosure that he was a member of the Broederbond and proud of it

At least 19 other key questions remained unanswered by the Government as a whole

Mr Schwarz, who led the Opposition attack on the Government, said Mr Botha had missed a wonderful opportunity to clear up the entire scandal

"The great tragedy is that he not only missed the opportunity, but the early hours of Saturday morning were taken up with one of the worst personal attacks on invidivual MPs that has been heard for years," he said

"Unless Mr Botha takes quick and urgent action in [illegible] up which started when Mr Botha agreed to channel Defence money to the Department of Information

Mr Bamford also said the Erasmus Commission into the Department of Information had raised 20 possible charges of theft and 20 possible charges of fraud

- Mr Botha's statement to a Press conference on November 4 that no money voted for Defence purposes had been "allotted" to the Department of Information In fact, several million rands of Defence money were channelled to Information
- Appeals for the release of all the evidence given to the Erasmus Commission
- [illegible] according to the Erasmus Commission, Dr Mulder said certain matters brought to his attention at one stage hit him like a bomb
- What had happened to the "emergency fund" set up by Dr Eschel Rhoodie, former Secretary for Information
- Whether safeguards would be implemented to eliminate the possibility in future of official documents being destroyed

According to the Erasmus Commission, several Information Department documents were destroyed

- The use to which properties bought by the Department had been put and money voted for a specific purpose will in fact be used for that purpose
- What protection exists for the taxpayer when he finds his money has been abused According to Mr Schwarz, despite the fact that R32-million in taxpayers' money was given to The Citizen and that many more millions were misused in other ventures, The Citizen is still operating and there are still no indications of the extent to which other money has, or could be, recovered
- How the Government proposes to restore the credibility of politicians after key public figures had not told the truth or informed the public about what they knew
- How it was possible that an Information Department official, Mr Braam Fourie, had been allowed to be an accountant and an auditor What steps have been taken to ensure that no officials can audit their own accountancy work?
- What safegaurds exist to ensure that Cabinet Ministers who sign documents are aware of what they are signing

According to evidence before the Erasmus Commission, the Minister of Finance, Senator Horwood, approved Information expenditure of R14-million and then had reservations about his action because he had not read the document involved in the expenditure

- What had happened to the files which, according to evidence before the Erasmus Commission, gave certain people a "hold on associates"
- The Minister of Finance has still not indicated what steps will be taken to recover tax from people who, according to the Erasmus Commission, received additional income
- What ventures — other than the Grand Prix — were sponsored by The Citizen with taxpapers' money

No comment — Mrs Rhoodie

Staff Reporter

MRS KATIE Rhoodie, wife of Dr Eschel Rhoodie, whose irregular activities in the Information scandal might be referred to the Attorney-General for possible criminal proceedings, has stopped reading newspapers

When a Rand Daily Mail reporter telephoned her Pretoria home yesterday another woman answered the phone and said that Mrs Rhoodie neither reads newspapers nor speaks to the Press

Asked if Mrs Rhoodie knew when her husband was coming back, or whether she would like to comment on Sunday newspaper reports, Mrs Rhoodie's firm answer came back

"No comment," she said

11/12/78

259

RDM

er

'FP

whether the properties which had been sold were disposed of at a profit or a loss.

● Whether the Government had simply written off the bulk of the R22-million in taxpayers' money given to The Citizen (The Citizen's founder, Mr Louis Luyt, has given post-dated cheques in repayment of the original R32-million of taxpayers' money invested in the newspaper.)

And whether the Government's refusal to stop the sale means that it now regards the newspaper as a legitimate mouthpiece, despite the official view that the funding of the newspaper with taxpayers' money was wrong in principle

● According to The Citizen's new owners, Perskor, the newspaper's assets exceeded its liabilities by R400 000.

How was this "miraculous" position achieved after The Citizen's massive losses?

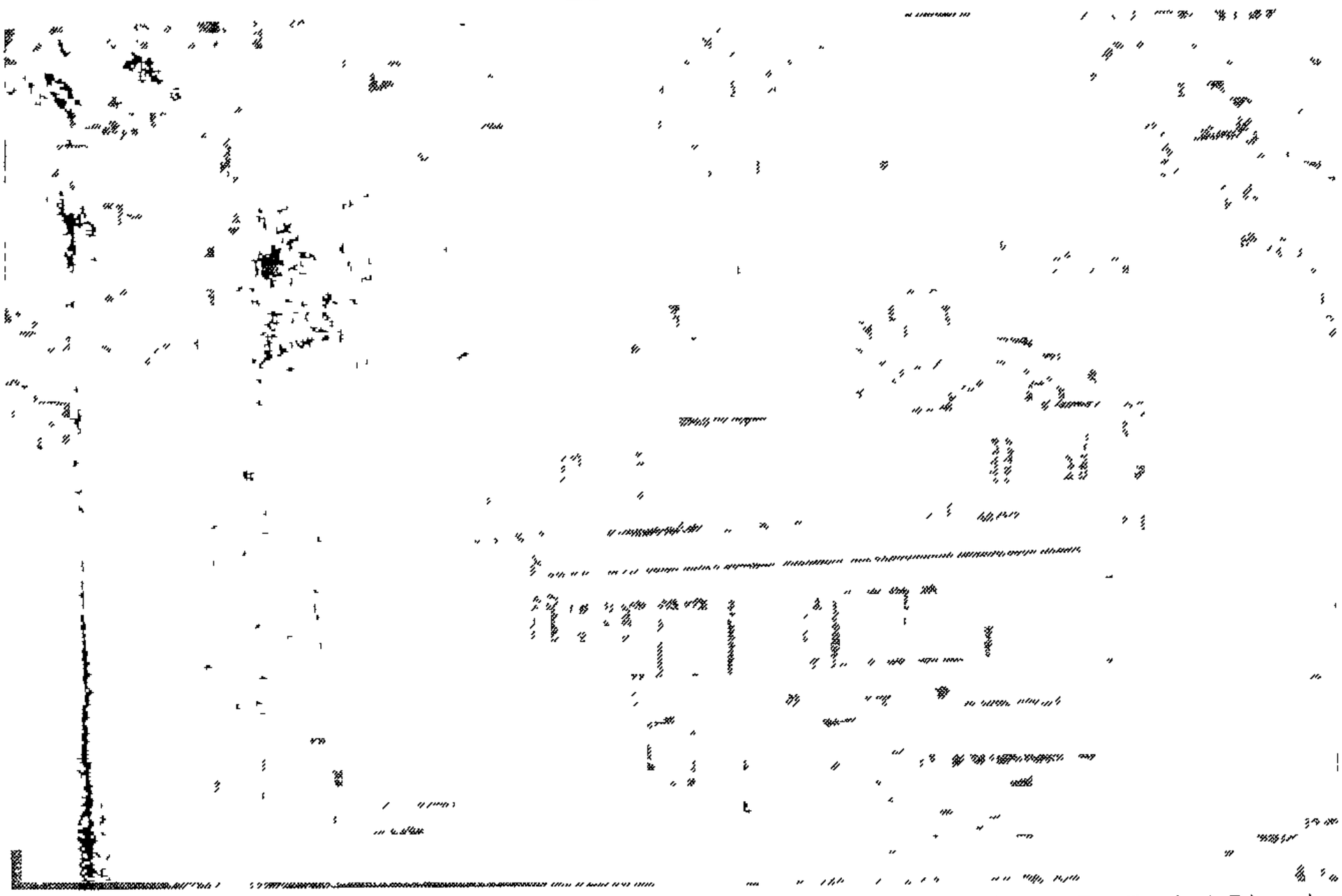
● The names of the 49 Information front companies in which the Government held shares

● The nature of the involvement of Dr Piet Koornhof, Minister of Plural Relations, in attempts to purchase the Natal Mercury newspaper in 1973 Was he aware of Information's funding of The Citizen?

● Whether General Hendrik van den Bergh, former head of BOSS, or Dr Mulder, furnished any alleged documentary proof to the Erasmus Commission for their contention that Mr Vorster knew before November 1977 that The Citizen was being funded with taxpayers' money

● What future safeguards exist for Parliament and the taxpayer to ensure that money voted for a specific purpose will in fact be used

RDM
259 11/12/78



An aerial view of the rear of the R278 000 Miami Beach mansion bought by Dr Eschel Rhoodie The stairway and path lead across the lawns from the heated swimming pool to a mooring for sea-going yacht in Miami's North Bay



The Eastern Transvaal farmhouse owned by Mr Jan Van Zyl Alberts and Mr John McGoff

Picture MIKE McCAN

cardin
ECTION FOR MEN
THASE OF R15 OR
LL BE ABLE TO
EN'S COLLECTION
250.
John Orr's
Eloff St. 28-1122

RAND
Daily Mail
SAPA WORLD PRESS AWARD 1966
LATE FINAL
JOHANNESBURG, MONDAY, DECEMBER 11, 1978
Price 12c

MEM 11/12/78 259

Parliament to get Erasmus evidence

Staff Reporter

THE ERASMUS Commission is to release the evidence laid before it to Parliament before the next session in January in response to a "direct challenge" from General Hendrik van den Bergh.

Mr Justice Erasmus, chairman of the Commission, said yesterday that only evidence which would affect State security, or hamper further investigations by the Commission, would be withheld.

"Van Den Bergh has issued us with a direct challenge in his statement to the Press and we cannot allow him to get away with that in any form," Mr Justice Erasmus said.

RDM 11/12/78 259

Hortors man quits

MR IAN MacPherson, former chairman of Hortors Ltd, who has been advising the company since its acquisition by Morgan Grampion Ltd, has relinquished his connection with the company.

Last night, Mr MacPherson, who is chairman of SAAN, said "During the early part of 1977 the major shareholders and the chairman of Hortors Limited were approached by Messrs Abramson and Pegg in regard to the possible acquisition of Hortors by Morgan Grampion Ltd. It was indicated to them that control might be available subject to the approval of the managing director and senior executives of Hortors.

"The senior management were in agreement with the proposed changes and price was agreed for the sale of the controlling block At the same time it was agreed that the minority would receive the same offer At that stage the controlling shareholding was sold and at a later date a formal offer was made to the minority shareholders, who accepted it

"I had been chairman of the group for 17 years and after the sale of shares was completed the new proprietors requested that I remain associated with Hortors in an advisory capacity on a year-to-year basis.

"In terms of this arrangement I was to receive an annual fee of R10 000 and the use of a car provided but not maintained by the company

"At the end of a four-year period, ownership of the car was to pass to me

"As a result of recent developments I advised the new owners more than a month ago that in the circumstances I could no longer continue in my advisory capacity No fees have been paid in terms of the arrangement outlined above and the car will be returned to the company" — Sapa

Breakfast Quip



"There's a run on soap and water in the Government men's room."

Sex? SA is obsessed . . .

Own Correspondent

PORT ALFRED. — Kathy Keeton, South African born ex-stripper extraordinary and now part-publisher of Penthouse, Playboy's rival, languished in a deckchair on the stoep of a lonely Eastern Cape farmhouse yesterday and complained. "South Africa is obsessed with sex."

It seemed strange criticism from Kathy, who was once the highest-paid stripper in London and who now jointly heads a $250-million dollar empire of sexy magazines.

Said Kathy of sex and the South African scene: "I don't know of any country more obsessed with sex and stripping than South Africa," she said

"It's because of all the censorship.

"The censorship is silly — and the morality here hasn't changed in 15 years"

She denied her magazine's success lay in going as close to the mark as it it could get "It's not what you show it's the way that you show it. The articles were more interesting, too"

Her personal secret of success: "If you really want something badly enough you get it"

Asked if she ever wanted children she said "definitely not". Why not? "I am very old-fashioned If you have children you have to stay and look after them and that would drive me up the wall"

What did she want in South Africa? "I plan to lie low in the sun, eat and sleep"

What did she want most? "Sunshine and biltong."

How old is she now? "Between 30 and 40" Kathy is 39

We will stop the 'rumour mongers' says PM

By ORMONDE POLLOK

CAPE TOWN. — The Prime Minister, Mr P W Botha, said in an interview yesterday he had no objections to the evidence given to the Erasmus Commission being released.

He also confirmed that legislation would be introduced after May 30 next year to ensure that allegations of irregularities in State departments were substantiated. He rejected a suggestion that this was Press censorship.

Mr Botha said that if The Citizen newspaper had not been sold the State could have lost another R16-million.

Dealing with the release of the Erasmus Commission's evidence, which Opposition MPs have called for repeatedly, he said: "I have no objection as long as it does not affect the security of the State or the Commission's future operations.

"It is better to bring it out — otherwise there will be constant demands for its release.

"I have been fighting this thing (the Information row) for three or four years. Now I am tired of it. I'm cleaning it up.

"I told them we were going to get into trouble for budgetting the way it was done, and I refused to provide the money," Mr Botha said.

Legislation to curb "rumour mongering" would be introduced after the Erasmus Commission completed its work on May 30.

By that time, anybody with allegations of irregularities in the defunct Department of Information would have had ample time to give evidence to the Commission, said Mr Botha.

After May 30, steps would have to be taken to ensure that when a person had some allegation against a State department, he had to produce proof.

"We cannot go on like we have been, otherwise anybody can make any disruptive statements about State departments," said Mr Botha.

Details of how the legislation would operate still had to be worked out.

Replying to a question, he said "I am not after Press censorship. What I want is the facts and I want them substantiated. Rumour mongering must stop.

"As far as the Department of Information is concerned, it must be finished and completely dealt with by the end of May.

"I want to get on with my work of running the country. I cannot go on like this. I cannot keep on and on with something which should have been disposed of already.

Asked why the Government had allowed the sale of The Citizen, he said: "To terminate our relations with the company. Otherwise we would have been in for another R16-million — and I was not prepared to allow this."

Info web a danger

Own Correspondent

CAPE TOWN — The Department of Information's secret projects have been a threat to State security or at least aspects of it.

It is understood that in the early stages of its web of secret projects and fronts the department tried to meddle in secret overseas operations of the Department of Defence.

The Prime Minister, Mr P W Botha, confirmed this yesterday but said: "Nothing serious happened because we nipped it in the bud."

He said the Information Department had interfered in other departments.

11/12/78

259

Rhoodie hunt in UK draws a blank

By MARGARET SMITH

LONDON. — There was still no sign of of Dr Eschel Rhoodie in London yesterday, despite reports that he had handed in his passport to the South African authorities

"These reports are totally incorrect", said Mr Chris Van der walt, Director of Information at South Africa House.

"I have no knowledge of this matter — and I assure you I would know. "The South African Consul-General Mr Robert Matthee certainly has not been contacted by Dr Rhoodie. It is to Mr Matthee that Dr Rhoodie would have to surrender his passport, and from whom any travel documents would have to be issued"

"The indications are that he is not in England," according to the British Home Office The Chief Information Officer, Mr B R Willis, told me yesterday that he had spent all of Saturday trying to find out if Dr Rhoodie had entered England. His inquiries had covered all major ports of entry

He explained this interest on the part of the Home Office as following on the numerous requests by the media — particularly from South African Pressmen — to establish if Dr Rhoodie was in Britain

"We have done considerable research checking the names of persons who entered the country, mainly over last weekend and on Friday and yesterday. Our staff will be reporting back on the matter on Monday" Mr Willis said.

He said that, at this stage, inquiries were merely to answer Press questions. As there were no criminal proceedings against Dr Rhoodie, Home Office interest went no further. To anticipate reaction should criminal proceedings be instituted against Dr Rhoodie would be hypothetical, he said.

At a Press conference called at his home last Thursday, General Van den Bergh, former head of the Bureau for State Security and a central figure in the Information scandal, called on the Commission to release the full text — and not just a transcript — of the evidence before it.

Mr Justice Erasmus said that in addition to Gen Van den Bergh's challenge, Members of Parliament — who had also read with concern the General's remarks — had felt it necessary to see the full evidence

"Although the Comission heard the evidence in camera, I have always said the evidence will be released at some time or another. We have decided to release the evidence to Parliament a few days before the next session," he said.

But it has not been decided whether the evidence would be released to the general public Mr Justice Erasmus said he had no control over the Members of Parliament and "what they decide to do with it"

A decision will be taken later whether to allow the evidence to be released to the public at the same time, he said

The unanswered questions . . .

THE marathon Parliamentary debate on the Department of Information has left a mass of questions unanswered. Mr Harry Schwarz, the PFP executive chairman, who played a major role in the concerted Opposition attack on the Government during the 26-hour debate, has isolated more than 20 of the key issues still unresolved.

● See Page 2

RDM

11/12/78

257

Teheran tranquil as million march

TEHERAN — A million marchers jammed central Teheran unchallenged by Iranian Government forces yesterday in a peaceful but formidable demonstration ending in a call for the overthrow of the Shah

They paraded shoulder-to-shoulder 30 and more abreast amid a sea of banners in an orderly procession stretching for more than eight kilometres

It was the biggest anti-Shah rally yet in a wave of often bloody protests against the 59-year-old monarch who has ruled with near-absolute power for 37 years.

Resolutions adopted at the end of the great march called for the overthrow of the Shah's "tyrannical regime" in favour of an Islamic government based on the will of the people.

The resolutions also described the unprecedented demonstration as a people's vote of confidence in the Shah's key opponent, 78-year-old religious leader Ayatollah Khomeiny.

The marchers moved through the streets chanting slogans in praise of Mr Khomeiny, now living in exile near Paris

The ability of Iran's disparate opposition groupings to co-ordinate and control the march — and get the huge crowds off the street without incident — was evidence of growing solidarity And it was clearly a major factor in avoiding bloodshed.

Dr Karim Sanjabi, leader of the National Front, the best organised opposition party, called the march "historic and unprecedented"

Without naming the Shah, he said it showed popular support "for an end to the rule of dictatorship, nepotism and corruption"

Estimates of the number who responded to the opposition's call ranged from the National Front's 2 500 000 million to tens of thousands reported by the official radio station.

Similar vast processions were reported in other Iranian cities — including one of a million people claimed by the National Front in Mashhad and 200 000 joining in mass midday prayers at the holy city of Qom.

Iran's military-led government surrendered the centre of Teheran to the demonstrators.

The army was pulled back to a line protecting roads leading north to the royal palace, where the Shah was reliably reported to be receiving regular bulletins of the march from military helicopters circling overhead.

Staging the march on the eve of the anniversary of the death of Imam Hussein, founder of Iran's Shi'ite Islam faith, led to fears on all sides that bloody riots would ensue.

Although the Government tried to portray the march as a purely religious procession, it was overwhelmingly political. But the demonstrators conceded a ban on anti-Shah slogans

Mr Khomeiny was the focus of the procession His picture was displayed on banners, placards and the windows of cars

"Khomeiny is our leader" and "Hail to Khomeiny" were the chants heard throughout the day

But the possibility of violence is far greater today, the key mourning day of the Shi'ite calendar, when the processions will be spontaneous rather than organised — Sapa Reuter.

RAM
11/12/78
259

Dynamite plant rocked by explosion

By SHEILA STEVENS

THREE quarters of a ton of dynamite exploded at the Modderfontein dynamite factory near Johannesburg yesterday.

No one was injured in the blast which occurred at about 7 30am, after a fire in one of the factory's explosives mixing houses detonated about 750 kg of explosives

The plant was unattended at the time

Many homes shook with the force of the blast and rattling windows set off burglar alarms in some neighbourhoods

Mr Murray Joubert, publicity manager of AECI Limited, said the explosion, which was heard within a 10 km radius, followed minutes after the fire in the explosives mixing house was reported

A fire engine was already on its way to the scene and the blaze was extinguished in about 45 minutes

Mr Murray said the building was extensively damaged, but damage to surrounding areas of the complex was minimal.

He said that production at the factory would not be affected

He described the blast as "minor in comparison to the September, 1976, explosion" at the factory

An official commission of inquiry will investigate the cause of the fire which sparked off yesterday's blast Sabotage is not suspected

A Linbro Park resident, Mr A van Heerden, who lives about 3 km from the factory, said he and his family were woken yesterday by a "deafening bang".

"It literally shook the house. This is the third or fourth blast we've experienced."

The 1976 explosion at Modderfontein caused the top storey of Mr Van Heerden's house to shift and shattered about 20 windows

He said that his family dreaded the blasts.

Neto still rules

LISBON — Reports that Angola's president, Dr Agostinho Neto, had been dismissed have been denied as "ridiculous and without foundation" by official sources in the Angolan capital Luanda — Sapa-AP

257
DD
11/12/78

MR MALCOMESS . . . understands support for Mulder.

Border MP hits at Botha

CAPE TOWN — The MP for East London North, Mr John Malcomess, said yesterday he was beginning to understand why 74 Nationalist MPs voted for Dr Connie Mulder as Prime Minister.

He said this in a statement which sharply criticised the Prime Minister, Mr P W Botha, for his speech at the end of the debate on the defunct Department of Information in the early hours of Saturday morning.

Mr Malcomess said: "I want to say that after the closing speech of the Information debate I can for the first time begin to understand those 74 Nationalists who voted for Connie Mulder rather than for Mr P. W Botha as Prime Minister.

"I appreciate the hour was very late, but the intemperance, the personal attacks and the lack of any real answer to 22 hours of debate makes one wonder what is in store for South Africa from this Prime Minister."

Mr Malcomess is to address a public meeting on the Information Department in East London tomorrow night. — DDR

(259) DD 11/12/78

Hortors agency faces breakdown

JOHANNESBURG — Hortors faces the breakdown of one of its most important Government-backed operations — Afripix.

The group's six-month-old Johannesburg-based news-picture agency serves 360 major communication outlets in 10 countries around the world.

Not only is Afripix likely to lose credibility through Hortor's direct involvement with the now defunct Department of Information, but it faces a staff crisis that could put it out of action, temporarily at least.

Afripix's chief photographer, Mr Les Bush, formerly employed by the Daily Dispatch, resigned on Friday morning.

And yesterday, the only remaining photographer, Mr Mark Gibbert, disclosed he had resigned "at the first whiff of Hortors connection with the Government" and would be quitting the agency at the end of this month.

Mr Gibbert said yesterday "We have our own professional credibility to consider"

The chief executive of Afripix, Mr Gordon van der Merwe, formerly a journalist with Sapa and To The Point, was not available for comment yesterday

The agency's news editor, Mr Renier Botha, formerly of East London, said. "We are shocked by what has emerged But I must stress that I was never given a political line to follow in my operations."

A fear being expressed privately by the few remaining staff members of Afripix is that now the world knows of the Hortors-South African Government connection, many of the 360 communication outlets served by the agency will boycott it

Among the 121 American newspapers and magazines served by Afripix are Washington Post, New York Times and Chicago Tribune

In addition, the Hortors news-picture agency serves 140 television stations in the United States and 34 in Europe

— DDC

Info interfered in defence projects

CAPE TOWN — The tentacles of the Department of Information's secret projects could have been a threat to the security of the state or at least aspects of it

It is understood that in the early stages of setting up its web of secret projects and front organisations, the Department of Information attempted to interfere in secret operations of the Defence Department overseas

The Prime Minister, Mr P. W Botha, confirmed this yesterday but said "It was a long time ago but nothing serious happened because we nipped it in the bud"

He said the Department of Information had interfered in other departments as was evident when he told Parliament that one secret project had been transferred to the Department of Foreign Affairs, another to Economic Affairs and that houses and property had been bought which was the sphere of Public Works

It is understood that Information's secret foray into defence matters was summarily stopped after confused inquiries from the people with whom the Department of Defence had been dealing.

They were reassured before any damage could be done to the operation or to the supply of defence needs

It is understood the shock of Information's intervention in secret defence areas was reported immediately to the then Prime Minister, Mr Vorster.

Dr Eschel Rhoodie and his personnel were warned to stay out of defence operations — PC



MR BOTHA

No sign of Rhoodie

LONDON — Despite reports that Dr Eschel Rhoodie has handed in his passport to the South African authorities here, there was still no sign of him in London yesterday.

Mr Chris van der Walt, Director of Information at South Africa House, said "These reports are totally incorrect. I have no knowledge of this matter — and I assure you I would know.

"The South African Consul - General, Mr Robert Matthee, certainly has not been contacted by Dr Rhoodie It is to Mr Matthee that Dr Rhoodie would have to surrender his passport, and from whom any travel documents would have to be issued"

Mr B. R Willis, chief information officer for the British Home Office, said yesterday he had spent all day Saturday trying to find out if Dr Rhoodie had entered England

His inquiries had covered all major ports of entry. "The indications are that he is not in England," Mr Willis said

He explained this interest on the part of the Home Office as following on the numerous requests by the media — particularly from South African pressmen — to establish if Dr Rhoodie was in Britain.

"We have done considerable research checking the names of persons who entered the country, mainly over last weekend and on Friday and yesterday Our whole staff will be reporting back on the matter today when everyone will be in their offices," Mr Willis said

He said at this stage inquiries were merely to answer press questions As there were no criminal proceedings against Dr Rhoodie at present, Home Office interest went no further — DDC

SA money in US mansion denied

MIAMI — American socialite Mr Daniel McGoff yesterday denied South African Government funds were used in 1975 to buy a Miami Beach seaside mansion for R245 000

"That is absolutely ridiculous," Mr McGoff said in an interview published in the Miami Herald newspaper. "It is not connected with anyone in South Africa."

The Herald cited the Erasmus Commission report which said officials of South Africa's Department of Information created a secret multi million dollar fund in 1974 to buy influence in the United States

Among ventures alleged to have been financed by the fund was the purchase of the Miami Beach mansion by the Pinetree Drive Company

The Herald said Mr McGoff was president of the company He is the brother of Mr John McGoff, the Michigan publisher who has interests in South Africa — SAPA-RNS

DD 11/12/78 (259)

Botha flays the opposition

CAPE TOWN — The Prime Minister, Mr P. W. Botha, has denied there was any cover-up of the Information scandal or that he misled Parliament about the funding of secret projects of the former department.

Mr Botha also objected strongly to opposition attempts to portray the former Prime Minister, Mr Vorster, as a villain.

These were among the points made during his 70-minute reply to the special parliamentary debate on Information activities

In a speech which ended at 3 am on Saturday morning, Mr Botha answered few of the questions opposition speakers had put in the intensive two-day debate and often made personal attacks on those had put the questions.

He denied repeatedly opposition allegations that he, and Mr Vorster before him, had tried to cover up the scandal.

"Was it a cover-up when Mr Vorster called in the Public Service Commission, when the department was disbanded, when its status was lowered to a bureau, leaving no position for Dr (Eschel) Rhoodie?" he asked

"Was it a cover-up when Mr Reynders was appointed to evaluate the department's secret projects to see if there was any form of maladministration?

"Was it a cover-up when I enlarged the Kemp Committee? Was it a cover-up when I released the Erasmus report?"

Mr Botha said "scandalous" opposition claims of a cover-up had been furthered by the English-language press.

"We stand before the people and say the Erasmus report is damning, but we accept it."

He also denied allegations that he had misled Parliament by presenting budgets for the Defence special account as money for Defence purposes when he knew millions of rand were for Information Department secret funds

After making the strongest protests about the use of the Defence special account, he had insisted that money for the Department of Information be budgeted separately and he had a letter from the Secretary for the Treasury showing this had been done

"It was a technical point that it was in that account," he said.

The then Prime Minister, Mr Vorster, had however insisted that the money for Information secret funds be budgeted for under Defence.

"My leader decided against me and I accepted it."

Mr Botha said he had not resigned as Minister of Defence, but stayed on making repeated protests at the arrangement and had refused to take responsibility for the way the money was used

This course had proved correct when he finally succeeded in stopping the arrangement after writing to the Minister of Finance, Sen Horwood, last year saying he could no longer accept this "undesirable" way of budgeting

"I am a responsible member of a responsible government. I was not prepared to break with the government or the National Party over a method of budgeting

"One breaks on principles, not on methods."

When Mr Rupert Lorimer (PFP, Orange Grove) interjected that Mr Botha had still misled the House, he was not made to withdraw the remark despite protests from government members.

"My understanding is that the Prime Minister made an admission in this respect," Mr Lorimer said when a point of order was raised

"My understanding is that the Prime Minister said he knowingly put those figures in his budget," Mr Lorimer said.

"I did not mislead this House," Mr Botha said after the Speaker ruled he could continue

Objecting to attempts to implicate Mr Vorster, Mr Botha said the Erasmus report showed Mr Vorster had not known of the misuse of secret funds until told last year by the Auditor-General, Mr Gerald Barrie

Mr Vorster had then told Mr Barrie his investigations must take their course The opposition had made no reference to the fact that Mr Vorster was an ill man.

Mr Vorster had told the Cabinet on two occasions he wanted to retire because of his health problems, but Mr Botha had been among those who asked him to stay on because he was needed

"Now there are people here trying to brand him a villain I find it disgusting and I protest against it."

Mr Botha said the former Minister of Information, Dr Mulder, had not been destroyed politically because he was a villain, but because he put too much trust in people who exploited that trust.

He had reappointed Dr Mulder to his Cabinet the day he became Prime Minister in September because he had followed the convention that a new Prime Minister asked all Ministers to remain in their posts.

Replying to a remark from Dr Frederick van Zyl Slabbert (PFP, Rondebosch) that Dr Mulder appeared to have no friends in Parliament any more, Mr Botha said he counted himself a friend of Dr Mulder

"I am his friend and he knows it I am bitterly sorry that he has been hurt He was my opponent for the post of Prime Minister, but he was also a fellow leader I will not allow him to be trampled on."

Mr Botha replied to opposition questions on whether other Government departments might be involved in misappropriation by saying if they had any evidence of this they had until May 30 next year to put it before the Erasmus Commission.

He did not reply to questions on whether there was any truth in rumoured connections between the Information Department and the murders of Dr Robert Smit last year, but attacked Dr Alex Boraine (PFP, Pinelands) for raising the matter

"He (Dr Boraine) would even drag Dr Smit's body around to try to save his political hide. He is shameless."

Nor did Mr Botha reply to questions by Mrs Helen Suzman (PFP, Houghton) who had asked particularly about the former Bureau for State Security chief, Gen Hendrik van den Bergh

When Mr Botha said Mrs Suzman was always in the company of South Africa's enemies, whose mouthpiece she was, he was made to withdraw

Mr Botha concluded his speech with a warning that people should not use the Information scandal to whip up hatred of the Afrikaner or to see the smallest thing that went wrong as corruption in the whole community.

"We will fight corruption, but do not try to make the Afrikaner a curse in his own country. Because one member has made a mistake, it does not mean the whole organisation is faulty.

Mr Botha also said attacks should not be made against Afrikaners or their cultural organisations such as the Broederbond

Revealing he was a Broederbond member, Mr Botha said he felt entitled to do so because others, including a former Prime Minister, Dr D F. Malan, had also disclosed their membership of the secret organisatio — DDC.

259

EDITORIAL OPINION

The R64m question

Washing dirty linen is no way to ensure your hands are clean when they come out of the sink.

Last week's debate in parliament did nothing to assure people of the Prime Minister's promise of "clean government." Quite the reverse in fact, for it left too many questions unanswered by the government

Least of all did it answer the R64 million question about all the dirty linen in the now defunct Department of Information.

The cries of "we didn't know" or "we weren't there" do not absolve any members of the government from responsibility. Rather, such cries are an admission of negligence in running the affairs of the country.

In fact, some of the events of last week give rise to even more disquiet about how this country has been and is being run.

Nothing illustrates this better than the picture drawn in the debate of how narrowly South Africa escaped being governed by "the sinister triumvirate of Dr Connie Mulder, Gen Hendrik van den Bergh and Dr Eschel Rhoodie".

Yet at the same time the government has allowed The Citizen newspaper, one of the roots of the scandal and virtually founded by this trio, to pass into the hands of a government supporting company, Perskor.

In a way this can be regarded as a triumph for Dr Mulder, for he is one of the board of directors of Perskor.

No wonder the people's sense of justice is in revolt

The Prime Minister virtually admitted in parliament that The Citizen belonged to the State. So it is right to ask: who profits from its sale, and who suffers its losses, estimated to date at more than R32m

That money has come out of the pockets of taxpayers, via every loaf of bread, every packet of cigarettes, and every bottle of beer they have bought

Yet Mr P W.Botha called on the Opposition during the debate to "stop attacking my people". We would remind the Prime Minister that his "people" are not only the National Party supporters but also people of all skin colours and those who do not share his political views.

Furthermore, his threat that the government may introduce legislation to "stop gossip" (presumably the English language press) about the Information affair does himself and the government no credit

If it had not been for the role of the press there would have been no Erasmus Commission.

Is this what Mr Botha is afraid of?

RDM 11/12/78 259

Hortors picture agency faces staff problems

By BOB HITCHCOCK

THE HORTORS group faces the breakdown of one of its most important Government-backed operations — Afripix

Afripix, a six-month-old Johannesburg-based news-picture agency, serves 360 major communication outlets in 10 countries around the world, including the New York Times, The Washington Post and the Chicago Tribune.

Not only is Afripix likely to lose credibility through Hortors' direct involvement with the now defunct and discredited Department of Information, but it faces a staff crisis that could put it out of action, temporarily at least

Afripix's chief photographer, Mr Les Bush, resigned on Friday morning and by 5 pm had left the agency's Commissioner Street offices for good

And yesterday the only remaining photographer, Mr Mark Gibbert, disclosed that he had resigned "at the first whiff of Hortors' connection with the Government", and would be quitting Afripix at the end of this month

"We have our own professional credibility to consider," said Mr Gibbert

The chief executive of Afripix, Mr Gordon van der Merwe, formerly a journalist with the South African Press Association (Sapa) and Top Point, was not available for comment yesterday

The agency's news editor, Mr Reinier Botha, said: "We are shocked by what has emerged But I must stress that I was never given a political line to follow"

A fear being expressed privately by the few remaining staff members of Afripix is that now the world knows of Hortors' connnection with the South African Government, many of the 360 communication outlets served by the agency will boycott it

Afripix serves 21 newspapers and magazines in the United States, 140 television stations in the US and 34 in Europe, and four newspapers and a television station in Israel

In Britain 52 newspapers receive the Afripix service — as do 34 in West Germany, 27 in Italy, 24 in Holland, 24 in France, 14 in Switzerland, 14 in Canada and 12 in Belgium

The Afripix agency has a large network of "stringers" covering most of Southern Africa

Picture features on homeland leaders and personalities are high on the list of the agency's priorities.

'We channelled funds for Info projects'

THE JOINT owners of Hortors (Pty) Ltd, Mr David Abramson and Mr Stuart Pegg, confirmed in Johannesburg yesterday that statements made in Parliament, and the report of the Pretorius Committee regarding their dealings with the now defunct Department of Information, were correct

Both businessmen said they were channels through which funds for secret Information projects were chanelled

"The department guaranteed loans which were raised in Europe to further our business activities," they said

"The department initially had a 20% participation in any profits made through these activities, but did not own any shares in our companies overseas. The department later increased this to a 50% profit participation"

On one occasion the department lent them money interest free for slightly less than a year

"At no stage whatsoever was any money chanelled through Hortors (Pty) Ltd or any of its subsidiaries or associated companies," Messrs Abramson and Pegg said

"The joint owners added that Hortors operated in South Africa and neighbouring states, but its "activities have always been of a purely commercial nature completely unconnected with our international dealings with the department"

In fact, they added, Hortors only came to be acquired by the owners as a vehicle which they had planned to inject into an American-based holding company to consolidate South African control of an envisaged international consortium.

"The plan never came to fruition The base company — Morgan Grampian of Britain — became so successful so quickly that a takeover bid was made at such an advantageous price that we accepted

"The immediate consequence was that a profit of approximately R4-million was made on the sale, after repayment of all borrowings on the Morgan Grampian share purchases — including the R1 180 000 which had been lent to us by the department"

They said profits were split in accordance with an agreement with the department, which chanelled its R2-million secret fund share through them

It was the prospect of making such profits, and thus being able to fund some secret projects without sending money out of South Africa, that appeared to have been one of the main attractions for the department in working with the two men

"With the exception of one cash loan for less than a year," they said, "we were able to structure our business dealings without any more assistance from the department than the issuing of guarantees

"At no stage did the Hortors group gain any advantage at all from our overseas dealings with the department Since we gained control of Hortors in April 1977, Hortors have submitted tenders for many printing projects of the department In not one case was Hortors successful

"Today, foreign loans guaranteed by the department and totalling approximately R3-million are outstanding against our purchase of Hortors shares We have put proposals to the Pretorius Committee which would result in a release of the department from those guarantees and the cancellation of our agreement with the department"

They said that when Mr Abramson gave evidence before the Erasmus Commission, he presented full documentation on every single dealing he had with the department, including Reserve Bank approval for foreign exchange transactions

The people who were aware of their dealings and meetings with the department were — in addition to Mr Abramson and Mr Pegg — Dr Eschel Rhoodie, Dr Denys Rhoodie, Mr L E S de Villiers, Mr Braam Fourie, Dr Chris Stals and Mr Jan Senekal

"No person other than ourselves at Morgan Grampian or at Hortors was aware at any stage of our contracts and dealings with the department," their statement concluded. — Sapa

Terrified man-in-middle Reynders played double role

By TONY STIRLING

IN THE behind-the-scenes intrigue that took place when General Hendrik van den Bergh, former Secretary for National Security, tried to cover up South Africa's "Watergate", a member of his staff played the role of a double agent

That man was Lourens "Loutjie" Reynders, the Department of National Security auditor asked by the then Prime Minister, Mr B J Vorster, to investigate the secret expenditure of the former Department of Information

From the report last week of the Erasmus Commission it is clear that Mr Reynders was forced to present Mr Vorster with a false report, which was made public shortly before the election of a new Prime Minister and which gave the department a clean bill of health This measure was clearly aimed at enhancing the chances of Dr Connie Mulder, former Minister of Information, of being elected

In his investigations Mr Reynders was brought into contact with advocate Retief van Rooyen, a director of the department's secret front, Thor Communicators, and the company's auditor, Mr Jan Strydom

Because of the growing realisation that his information was not reaching the right quarters, Mr Reynders began to confide what he had ascertained to Mr Van Rooyen and Mr Strydom.

Mr Van Rooyen learnt of the pending retirement of Mr Vorster and the plan to instal Dr Mulder as his successor

He is said to have convinced Mr Reynders that the wrath of Mr Vorster on discovering that he had not been kept informed might be greater even than that of Gen Van den Bergh — and Mr Reynders, according to the Erasmus report, was so terrified of the General that he even claimed to fear for his life

So while continuing to report to the General, Mr Reynders also secretly kept Mr Vorster informed on what his inquiries were revealing.

Info Dept sought control of large parts of world's media

By BRIAN O'FLAHERTY

THE DISCLOSURE of the Department of Information's part in the take-over of the British publishing house, Morgan-Grampian, highlighted the department's attempt to control large sections of the world's communications media

Behind the attempt was Dr Eschel Rhoodie, former Secretary for Information, who wanted to see the development of a "pro-South African" international publishing empire.

To achieve this the Department of Information bought or tried to buy its way into newspapers, magazines, journals and publishing houses through front companies in South Africa, Britain, the United States, France and Africa.

The defunct department's largest venture was to send R10-million from secret funds to the American publisher Mr John McGoff to help him buy the influential Washington Star in 1974

Mr McGoff is head of the Panax Corporation, which has control of about 50 newspapers throughout the US He also controls large radio and television interests

He is a personal friend of Dr Rhoodie and Dr Connie Mulder, former Minister of Information

If the department had bought the Washington Star, it would have given it a voice in the American capital and an entrance to other newspapers, radio and television

The Rand Daily Mail revealed in November that the R10-million was part of Mr McGoff's R23-million bid for the newspaper.

When the bid failed Mr McGoff kept the R10-million in his companies He repaid it only in January this year.

In Britain the Department of Information helped South African-based businessmen Mr David Abramson and Mr Stuart Pegg to gain control of the publishing group Morgan-Grampian

Morgan-Grampian controls 30 journals, covering subjects from building design and business administration to world crops and fishing

It was reported at the weekend that Mr Abramson and Mr Pegg sold their interest in Morgan-Grampian and together with the Department of Information used the profits to gain control of the giant South African publishing group, Hortors

Both Morgan-Grampian and Hortors were referred to as "projects" of the Department of Information in the Pretorius Commission's report placed before in Parliament last week

Backing these deals were guarantees from Volkskas Bank — arranged by the Department of Information

The department subsidised Southern African Development, a British quarterly

The Club of Ten — often accused of being a front for the South African Government — published Phoenix, which was distributed in the House of Commons. It was edited by Judge Gerald Sparrow, who has claimed he was a front for the Club of Ten

In France the Department of Information owns the monthly publication France Eurafrique and tried to buy the magazine Le Express Mr Abramson and Mr Pegg own a mayoral newspaper which reaches about 31 000 mayors in France, including the Mayor of Nice, who is a cabinet minister, and a holiday magazine, Vacance

In South Africa the Department of Information's efforts have centred around controlling an English-language newspaper to counter "the propoganda of the Leftwing Press".

As early as 1973 Dr Rhoodie, Dr Mulder and Mr J van Zyl Alberts tried to take over the Natal Mercury through Mr Lawrence Morgan, then business editor of the Financial Gazette, who now runs Southern African Development in Britain.

Mr Morgan, a former agricultural correspondent for the Natal Mercury, made a R7-million bid for a mystery consortium of businessmen

The next attempt was Mr Louis Luyt's abortive bid to gain control of the Rand Daily Mail by buying its owners, South African Associated Newspapers (SAAN) in 1975 SAAN also owns the Sunday Express, the Sunday Times and the Cape Times.

When this failed Mr Luyt founded The Citizen the next year, using money supplied by Dr Rhoodie from the Department of Information's secret funds.

Earlier this year, Mr Hubert Jussen, the Dutch chairman of the African International Publishing Company, which publishes To The Point, and Mr Van Zyl Alberts, former managing director of The Citizen, bought The Citizen from Mr Luyt.

The Erasmus Commission report published last week revealed that Mr Van Zyl Alberts worked as a front for the Department of Information.

This once again raises the question of the funding of To The Point, although it has frequently been denied that the magazine received money from the South African Government

After the Erasmus report was published, Mr Van Zyl Alberts resigned from the board of the African International Publishing Company. He told Mr Jussen that the prominent mention of his name in the report might be prejudicial to the interests of To The Point

The Hortors group has control of between 20 and 30 publications and the photo-news agency, Afripix

The Department of Information also funded the Sandton-based Valiant Publishers, run by the former South Africa Broadcasting Corporation's political commentator, Mr Red Metrowich. About six of the books published by Valiant were sold back to the department

Besides these firms the Government also financed the Foreign Affairs Association and the Southern African Freedom Foundation, which also published books.

RDM
11/12/78
259

DD 11/12/78

259

All evidence to be released

JOHANNESBURG — The Erasmus Commission has decided to release all the evidence laid before it

Mr Justice Erasmus, chairman of the commission of inquiry into the affairs of the defunct Department of Information, said yesterday that only evidence which affected state security, or which might hamper further investigation by the commission, would be withheld.

The judge said the evidence would be released to all Members of Parliament in time for the next session in January.

Although it had not been decided whether the evidence would be released to the public, Mr Justice Erasmus said he had no control over the MPs and "what they decided to do with it."

Referring to the former head of the Bureau for State Security, Gen Hendrik van den Bergh, Mr Justice Erasmus said. "Van den Bergh has issued us with a direct challenge in his statement to the press and we cannot allow him to get away with that in any form."

At a press conference called at his home last Thursday, Van den Bergh, one of the central figures in the Information scandal, called on the commission to release the full text of the evidence before it, not just a transcript.

In addition to this, after last week's debate, MPs who had also read with concern of the general's remarks, had felt it necessary to see the full evidence, Mr Justice Erasmus said.

"Although the commission heard the evidence in camera, I have always said the evidence will be released at some time or another. We have decided to release the evidence to Parliament a few days before the next session," he said

The Prime Minister, Mr P. W. Botha, said in an interview yesterday he had no objections to the commission's evidence being released.

He also:

- Reaffirmed that legislation would be introduced after May 30 next year to ensure that allegations of irregularities in state departments were substantiated;
- Rejected the suggestion that this was press censorship; and
- Said that if The Citizen newspaper had not been sold the state could have lost another R16 million.

Dealing with the release of the commission's evidence, which opposition members repeatedly called for, he said: "I have no objection as long as it does not affect the security of the state or the commission's future operations

The Leader of the Opposition, Mr Eglin, said last night that the proposed new legislation would inevitably be a form of press censorship

"It appears the government is planning to strike back at the press. Whatever form it takes, it will be a form of press censorship.

"It will make it even more difficult for a disillusioned and suspicious public to keep tabs on the activities of the Government," Mr Eglin said. — DDC.

Info tried to control media

DD
11/12/78
259

JOHANNESBURG — The disclosure of the Department of Information's part in the takeover of a British publishing house highlights the department's attempt to control large sections of the world's communications media.

Behind the attempt to buy Morgan-Grampian was Dr Eschel Rhoodie, former Secretary for Information, who wanted to see the development of a "pro-South African international publishing empire."

To achieve this the Information department bought or tried to buy its way into newspapers, magazines, journals and publishing houses, through front companies in Britain, the United States, France and Africa.

The defunct department's largest venture was to send R10 million from secret funds to US publisher, Mr John McGoff, to help him purchase an influential newspaper, the Washington Star in 1974.

Mr McGoff is head of the Panax Corporation which has control of about 50 newspapers throughout the US. He also controls large radio and television interests.

The purchase of the Washington Star would have given the Department of Information a voice in the American capital and an entrance to other newspapers, radio and television.

It was revealed in November that the R10 million was part of Mr McGoff's R23 million bid for the newspaper. When the bid failed Mr McGoff kept the R10 million in his companies and only repaid the money in January this year.

In Britain the Department of Information helped South African-based businessmen Mr David Abramson and Mr Stuart Pegg gain control of the publishing group Morgan-Grampian.

The firm controls 30 journals covering subjects from building design and business administration to world crops and fishing.

It was reported at the weekend that Mr Abramson and Mr Pegg sold their interest in Morgan-Grampian and together with the Department of Information used their profits to gain control of the giant South African publishing group Hortors.

The Hortors group has control of between 20 and 30 publications and the photonews agency Afripix.

Both Morgan-Grampian and Hortors were referred to as "projects" of the Department of Information in the Erasmus Commission report handed into Parliament last week. The backing for these deals was by guarantees from Volkskas Bank arranged by the Department of Information.

Mr Pegg and Mr Abramson also helped the defunct department with a socio-political magazine, which is published in Britain and circulates in Nigeria and Ghana, and in a bid for the London financial magazine, the Investor's Chronicle. The department no longer owns the West African magazine.

The Department of Information also has publishing interests in France.

In France, the department owns the monthly publication, France Eurafrique, and tried to buy the magazine, Le Express. Abramson and Pegg own a mayoral newspaper which reaches about 31 000 mayors in France — including the Mayor of Nice, who is a Cabinet Minister — and the holiday magazine, Vacance.

In South Africa the Department of Information's efforts have centred around the control of an English-language newspaper to counter "the propaganda of the leftwing press."

As early as 1973 Dr Rhoodie, Dr Mulder and Mr J van Zyl Alberts tried to take over the Natal Mercury.

The next attempt was Mr Louis Luyt's abortive bid to gain control of South African Associated Newspapers in 1975.

When this failed he founded The Citizen.

More on scandal, page 9

DD 11/12/78 (259)

The 26 questions not answered

CAPE TOWN — The Prime Minister, Mr P. W. Botha, and his government have left unanswered at least 26 key questions on the Information Department scandal, including a remarkable opposition charge that the affair involves a possible 40 theft and fraud charges.

This emerged yesterday as opposition politicians assessed the 26 hour parliamentary session on the scandal.

The debate ended in pandemonium at 3.20 on Saturday morning with an incensed opposition charging that Mr Botha had failed to answer the nation.

The House of Assembly was in a continual state of uproar as Mr Botha concentrated his final reply to the debate on strong personal attacks on Progressive Federal Party MPs who had raised a barrage of questions.

Mr Harry Schwarz, the PFP federal executive chairman, said yesterday the Prime Minister had evaded at least seven key questions.

He had also evaded the only Nationalist question, posed by the Free State leader, Mr Alwyn Schlebusch, who had asked Mr Botha to consider limitations on the power of Boss, now known as the Department of National Security.

It appeared Mr Botha had answered only three opposition questions in his final reply.

Mr Schwarz, who led the opposition attack on the government, said Mr Botha had missed a wonderful opportunity to clear up the entire scandal.

"The great tragedy is that he not only missed the opportunity, but the early hours of Saturday morning were taken up with one of the worse personal attacks on individual MPs that has been heard for years," he said.

"Unless Mr Botha takes quick and urgent action in the next six weeks, the next parliamentary session will be dominated by the scandal which will paralyse the activities of the government."

Mr Botha appeared to answer only three opposition questions

He rejected a call for an immediate general election; he said he had not resigned as Minister of Defence when the former Prime Minister, Mr Vorster, had asked him to channel defence funds to Information because he was only prepared to break with Mr Vorster on a matter of principle, and he explained he had reappointed Dr Connie Mulder to the Cabinet because it was the traditional practice initially to retain the previous executive.

Key questions left unanswered were

Opposition calls on him to request Mr Vorster to stand down as State President after Mr Schwarz had directly accused the former Prime Minister of covering up the scandal,

Charges by the PFP Chief Whip, Mr Brian Bamford, that there were 20 circumstances indicating Mr Botha had been party to a cover up which started when Mr Botha agreed to channel defence money to the Department of Information,

Mr Botha's statement to a press conference on November 4 that no money voted for Defence purposes had been "allotted" to the Department of Information,

Requests for the names of the eight organisations to be "openly" financed in the government's information services;

How The Citizen newspaper was funded from June when the Department of Information was disbanded until November 30 when the government stopped funding the newspaper, and

Why Dr Mulder had not been given a chance to reply during the Information debate

Mr Schwarz said at least another 20 issues had remained unresolved

Why had the Minister of Finance, Sen Horwood, told him on December 1 this year the government would take no action to consider stopping the sale of The Citizen until after the Erasmus Commission report when in fact the government had already decided it had no interest in or responsibility for the newspaper?

Why was Dr Eschel Rhoodie, former Secretary for Information, allowed to leave the country when according to the Erasmus Commission he had committed irregularities which pointed to theft as well as complicity in theft and fraud through which the state suffered great losses?

What steps had been taken to ensure that Cabinet Ministers were aware of what was happening in their departments and in matters under their control?

What had happened to the "emergency fund" set up by Dr Rhoodie?

Would safeguards be implemented to eliminate the future possibility that official documents could be destroyed?

To what use had properties bought by the Department been put and were the properties which had been sold disposed of at a profit or a los

Had the government simply written off the bulk of the R22 million in taxpayers' money given to The Citizen?

Did the government's refusal to stop the sale mean that it now regarded the newspaper as a legitimate mouthpiece despite the official view that the funding of the newspaper with taxpayers' money was wrong in principle?

According to The Citizen's new owners, Perskor, the newspaper's assets exceeded its liabilities by R400 000. How was this "miraculous" position achieved after The Citizen's massive losses?

What were the names of the 49 Information front companies in which the government held shares?

What was the nature of the involvement of Dr Piet Koornhof Minister of Plural Relations, in attempts to buy the Natal Mercury newspaper in 1973? Was he aware of Information's funding of The Citizen?

Did either Gen Hendrik van den Bergh or Dr Mulder furnish any alleged documentary proof to the Erasmus Commission for their contention that Mr Vorster knew before November 1977 that The Citizen was being funded with taxpayers' money?

What future safeguards were there for Parliament and the taxpayer that money voted for a specific purpose would be used for that purpose?

What protection was there for the taxpayer when he found his money had been abused?

How did the government propose to restore the credibility of politicians after key public figures had not told the truth or informed the public about what they knew?

How was it possible that an Information Department official, Mr Braam Fourie, had been allowed to be an accountant and an auditor? What steps had been taken to ensure that no officials can audit their own accountancy work?

What future safeguards were there to ensure that Cabinet Ministers who signed documents were aware of what they were signing?

According to evidence before the Erasmus Commission, Sen Horwood had approved Information expenditure of R14 million and then had reservations about his action because he had not read the document involved in the expenditure

What had happened to the files which, according to evidence before the Erasmus Commission, gave certain people a "hold on associates?"

The Minister of Finance had still not indicated what steps would be taken to recover tax from people who, according to the Erasmus Commission, received additional income.

Other than the South African Grand Prix, what ventures were sponsored by The Citizen with taxpayers' money? — DDC.

MR SCHWARZ . . . the Government will be paralysed.

Directors confirm Info deals

NM 11/12/78 (259)

JOHANNESBURG — Mr. David Abramson and Mr. Stuart Pegg, joint owners of Hortors (Pty) Ltd., confirmed here yesterday that various statements made in Parliament and the report of the Pretorius Committee regarding dealings they had had with the now defunct Department of Information were correct.

In a statement to Sapa the businessmen said both of them were conduits through which funds for secret projects of the erstwhile Department of Information were channelled.

"The department guaranteed loans which were raised in Europe to further our business activities," they said.

"The department initially had a 20 percent participation in any profits made through these activities but did not own any shares in our companies overseas The department later increased this to a 50 percent profit participation."

On one occasion the department lent them money interest free for a period of slightly less than a year.

"At no stage whatsoever was any money channelled through Hortors (Pty) Ltd or any of its subsidiaries or associated companies"

The joint owners added that Hortors operated in South Africa and neighbouring States but its "activities have always been of a purely commercial nature completely unconnected with our international dealings with the department"

Hortors only came to be acquired by the owners as a vehicle which they had planned to inject into an American-based holding company in order to consolidate their South African control of an envisaged international business group

"The plan never came to fruition The base company — Morgan Grampian of Britain — became so successful so quickly that a takeover bid was made at such an advantageous price that we accepted

"The immediate consequence was that a profit of approximately R4 000 000 was made on the sale, after repayment of all borrowings on the Morgan Grampian share purchases — including the R1 180 000 which had been lent to us by the department"

The statement said that profit was split in accordance with an agreement the department channelled through "us its R2 000 000 share to finance various of its foreign secret projects"

It was the prospect of making profits such as this and thus being able to fund some of its secret projects without sending money out of South Africa That appeared to have been one of the main attractions for the department in working with the two men

The statement continues "With the exception of one cash loan for less than a year, we were able to structure our business dealings without any more assistance from the department than the issuing of guarantees

"At no stage did the Hortors Group gain any advantage at all from our overseas dealings with the department Since we gained control of Hortors in April 1977, the company has submitted tenders for many painting projects of the department. In not one case was Hortors successful

"Today foreign loans guaranteed by the department and totalling approximately R3 000 000 are outstanding against our purchase of Hortors shares.

We have put proposals to the Pretorius Committee which would result in a release of the department from those guarantees and the cancellation of our agreement with the department"

Buried

LUSIKISIKI — The State President of Transkei, Paramount Chief Botha Sigcau, was buried next to his cattle kraal a few metres from his house at the Quakeni Great Place near here yesterday — (Sapa)

than it had on liaison committees. This was due in part to the fact that management is not represented on a works committee and in many instances was not able, therefore, to complete the questionnaire satisfactorily. In some cases, apparently, the works committee members viewed the questionnaire and its purpose with suspicion. In June 1974 questionnaires were sent to 124 organisations of whom only 34 responded. These 34 had established 41 works

---

33. Hansard 7 columns 485-7, 20 March 1973.
34. Hansard 10 columns 632-4, 10 April 1973.
35. Hansard 10 column 691, 15 April 1975.
36. Rand Daily Mail, 22 May 1975. Cited in: Muriel Horrell and Tony Hodgson. Op.cit. p.212.

11/12/78. (259)

Dr Rhoodie still dodging the pack

Mercury Correspondent

LONDON — In spite of reports that Dr. Eschel Rhoodie had handed in his passport to the South African authorities here, there was still no sign of him yesterday.

Mr. Chris van der Walt, director of information at South Africa House, said: "These reports are totally incorrect. I have no knowledge of this matter and I assure you I would know.

"The South African Consul-General, Mr. Robert Matthee, certainly has not been contacted by Dr. Rhoodie. It is to Mr. Matthee that he would have to surrender his passport, and by whom any travel documents would have to be issued."

Mr. B. R. Willis, chief information officer for the British Home Office, said he had spent "all day yesterday" trying to establish if Dr. Rhoodie had entered England. His inquiries had covered all major ports of entry.

"The indications are that he is not in England," Mr. Willis said.

He explained this interest on the part of the Home Office as following on numerous requests by the media — particularly from South African Pressmen — to establish if Dr. Rhoodie was in Britain.

He said, at this stage, inquiries were merely to answer Press questions.

To anticipate Home Office reaction should criminal proceedings be instituted against Dr. Rhoodie was hypothetical, he said.

Meanwhile, Mrs. Katie Rhoodie, wife of Dr. Eschel Rhoodie has stopped reading newspapers.

When a reporter telephoned her Pretoria home yesterday to ask when she expected her husband home, another woman answered and said Mrs. Rhoodie neither read newspapers nor spoke to the Press.

establishing the committee, while African employees had done this in five (15%), and management and employees together had taken the decision in fourteen (41%).

There was a tendency for older workers and those with longer service to be elected to these committees: in 80% of the organisations there were no restrictions whatsoever on the nomination of candidates, while in 20% there were certain requirements, mainly to achieve equal departmental representation.[38]

82% of the respondents reported that their works committees were elected for a period of one year. In most instances, 68%, regular monthly committee meetings were held, while a further 9% met weekly and 6% met at fortnightly intervals.

The most frequently mentioned reasons for choosing a works committee were that they were more effective than liaison committees, that they were more representative and acceptable to African workers, and that the workers preferred them.

In 1973 only three co-ordinating works committees[39] had been established.

Recognition of African Trade Unions

The Verster investigation indicated that while the majority of participating organisations with liaison committees (56%) were opposed to the recognition of African trade unions, the majority of those with works committees (68%) were in favour of recognising them.[40]

---

37. Op.cit. pp.91-4.

38. Ibid, pp.97-101.

39. Hansard 3 columns 160-1, 22 August 1973.

40. Op.cit. pp.66-8, 108.

Mulder faces censure move

259
C Times 12/1/79..

By MICHAEL ACOTT
Political Correspondent

DR CONNIE MULDER faces an immediate move to censure him if he takes his seat in Parliament when the next session opens on February 2.

Unless he resigns by then as MP for Randfontein, the Progressive Federal Party will seek the appointment of a select committee to investigate statements he made to Parliament that there was no government money in the Citizen newspaper.

Accusations that a member deliberately lied to Parliament are taken seriously, and the PFP believes the government would find it difficult to oppose the motion While Dr Mulder cannot be unseated severe censure by his peers would leave him no option but to resign

The former minister of information has shown no sign of resigning as MP despite Nationalist and Opposition calls for him to retire from public life

His action has baffled MPs who expected his resignation after the Erasmus commission found him incompetent as a minister and guilty of irregularities, and appeared to question his credibility as a witness

Divisive effects

Backed by his constituency committee and a few remaining supporters in Parliament, he appears intent on trying to justify his

amplifying previous statements that his conscience was clear and that he was not ashamed of anything he had done

While Nationalists fear the possibly divisive effects of Dr Mulder's first full public explanation of his actions as minister of information, Opposition members will launch their own attack unless he resigns

The Opposition chief whip, Mr Brian Bamford, said yesterday the PFP was ready to introduce the motion calling for a select committee as soon as Parliament was convened

A similar motion was disallowed by the Speaker last year because of the short duration of the two-day special session on the Information affair

He believed that precedence in the British House of Commons allowed the Assembly here to bar an MP from the House, although it could not deprive him of his seat or his salary

Dr Mulder, who resigned from the Cabinet last November and vacated his official minister's residence in Pretoria this week, will be treated as an ordinary MP if he decides to attend the parliamentary session next month

He has already been allocated a modest house in the parliamentary village at Acacia Park and would sit in the Assembly as a front-bench MP due to his 20 years in Parliament

significant bec
interests upon
of local intere
justice and of

A similar reser
placed on the e
implementation.
is a difference
the proposals
the former mea
uncertainties.
spread discuss
contained in t
group involvin
desire to cons
conducted in B
following for
true consultat
prepared by cc
prepared by a
before consult
may provide se
It is unlikely
are not invite
cattle have nc

14 RAND Daily Mail

TUESDAY
December 12

259

Sinister threat to a vulnerable Press

DR ESCHEL RHOODIE'S staggering plan to establish an international, "pro-South African" publishing empire — and the extent to which he almost succeeded — reveals just how vulnerable newspapers can be in these hard economic times

Newspapers are particularly fragile business ventures, and many fine publications have collapsed in recent years. Rising production costs and the loss of revenue through intensifying competition for advertising revenue from radio and television have become a world-wide problem for newspaper companies. They are thus sitting ducks for the takeover bid; and if such a takeover is financed by an organisation planning to subvert the newspaper's function, there obviously must be a grave threat to the freedom of the Press.

Imagine the consequences, for instance, if some oil-rich Arab state decided to go quietly into the newspaper business, buying up major publishing houses in the West and using them to mould public opinion for their own ends.

If all had gone well for the Rhoodie plan, the Department of Information would not only have gained control of a huge section of the English Press in South Africa, but of newspapers, magazines and other journals in Britain, the United States, France and parts of Africa.

Overseas publications like the Washington Star would have been run by front companies so that their "pro-South African" line, although dictated by the Nationalist Government, would have had all the appearances of free, independent thinking.

There is no knowing where the scheme might have ended at home had the front men succeeded in their bid for the Natal Mercury in 1973, and two years later when they came within an ace of capturing South African Associated Newspapers Had they done so, would they have been able to resist challenging for the Argus Group as well?

In the case of The Citizen, which was founded only when the takeover bids failed, the plan worked well enough — until it was exposed by the free Press the Government sought to subvert The whole episode has illustrated the enormous value of independent newspapers, and how vulnerable they can be to those with the power and will to undermine them.

by political groups to make them aware of what they stand to lose and express their concern effectively.

An economic factor that underwrites the need to achieve a distribution of the income from the wealth represented by the cattle population of Botswana, and which supports the adoption of the company concept, is that the mean income per household from cattle, P480, is over four times that from crop production, P110. The two lower categories of the four used in the Rural Income Distribution Survey to distinguish household income classes, apart from having no income from livestock, receive only 13% and 10% respectively from farming. The remainder comes from employment, gathering, transfers, beer brewing, etc. Effective income distribution in the short term is more

The Rand Daily Mail

WEDNESDAY, DECEMBER 13, 1978.

(259)

TRUTH AND RUMOUR

THE PRIME MINISTER, Mr. P. W. Botha, has declined to elaborate on the legislation he intends to introduce to curb "gossip" and "rumour-mongering," so for the time being one can only speculate on what he has in mind.

It clearly rankles with Mr. Botha that the Press did not adopt the deferential attitude he would have preferred both before and after Mr. Justice Mostert exposed the Information scandal, and it seems that he is not going to let the matter rest. After May 30 next year there may well be a law that any allegations of irregularities in State departments must be substantiated, or that there will be an onus on anyone publishing such information to show publicly that he took reasonable steps to ensure that it was accurate.

At first sight that may seem not unreasonable, as do measures to curb rumour-mongering, an emotionally loaded term possibly chosen to capitalise on the dislike most honest people have of idle or malicious gossip.

The first point to be made is that reputable newspapers do not publish unfounded rumours or sensational gossip in order to "boost their circulation," as some people who ought to know better have alleged.

Editors have a healthy respect for the consequences of the comprehensive legal sanctions against irresponsible publication, and for the additional minefields which the Government has planted round sensitive areas such as Prisons and Defence. More than that, editors are generally motivated by high standards of professional integrity. They also know that trust is the very basis of their relationship with their readers, and that readers do not trust an unreliable newspaper.

These are formidable deterrents against irresponsible publication, and there is in fact a vast difference between what Mr. Botha calls rumour-mongering and the tradition of alert and inquiring journalism that uncovered, or helped to uncover, the Agliotti and Faros affairs and the Information scandal — all of which were initially denounced as rumour and gossip

Just as it is in the nature of good newspapers to seek and disclose, so is it the nature of governments to play down and try to cover up anything which threatens to rock their composure. This is one of the healthy tensions that exist in democratic societies, and if Mr Botha is wise he will accept it

Anything that further restricts the Press would be harmful, and what would be particularly damaging is anything that undermines the basis of confidentiality that exists between a newspaper and its informants. When other channels for redress of wrongs fail or are tardy in the performance of their duty, it is vitally important that people should know that confidences will if necessary be respected if they tell their story to a newspaper.

...615 miners out of an ...thousand, died from ... first half of the ...0,36. (147) The ... the Coloured Labour ... to investigate and ...ions for Africans, ...unusual climatic ...) Even before the ...he Chamber of Mines ...mittee of Doctors, ...gate and report on ...were just as alarming to Milner. In July 1903 alone, 615 ... average black labour force of 65 961, 110,21 per thousand ... disease. The average death rate from disease for the first half of the year was 61,96 per thousand, and for the second half 80,36. (147) The mortality rate for these years was later described by the Coloured Labour Compound Commission, appointed by Milner in July 1904 to ... suggest improvements in the living and working conditions for Africans, as 'abnormally' high, and was partly ascribed to the unusual climatic conditions and the very cold winters experienced. (148) Even before the appointment of this commission, on Milner's request, the Chamber of Mines and the Department of Native Affairs agreed that a Committee of Doctors, including L.G. Irvine and D. Macaulay, should investigate and report on ...

...ign ...

...oups. No change in incidence rates ...because of these differing groups - ...es. (142)

... change in the general nature of ... that the alteration from ante- ... the secondary stage was far more ...so in the secondary stage there ...er with pulmonary tuberculosis than ...nd mortality far exceeded in ...icosis in the secondary stage. pulmonary tuberculosis was attri- ... of miners were South African born

23.

watersrand since 1912 - and if the ... a period of years, incidence thereaf... the numbers of working miners. (140) A accounted for, it was calculated that ... one third of what it had been in

The figures for 1928 to 1929 (and thos... ceding this period) showed that the av... silicosis per annum had dropped consid... which time prevalence had remained virt... particularly true of the New Rand Mine... New Rand Miners constituted 8 360, or 5... mining work-force of 15 333. During th... cases of simple silicosis. The Old Ran... two groups, those who had only worked or... had working experience elsewhere. The ... numerical group, comprised 5 672, or 37... contributed 270 cases of simple silicosi... in comparing this group with the New Ran... Miners had not been subjected to the com... and periodic examinations or to the bene... proved mining conditions. Second, althq... silicosis was comparatively far lower an... this group of Old Rand Miners, it must b... former had worked for thirteen years or ... shorter length of time on average than t... that incidence amongst the New Rand Mine... ponding increase in their working years. Old Rand Miners - the smallest group - n... cent, but proportionally contributed more ... cases - than either of the other two groups ... was anticipated for the next few years beca... and these and other concomitant variables. (142)

Doctors, however, were concerned by the cha... secondary stage silicosis. They found that... primary and primary stage silicosis to the ... rapid than it had been in the past. Also i... were far more cases of silicosis together w... had been before, and that these cases and m... number those cases of uncomplicated silicos... The increase in incidence of coexistant pul... buted to the fact that over 70 per cent of ...

Portugal's govt gets a let-off

RDM, (239) 13/12/78

LISBON — Portugal's foomer Prime Minister Mr Mario Soares' sidelined Socialists guaranteed the crippled survival of the nation's fourth government in two years yesterday by deciding to abstain in parliament's late-niiht vote on the nonpartisan Cabinet's program

A Socialist deputy told the national news agency, Anop, that the party's parliamentary group had opted "by a large majority" to ignore communist pleas for rejection of the government The government was described earlier by Mr Soares as "the most conservative of 10 since the 1974 revolution restored democracy after 48 years of dictatorship"

The communists, labelling the independent Prime Minister, Mr Carlos Mota Pinto's, Cabinet of partyless center-right technocrats "reactionary," tabled a rejection motion on Monday

But, without the support of the socialists' 102 deputies, the voting of the motion was reduced to a mere formality A rejection motion needs an absolute majority, 132 votes in the 263-member parliament, and the 40 communist deputies have found only six other allies, parliament's lone Maoist and five socialist mavericks

Senior politicians said the socialists, who together with their ex-conservative coalition partners toppled the preceding independent Cabinet of Premier Alfredo Nobre da Costa, opted for abstention to avoid early general elections

President Antonio Ramalho Eanes, who was forced on two consecutive occasions to tap nonpartisan figures to form independent Cabinets because the feuding minority parties would not compromise, indicated an early return to the polls would be almost inevitable, if parliament vetoed Mr Mota Pinto.

Many politicians and diplomats predicted that, despite the outcome of Tuesday night's vote, the government would have a fragile and short-lived rule

Troubled start to Pace — not only because of Info

RDM
13/12/78
259

PACE, a new general-interest magazine for blacks, limped into an already crowded market last Friday, apparently destined for a rough ride

It faces three major handicaps

Pace belongs to the now tainted Hortors publishing empire The group's chairman, David Abramson, and his associate, Stuart Pegg, have confessed to strong connections with Eschel Rhoodie and the now defunct and discredited Department of Information — and Mr Justice Erasmus has confirmed that Hortors was a front for the department.

These factors could lose the magazine potential advertisers and readers

BOB HITCHCOCK

Most of the senior editorial staff of Pace are deeply upset over what has emerged in the past few days Some to the extent that they had considered resigning en bloc in protest Two men actually resigned but withdrew their notices on Monday

Among senior editoral members are managing editor Jack Shepherd-Smith, formerly editor of Scope magazine, editor Lucas Molete, a seasoned journalist, widely travelled, writer and executive editor Louis du Buisson, one-time foreign editor of Scope, writer Vusi Khumalo, a former crime reporter with the banned World newspaper, Patrick Lee, music columnist and features writer, Alf Kumalo, award-winning news cameraman, now chief photographer of Pace

The fact that the staff declared "UDI" on Monday, claiming complete editorial and policy-making control of the magazine, may be a sincere and highly commendable action and no doubt appeased their consciences But will it impress their advertisers and readers? After all, Pace is still financially tied to Hortors

The third major handicap faced by the stripling magazine is its choice of method of marketing and distribution

For at least the first six months of its existence it is planned that 200 000 of the 300 000 print order will be given away free to account holders in a tie-up with Sales House, the black arm of Edgars Stores.

What can make this proposition shaky is that advertisers are becoming increasingly disenchanted with "freebies", as giveaway publications are called in the business.

They maintain that giveaways do not have the advertising pull of publications bought from choice. And that the act of offering a magazine free of charge tends to detract from its true value, and that in Pace's case, in terms of editorial professionalism, it should be rated quite high

In reply to all the doubts, chief executive and vice-chairman of Hortors Publishing, Frank Payner, says "More than 600 000 people will be seeing Pace in the next six months Most of those people will like what they see and will be seduced by it"

Payne points out that the potential popularity of the magazine is reflected in the more than 500 competition entries it received in the first four days of its existence — and those from copies sold.

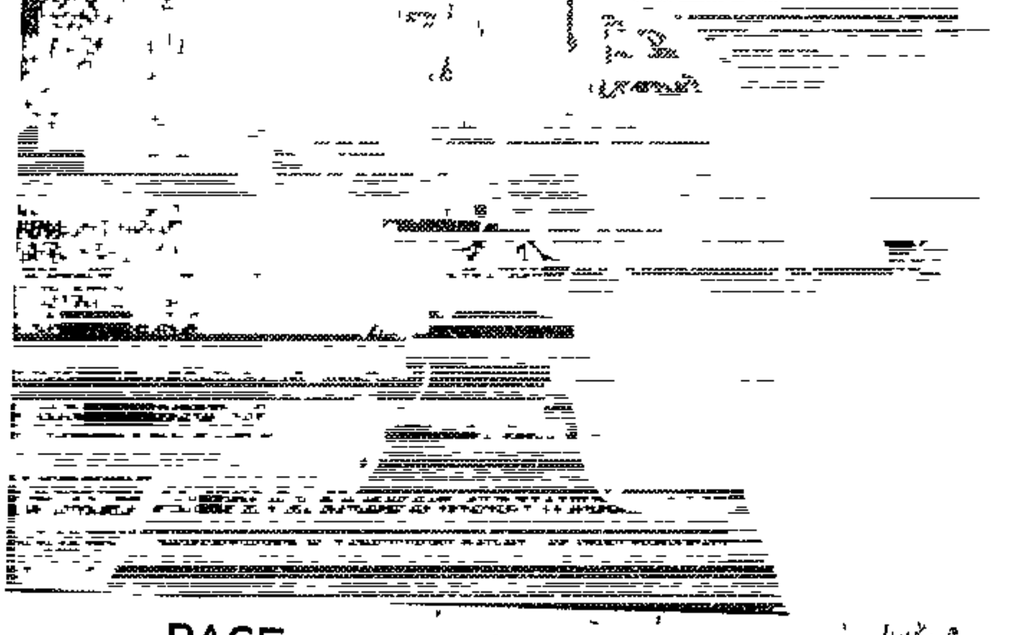
But lack of advertising support has driven a number of ostensibly healthy "white" giveaway magazines into extinction, Standard Bank's Forte and Nedbank's Passport among them.

In the black field of giveaways, Nasionale Pers' six-month-old Bonanza, shoved free of charge into shoppers' bags as they go through the checkpoints of OK Bazaars supermarket outlets, is also finding advertising hard to get

There is talk of it being put on the conventional market next year, at 15 c a copy, cutting out free distribution, presumably in the hope that advertisers will gain more interest.

Another giveaway casualty was Mahogany, a sophisticated bi-monthly for black women based on America's glossy, Ebony. It collapsed after one issue. It came from the same stable as giveaways Shoppers' Voice and Huis en Haard, both suspended because of lack of advertising nourishment

Many black magazines come and go. Others battle through to a degree of viability.



PACE — cover of the first issue

Significant, perhaps, is the fact that the established ones have progressed through conventional marketing and distribution methods, in other words they have been put up for sale in the appropriate shops and sold on street corners

The owners of these magazines have resisted the temptation of the giveaway tactic, the only benefit of which is an easier and quicker acceptability for an ABC circulation rating

Top seller is Bona (circ 185 000), a family magazine once owned by Perskor and taken over by Republican Press some months ago Bona puts out four editions: three in African languages, one in English.

Pace sees as its most formidable competitor the top of the all-English black magazine market — the veteran Drum (circ 95 000).

The Drum stable is growing. Established with a circulation of 45 000 is its four-year-old women's magazine True Love There is a newly-launched sports magazine called Black Ace and on the drawing board is a motoring monthly specially geared to the problems of black urban township motorists

The tragedy with Hortors' Pace is that it is destined to face hard times despite its competence editorially

It is attractive in presentation and pictorially eye-catching and colourful Its stories, while hardly in-depth, are reasonably well researched and written and do not, at first sight in the launch issue, appear to contain a political message or bias

Compared to other black magazines produced in this country it is up-market in most respects, though by no means highbrow

The first issue promises on its front cover "Fashion and fast living, pretty girls and politics, music and laughter, sport and adventure, violence and beauty, love and sex"

Inside, most of it is appetising. You learn that Pace people are nice to meet, with some dramatic pictures to prove it.

Then comes "A Diary of Death" in which writer Vusi Khumalo poses the question: who will be the next victim of the muti-murderer?

Later in the magazine a frustrated would-be teacher who is a domestic servant in a white household states that she hates the man who made love to her She didn't take precautions, you see and had an unwanted baby. The story goes on to list the various methods of contraception.

The centre-spread reflects a technique straight out of Scope — "the chick of the month". Black, of course.

Louis du Buisson comes up with an entertainingly written close-up of Chief Gatsha Buthelezi. It's from Du Buisson's book on the breakdown of communications between the Afrikaans Press and the black community

The swinging ladies of Soweto and other black townships are catered for with illustrated articles on the beauty scene and a hint of the latest summer fashions

Then there's soul disco and how it is sweeping the world Once again well illustrated, in colour

Four popular soccer teams, black and white, are featured in posed line-ups, followed by an "at home" feature on Kaizer Motaung, the black "golden boy of soccer"

For all that, it is likely that Pace will go down in South African publishing history as the first magazine to have been crippled at the start by the image of its own chairman

Perhaps the only chance for its ultimate survival and success lies in a future takeover of the company which owns it by another which is not affected by the

259

Bamford spells out Botha's cover-up

Staff Reporter

THE PRIME MINISTER, Mr P W Botha, was involved in a deliberate campaign of cover-up over the past five years regarding the Information affair, Mr Brian Bamford, the PFP MP for Groote Schuur, said last night.

Addressing about 250 people at the Somerset West Town Hall in a PFP report back meeting after the parliamentary debate, Mr Bamford said the cover up was still continuing

Mr Bamford said

- Mr Botha failed to insist upon obtaining at least a broad account of how the Information secret funds (which came from his department) were being spent
- He failed to change a situation where Dr Eschel Rhoodie, as accounting officer of Information, gave a certificate that the monies were properly spent
- He failed to change a situation where he knew that Mr Braam Fourie, a long standing Information employee, was not only the internal accountant of Information but sole auditor
- During the race for Prime Minister, he became aware of Ván Rooyens's evidence before Judge Mostert He was prepared to use this evidence to prevent Dr Connie Mulder from winning, but he did not divulge it to the public (with of course Judge Anton Mostert's consent)
- Knowing of Van Rooyens's evidence he still gave Dr Mulder a senior position in his new cabinet
- When Judge Mostert believed he had to divulge evidence in the public interest, Mr Botha attempted to stop him Mr Botha terminated Judge Mostert's Commission of Inquiry, put pressure on the press, and permitted Supreme Court action against Judge Mostert to recover documents
- At a press conference on November 3 Mr Botha said "No funds voted for defence purposes were alloted to the Department of Information" In answer to a question asking if he said that as a matter of fact and not as his belief, Mr Botha replied "I say that as a matter of fact"
- When appointing the Erasmus Commission (not voluntarily but under the clamour of an angered public and press) he refused to direct that the evidence should be given in public
- He permitted the continued funding of the Citizen from June this year, when the Department of Information was disbanded, to December when it was bought by Perskor
- He took no steps to prevent the purchase of the Citizen by Perskor
- In the parliamentary debate he failed to come clean with South Africa Despite a host of crucial questions, he gave parliament not a single shred of information not contained in the Erasmus report except that he was a member of the Broederbond — a question which nobody had asked him
- He now threatens to pass legislation next session to prevent investigative reporting by the press of South Africa, an obvious attempt to stifle further disclosures about the Department of Information and in the longer term about any other government departments and agencies

He called for his resignation as well as those of Senator Owen Horwood, Mr B J Vorster and Dr Mulder

P W Botha apology for 'personal attack' urged

Political Correspondent

AN Opposition Member of Parliament last night called on the Prime Minister, Mr P W Botha, to apologize for a personal attack on the Opposition Chief Whip, Mr Brian Bamford

Mr Bamford walks with the aid of a stick as the result of a polio attack At the end of the Information debate in Parliament last week, Mr Botha criticized Mr Bamford in terms generally taken as a reference to his disability

The Progressive Federal Party MP for Johannesburg North, Mr Kowie Marais, told a report-back meeting in Somerset West at which Mr Bamford was present that this attack "must be without parallel" in the history of South Africa's Prime Ministers

"The whole House was shocked into an appalled silence when Mr Botha told us Mr Bamford had changed from an attractive young man into an embittered, unbalanced personality, clearly implying this was due to his physical handicaps"

The previous Prime Minister, Mr Vorster, had made vitriolic attacks on opponents but would never have relished another's physical misfortune

"Mr Botha would do himself and his party a favour, to put it mildly, if he were to withdraw these remarks in public and offer Mr Bamford and Parliament an apology," Mr Marais said

Police to investigate

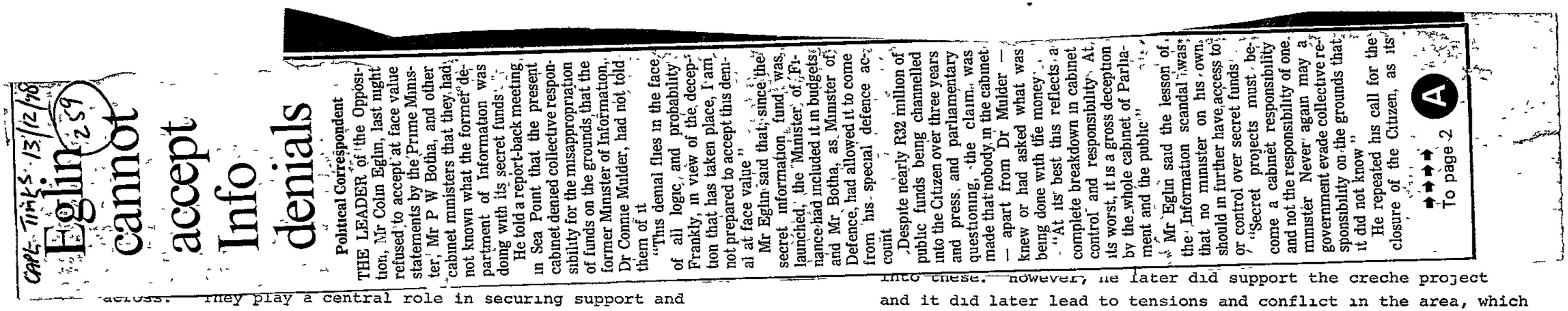
PRETORIA — Police have been ordered to investigate remarks made last week by General Hendrik van den Bergh, former head of the Bureau for National Security, following publication of the Erasmus Commission report

A spokesman in the Attorney-General's office here announced this yesterday, saying the police were now "busy" with their inquiries

The police were brought in to carry out their own investigation following the press conference General Van den Bergh gave at his home here last week — Sapa

There were several [illegible] and who were by far the most hardworking people on the site. Apart from 2 or 3 scholars they were migrants on holiday for December. Stuurman said that it is only the migrants who understand about progress and development, and that the only time you can get anything done is over Christmas; the rest of the people only come to work parties so they can get drunk.

It turned out that 2 of the school pupils had been staying with him during the building. He said that otherwise they would not have been able to get food while they were working for nothing.



Cape Times 13/12/78

Eglin cannot accept Info denials

Political Correspondent

THE LEADER of the Opposition, Mr Colin Eglin, last night refused to accept at face value statements by the Prime Minister, Mr P W Botha, and other cabinet ministers that they had not known what the former department of Information was doing with its secret funds.

He told a report-back meeting in Sea Point that the present cabinet denied collective responsibility for the misappropriation of funds on the grounds that the former Minister of Information, Dr Connie Mulder, had not told them of it.

"This denial flies in the face of all logic, and probability. Frankly, in view of the deception that has taken place, I am not prepared to accept this denial at face value."

Mr Eglin said that, since the secret information fund was launched, the Minister of Finance had included it in budgets and Mr Botha, as Minister of Defence, had allowed it to come from his special defence account.

Despite nearly R32 million of public funds being channelled into the Citizen over three years and press and parliamentary questioning, the claim was made that nobody in the cabinet — apart from Dr Mulder — knew or had asked what was being done with the money.

"At its best this reflects a complete breakdown in cabinet control and responsibility. At its worst, it is a gross deception by the whole cabinet of Parliament and the public."

Mr Eglin said the lesson of the Information scandal was that no minister on his own should in further have access to or control over secret funds.

"Secret projects must become a cabinet responsibility and not the responsibility of one minister. Never again may a government evade collective responsibility on the grounds that it did not know."

He repeated his call for the closure of the Citizen, as its

To page 2 A

across. They play a central role in securing support and assistance from groups outside the area, be these government, charity or whatever. As liason people they also bring in new ideas techniques and contacts.

While there are cases where these people manipulate the projects to benefit themselves and their own class or family, one can by no means generalise that this is always the case. The prestige value of being involved in projects does, however, seem pretty general. This is not saying, of course, that people are not also sincerely concerned about the problems they aim to overcome.

Very often the patron figure is the local shop owner, or transport rider. Often all the professional people in the area are involved, for example priests, nurses, doctors and teachers. Often there are only a few "community figures" in an area and thus it happens that all of them may expect to be given prominent positions in the project and are insulted if this does not happen. For example, in the Ipoti creche project, there was no emphasis on specifically including the most educated people in the area, although the project was generally advertised and it was open to everyone to come forward and play some role if they wished. A group of teachers and a priest were very insulted by this and told government officials and local people that the project was run by a clique and that it was going to be a business for that clique and not a creche anyway.

The occurance of clique controlled projects, the suspicion of them and the antagonism they generate is pretty general and influential. In Kwa-Zulu there is a creche project which is into these. However, he later did support the creche project and it did later lead to tensions and conflict in the area, which are now partly resolved due to a committee having been elected.

It happens fairly often that someone who gets prestige as "a person who works for the community" feels threatened by anyone else involved in community projects. Generally these powerful figures have control of the sources of resources and so they can and do sabotage the "competing" project completely. (Through the agricultural extension office they can make sure that no land is allocated, that no assistance is forthcoming with machines or labour, they can ensure that new project members do not get hawking licences to sell whatever they produce, that the activity is declared illegal, etc.)

Another dimension to the power struggle issue is that it inhibits all kinds of grass roots response and involvement from local people. Where patron figures are involved in projects mainly for prestige and power they do not foster any attempts by the ordinary poor people to direct and be responsible for the project. Thus one gets the situation that has arisen at the Zenzele centre at Idolophu. NM wants to remain in control and so she dominates the project and dampens all initiative from ordinary poor people and they lose all self-confidence and either leave completely or accept a subservient role. Thus the project has no real popular base and it cannot really work.

15. EXPERIENCE OF "DEVELOPMENT" LEADING TO A CHANGE IN CONSCIOUSNESS.

In various parts of this paper I have mentioned but not isolated the importance of the educative aspects of being involved in

workers, hospitals, childrens homes and protein supplements.

But it should be recognised that all these are only partial substitutes for the deficiencies, or relief for the effects of broken homes and poverty. They provide, at great cost and less effectively, the child care which flows naturally and cheaply from normal home life, which, of course, presupposes a livelihood.

Therefore, while it remains necessary to treat malnourished children or fail in a basic medical and human contract with them, the real solution to malnutrition is an employment structure which promotes and stabilises home life. This requires people to be able to work where they live and earn at least enough for material essentials

It is suggested that viable employment and integrated home life are the essentials of family and community and that they must co-exist. For great sections of the black community, either one or the other is lacking, and often both. Thus people who attempt to preserve their homelife in homelands cannot support themselves because there is not work for them. If they try to solve the dilemma by seeking work in the town, the laws regulating migrant labour necessarily dismember their families. Migrant labour is also associated with a poverty wage structure. Add to this the inevitable psychosocial effect of separation of family members and it becomes clear that instead of providing an economic solution, migrant labour has become a most powerful socio-economic disorganiser.

To begin to solve malnutrition on the scale on which it is occurring it is necessary :

(a) To bring families to their work - e.g. the squatter solution;

(b) To take the work to the families;

In the Ciskei a small sewing factory attempted to do this by employing guardians of malnourished children who as one woman express it had "no men, no money, no milk".

Some impressions are noted :

1. The nutrition of workers' children improved within a month and was maintained without attendance at the nutrition clinic.

2. There was a marked improvement in dress and hygiene of mothers and children.

.../17.

A 259

From page 1

Party was "decaying" after reaching its peak at last year's general election. It was losing sale to the Nationalist press group, Perskor, handed them the advantage of R32 million of promotion paid for by the taxpayer

It also made Mr Botha an ally in Dr Mulder's plan to establish a Nationalist English-language newspaper with taxpayers' money

"The Citizen, if it is to live on, will live on as a monument to the deceitfulness of Mr Vorster's government and to the cynical contempt which Mr Botha's government has for the taxpaying voters of South Africa.

"I call on Mr Botha, even at this late stage, to do the honourable thing—close down the Citizen and help to remove a stain from the record of government in our country."

He also called for a full investigation into the "awesome power" of the former Bureau for National Security, and repeated his belief that "anti-rumour" legislation would amount to another form of press censorship

Mr Eglin said the National Party was "decaying" after reaching its peak at last year's general election. It was losing trust and cohesion and there was a sense of growing alienation of its rank-and-file members

"I believe that sooner than we could have predicted the PFP will be part of a new clean government in South Africa," he said to applause

● At the same meeting, the PFP Member for Bezuidenhout, Mr Japie Basson, repeated his call for the former prime minister, Mr Vorster, to be asked to resign as state president

Mr Basson said the PFP believed steps were necessary to restore public confidence in government.

"We are totally justified in calling for the resignation of the government and for a new election

"We are also justified in calling for the disappearance from public life of all those involved and implicated, particularly in the Citizen affair.

"We are justified in calling for the resignation of the previous prime minister from the position he presently occupies," he said

found that it was only necessary to bring milk within their means for them to use it intelligently and for their children to thrive.

Guardians of MN children who would seem to be most in need of nutrition education, were mostly either senile, defective or otherwise handicapped and so ineducable or depressed and destitute, due to desertion, and in no position to put theory into practice.

Experience with kwashiorkor kraals appears to indicate that while people may assimilate knowledge, it has little effect on their children's nutrition, and in one instance it was found that 38% of children whose parents had received intensive health education died soon after discharge. (Ref. 9).

Again, Red Blanket people in the Ciskei who traditionally have no formal education and certainly no scientific nutrition information often have well-nourished children as long as their family life is intact.

Health education should not be regarded as a substitute for community restoration. Where it appears to have worked it has usually been integrated with much broader community rehabilitationand it is arguable that any effect ascribed to it may in fact be due to this restoration and would have occurred without health education.

.../18.

CAPE TIMES 13/12/78 259

Swart: 'SA had narrow escape'

Own Correspondent

DURBAN — The national chairman of the Progressive Federal Party, Mr Ray Swart, last night warned how dangerously close South Africa had come to abandoning all semblances of democratic government

The facts surrounding the launching of the Citizen as well as the arrogance and power of General Van den Bergh and others as shown in the Erasmus Commission report emphasized this, Mr Swart said

Speaking at a report back in his Musgrave constituency Mr Swart said "It is ironic that this government which is forever protesting its total opposition to communist doctrines should lend itself to a situation where it became the effective creator of a Pravda-type state-owned newspaper"

State-controlled newspapers were a feature of communist states, as was secrecy and the denial of a popular right to information on public affairs, Mr Swart said

"The doctrine which is followed in communist countries and which clearly found approval in government circles here, is that all channels of information should be at the service of the elite for the conveyance of approved information to the masses," he added

South Africa had had a very narrow escape as a nation from finally sliding down the slippery slopes towards absolute totalitarian government

"We dare not fail to heed the warning and learn the lessons from what we've been through, Mr Swart said

He praised the press saying "If it were not for the vigilance and courage of a free press we would not have been aware of the fate which was overtaking us, until it was too late"

Mr Swart said it was fundamental to a free society that the freedom of the press be retained and protected

"South Africa must forever be vigilant against attacks on the press and threats to its freedom," he said

US bid to keep Knoetze out

Own Correspondent

NEW YORK — The battle of Kallie Knoetze was launched yesterday with a formal appeal to President Carter to block his entry into the United States to fight local heavyweight, Bill Sharkey

Denying Knoetze a visa would be "a meaningful action" to mark the 30th anniversary of the Declaration of Human Rights, the executive council of the American co-ordinating Committee for Equality in Sport and Society said in a telegram to the president

The cable noted Knoetze's criminal record and the fact that he had left the police

"Surely we cannot welcome this representative of the most vicious form of apartheid to compete in the US," it urged

Promoters expressed concern at the move

They also indicated that the venue for next month's fight will be switched to Comac, a small and remote centre at the far end of Long Island — about 180 km from New York

CAPE TIMES 13/12/78 259

Vause Raw attacks prime ministers

Own Correspondent

DURBAN — The present Prime Minster, Mr P W Botha, and his predecessor, Mr B J Vorster. came under attack last night by the national leader of the New Republic Party, Mr Vause Raw MP, for the role they played in the scandal surrounding the former Department of Information

At a report-back meeting in the Durban City Hall on last week's emergency parliamentary debate on the Information affair, Mr Raw criticized each leader for abrogating prime-ministerial responsibility on the grounds of ignorance

Dealing firstly with the role of the former prime minister, Mr Raw said the Erasmus Commission report showed clearly that Mr Vorster had been fully aware that investigations by the Auditor-General had disclosed evidence of serious irregularities two months before Mr Vorster had called "a premature election"

Turning his attack to the present Prime Minister, the NRP leader said the commission's report disclosed also that for years, in spite of protest and objections, Mr Botha had allowed his Defence secret fund to be used as a channel to fund Information projects

Attacking Mr Botha's performance in last week's debate, Mr Raw said he had missed "a golden opportunity" of laying a foundation for restoration of confidence in government

Instead, Mr Botha had resorted to threats, personal vituperation and had then sought refuge in the last bastion of Nationalism — the laager of Afrikaaner sentiment and emotion and the isolation of his "Volk"

Attacking Mr Botha and his predecssor jointly, Mr Raw said one implication of the debate had been that two successive prime ministers were prepared to abrogate prime-ministerial responsibility "on the grounds of ignorance of the facts and to shift the full blame on to a colleague "

Mr Raw said the NRP could provide an alternative for disillusioned Nationalists

ent

SAVS,
t to
eting centre
a clinic for
of these lo-
thus would
would benefit
all, villages
that they are a
n Umhlaba a
moved in from
f the "locations"
wn from the

re more integrated
ccessful
that I could not
presence of a
the area
n goes, the
he projects go

last one person,
es in, and supports

the project. One generally finds that this small group are involved in all the projects in the area and are on all the committees. Most of these people obviously believe that with concerted effort their areas can progress along a Western path of development.

In all areas there is a large number of people (still not the majority however) who consider the ideals cited, when a new project is discussed, as good. They say they would like such a

259 Cape Times 13/12/78

Countdown to the greatest scandal in South Africa's political history

By DIANA POWELL

DR ESCHEL RHOODIE, architect of the brilliant but bizarre plan to brainwash the world secretly into accepting South Africa's unacceptable policies, couldn't keep his own secret

As early as 1974 it was reported that the flamboyant Secretary for Information was "seen in many foreign capitals" The same was not said of the dour head of BOSS, General Hendrik van den Bergh, who was also doing a lot of travelling but knew how to keep his head down

The trips did not pass unnoticed Auditor General, Mr Gerald Barrie, saw the newspaper and radio reports He also read articles in the Department of Information's own news sheet, South African Digest It was quite clear to him that Dr Rhoodie and his men often travelled aboard

But where was the ministerial approval, and the claims for subsistence and travelling expenses? Mr Barrie couldn't find them

He suspected the department had secret funds and, although he was never informed officially, he was eventually able to deduce from statements by Information officials and replies to questions in Parliament that such funds in fact existed

Dr Barrie's suspicions started a remarkable chronology of events which led to the discovery of the greatest scandal in South African history

This is the timetable of discovery

● **1976**

Nov: Dr Barrie starts making inquiries

Nov 25 Dr Eschel Rhoodie issues instructions to his accountant, Mr Braam Fourie and his deputies, Dr Deneys Rhoodie and Mr L E S de Villiers to destroy documents relating to the secret "G" funds and projects According to Mr Fourie's evidence to the Erasmus Commission, Rhoodie "knew things were going wrong and he expected problems"

June 14 Mr Barrie tells Dr Rhoodie he cannot accept his reason for refusing the information on the overseas trips

June 24 Dr Rhoodie writes a letter marked "secret" to Mr Barrie He says he is not prepared to divulge details of his department's activities and that not even the Treasury has a say over how money from the Special Account for Secret Services is spent

June 27: Mr Barrie visits the Prime Minister, Mr Vorster, at Libertas, and tells him for the first time about irregularities in the Department of Information

July 4· General Magnus Malan, chief of the Defence Force, writes a strongly worded letter to Dr Rhoodie He says he regards the funding of the department's secret activities as "unethical and irregular" He tells Dr Rhoodie he would feel the same way if his minister had to stand up in the House of Assembly and tell lies

June 15. Mr Vorster announces the abolition of the Department of Information, its replacement with The Bureau for National and International Communication, Dr Rhoodie's retirement from July 1 and the appointment of the Van den Bergh commission

June 23. The Club of Ten is unmasked as a Department of Information front organization

Aug 23 Dr Mulder "leaks" to the Transvaler that Mr Reynders has exonorated him in his report on the department

Aug 31: Dr Mulder telephones Mr Reynders and tells him to get his report out immediately Shortly afterwards General Van den Bergh also tells Mr Reynders repeatedly to get the report out without delay

Sept 19· Mr Reynders hands his report to Mr Vorster It says he has gone into the funds made available to the department between April 1973 and March

Feb 6· The bubble bursts Mr Barrie's report for 1976/77 reveals unauthorized expenditure and the Parliamentary Select Committee on Public Acounts decides to investigate in full

Feb 19· The Sunday Express reports that the newspapers are on to a bomb of a story regarding the Department of Information

Feb 28 The select committee starts its investigation

March: Dr Mulder telephones Mr Reynders and asks for his report without delay He says his vote is coming up in Parliament tough meeting Reynders reports his findings virtually in full, Mr Vorster confronts the others with the information already available to him Reynders later testifies to the Erasmus Commission that Mr Vorster became very depressed, took ill at 11 30 pm and asked to be excused

● **1978**

would never have made such a report had it not been for the tremendous pressure on him by Dr Mulder and General Van den Bergh

The Erasmus report comments "It was clear that at that critical stage, everyone around Mr Vorster knew he was a sick man and was about to resign as Prime Minister within a few days It was also clear that Dr Mulder would be a candidate for the vacant post of Prime Minister and that it would clearly be in his interest to be exonorated by Reynders from any irregularities"

Sept 20: Mr Vorster announces his retirement as Prime Minister

Sept 23/24 Thor director, Advocate Retief van Rooyen is about to testify before the Mostert Commission of Inquiry into exchange control Information he has is leaked to the Minister of Foreign Affairs, Mr Pik Botha Mr Botha's supporters campaign within the Nationalist caucus for the election of Mr P attended to the Citizen project immediately it was convened on instruction from the Cabinet

Oct 28 The Sunday Express reveals that the Citizen is funded by the department

Nov 2· Chairman of the Mostert Commission, Mr Justice Anton Mostert, defies the Prime Minister and releases to the Press evidence of the founding and funding of the Citizen, the front company Thor, the purchase of property and a loan of R825 000 to film man Mr Andre Pieterse

Nov 3 ● The Pretorius Committee finds evidence of irregularities in some of the department's secret projects, discovers its terms of reference do not enable it to call witnesses and recommends the appointment of a judical commission ● Mr Botha announces the appointment of the Erasmus Commission

Nov 7 ● The Mostert Commission is silenced ● A Parliamentary Commission under the chairman of Mr H J D van der Walt, the MP for Schweizer-Reneke, is set up to take over the functions of the Mostert Commission ● Dr Connie Mulder resigns from the Cabinet

Nov 30· The Pretorius Committee hands its report to the Cabinet

Dec 5. The Erasmus Commission releases its report

Dec 7. Parliament convenes for a special two-day sitting to thrash out the debacle

Dec 28· Mr Barrie cannot find ministerial authority for reported overseas journeys and makes official inquiries

● 1977

Feb 9 Dr Rhoodie asks Mr Barrie which specific journeys he is referring to

March 25. Audit asks Dr Rhoodie for the names of all officers who went overseas on official business during 1975 and 1976

April 14 Dr Rhoodie refuses to disclose the information in terms of the Official Secrets Act

June 8 Dr Rhoodie, on the instruction, he says, of Dr Mulder, gives written orders to Dr Deneys Rhoodie, Mr de Villiers, General van den Bergh and Mr Fourie not to show any records of the department to any person (Mr Fourie testified to the Erasmus Commission that he believed Dr Rhoodie and

bly and tell untruths in order or obtain additional funds He said he was not prepared to allow his department to be used as an excuse or explanation for State expenditure which had nothing to do with it

July 13· Mr Barrie visits Mr Vorster who is on holiday in the Game Reserve and tells him his findings regarding the department are disquieting

July 29· Mr Barrie submits a report on his findings to Mr Vorster

Aug 1· Mr Barrie submits a second report showing further irregularities in the department

Aug 8 Mr Vorster appoints a BOSS man, Mr Loot Reynders, to investigate the affairs of the department

Aug to Nov. Mr Reynders reports to Vorster regularly, pointing out misappropriation of money and various irregularities He tells Mr Vorster, however, that he has followed the money "only as far as the door" and unless he starts an investigation in depth, he will not be able to say what happened thereafter

Sept: Joint deputy secretary for Information, L E S de Villiers, resigns

Late Nov Shortly before the November 30 election, Mr Reynders, Dr Mulder, Dr Rhoodie, Gen van den Bergh and Mr Jan van Zyl Alberts meet Mr Vorster at Libertas It is a long,

ment and he could be embarrassed if the report is not available Just four months after the fateful meeting at Libertas when a full report on irregularities was made in his presence, Dr Mulder asks Mr Reynders "You haven't found anything wrong in my department have you?"

But, according to the Erasmus report, everything at that stage pointed to quite a lot being wrong in the department Reynders tells Dr Mulder that his probe is not complete He consults Mr Vorster who forbids him to bring out a report

March The Sunday Express publishes details of Dr Rhoodie's trips to the Seychelles

April 15· The Select Committee tables a report and calls for a full probe of the department's activities

April· Newspapers start publishing stories about the mysterious "front" organization, Thor

April 21: Dr Mulder replies in Parliament to the special debate on his department's unauthorized spending and says he has no intention of getting rid of Dr Rhoodie

April 23 Mr Vorster says in Parliament he will not tolerate any cover-up of the affair

April 30· The Sunday Express, after consultation with Dr Mulder and the auditor-general, agrees to hold back publication for one week of what is described as a massive story on the department

May 3 Dr Mulder announces that Dr Rhoodie is to be "phased out" of the department

May 5 Dr Rhoodie pre-empts the Sunday Express's story by issuing a statement disclosing the existence of the department's secret fund

May 7: The Sunday Express publishes its secret fund story

May 8 Mr Vorster confirms that secret funds have been available to the Department of Information since 1973

May 10 Dr Mulder says in Parliament that the Citizen is not funded by the Department

1978, and has found no evidence of misappropriation However he adds the qualifying paragraph, "In terms of my instructions it was not expected of me to go into the merits and evaluation of the policy decisions in connection with the various secret projects I therefore make no comment on the eventual expenditure of the payments which were made"

Mr Vorster asks Mr Reynders if he is satisfied that money has not found its way into the wrong pockets Mr Reynders answers by refering Mr Vorster to the qualifying paragraph

Mr Reynders later tells the Erasmus Commission that he

W Botha as Prime Minister

Sept 26. Mr Vorster releases the Reynders report and replaces General Van den Bergh with another one-man committee Boss man, Mr Koos Kemp

Sept 27 Mr van Rooyen gives evidence to the Mostert Commission

Sept 28 Mr P W Botha is elected Prime Minister

Oct 23. Mr Botha extends the Kemp Committee under a new chairman, Mr A J Petorius, Secretary of the Treasury By this time it was well known in the corridors of power that the Department of Information funded the Citizen The Petorius Committee reports that it

Cape Times
13/12/78
259

of Information

June 1 Mr Vorster appoints General Van den Bergh as a commission to evaluate and investigate the projects of the department

June 12· The Parliamentary select committee reports conclusive evidence of unauthorized spending and irregular activities

system. However, it is only a beginning, peo
will change and develop with their experience
and developing structures they establish. "
March" of agricultural development from co-o
4 - 6 households to co-operation between 4 -
holds, the constant feature was every step
old problems but created new ones, the solu
a new step forward inevitable if there was
stagnation. Each new step forward involve
higher level of priority for collective as
interest." (65)

People's desire to amalgamate into bigge
only developed from their experience of
smaller groups. Furthermore, people we
process as the groups and structures de
their previous experience they were we
each new structure as they created it.

However, in a situation where people
tures which would be the expression
aims, this whole learning process is
of their ideas and "consciousness"
their experiences in the new struct

Thus in the South African reserve s
consciousness stemming from their
projects often cannot be expressed
over-all structure of the reserves
implementation of new systems, would-be-developers
that "changes in consciousness" can occur but only up to a certain
stage.

Furthermore, one should not make the mistake of believing that
one can asses the way in which future systems would develop
from what is happening in the present, nor that people's present
aspirations would hold for all time.

COPK Times 13/12/78 259

Two versions of Info Department 'takeover' of Africa magazine

LONDON. — Two conflicting versions of the Department of Information's alleged takeover of the influential magazine, West Africa, published in London and distributed throughout West Africa, emerged here yesterday.

Mr Stuart Pegg and Mr David Abramson say that a total of £108 800 (about R175 000) paid into an account at Bank Landau, Geneva, in 1975 and 1976 for transfer to the magazine and a company, Afro Asian Publications, which publishes a newsletter in London, came from the South African Department of Information.

They claim that an Israeli businessman, Mr Arnon Milchan, acted as a front for the department, but that the department had subsequently lost control of the project.

As evidence they possess a copy of a letter dated August 18, 1976, in which Count Giorgio Ghisleri, registered owner of all the shares in the West Africa magazine, certifies that all his shares "held at International Capital, Rue de Cendrier, Geneva, were sold by me to Mr Arnon Milchan and will be transferred to him or a company indicated by him as soon as the necessary formalities will be completed".

They also possess a report by London auditors, Messrs Dickson Wilson, drawn up in February 1977 on the instructions of Mr Milchan in which the payments to West Africa through the Swiss bank account are detailed.

In a memo to the Department of Information, Mr Pegg stated that "Chislieri is and was at all times a nominee for Milchan", but that the shares were never transferred.

There is also a letter from Mr Kimche, acting chairman of West Africa, which confirms that at least part of the money was repaid by West Africa to Mr Milchan.

In a letter to Mr Milchan addressed to "Dear Arnon" and dated October 20, 1977, Mr Kimche says he has been instructed by Count Ghislieri to repay the money to Mr Milchan. He asked for a receipt signed in the name of Count Ghislieri and "in courtesy to Mr Ghislieri" for the return of Count Ghislieri's original letter in which he certified the sale of his share to Mr Milchan.

Mr Pegg said on Monday that in October 1976 Dr Eschel Rhoodie asked him to "sort out the affair"

"Dr Rhoodie told me that Arnon Milchan was handling it but was being too tardy," Mr Pegg said. Of his and Mr Abrahamson's involvement in the department's secret projects, Mr Pegg said "we were just a very small part of the whole operation".

Mr John Kimche, a commentator on Middle Eastern affairs and one-time editor of the left-wing newspaper, Tribune, had an entirely different version of the events involving his magazine, Mr Milchan and Mr Pegg.

"Count Ghislieri was at all times the owner of West Africa until the transfer of its shares to a trust. In April 1976 Mr Pegg came to see me suggesting that Morgan Grampian were interested in buying West Africa.

"He came in with some accountants, but when they started asking questions I told the staff not to have any more dealings with him. Meanwhile Count Ghisleri became very ill in hospital.

"Some people came to see him suggesting transfer of the magazine to a group in Paris. Count Ghisleri said he would consider it once he was satisfied as to the identity of the group," Mr Kimche said.

Confronted with the existence of a letter certifying the sale of West Africa shares to Mr Milchan, Mr Kimche first replied "there is no such letter", but later he said "it is just a piece of paper — quite worthless as a claim"

Asked about Mr Milchan, Mr Kimche said. "I don't know. He was just a postbox. He had no direct dealings with this. I think he was involved with the initial group. He appeared and disappeared very quickly."

Mr Kimche then confirmed that Count Ghislieri had asked for the original letter back and that it had been destroyed.

"The shares are in London. There has been no transfer of money and no transfer of the shares. I have kept West Africa as it always was — probably the most independent paper on Fleet Street."

marketin
was to pro
and leadership in the organisatio

In many cases the resources made available for projects benefit
the richer only and so in some cases entrench the differences
between classes. In the situation of poverty and, in some

259.

The Star Thursday December 14 1978 5

Ministers could be liable for Info cash

Political Reporter

DURBAN — Senior Ministers and officials of some departments in the Vorster administration could be made personally liable in terms of the law for the repayment of millions of rands that were illegally spent and transferred from one department to another in the Information scandal

This was revealed today by Mr Brian Bamford, MP, Cape leader of the Progressive Federal Party, who is also a senior counsel

Mr Bamford said four Government departments — the Prime Minister's, Information, Finance and Defence — could be affected

In an interview he challenged the Government to state whether an attempt was being made in terms of the Exchequer and Audit Act of 1976 to recover the money and, if not, why not

Mr Bamford said "The Act provides in detail for the collection and allocation of public money

"The Act makes one strict rule and that is that Parliament is entitled and obliged to vote a specific amount to each department of state for expenditure for a current year

"Section Five of the Act prohibits the transfer of moneys from one department to another

"Of particular interest in the Information scandal is the provision making a person personally liable to repay the amount of any loss or damage to the State

"In terms of the section such a person becomes personally liable if he is or was in the employment of a department of state and he caused the State loss or damage because he was among other things responsible for an irregular payment or a payment not supported by a proper voucher"

7.2.3 In 1960 employment jumped [illegible]

radical discontinuities in the output and output per worker series. In fact this year saw the coming into operation of the Palaborwa mine[22] - using advanced open-cast techniques and destined to become one of the largest copper mines in the world.

7.2.4 Employment then grew by something like 50 per cent to 1974 - presumably having to do with the expansion of Palaborwa and the development and coming into full production (1972-4) of the Prieska underground mine (using trackless equipment).[23] However in 1975 and 1976 employment fell quite sharply - even though by 1976 output was back on trend.

7.3 Without more detailed information about individual mines (there are only 4: Messina, O'kiep, Palaborwa, Prieska) it is not possible to explain the developments of the last few years. It looks as though the strong employment trend and the slight tendency for labour productivity to fall are the result of Prieska's entry: its full employment is in the region of 4 000[24] and presumably output per worker in underground trackless mining does not run at Palaborwa open-cast levels. The last two years may be connected with the strong expansion of the scale of Palaborwa's operations - and the possible contraction of some others because of the low copper price (e.g. O'kiep).[25]

The evidence to date is that in aggregate the employment projections are considerable over-estimates. Total mining sector employment has actually fallen between 1970 and 1976 (by roughly 4 000 workers, or at an average compound rate of 0,1 per cent per annum) [illegible] 7 per cent and [illegible] ntrating on the two ye[illegible] pjections for 1976. We [illegible] them with actual employm[illegible]

TABLE 36:

Act[illegible]		
men[illegible]		
Copper	13	[illegible]
Iron ore	9	[illegible]
Chrome	8	9
Manganese	9	1
Coal	83	8.
Asbestos	21	5[illegible]
SUB-TOTAL	146	01
Others	17	31[illegible]
Gold	401	90[illegible]
Diamonds	17	415
Platinum	71	999
TOTAL	654	657

Ex-Citizen boss tells of funds

JOHANNESBURG — Mr. J. van Zyl Alberts, former managing director of S.A. Today, former owners of the Citizen, said in the Magistrate's Court here yesterday he did not know what had happened to R705 000 in secret funds allocated for projects on behalf of the Citizen.

He said General Hendrik van den Bergh, former chief of the Bureau for State Security, headed a committee of evaluation which controlled all secret projects, and would know what had happened to the money.

He was giving evidence before the Chief Magistrate, Mr. L. Francis, at a hearing in which South African Associated Newspapers, the editor and deputy financial editor of the Rand Daily Mail, have been charged.

SAAN, Mr. Allister Sparks and Mr. Hamish Fraser are alleged to have breached the Commissions Act in connection with the Erasmus Commission.

Mr. van Zyl Alberts, who was subpoenaed by the defence, objected to giving evidence at a previous hearing as the commission had not then reported to Parliament.

Shares

He said yesterday he sold shares in S.A. Today in his own name as nominee to a consortium.

"But this consortium never came into being. I was a nominee, but not of the consortium. I was nominee for the Department of Information. This appointment was not put in writing and was never withdrawn.

Contract

"On February 28, I signed a contract with Mr. Louis Luyt and an overdraft of R6 966 000 in S A. Today's Volkskas Bank account was not mentioned in it. I have no idea who paid back the amount.

"From March 1, 1978, the actual losses of the Citizen amounted to about R400 000 a month. These losses were made good by funds set aside for the purpose by the Department of Information."

From July 1, the department was disbanded, but there were enough surplus funds to offset losses for about three months, Mr. van Zyl Alberts said.

Projects

He explained that as of November 8 when all Government funding of the Citizen ended officially, certain outstanding accounts had still to be met.

As recently as December 4, Government money was still being transferred to the Citizen to meet outstanding accounts.

He explained that as of November 8 when all Government funding of the Citizen ended officially, certain outstanding accounts had still to be met.

More funds came to the Citizen from other secret projects, he said.

It said that after August, 1978, R705 000 was used by Mr. Alberts in secret funds in other projects on behalf of the Citizen."

Mr. van Zyl Alberts said the money was used on the Citizen but he did not have the facts of what the projects entailed.

General

Mr. Kentridge: Who would know? The editor, or who?

Mr. van Zyl Alberts: I am not sure of the facts. I don't want to tell untruths. General van den Bergh would know. He was in control of all the projects.

More funds came to the Citizen from other secret projects, he said.

As recently as December 4, Government money was still being transferred to the Citizen to meet outstanding accounts.

He explained that as of November 8 when all Government funding of the Citizen ended officially, certain outstanding accounts had still to be met. — (Sapa.)

Mr. Sidney Kentridge, SC, for the defence, referred to an amount of R705 000 mentioned in the report of the Erasmus Commission.

"But this consortium

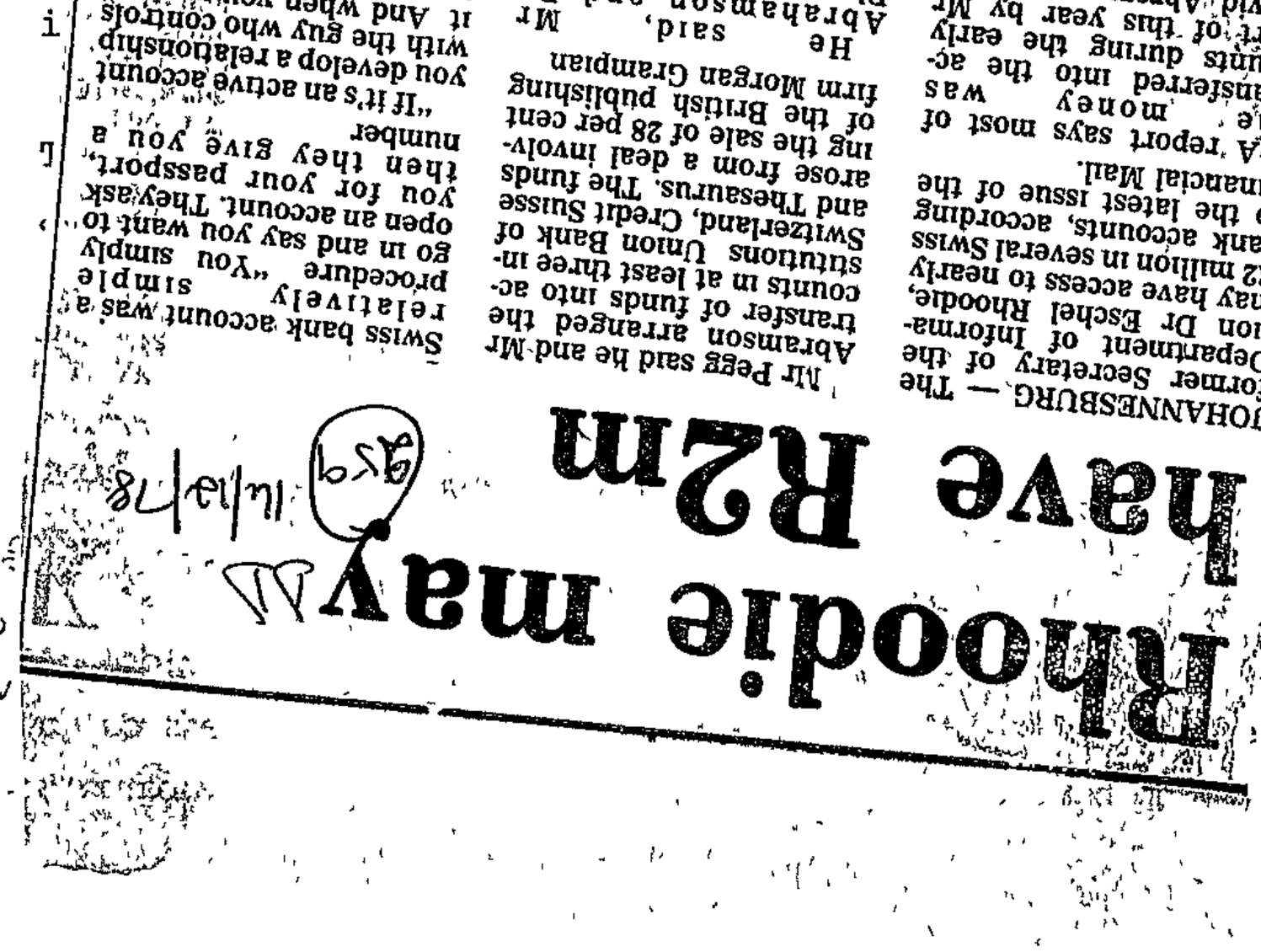
959

NM 14/12/78

One way of defining an efficient drought relief machinery is as follows. Individual citizens should be able to register for work as a means of relieving the effects of drought. Government, on its part, should undertake to provide work according to rules that suit local conditions and assist in the management of an efficient programme. The basis whereby wages would be prescribed by the rules could either be a daily wage or piece rates (piece rates appear to have several advantages; they allow flexibility in the setting of norms that govern average daily wages earned, they reduce the overseer role to one largely of supervision of task measurements, and they contain an incentive to productivity). The rules would also specify the period of work to be provided upon registration; the nature of the work, invariably unskilled manual work; the relationship of work location to residence; and the minimum number of work seekers who have to register before new works are opened.

With[illegible] rules Government would enter into a social contract with the cit[illegible] it is obliged to provide work. The [illegible]s that government would first hav[illegible] before the programme came into ope[illegible]

An [illegible]ent Guarantee Scheme as evolved in [illegible]ur years. Without a regular pr[illegible]likely that gc[illegible]roductive s[illegible]plemented if i[illegible] necessitates [illegible]ught relief [illegible] standby [illegible] redistribution. [illegible]ork sites, a [illegible]equired in the [illegible]ise all families [illegible] previous section [illegible] through the sale



2.4 Since 1966
recent tend
the 1970s)
be responsi

★ ET. 14/12/78 (259)

Rhoodie may have access to big sum

Own Correspondent

JOHANNESBURG. — The former Secretary for Information, Dr Eschel Rhoodie, may have access to nearly R2 million in several Swiss bank accounts, according to a report which appears in the latest issue of the Financial Mail.

The report says most of the money was transferred into the accounts during the early part of this year by Mr David Abramson and Mr Stuart Pegg, co-owners of Hortors, the printing and publishing giant backed by the department of Information

In an extensive interview, Mr Pegg told the Financial Mail that he and Mr Abramson arranged the transfer of funds into accounts in at least three institutions Union Bank of Switzerland, Credit Suisse and Thesaurus The funds arose from a deal involving the sale of 28 percent of the British publishing firm, Morgan Grampian

Mr Pegg said he, Mr Abramson and Dr Rhoodie had arranged a a deal whereby the department of Information, which financed the purchase of Morgan Grampian stock with secret funds, would receive 50 percent of the profits

Mr Pegg said he or Mr Abramson would transfer the money by instructing their banks by telephone to move the funds to the accounts in the Swiss banks

The process involved only the numbers of the accounts and never the names of the depositors Mr Pegg said opening a Swiss bank account was a relatively simple procedure "You simply go in and say you want to open an account They ask you for your passport, then they give you a number."

"If it's an active account, you develop a relationship with the guy who controls it And when you want to move money, you merely write him a letter or make a telephone call requesting the necessary transfers," Mr Pegg told the Financial Mail

Mr Pegg said he and Mr Abramson could have concluded the Morgan Grampian deal without government assistance " but we needed the permission to move the money fast"

He said Mr Abramson had approached the then State President, Dr Diederichs, who was a close friend, about moving the money quickly

Dr Diederichs had taken Mr Abramson to Dr Rhoodie and from then on "we were away"

"The Reserve Bank hurried the matter through," Mr Pegg said

"The only reason we kept quiet and lied was a firm agree-

ment with the government not to say anything We were under the impression we were dealing with top people," Mr Pegg said

Asked by the Financial Mail what he and Mr Abramson had done with their combined R2 million made with government assitance, Mr Pegg said most of it was kept abroad and invested there

Mr Pegg said he believed the Secretary to the Treasury, Mr A J Pretorius, had closed off the accounts from Dr Rhoodie

He said full details of all the bank accounts were given to Judge Erasmus by Mr Abramson recently

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

PRICE 20c PRYS
OVERSEAS 30c OORSEE
POST FREE — POSVRY

Registered at the Post Office as a Newspaper

As 'n Nuusblad by die Poskantoor Geregistreer

VOL. 162] PRETORIA, 15 DECEMBER / 15 DESEMBER 1978 [No. 6250

PROCLAMATION

by the State President of the Republic of South Africa

No. 337, 1978

APPLICATION OF THE PROVISIONS OF PROCLAMATIONS 292 AND 295 OF 1978 TO THE COMMISSION OF INQUIRY INTO ALLEGED IRREGULARITIES IN THE FORMER DEPARTMENT OF INFORMATION

Under the powers vested in me by section 1 of the Commissions Act, 1947 (Act 8 of 1947), I hereby declare that the provisions of Proclamations 292 and 295 of 1978 shall continue to apply to the Commission of Inquiry into Alleged Irregularities in the Former Department of Information which has been appointed on 8 December 1978 with an extended commission.

Given under my Hand and the Seal of the Republic of South Africa at Cape Town this Eighth day of December, One thousand Nine hundred and Seventy-eight

B. J. VORSTER, State President

By Order of the State President-in-Council.

P. W. BOTHA

PROKLAMASIE

van die Staatspresident van die Republiek van Suid-Afrika

No 337, 1978

TOEPASSING VAN DIE BEPALINGS VAN PROKLAMASIES 292 EN 295 VAN 1978 OP DIE KOMMISSIE VAN ONDERSOEK NA BEWEERDE ONREELMATIGHEDE IN DIE VOORMALIGE DEPARTEMENT VAN INLIGTING

Kragtens die bevoegdheid my verleen by artikel 1 van die Kommissiewet, 1947 (Wet 8 van 1947), verklaar ek hierby dat die bepalings van Proklamasies 292 en 295 van 1978 van toepassing sal bly op die Kommissie van Ondersoek na Beweerde Onreelmatighede in die voormalige Departement van Inligting wat op 8 Desember 1978 met 'n verlengde opdrag aangestel is.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Kaapstad, op hede die Agtste dag van Desember Eenduisend Negehonderd Agt-en-sewentig

B J VORSTER, Staatspresident

Op las van die Staatspresident-in-rade

P W BOTHA.

GOVERNMENT NOTICE

DEPARTMENT OF THE PRIME MINISTER

No. 2569 15 December 1978

EXTENSION OF COMMISSION OF THE COMMISSION OF INQUIRY INTO THE ALLEGED IRREGULARITIES IN THE FORMER DEPARTMENT OF INFORMATION

It is hereby notified that the State President has been pleased to extend the Commission of the Commission of Inquiry mentioned in Government Notice 2244 of 3 November 1978 until 30 May 1979 in order to enable the Commission to inquire into and recommend on the new aspects and fields mentioned in paragraph 14 487 of the Commission's report.

The Commission has been requested to report to the State President before or on 30 May 1979

GOEWERMENTSKENNISGEWING

DEPARTEMENT VAN DIE EERSTE MINISTER

No. 2569 15 Desember 1978

VERLENGING VAN DIE OPDRAG VAN DIE KOMMISSIE VAN ONDERSOEK NA BEWEERDE ONREELMATIGHEDE IN DIE VOORMALIGE DEPARTEMENT VAN INLIGTING

Hierby word bekendgemaak dat dit die Staatspresident behaag het om die Opdrag van die Kommissie van Ondersoek vermeld in Goewermentskennisgewing 2244 van 3 November 1978 te verleng tot 30 Mei 1979 ten einde die Kommissie in staat te stel om ondersoek in te stel na en aanbevelings te doen oor die nuwe fasette en terreine vermeld in paragraaf 14.487 van die verslag van genoemde Kommissie

Die Kommissie is versoek om voor of op 30 Mei 1979 aan die Staatspresident verslag te doen.

CONTENTS

No.		Page No	Gazette No.
	PROCLAMATION		
337	Commissions Act (8/1947): Application of the provisions of Proclamations 292 and 295 of 1978 to the Commission of Inquiry into Alleged Irregularities in the Former Department of Information	1	6250
	Prime Minister, Department of		
	Government Notice		
2569	Extension of commission of the Commission of Inquiry into the Alleged Irregularities in the Former Department of Information	1	6250

INHOUD

No.		Bladsy No.	Staatskoerant No
	PROKLAMASIE		
337	Kommissiewet (8/1947) Toepassing van die bepalings van Proklamasies 292 en 295 van 1978 op die Kommissie van Ondersoek na Beweerde Onreelmatighede in die Voormalige Departement van Inligting	1	6250
	Eerste Minister, Departement van die		
	Goewermentskennisgewing		
2569	Verlenging van die opdrag van die Kommissie van Ondersoek na Beweerde Onreëlmatighede in die Voormalige Departement van Inligting	1	6250

Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001

Gedruk deur en verkrygbaar by die Staatsdrukker, Bosmanstraat, Privaatsak X85, Pretoria, 0001

6250—1

ADV.1 15/12/78

Mrs Rhoodie's passport held, say reports

(259)

By BRIAN O'FLAHERTY

THE MINISTER of the Interior, Mr Alwyn Schlebusch, and police yesterday refused to comment on unconfirmed reports that the passport of Mrs Katie Rhoodie, wife of the missing former Secretary of Information, Dr Eschel Rhoodie, had been withdrawn

According to reports circulating in Pretoria, Mrs Rhoodie's passport was withdrawn at the weekend by plainclothes policemen who visited the Rhoodie home in Menlo Park, Pretoria.

The apparent withdrawal of her passport coincided with weekend reports that she was preparing to leave South Africa for a "quiet holiday" and had already booked her airline ticket

Dr Rhoodie's passport was withdrawn two weeks ago

All efforts to find him in Europe have failed. Although he should by now have surrendered his passport to the nearest South African diplomatic mission abroad, he has not yet done so.

The latest development could mean that he will be forced to return to South Africa if he is to be reunited with his wife and children, although it has not been suggested that their children's passports have been withdrawn

Mr Schlebusch refused to comment yesterday on suggestions that Mrs Rhoodie's passport had been withdrawn, and senior police officers referred all inquiries to the Department of the Interior.

According to some reports, Dr Rhoodie was planning to travel to Santiago in Chile with the help of contacts in the United States

The Rand Daily Mail has established that a Pretoria lawyer, Mr Mervyn Gross, flew to London last week after receiving a brief to see Dr Rhoodie overseas. It could not be ascertained whether Mr Gross, who returned earlier this week, planned to rendezvous with Dr Rhoodie in London or another European city.

Mr Gross, described as Dr Rhoodie's attorney of record, said yesterday that as an attorney he was obliged not to discuss the business of his clients

"But you are quite free to approach Mrs Rhoodie," he said. When it was suggested that passports other than that of Dr Rhoodie might have been withdrawn, he said that he had not been approached as an attorney to represent anyone in this regard.

Officials at the South African Embassy in London, who have been on the lookout for Dr Rhoodie since his passport was withdrawn, have failed to make contact with him. They were also said to be checking on Dr Rhoodie's plans to fly to South America.

Embassy officials said they did not even know if Dr Rhoodie was travelling on a South African passport and pointed out that even if he refused to surrender his South African passport, he would be able to legally remain in Britain for at least six months as a bona fide visitor.

Last night Mrs Rhoodie was said to be "not available".

...ization were that in
...establishing the liaison
...9% of the sample the
...rican employees together.
...heir own. In fact from
...26 organisations had this
...kers' needs for a liaison
...main factor to management's
...er with African supervisors
...eneral meetings of all their
...sations had African employees
...ent of a liaison committee to

... committee did not partici-
...n 81,9% of the participating
... spondents reported that
...ed rather than appointed by
... ould candidates be nominated
... seniority. A representational
... 78,1% of the respondents,
while 40,2% required service (seniority) qualifications and 27,3% required a certain age limit. Voting was usually by means of ballot papers (57,1% of the respondents) or by a show of hands (33,4% of the respondents).

About 63% of the respondents reported that their liaison committees were elected for a period of one year while nearly 28% recorded a two-year period of office. In most instances, 72%, regular monthly committee meetings were held, but a further 12% met every two months and 5% quarterly.

There were 284 organisations which responded to a question as to why they had preferred a liaison to a works committee. The majority of 147 (nearly 52%) gave as their reason that the liaison committee was an 'anti-polarisation' device conferring benefits such as better guidance by management and prompt solution of problems, thus serving both parties' interests and improving two-way communication. In a further 38 instances (about 13%) either the liaison committee

---

32. Ibid, p.20.

RDM 15/12/78

259

Mrs Rhoodie hands over final payment

BY DON MARSHALL

MRS KATIE Rhoodie, wife of former Secretary for Information Dr Eschel Rhoodie, yesterday paid the final instalment for alterations to their recently acquired home in Bantry Bay, Cape Town.

The house, which was bought for R71 700 in August last year, underwent alterations costing more than R30 000 The work was completed about four months ago and tenants moved in immediately on a long lease, said to be five years

Mrs Rhoodie was visited yesterday at her home in Menlo Park, Pretoria, by Mr Clive Parkes, a Cape Town estate agent, who has been looking after the house on behalf of the Rhoodies

He has also acted as caretaker for a block of flats overlooking Cape Town's Clifton Beach which featured prominently in the recent Erasmus Commission report

The commission found that 10 of the flats had been purchased with Department of Information money through one of the department's front companies, Thor Communicators.

Mr Jan Van Zyl Alberts, managing director of SA Today, also owns flats in the Clifton block, known as Valhalla

Mr Parkes confirmed yesterday that he had acted on behalf of both Thor Communicators and Mr Alberts in looking after the flats.

Mr Parkes looked surprised when he was approached by a Rand Daily Mail reporter-photographer team as he was about to enter the Rhoodie home He had driven with his family to Pretoria from Cape Town the previous day to keep his appointment with Mrs Rhoodie.

"I have an appointment to finalise the financial situation in connection with the Bantry Bay house", Mr Parkes said as he left his car.

He had not handled the sale of the home, which took place about two years ago The house is registered in Mrs Katie Rhoodie's name

Asked why he should have been chosen by Dr Rhoodie to look after the administration of the Bantry Bay house, Mr Parkes said "He contacted me because of my architectural background. Dr Rhoodie wanted certain alterations done to the house and I have been overseeing the project."

The alterations were completed about four months ago, when the present tenants moved in.

When asked to comment on rumours that several luxury additions — such as the installation of gold taps — had been made to the house, Mr Parkes said "I want to make one comment The bathroom taps are not gold, as was reported, because I checked that They are brass and have already been replaced because they began to tarnish"

The cheque given to Mr Parkes yesterday by Mrs Rhoodie — said to be an amount of about R3 000 in "full and final settlement" for the work — was to be handed to the builders only after Mr Parkes was satisfied the work had been satisfactorily completed

Mr Parkes appeared before the Erasmus Commission and has also appeared twice before the Pretorius Committee. He made his first appearance in Cape Town and yesterday appeared for the second time at the committee's Pretoria venue, Kingsley Building



Mr Parkes, right, talks to Roy Devenish of the Rand Daily Mail.
Picture WILLIAM SAUNDERSON-MEYER

ation were that in
establishing the liaison
% of the sample the
ican employees together.
eir own. In fact from
organisations had this
ers' needs for a liaison
ain factor to management's
with African supervisors
eral meetings of all their
tions had African employees
t of a liaison committee to

committee did not partici-
81,9% of the participating
ondents reported that
rather than appointed by
ld candidates be nominated
niority. A representational
,1% of the respondents,
ns and 27,3% required a
allot papers (57,1% of the
ondents).

son committees were
orded a two-year period
committee meetings were
uarterly.

stion as to why they had
ty of 147 (nearly 52%)
'anti-polarisation' device
ent and prompt solution
improving two-way communi-
the liaison committee

AD 15/12/78 (259)

Muldergate and Watergate

DAVID WELSH, associate professor of Comparative African Government and Law at University of Cape Town, looks at some similarities and some differences in the two major scandals.

IT is a truism of politics that governments which have committed wrongs or allowed irregularities to occur will strive to cover up the traces

President Nixon headed one of the most corrupt administrations in American history.

Watergate was the climax of a series of sordid episodes in which burglaries were committed, political opponents were bugged or leaned on in disreputable ways, and funds were diverted for different purposes from which their donors had intended them.

Nixon himself was probably unaware of the specific plan to burglar the Democratic Party offices in Watergate, but his denials of involvement in the cover-up from an early stage were shown to be false Had he not resigned he would almost certainly have been impeached.

As yet we cannot say that crimes have been committed in the Information scandal, although there are strong indications that prosecutions will be instituted

Watergate arose out of efforts by the Committee to Re-elect the President (Creep) to discredit their Democratic opponents the Information scandal revolves, in the first place, around the misuse and abuse of public funds, and secondly, about respect for the conventions of the parliamentary system

In reading the literature about Watergate one is struck by the remorseless way in which Nixon's opponents (whose numbers grew rapidly) piled up indictment after indictment, and the way in which Nixon's evasions grew feebler and feebler At last the dam wall broke and he realised that he had no option but to resign.

Nixon's tactics to stem the flow of damaging evidence have suggestive parallels with the Nationalist Government's behaviour.

Nixon, for example, dismissed Special Prosecutor Archibald Cox in an attempt to stop his investigation Doesn't this sound strangely like the summary disbanding of the Mostert Commission and the attempt to place an interdict on Judge Mostert's releasing evidence?

Nixon assured the American people that his special counsel John Dean was conducting a comprehensive investigation of Watergate No such investigation was ever made

This may have parallels to the remarkable rôle which General Van den Bergh is alleged to have played, in which he seems to have seen his major rôle as saving Mulder and Rhoodie and misleading the opposition

Finally, Nixon justified his refusal to hand over the tapes in the name of "national security" and "executive privilege " For years now this has been a standard pretext for all kinds of high-handed executive action in South Africa.

It remains a moot point whether the dam wall will break in the Information scandal

In Watergate three crucial factors ensured that the cover-up would inevitably fail America's different structure of government with its built-in antagonism between executive and legislature and the fluidity of party lines which facilitated Republicans in joining the attack along with Democrats, the vigilance of its free press in general, and in particular the remarkable investigative journalism of the Washington Post, and thirdly, the testimony of John Dean, a White House insider, whose revelations in effect destroyed Nixon's credibility

It remains to be seen how the dam wall will stand up in South Africa.

So far the press has done a fine job but it operates in a far more constrained climate than its US counterpart

The Westminster system (or, rather, the authoritarian version that prevails in South Africa) makes it a good deal easier for the executive to protect itself

The American Congress likes to assert itself against undue encroachment by the executive, it could call its own shots in the Watergate inquiry, subpoena witnesses and grill them under the full glare of television

South Africa's legislature is Cabinet-controlled and has no comparable powers to initiate investigations of executive irregularities.

A major part of the problem in the Information scandal has been precisely the power of the Prime Minister to determine who shall investigate what

There was an important sense in which Watergate was a vindication of the American system However inefficient and creaky the machinery of government might be it was nevertheless able to assert itself and cut out the cancer that grew on the presidency.

South Africa's system of government has no such inherent curative antibodies The violations of administrative and parliamentary practices that have occurred are exceptional in their egregiousness but they are also symptomatic of a long erosion of the spirit of constitutionalism

In the American system the President is not above the law there are prescribed constitutional channels for impeaching him.

In theory SA's constitution contains comparable provisions, derived from the constitutions of the old Trekker Republics, but there is also the tradition of lase majesté, derived from the British model, which seeks to insulate and protect the head of state from the rough-and-tumble of political life

I can see no good constitutional reason why the former Prime Minister, Mr Vorster, should enjoy immunity from investigation or even invulnerability to censure if the administration of which he was political head corporatively condoned or committed irregularities, or engaged in a cover-up

I first heard rumours of the scandal well over a year ago I cannot believe that the then Cabinet or at least several key members did not at that stage have a very detailed knowledge of the irregularities

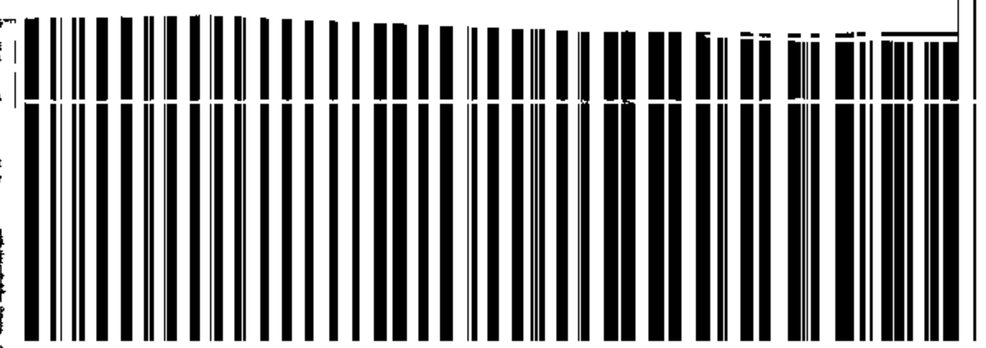
Does it not seem probable now that the early election last year had a great deal to do with the scandal?

Why have the investigative processes taken so long to be cranked up? How many members of the Cabinet knew that Dr Mulder was lying when he assured Parliament that there were no government funds behind The Citizen?

In short did the entire Cabinet know of an attempted cover-up?

In the Westminster tradition there is a concept known as the collective responsibility of the Cabinet

If it can be shown that by collective decision an effort was made to conceal the facts of the scandal from Parliament then the Government ought to resign



July 1978

42.

Between 1971 and 1976 white mining wages were approximately doubled while those for Africans quadrupled. The wage increase in average African earnings per month before August 1977, that is for the year 1976 to 1977, was R102,40, whilst for the year 1978 they increased to R115.(245) : But compensation payments for Africans have not been readjusted in proportion to the substantial increases in African cash wages.(246)

However, it should be borne in mind that since 1973, Africans have worked for shorter average periods. This has induced management to encourage Africans to return more frequently and to engage in mining on a full-time basis.(247)

41.

It is the 50 per cent increase which concerns the following calculations. On average wages for blacks in 1921 were 2.21s. per shift.(240) This means that their average monthly cash earnings were approximately £2.16.0. for a 26 shift month. During the same period the lowest average wage for an underground white miner was £30.(241) This means that the ratio of white to black underground earnings was approximately 10,7 : 1. Africans received an average compensation of approximately £47.16.8, while whites received a minimum of £270.

By 1973 Africans employed underground and whites received cash earnings of approximately R32 and R330 per month respectively.(242) At the same

Travel ban on Rhoodie wife?

DD 15/12/78 (259)

JOHANNESBURG — The Minister of the Interior, Mr Alwyn Schlebusch, and police yesterday refused to comment on unconfirmed reports that the passport of Mrs Katie Rhoodie, wife of the missing former Secretary of Information, Dr Eschel Rhoodie, had been withdrawn.

According to reports circulating in Pretoria, the passport of Mrs Rhoodie was withdrawn at the weekend by plainclothes policemen who visited the Rhoodie home in Menlo Park, Pretoria.

The withdrawal of her passport coincided with weekend reports that she was preparing to leave South Africa for a "quiet holiday" and had already booked her airline ticket

Dr Rhoodie's passport was withdrawn two weeks ago.

He is in hiding somewhere in Europe and although he should by now have surrendered his passport to the nearest diplomatic mission abroad, he has not yet surfaced overseas

The latest development could mean that he will be forced to return to South Africa if he is to be reunited with his wife and children, although it has not been suggested that their passports have been withdrawn.

According to reports, Dr Rhoodie was planning to travel to Santiago in Chile with the help of contacts in the United States

It has been established that a Pretoria lawyer, Mr Mervyn Gross, flew to

who returned earlier this week, planned to rendezvous with Dr Rhoodie in London or possibly another city in Europe.

Approached yesterday, Mr Gross, described as Dr Rhoodie's attorney of record, said that as an attorney he was obliged not to discuss the business of his clients.

"But you are quite free to approach Mrs Rhoodie," he said.

When it was suggested that passports other than that of Dr Rhoodie might have been withdrawn, he said he had not been approached as an attorney to represent anyone in this regard.

Officials at the South African Embassy in London, who have been on the lookout for Dr Rhoodie since his passport was withdrawn, have failed to make contact with him

They were said to be checking on Dr Rhoodie's plans to fly to South America.

Embassy officials said they did not even know if Dr Rhoodie was travelling on a South African passport and pointed out that even if he refused to surrender his South African passport, he would be able to remain legally in Britain

Registrar of Patents

Rhoodie overseas.

It could not be ascertained whether Mr Gross,

Last night, Mrs Rhoodie was said to be "not available." — DDC

Last instalment on house paid

JOHANNESBURG — Mrs Katie Rhoodie, wife of the former Secretary for Information, Dr Eschel Rhoodie, yesterday paid the final instalment for alterations to their recently acquired home in Bantry Bay, Cape Town.

The house, which was bought for R71 700 in August last year, underwent alterations costing more than R30 000 The work was completed about four months ago and tenants moved in immediately on a long lease, said to be five years.

Mrs Rhoodie was visited at her home in Menlo Park, Pretoria, yesterday by Mr Clive Parkes, a Cape Town estate agent, who acted as caretaker of a block of flats overlooking Cape Town's Clifton Beach which featured prominently in the Erasmus Commission report

The commission found that 10 of the flats had been bought with Department of Information money through one of the department's front companies, Thor Communicators

Mr Jan van Zyl Alberts, managing director of South Africa Today, also owns flats in the Clifton block known as Valhalla.

Mr Parkes confirmed yesterday he had acted on behalf of both Thor Communicators and Mr Alberts looking after the flats.

DD 15/12/78 (259)

Erasmus to call more businessmen

JOHANNESBURG — The resumed Erasmus Commission on January 15 will call a large number of businessmen because, "invariably, when there is corruption at this level there is connivance between businessmen and politicians," according to the chairman, Mr Justice Erasmus.

Judge Erasmus said this in an interview with the Financial Mail, in which he outlined the course which the judicial inquiry into irregularities in the defunct Department of Information intended following.

"The evidence now seems related largely to financial matters. A number of businessmen, in addition to those already called, will enter the scene We may find others too with blemished records," the judge said

When asked why there would be an extra five months to complete the work, Judge Erasmus said the commission could not simply accept what "is dished up to us"

To do justice they would have to explore all avenues, specifically the responsibility of the private people involved

This work could lead to further investigation by auditors and the commercial branch that might bring to light more substantial proof of irregularities, he said.

Judge Erasmus said certain political people were involved, but as far as he knew none of these were leaders

Commenting on his decision to release Gen Hendrik van den Bergh's evidence in response to the general's challenge, Judge Erasmus said "I think his evidence can be best described as extremely alarming." — DDC

Staff threaten to quit

LONDON — Following reports in newspapers here and in South Africa of how the Information Department tried to take control of the influential magazine, West Africa, emergency meetings have been held here by the magazine's editorial staff.

The upshot is that Mr David Williams, editor of West Africa since 1949 until earlier this year and still a director, has sent a memorandum to Mr Jon Kimche, London representative of the owners of West Africa, demanding Mr Kimche's resignation Failing this the whole editorial staff would resign

In spite of the fact that the management of West Africa has categorically denied allegations that the Information Department's attempt to take over the magazine was successful, the editorial staff is not satisfied about some important details. — DDC.

SA newspapers on British TV

LONDON — The front pages, headlines and editorials of the Rand Daily Mail and its associate newspapers were seen by millions here last night when a programme on the Information scandal was screened by Independent Television.

The programme "What the papers say" was devoted to the part played by the English-language press in uncovering the scandal.

Mr Donald Woods, former banned editor of the Daily Dispatch, presented the programme

Producer Brian Morris said they had sought to show the "amazingly courageous and determined efforts" made by the English-language press in exposing the clandestine efforts by the former Information Department to infiltrate the media in South Africa and overseas.

The programme comes at a time when international interest in the scandal had reached extraordinary proportions

It is customarily watched by opinion-makers and an elite audience — DDC.

Uitskei Pouse(s)

" "

" "

boer betaal

taal

)

ks)

gratis verskaf word nie)

waarde aan boer

waarde aan werker

12 RAND Daily Mail 13

FRIDAY December 15, 1978

Make amends to Judge Mostert!

(259)

THE high drama of the past ten days has obscured that disgraceful event of a bare month before: the sacking of Mr Justice Anton Mostert from his currency investigation.

The reason given at the time by the Prime Minister, Mr P W Botha, was the "evident and untenable difference between the Government's point of view and the action taken by Judge Mostert." By which he clearly referred to the judge's bombshell a few days before in exposing Information scandals, his intention to hold further public hearings, and the Government's patent desire to shut him up quickly.

There was even that extraordinary episode in which steps were being taken to seek a Supreme Court interdict because it was thought (wrongly) that the judge intended defying the Government by kicking more into the open.

Those who were the objects of Mr Justice Mostert's revelations were loud in their criticisms: his findings were "one-sided", they cried; wait for the "other side", for the full findings of the Erasmus Commission.

Well, since then we have had the benefit of the Erasmus report. And as we all know, it amply confirms everything that Mr Justice Mostert made public. Indeed, in many ways it takes the Mostert material vastly further, exposing even a greater and more staggering web of deceit and lying.

So Judge Mostert has been more than vindicated. He was an honest man outraged by what he was discovering. He served South Africa by telling what he knew.

What would have happened if he had not acted? Can anyone really claim that we would know as much as we do about the sordid story?

Mr Botha cannot go on as though the Mostert episode never happened. He needs to make amends. And the best and most graceful way for him to do so would be to invite Judge Mostert to join the Erasmus Commission for the next stage of its investigation.

n were that in
blishing the liaison
f the sample the
employees together.
wn. In fact from
ganisations had this
needs for a liaison
factor to management's
th African supervisors
l meetings of all their
ns had African employees
f a liaison committee to

ittee did not partici-
9% of the participating
ents reported that
ther than appointed by
candidates be nominated
rity. A representational
of the respondents,
and 27,3% required a
pt papers (57,1% of the
respondents) or by a show of hands (55,4% of the respondents).

About 63% of the respondents reported that their liaison committees were elected for a period of one year while nearly 28% recorded a two-year period of office. In most instances, 72%, regular monthly committee meetings were held, but a further 12% met every two months and 5% quarterly.

There were 284 organisations which responded to a question as to why they had preferred a liaison to a works committee. The majority of 147 (nearly 52%) gave as their reason that the liaison committee was an 'anti-polarisation' device conferring benefits such as better guidance by management and prompt solution of problems, thus serving both parties' interests and improving two-way communication. In a further 38 instances (about 13%) either the liaison committee

32. Ibid, p.20.

senses, stagnation existing in the reserves, it is difficult to condemn projects outright because they are inequitable. In this type of atmosphere they have some value just as occurances which set reactions in motion, even if an action might just be the [illegible] to reject them. They obviously have a certain con-

REFERENCES AND NOTES.

I. Christopher Board "The Rehabilitation Programme in the Bantu Areas and its effect on the Agricultural Practices and Rural Life of the Bantu in the Eastern Cape." South African Journal of Economics, 1964 p.37.

2. In many areas one third to half the people had no land ... even then.

259 The Star Friday December 15 1978 7

Rhoodie's R½-m answer to Superman

by Hugh Roberton
The Star Bureau

WASHINGTON — Former associates of a New York businessman alleged today that he had been paid more than R500 000 for providing illustrations commissioned by the Department of Information's secret printing and publishing empire in South Africa.

PAYMENTS

This new disclosure in the Information scandal is likely to be probed by the South African special investigators who will soon travel abroad to look into the department's overseas financial activities

The businessman, Mr Richard Manville, could not be reached for comment today, but it was alleged that he had received the money in regular monthly payments varying between R14 000 and R25 000 through Volkskas Bank in Pretoria.

Ostensibly, the money was from Afri-Comics, a front company for the Department of Information which was headed by Mr Johannes van Zyl Alberts, managing director of The Citizen, and which produced comic books aimed at black readers

Sources in New York say that the illustrations were for two comic books "Mighty Man" and "Tiger Ingwe," which used to be published by Afri-Comics monthly and which were printed by Kraft Press of Pretoria, another company headed by Mr van Zyl Alberts

COMPLICATED

According to artistic circles in New York, there was a complicated and mysterious system for producing the two comic books

The "story" was received from South Africa in written form, apparently from Afri-Comics Rough drafts of the illustrated version were then drawn up and sent to South Africa.

These were returned with numerous alterations to make the drawings more authentically South African. The American artists then drew up final proofs, which were again sent back to South Africa for approval.

"It was all a little like the Van der Merwe stories we used to hear from the South Africans we met," a New York artist familiar with the project said today. "You could not have found a more inefficient and costly arrangement if you had tried.

"There must have been hundreds of perfectly competent illustrations in South Africa who could have done the job right there."

CORRECTING

"Hardly a day went by without a proof coming back pointing out that this or that scene was just not South Africa, or that a particular scene was purely American, or correcting American spelling or grammar. It was just plain dumb from start to finish.

"It would have cost less than half as much to have sent all the American illustrators out to South Africa on contracts if they so desperately had to have Americans to do the job"

According to artists in New York, "Mighty Man" was a black South African police constable who was the terror of the tsotsis in Soweto and who performed heroic deeds heavily imitative of Superman.

"He used to dash into a telephone booth to change into his Mighty Man outfit, just like Superman," the artist said. "Then one day we read in the New York Times that there was only one public telephone in the whole of Soweto.

"Nobody in New York had realised that, and apparently the guys who used to correct the proofs in South Africa didn't know either A rather sad reflection."

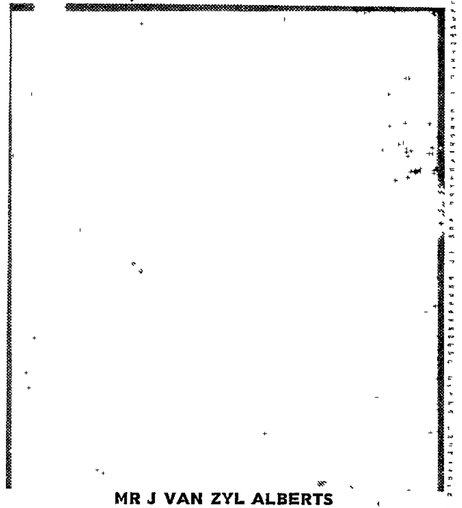
DIFFICULTY

American illustrators are said to have had great difficulty with "Tiger Ingwe", a character with the head of a tiger and the body of a man, who used to get up to Tarzan-like adventures against terrorists in the South African bush.

One of the artists said: "One day somebody at a party said 'Hey, they don't have tigers in Africa, so how come a tiger man has got a Zulu name?'

"The people who did the proof corrections in South Africa were not amused when this was pointed out to them from America, and Tiger Man continued"

Payment for the two comic strips was described by commercial artists in New York today as "magnificently generous".



MR J VAN ZYL ALBERTS

b) Board's survey of rehabilitation in the King William's Town District of the Ciskei in 1962 found that there was a high correlation between families selling cream and those with large arable holdings, good accessibility and more people in the family. Board. pg. 45.

. / ...

Sunday Express

JOHANNESBURG, DECEMBER 17, 1978 30c plus tax 1c Prices elsewhere on Back Page.

(259)

STATE MAY GRAB HORTORS SHARES

17/12/78 Sunday Express

259

Reserve Bank moves into the picture with intensive investigation

IN A dramatic new development on the Information Front there are now strong indications that the Government may seize the shares in the R9-million Hortors Group which were purchased by two top Johannesburg businessmen with foreign loans guaranteed by Dr Eschel Rhoodie, former Secretary of the defunct Department of Information.

To do so, it would have to seek a court application which, in itself, would be a move unprecedented in the history of commerce in South Africa.

This week the Reserve Bank moved swiftly into the picture — and began an intensive investigation into alleged foreign exchange contraventions in the successful takeover by Mr David Abramson and Mr Stuart Pegg of the R80-million-a-year Hortors publishing and printing network in South Africa.

Mr Abramson, who has left the country and is living in London, and Mr Pegg paid R8-million for the Hortors shares after engineering the operation with foreign loans backed 100% by the former Department of Information.

After reports last week in the Sunday Express and other newspapers detailing the extent to which Hortors had been involved with the Information Department, the Reserve Bank launched an immediate investigation into certain aspects of the foreign currency transactions involved in the Hortors takeover.

By KITT KATZIN

The Reserve Bank's foreign exchange division may also investigate the full circumstances surrounding the Abramson-Pegg purchase of 28% in the British publishing house Morgan-Grampian.

Last week the Sunday Express revealed that Dr Rhoodie had initially lent Mr Abramson and Mr Pegg R1 180 000 interest-free for a year to help them increase their shareholding in Morgan-Grampian by 8% — from 20% to 28%.

The Deputy Governor of the Reserve Bank, Dr Chris Stals, told me yesterday that the investigation into the Hortors deal would be completed next week and that he hoped to have a report ready at the same time for the Minister of Finance, Dr Owen Horwood.

A report would also be submitted to the Secretary for Finance.

While he said the Reserve Bank was not at this stage investigating the overall foreign currency dealings of the former Information Department, "we are certainly looking into certain aspects of the Abramson-Pegg takeover of Hortors".

He was particularly interested in the foreign exchange aspects related to this deal, and was investigating to establish if any contraventions had occurred.

Yesterday I learnt that the Government is expected to step in soon — and there is a strong possibility that it may, on the recommendation of the Reserve Bank, grab the controlling shares in the Hortors Group.

committees and we

the following sec

TABLE 3

Sector	
Manufacturin	
Services	
Commerce	

In fifteen organ

establishing the

(15%), and manag

(41%).

There was a tendency for older workers and those with lon

elected to these committees: in 80% of the organisations

restrictions whatsoever on the nomination of candidates,

were certain requirements, mainly to achieve equal depart

82% of the respondents reported that their works committ

period of one year. In most instances, 68%, regular mo

meetings were held, while a further 9% met weekly and 6% met at fortnightly intervals.

The most frequently mentioned reasons for choosing a works committee were that they were more effective than liaison committees, that they were more representative and acceptable to African workers, and that the workers preferred them.

In 1973 only three co-ordinating works committees[39] had been established.

Recognition of African Trade Unions

The Verster investigation indicated that while the majority of participating organisations with liaison committees (56%) were opposed to the recognition of African trade unions, the majority of those with works committees (68%) were in favour of recognising them.[40]

---

37. Op.cit. pp.91-4.

38. Ibid, pp.97-101.

39. Hansard 3 columns 160-1, 22 August 1973.

40. Op.cit. pp.66-8, 108.

Remarkable letter about the Info scandal

Sunday Times 17/12/78

259

A LEADING Afrikaans newspaper this week published a remarkable letter calling on those Government leaders who knew of the Information Department's actions without doing anything to resign

The letter, from reader T G Miller of Pretoria, was prominently displayed on the leader page of Beeld on Thursday. After expressing shock at aspects of the Parliamentary debate on the Information scandal, Mr Miller ends:

"I must now choose my words carefully, but I regard it my duty to say that we still have leaders that cannot with dignity fulfil the honour that the post they hold for South Africa demands.

"For too much has come to light which cannot be

BY IVOR WILKINS

denied I feel very distressed and heartsore about this, because as long as this situation prevails, this post will no longer have the same meaning and dignity for me." (In both paragraphs he talks of leaders, plural, but only of one post.)

Mr Miller expresses shock that the Assembly accepted a report which contained irrefutable evidence that "some of our leaders" had forgotten the Ninth Commandment: Thou shalt not bear false witness and that South Africa had a leader who knew, even heard, how the nation was lied to and did nothing about it.

"Someone, who in the Assembly gave false evidence that there was not a cent of public money in The Citizen, lies not only to the members of the Assembly, but to the people (volk) outside," he says.

He complains that the person that heard this knew better and had the power but made no effort to reduce the damage to South Africa.

"In the process of remaining silent, South Africa nearly had a Prime Minister who would have plunged the country into darkness (duisternis), because sinister people with sinister powers would have had to cover everything up behind the scenes".

38

State may seek to take over Hortors

Sun. Times 17/12/78

By STEPHEN MULHOLLAND

Government claim to millions of rands in profits and the ownership of the giant Hortors printing group is expected to be lodged.

The profits include more than R2-million now held abroad by two Johannesburg businessmen, Mr David Abramson and Mr Stewart Pegg, which was made on the sale of shares in a British publishing house, Morgan Grampian.

The money used to buy the shares in Morgan Grampian was guaranteed by the defunct Information Department. In addition, foreign loans raised for the R8-million takeover of Hortors were also guaranteed by the department.

The guarantees were arranged in terms of an agreement between a company controlled by the Abramson-Pegg partnership and Dr Eschel Rhoodie, the former Secretary of Information.

Official investigators now allege that Dr Rhoodie exceeded his authority and that the agreement was therefore illegal.

Steps

It is believed that recommendations based on this view will soon be put to the Government and steps will then taken to attempt to "recover" all profits and assets acquired as a result of the agreement.

Allegations have been made that Dr Rhoodie systematically misled the South African Reserve Bank.

It is said that he repeatedly assured bank officials that Mr Abramson and Mr Pegg were merely nominees of the Government and that ownership of a 20 per cent stake in Morgan Grampian (which later rose to 27,4 per cent) and ownership of Hortors was vested in the Government.

Investigations were carried out this week at the offices of the Abramson-Pegg partnership in Johannesburg and discussions also took place at Mr Pegg's home at Khyber Rock near Johannesburg.

The agreement between Dr Rhoodie and the businessmen called for the department to share equally in the net profits on any deals backed by guarantees arranged by Dr Rhoodie.

It is believed that the Reserve Bank was until recently not aware of the existence of the agreement and it is said that, had they known of it, they would have refused to grant Volkskas the authority to guarantee the foreign loans.

More Citizen staff sacked

RDM 23/12/78

259

Staff Reporter

SEVEN more members of The Citizen's accounting staff were retrenched this week.

The department will be left with only six of its original 19 staff at the end of January.

This was confirmed yesterday by two senior members of the newspaper's staff.

The latest staff cutbacks, effective from January 31, are believed to bring the total number of retrenchments this month to 123.

The latest retrenchments mean the accounts department will be short-staffed until the end of January, when The Citizen moves to Perskor's headquarters in Doornfontein, and existing Perskor staff take over some of The Citizen's administrative work.

"We will be struggling next month," a staff member said yesterday.

He believes the retrenchments from the accounts department were made in stages so enough staff would be available in January when The Citizen's books are audited in preparation for the move to Perskor.

The six remaining accounts staff members had all received letters of appointment from Perskor, but so far only two had accepted Perskor's conditions, he said.

"The others are firm that they are not 'going over,'" said the employee, who stands to lose over R100 a month if he signs a contract with Perskor.

Citizen staff have received a double cheque for December and up to now have been enjoying medical aid benefits without paying any contributions to the scheme.

The retrenchments had not dampened the staff's Christmas spirit, but jobwise they felt insecure, he said.

"You never know when the chopper is going to come down on you."

Another staff member said many of the people retrenched earlier this month had now been asked to stay on by Perskor.

"All 10 people retrenched from the marketing department have now received letters of appointment from Perskor," he said.

"I have a letter, but I don't know if I'll accept. Morale is a bit low here. There are still a lot of things hanging in the air," he added.

Mr Marius Jooste, managing director of Perskor, was not available for comment yesterday

ctice

generally employers have shown a marked preference ather than the works committee. According to the 18 liaison committees in existence at the end of ere non-statutory works committees which were efinition of 'liaison committee'. By the end of 773,[27] while at the end of 1974 the number had e liaison committees, 750 were located in the Natal (25,4%), 298 in the Cape (20,1%), and 58 in %). By May 1975, 1 751 liaison committees had been regist en-fold increase does appear remarkable.

In mid of the Personnel Research Division within the Depart sychology at the University of the Orange Free State, condu into the constitution and functioning of liaison and works survey included questionnaires addressed to 1 064 organ ect of liaison committees and he received a suitable respo 30%) employing 164 995 African workers covered by 437 liais organisations which participated in the investigation were ing industrial sectors:[31]

TABLE

Industrial Classification of Participants

Number of Organisations	%
257	79,0
9	3,0
9	3,0
13	4,0
27	8,0
11	3,0
326	100,0

26 December 1972 p.1145. Cited in: R. Verster, Liaison outh African Industry, Bloemfontein, U.O.F.S., 1974,p.9.

27 60-161, 22 August 1974.

28 91, 15 April 1975.

29 May 1975. Cited in: Muriel Horrell and Tony Hodgson, lations in South Africa, 1975. Johannesburg S.A.I.R.R.

30. Op.cit. pp.14-

31. Ibid, p.17.

21/11/78 (259)

Legal wrangle over The Citizen funds

By CAROL STEYN

BALANCE Sheets of SA Today (Pty) Ltd, the company which owns The Citizen newspaper, showing the unexplained disppearance of an accumulated loss of around R12-million, were handed into the Johannesburg Regional Court yesterday. The balance sheets formed part of the case for the defence when SA Associated Newspapers (Pty) Ltd, the editor of the Rand Daily Mail, Mr Allister Haddon Sparks and the deputy financial editor of the newspaper, Mr Hamish William Fraser, appeared before the chief magistrate of Johannesburg, Mr L P Francis, on a charge of having anticipated the proceedings and findings of the Erasmus Commission before it had reported to the State President

Both Mr Sparks and Mr Fraser pleaded not guilty to the charge, and Mr Sparks pleaded not guilty to the charge on behalf of the company.

According to the charge sheet the terms of reference of the commission announced in the Government Gazette of November 2, 1978 were to inquire into and recommend on any irregularities or the unlawful gaining of advantage by individuals or bodies or the misappropriation of public funds by the former Department of Information, or any person connected with that department; the mehtods and malpractises which were employed in connection with any irregularities, and steps to be taken to put an end to such practices as well as any action against any person or persons who were involved in such actions.

It was alleged that the commission had been requested to report to the State President before December 6th this year; provisions of the Commissions Act, No 8 of 1947 had been made applicable to the commission and regulations had been published with reference to the commission

The Rand Daily Mail published a report under the banner headline "Citizen R27m shock" on Wednesday, November 15, which anticipated the proceding and findings of the commission, it was alleged

At the start of yesterday's proceedings, the prosecutor, Mr J C H Jansen, SC, asked for a postponement of the hearing

A witness who had to give material evidence was a member of the commission enquring into alleged irregularities in the department of Infomation and was not available because of the heavy duties of the commission It was a material element of the charge that the accused had anticipated the findings of the commission before they had been made available to the State President, he said.

Mr S Kentridge, SC, for the defence, told the court that his instructing attorney had spoken beforehand to a member of the prosecuting team and had been assured that the case would go on

It could not have been any news to the prosecution that members of the Erasmus Commission would be busily occupied "I don't know why we should have been brought here in vain simply because a witness is busy My witnesses are also busy", he said

If all that the prosecution wanted the witness to say was that the finding had not yet been reported to the State President, presumably some minor official could easily be brought to court to give that sort of evidence, Mr Kentridge said "We all know that the Commission of Enquiry has not yet terminated its duties and reported to the State President," he said

After consulting Mr Kentridge Mr Jansen withdrew the application.

Mr Kentridge told the court that he was prepared to make certain admissions and Mr Jansen read them out

We won't testify

Witnesses refuse editor's defence

By Mike Cohen and Dennis Rink

Mr Jan van Zyl Alberts, managing director of SA Today (Pty) Ltd, owners of The Citizen, was subpoenaed to give evidence for the defence in a case against the Rand Daily Mail in the Johannesburg Regional Court today.

The case, before the Chief Magistrate of Johannesburg, Mr L P Francis has been brought by the State against Mr Allister Sparks, editor of the Rand Daily Mail, Mr Hamish Fraser, a deputy financial editor and against South African Associated Newspapers, the publishers

They are charged with offences alleged to have been committed as a result of the publication in the Mail last week of a story covering the funding of The Citizen newspaper

It was alleged Mr Sparks and Mr Fraser breached the Commission's Act by "wrongfully and unlawfully prejudicing and/or influencing and/or anticipating the proceedings and/or findings of the Erasmus Commission, and disseminated the said newspaper at a time when the said commission had not yet reported to the State President as to its findings"

Mr Van Zyl Alberts told the court he objected to giving evidence in the case because he did not want to reveal evidence before the Erasmus Commission.

Mr S Kentridge SC, for the Mail, said the court was not interested in the evidence which had been given to the Commission.

Legal advice

Mr van Zyl Alberts said Mr Kentridge did not know precisely what evidence had been given to the commission and asked to be allowed to contact a legal adviser

The magistrate allowed Mr van Zyl Alberts to stand down until 2 pm.

A Volkskas bank manager, Mr A J Pretorius, was also subpoenaed to give evidence concerning an overdraft given by Volkskas to SA Today.

Sub judice

He objected to giving evidence on the grounds that the evidence would be regarded as sub judice in the eyes of the Erasmus Commission.

Mr Pretorius was subpoenaed by the defence to answer questions relating to the overdraft and who was guaranteeing the overdraft He was also to tell the court whether the overdraft had been repaid and who was repaying the amount

Mr Pretorius' legal adviser said "the opinion of this witness is that he would be incriminating himself if he gave evidence The Erasmus Commission has the status of a Supreme Court and the witness is not legally in a position to answer in court or in camera any questions"

He requested that Mr Pretorius be excused from answering any questions at all until the Erasmus

To Page 3, Col 5

'MAIL' IN COURT

● From Page 6

early this month that she had attended a Press conference given by Mr Justice Mostert in connection with the commission over which he had been presiding

He had made public certain evidence given before the commission and had also made available documents handed into the commission. She had obtained copies of the documents, including the balance sheet and income statements of S A Today, the agreement between Mr L Luyt and Mr Alberts and another document concerning a loan from Mr Luyt to S A Today

This latter document concerned an original loan of R12-million an additional loan of R1-million, a grand prix loan of R220 000 and a repayment of R205 175.

Mr Justice Mostert also released to the Press copies of evidence given to the commission by Mr Luyt and a Mr du Preez

Mr Mostert allowed the Press to see the original and they were then given photostat copies

Miss de Villiers said she was aware of the commission presided over by Mr Justice Cilliers and that this commission has not yet reported to the State President Since its appointment the causes of the disturbances had been extensively discussed in most newspapers

Mr Jansen objected He could not see how this evidence could be relevant to the issue in this case It seemed as if Mr Kentridge wanted to make out that the accused in this case were scapegoats and wanted to say that one newspaper was picked out from the others.

Mr Kentridge: That was not my submission. I am leading this evidence because it is well understood that the appointment of a commission has never in South Africa been regarded as prohibiting discussion about the matter is issue.

Mr Jansen It is irrelevant If this had happened with that commission it has nothing to do with the one in issue

Mr Francis. It depends on the terms of reference of this particular commission.

Mr Jansen: That too.

Mr Kentridge then continued examining Miss de Villiers

the court that she had conducted a public interview with Minister Kruger about the causes of the Soweto disturbances. As far as she could recall the commission was still sitting at that time, she said.

The Erasmus Commission was appointed on November 3 and since then she had been a general reader of the Press in South Africa. Since then there had been fairly extensive publication relating to disclosures about the alleged misappropriation of public funds, she said.

Mr Kentridge handed into the court copies of Wednesday's issues of Beeld, Die Transvaler and the Rand Daily Mail. All of them published a statement by the Minister of Foreign Affairs relating to certain other secret expenditures by the Department of Information, he pointed out.

Miss de Villiers said that this information was also published by other newspapers and by the SABC

In cross-examination Mr Jansen asked her if any of these reports in her opinion anticipated the findings of the Erasmus Commission

Mr Kentridge. This is a legal question. I called her as an expert in journalism. The only expert in law in this court is the court itself

Mr Jansen asked no further questions and Mr Kentridge said he had no further witnesses other than Mr Alberts and Mr Pretorius

Mr Streicher said it was not possible for him to continue yesterday afternoon

Mr Francis: The court ruling is that it is prepared to grant the application for postponement

When the court reconvened Mr Pretorius and Mr Alberts were called but Mr Alberts did not appear

It is a misunderstanding, Mr Streicher said.

Mr Francis pointed out that he had not been excused He hoped there would be no further misunderstandings, he said

He postponed the hearing to December 13 and asked Mr Pretorius that if he had to give evidence before the Erasmus Commission to make copies of his documents available for the court in case he had to hand the documents into the commission

Just before the court adjourned Mr Alberts came into the courtroom and the same request was put to him by Mr Francis.

The hearing was then postponed to December 13



Mr Jan van Zyl Alberts, right foreground, speaks to his legal advisers outside the Johannesburg Magistrate's Court yesterday. Mr Van Zyl Alberts was subpoenaed to give evidence relating to alleged Government funding of The Citizen, but he refused.

Mr Kentridge admitted that South African Associated Newspapers was a corporate body, that SAAN was the proprietor and printer of the Rand Daily Mail, that Mr Sparks was the chief editor of the Rand Daily Mail and a servant of SAAN, that Mr Fraser was a reporter of the Rand Daily Mail and a servant of SAAN, that the Commission of Enquiry has not yet terminated its proceedings and has not yet reported its findings to the State President, and that Dr Connie Mulder had been Minister of Information and Dr Eschel Rhoodie, Secretary of Information and thus connected with the Department of Information.

Mr Kentridge said that in view of the admissions made and the cutting down of a charge in terms of the further particulars it was not necessary to address the court at the start of the case otherwise than to say that his clients would not contest publishing the article. Their defence would be that the article did not constitute an offence, he said

Major Marthinus Johannes Nel, of the South African Police Commercial Branch in Pretoria, told the court that he went to the offices of SAAN in Main Street, Johannesburg on Wednesday, November 15th The purpose of his visit was to see the persons responsible for writing and disseminating a certain article On his arrival he was met by Lt Col Smit and was introduced to Mr Fraser. In Lt Col Smit's presence Mr Fraser handed to him copies of the Rand Daily Mail of November 15 containing a report headed "Citizen R27m shock". One copy was of the morning final edition, and the other of the late final edition, the latter marked "Proof Copy Not For Sale", he said

Both copies had the article as the main front page report.

He and Lt Col Smit then went to the office of Mr Sparks who told him he was the editor

After introductions he talked to Mr Sparks and Mr Fraser about the report and said he wanted to establish who the writer was and where the original notes were from which the report was compiled

Mr Fraser voluntarily admitted he was the reporter after he told him that he was investigating an alleged contravention of regulations published in the Government Gazette.

He was told that Mr Fraser only had very rough notes and that the information on which the report was based had its origin in evidence given before the Mostert Commission.

Mr Sparks took part in the conversation, Major Nel said He asked him if he had authorised the report and Mr Sparks replied that he was editor and responsible for everything published in the newspaper. He said that voluntarily, Major Nel said.

It was a formal conversation but carried on in a frank spirit, he told the court

Cross-examined by Mr Kentridge Major Nel said that the Mostert Commission was a one-man commission appointed to investigate certain alleged irregularities regarding the Department of Information

He knew that evidence given before the Mostert Commission had been available to the Press

Major Nel told the court that he regularly read the Sunday papers, Sunday Times and Rapport. During the week he read the Pretoria News.

He remembered that on our about November 3 the daily papers published the evidence released by Judge Mostert He saw the Rand Daily Mail on that day and read the article headed by the words "It's all true," he said

Mr Kentridge: According to your evidence Mr Sparks was the one who said that the origin of the report in the Rand Daily Mail of November 15 was the evidence released by the Mostert Commission

Major Nel: Correct. Both Mr Sparks and Mr Fraser referred to the report as having its origin in evidence released by the Mostert Commission

Mr Kentridge: Do you also remember that Mr Sparks told you what Judge Erasmus himself had told him?

Major Nel. Mr Sparks mentioned to me that he had been called to the offices of Judge Erasmus in connection with the evidence given before the commission.

Mr Francis. Which evidence?

Major Nel: The evidence before the Mostert Commission.

Major Nel said he understood from Mr Sparks that after talking to Judge Erasmus the judge said he had not really needed to see him — but the evidence had been given before the Mostert Commission and not the Erasmus Commission

Mr Sparks then said something he could not quite remember. As far as he did remember he said that the evidence given before the Mostert Commission should not cross the road of the evidence given before the Erasmus Commission

Mr Kentridge: That is what he understood from Judge Erasmus?

Major Nel: That is what he said he heard from Judge Erasmus.

Mr Kentridge then referred to a report which appeared in Beeld of November 16 under the heading "Connie and team at commission".

He read from the report as saying that the Rand Daily Mail's view was that it published only evidence given before the Mostert Commission and that that evidence had been made available by Judge Mostert.

"I don't know where Beeld got this from. I did not give the information to Beeld or any reporter," Major Nel said

He had given the information to a member of the Attorney General's office as well as to some police officers, he said. He had not been in contact with members of the Erasmus Commission

Mr Kentridge: Why did you start this investigation?

Major Nel I was ordered to by Major General Visser.

Mr Kentridge Is it a continuous investigation into all reports published by all newspapers about the Department of Information?

Major Nel It was not put to me like that. I was ordered to investigate the two reports in question in this case

Mr Kentridge: Did you also investigate Mr Sparks' explanation?

Major Nel. No.

Mr Kentridge: Did you

● To Page 5

a very important, usually very destructive, role.

As with all organisations, committees and groups, these power struggles are based on personality clashes and peoples emotional desire for power, jealousy, etc. In the reserves these conflicts are set within the context of the various patron - client relationships operating. There are certain local patron figures involved with most, if not all, the community projects I came across. They play a very important role in the support and

COMMUNICATIONS FM 22/12/78 (259)

De Klerk — good buddy

Posts & Telecommunications Minister F W de Klerk's shrewd move on citizen band (CB) radios will save the police a lot of trouble while adding to PO revenue with minimal effort or outlay. His decision to legalise the CB fad instantly creates a new local retail market expected to run at R25m-plus annually.

Hours after De Klerk's announcement giving nine channels to the CB fraternity one radio dealer said: "Our phone hasn't stopped since dawn. They've gone mad."

Since the *FM*'s first report of growing CB popularity in SA *(Business Brief* November 3) hundreds of low-power illegal broadcasters have been arrested and thousands of rands worth of transceiving equipment confiscated. It was not making the police very popular and only scratching the surface of unlicensed CB usage.

By opening up the 27,185 Mhz to 27,275 Mhz frequencies, the PO can expect to gross at least another R200 000 annually, simply by issuing R10 relay licences to the thousands of potential "good buddies" (CB jargon for users) who will pay between R100 and R500 for sets to get on the air.

The nine allocated channels will be congested in urban areas. On the Reef, pirate broadcasters were overloading the 40 channels they used illegally before the police crackdown. For the moment good buddies are pleased but De Klerk can expect gently pressure next year for more airspace.

If all the good buddies keep the wavelengths clean (no bad language and more time spent on giving real assistance than alerting each other to speed-traps) they will have a fair case when asking for another nine channels

shall be spent,

as been stated

[illegible] who know the price

e of nothing.

e Day Hospitals Organisation. It was

e have 16 centres and our health teams

alf million items of service a year,

ly 2% and at a cost of only 4% of the C.P.A.

for the area.

rileged to have seen the effect, like a

a comprehensive service in our community

:s show. The birth rate which was one of the

dropped from 32 in 1968 to 23 per 1000. I

to motivate our patients of the importance of

sychological times as during pregnancy and

with the sick pre-school child.

ity rate for the white and coloured community

of the population of Cape Town is 22 per 1000

a society which does not allow abortion on

w infanticide of unwanted infants.

economically, required that no one should

one less qualified can carry out as competently.

is undertaken by members of a health team.

:-

Medical Practitioners (full and part time)	58
Nursing Staff (including district sisters)	213
Midwives (staff nurses and assistant nurses)	40
Social Workers	17
Physiotherapists	16
Occupational Therapist	(1)
Radiographers	15
Pharmacists	31
Patients	±600,000

J.A.Smith

1. Intro

There sonably detailed employment projection for the
minir been published. This was contained in Professor
R.P. al address in 1974 to the South African Institute
of Mi 30 We propose to approach the making of our
own p osition and evaluation of Professor Plewman's
earl fort. We do not have Professor Plewman's
tech is access to detailed technical and production
info ual mines - and so it seems sensible to use his
work ing adjustments that may be required by infor-
mati he 3 to 4 years that have elapsed since he
comp

2. The

Prof erives some estimates of the future rates of
proc nerals mined or quarried in South Africa. The
futu 1980 and 2000. He then considers the 'balance
of ologies' likely to be used for each mineral in
the ssumptions
for s branches
of various
bra r worker
pro

2.1 individual
sociated

.

ts together
d lead with
lewman's
llows (in
61 167,

C H A

EMPLO

Its name recurs throughout, the information saga and it was involved in arranging loans for
d the Information front company, Thor Communicators, and once sent a letter to Mr Louis Luyt about financing for 'The Citizen.'
There was a standing order at Business Press International that any call

LUYT LETTER

This company, a subsidiary of the Union Bank of Switzerland, was closely involved in arranging financing for Information projects.

Zurich.
This company, a subsidiary of the Union Bank of Switzerland, was closely involved in arranging financing for Information projects.

Thesaurus Continental Securities Corporation of
Thesaurus Continental Securities Corporation of
banking enterprise —
with the mysterious Swiss
have a close relationship
tional also continues to
Business Press Interna-
trying to sort them out

Business Press International is now in Paris
Business Press International has run into
severe management problems and a director of

PROBLEMS

However, the magazine

two men's main operating company

The French magazine operation was not part of the Hortors deal, but functions separately under the control of Business Press International — the

The magazines concerned are Vacances (started by the two men) and Marie Nouvelles. They are published in Paris

acquire, another.
The magazines concerned
acquired, or attempted to
launched and the two men
A new magazine was

Using profits made from loans guaranteed by the former Department of Information, Mr David Abramson and Mr Stuart Pegg made a start in setting up their proposed international publishing empire in France.

By Kevin Stocks

Abramson

empire

into profit

floated

Mr Pegg has revealed that he and Mr Abramson were introduced to Thesaurus by the Department of Information

From Thesaurus was to be put straight through to Mr Abramson.

RDM 21/12/78

259

Info planned to bring out top authors

Staff Reporters

LONDON. — The defunct Department of Information planned to spend about R500 000 to fly a group of international bestselling authors to South Africa for a spectacular multiracial book fair

It is believed that South African embassies throughout the world were to recruit them.

The scheme foundered at about the same time that the Information scandal burst into the open

The Information Department's shopping list of authors included Alex Haley, black American author of "Roots", Frederick "Day of the Jackal" Forsyth and Heinrich Boll, the German writer who won the Nobel Prize for literature in 1972.

Stanley Uys of the Rand Daily Mail's London Bureau spoke this week to Mr Gordon Thomas, one of the writers approached Educated in South Africa, he is a cousin of the late Welsh poet, Dylan Thomas. His bestsellers include "Ruin from the Air".

Speaking from his home in Ireland, Mr Thomas said the idea of taking foreign writers to South Africa for the fair was first put to him late last year by Miss Ronelle Henning, the information attache at the South African Embasssy in London.

She asked him to sound out the idea among other authors living in Ireland — a tax haven for writers and other artists

The original suggestion was that the fair would be held under the auspices of the South African Booksellers' Association and not the Government, he said

But in a letter on June 22 this year, written on embassy notepaper, Miss Henning suggested that the Department of Information might pay the air fares and expenses.

Mr Thomas said the whole idea grew out of a conversation he had with Miss Henning in London late last year. He had just returned from South Africa where he had been promoting "Ruin from the Air".

"She said something to the effect, 'Wouldn't it be nice if foreign writers like you could come to South Africa and help educate us to improve our ways'.

"Out of the conversation grew the idea from her that perhaps the Booksellers' Association would mount a book fair in Johannesburg

"When she asked me to sound out other writers I asked if she was suggesting this on behalf of the Government. She said no

"She later telephoned me several times and said the matter was going ahead In a letter she wrote while I was in America she mentioned her director, Chris van der Walt

"On June 22 she wrote rather a remarkable letter, bearing in mind that I thought the whole thing would be done under the auspices of the Booksellers' Association

"This letter was written on embassy notepaper and suggested that the Department of Information might pay fares and expenses.

"I had the impression they were planning to fly out a Jumbo-load of international writers Heinrich Boll's name had been mentioned"

Mr Thomas circulated the letter to other authors and asked what they thought

"We all said — hey, this looks like the Government So we decided to wait and see what developed

"When I spoke to her on the phone in August or September I asked her what it was going to cost us She said: 'We have no problem with money — they're very wealthy'. I suggested half a million rand and she said 'Yes, probably at least half a million'

"At about the same time I wrote to Mr John Donaldson, president of the Booksellers Association He wrote back saying the association knew nothing about the fair That's when we became extremely alarmed."

Miss Henning insists that the idea for the book fair had came from Mr Thomas, who had raised it with her when she met him in London. He wanted it to be multiracial and multinational.

After April the idea fell away She had informed Pretoria of the proposal and they thought it was a good idea, but never undertook any financial involvement

Although Mr Thomas claimed the letter written to him on June 22 was from Miss Henning, was on embassy notepaper and had been seen by at least 20 of his colleagues, Miss Henning said: "This letter does not exist on our files"

Brian O'Flaherty of the "Mail" Pretoria Bureau put Mr Thomas's statement to Mr Andries Engelbrecht, director for the Bureau for National and International Communications, which has replaced the now defunct Department of Information

Mr Engelbrecht replied "This is absolute news to me There is no record of such a project to my knowledge or the knowledge of the Pretorius Committee"

The Pretorius Committee evaluated the secret projects of the Information Department

Mr Engelbrecht said: "I took over in November and because of pressure of work haven't had time to go into things that didn't come off It could have been a normal guest programme that they contemplated or something to be financed by secret funds

"It didn't come off and it seems to me like a state funded guest programme which was a normal function of the Department"

They seek him here . . .

By Staff Reporter

FACED by a complete lack of official information on the whereabouts of the former Secretary for Information, Dr Eschel Rhoodie, newspaper speculation has run amok with suggestions of his location

Yesterday morning three different newspapers revealed he was in three different places — London, France and Paraguay.

The Rand Daily Mail reported it had definite information that Dr Rhoodie was in London — based on information that his attorney, Mr Mervyn Gross, went there for a rendezvous with the missing former Secretary

Tip-offs on the whereabouts of Dr Rhoodie have continued unabated Callers, most of them anonymous, have even hinted that he has returned unheralded to South Africa.

The Department of the Interior and the Minister of the Interior, Mr Alwyn Schlebusch, who took the unusual step of confirming that Dr Rhoodie's passport and that of his brother, Deneys, had been withdrawn, are now keeping silent.

Despite all the speculation, some of it from overseas, no-one has to date confirmed any sighting of Dr Rhoodie since he left South Africa after completing his evidence before the Erasmus Commission on November 18.

Let us be honest and state plainly ... months before the ... elections.

FM 22/12/78 (259)

INFO BRIEFS

Former Information Secretary Eschel Rhoodie and several South Africans who appear to have become expatriates since the Info scandal assumed serious proportions, may have their assets blocked if they don't return, the *FM* learns Though the Reserve Bank would not comment on individual cases, a spokesman confirmed its right under certain circumstances to freeze the assets of people leaving the country who are involved in legal actions

"If Mr X is involved in a fraud case, for example, and decides to leave the country, he becomes an emigrant," a spokesman explained "In this case his commitments here could be defrayed from his estate, and the person or institution to whom money is owed becomes the beneficiary."

*

Hortors' partner Stuart Pegg contracted several armed bodyguards as "insurance" after news of the Information partnership with Hortors was published last week The bodyguard staking out the headquarters of Business Press International, where Pegg has his office, told the *FM* he was carrying a gun "Just call me Louis," he said Pegg says the precautions were "insurance" against punitive action by a former government VIP, now in some disgrace

*

The Reserve Bank, in concert with the CID, has recovered a number of "very important" documents hidden by Business Press International, on instruction from Hortors and BPI boss David Abramson, currently in London. According to a spokesman for the bank, certain evidence is now being collated by the investigating team and CID and the matter will be referred to the Attorney-General The concealment of the documents in the ladies' toilet in the Bank of Lisbon Building, is seen by the Reserve Bank as "disturbing and suspicious" in the extreme. The documents relate to Hortors and deals done by that company's two top executives with the defunct Department of Information.

*

The Treasury is concerned about its chances of recovering all the money deposited on Dr Eschel Rhoodie's instructions in numbered Swiss accounts. Should Rhoodie have used one of the non-SA passports he is reported to have in his possession to open the accounts, the authorities admit candidly they "simply don't know" what their chances of retrieving the money amount to. In the case of those accounts opened by Rhoodie using his SA passport, the situation may be materially different and the authorities may be able to act.

*

The incident that started the Info expose was a chance meeting between former Auditor-General Gerald Barrie, and one of the Rhoodie brothers at Lisbon Airport. The Rhoodie concerned told Barrie he had been spending some time in Lisbon on his way back from an assignment in Paris .. but Barrie, who had been at the Paris Embassy for two days, asked why he hadn't seen the Info executive at that office The nature of his reply was such that Barrie alerted his staff

*

The government's partner in the *Citizen*, Louis Luyt, whose commitments to the Exchequer are currently being investigated by the State Attorney on the recommendation of Judge Erasmus, flew to London with his family last Thursday According to a spokesman for his company, Triomf, Luyt will be back in SA on December 29. Meanwhile the cynics are asking why Luyt, Eschel Rhoodie, David Abramson, and Stuart Pegg have all converged on the British capital.

*

Louis Luyt's financial fundis believe he will be able to meet claims from the State Attorney for money he owes the government, even if he demands the whole whack of more then R10m. "Louis' net worth will allow him to raise the finds from normal means," a source close to Luyt said this week. He concedes, however, that this could present a number of difficulties. "But don't expect Luyt to sell his holding in Triomf (which owns 49% of Triomf's operating company) to AECI in order to get the necessary cash. The chances of that are precisely nil."

*

Government men will almost certainly ask for tougher legislation to prevent those criminally involved in the Info affair from leaving the country. As a Reserve Bank spokesman put it "The case is without precedent in SA legal history." The normal procedures, it appears, are regarded as hopelessly inadequate because if a person is charged he's entitled to bail.

*

Speculation is mounting over how Louis Luyt raised over R4m in July last year to meet his share of the R8m cash injection required by Triomf, which had serious liquidity problems at the time. Asked whether Luyt had used Info money, Triomf executive Philip Clarke — known as "Dodger" to his friends — replied. "In my opinion, the answer is no. That R4m really came from the proceeds of the sale of Louis' jet."

It has been said that historians of [illegible] overwhelmed by the spectacular break-throughs and technical wonders wrought by the fruitful marriage of medicine and the scientific method, and overlook some of our human and equally difficult accomplishments in the organisation and

/delivery of health ....

Info planned to bring famous writers to SA

DD. 19/12/78

259

LONDON — One of the more ambitious secret schemes planned by South Africa's Information Department was to fly a star-studded group of best-selling writers, including some from Ireland's tax haven for artists, to a multiracial national "book fair" in Johannesburg.

According to one of the Ireland-based writers approached by the Department, the scheme envisaged a "jumbo-load of authors," including the writer of "Roots," Alex Haley

The main purpose was to persuade 15-20 internationally - known authors to attend the fair, scheduled for the summer of 1978-79. The Department undertook to pay the air tickets and accommodation, and the cost was estimated at R825 000, including the hire of the venue

The writers were expected to attend book - signing sessions, lecture at workshops and on university campuses, and generally be in the public eye.

Most approaches to writers in Ireland came from the South African embassy in London. All contact with them ended in late September, presumably as a result of the Information scandal.

Irish-based writers claim the South African embassy had a shopping list of names, including Alex Haley's namesake, Arthur Haley, Frederick Forsyth ("Day of the Jackal"), Robert Elegant ("Dynasty"), J. P. Donleavy, Catherine Gaskin, disaster-writer Gordon Thomas, Richard Condon and others.

The intention was also to approach, through South African embassies, well-known European writers, including Germany's Heinrich Boll, who reportedly agreed to attend.

Letters written by a South African embassy official in London, circulating among writers in Ireland, confirmed the Department's intention to "get the fair off the ground," in spite of opposition from the South African Booksellers Association, which suspected propaganda.

The reluctance of booksellers to take part first frightened off writers. Miss Gaskin refused pointblank to take part, because of her opposition to apartheid.

One of the writers, Gordon Thomas, was educated in South Africa and initially saw the fair as a way of breaking down barriers, but later demanded certain conditions before attending, mainly that the fair be multiracial. Now the plan appears to have been abandoned.

Meanwhile, at a Progressive Federal Party meeting in Johannesburg yesterday, Mr Japie Basson called for the resignation of the government, for a new, fair election in South Africa, and for the removal from public office of all government men involved in the misuse of taxpayers' funds

The Prime Minister, Mr P W. Botha, had started his premiership by promising a "clean administration." If public confidence was to be restored, there would have to be a clean slate, Mr Basson said.

At another public meeting in Johannesburg yesterday, Dr Zach de Beer, MP for Parktown, said it would be unavoidable and essential for South Africa in the New Year that investigation into the former Department of Information be resumed on a large scale.

It seemed clear there were going to be prosecutions, and it would be very surprising if the Erasmus Commission in further sessions did not produce very important evidence, he said. — DDC-SAPA.

NM 19/12/78

259

Police seize missing files in Hortors raid

Mercury Correspondent

JOHANNESBURG — A Reserve Bank inspector and police yesterday retrieved files and documents which were hidden from investigators last week at an office run by the owners of Hortors, Mr. David Abramson and Mr. Stuart Pegg.

NM
19/12/78
259

Mr Jan Senekal, deputy general manager of the Reserve Bank, yesterday said most of the documents — hidden in a women's toilet at the offices of the company, Business Press International Pty. Ltd. — had been recovered.

He confirmed that Reserve Bank inspectors investigating alleged contraventions of Exchange Control regulations in the take-over of Hortors visited the office last Friday.

Business Press International is a holding company owned by Mr Abramson and Mr Pegg. Its offices are on the 22nd floor of the Bank of Lisbon building in Sauer Street.

Mr. Senekal said he was told yesterday that files and company books relating to the take-over were hidden by a staff member and that he immediately instructed his inspectors to investigate the matter, reports Sapa.

The house of the suspected person would also be searched.

Abuses

Mr Senekal, who is also head of the Reserve Bank's exchange control division, said there would be a thorough investigation of the transactions which preceded the Hortors take-over.

If abuses were discovered they would be brought to the attention of the police and an attempt would be made to recover any funds involved.

Mr. Abramson and Mr Pegg bought Hortors with loans guaranteed by the defunct Department of Information.

● Mr. Lucas Molete, editor of the newly launched Hortors Black magazine, *Pace*, yesterday "suspended with immediate effect" his involvement with the magazine "until the whole issue is cleared to my satisfaction."

Mr. Molete would not say whether he had resigned, but said he would return to the magazine "if it was purged of any undesirable element and a Government link."

plated".

Referring to the Erasmus Commission's finding that Dr Eschel Rhoodie had raised five foreign loans totalling about R15-million, Dr De Beer said he had been trying for weeks to get an answer from the Government on a question to which there seemed to be only two possible answers

"Either the evidence given to the commission and accepted by them was false, and these loans were never raised, or someone made it possible for Dr Rhoodie to raise them.

"In the latter case the public must be told who helped to raise the loans and what the money was used for In the former case there will have to be some very fancy explaining of the evidence given by three witnesses and accepted by the commission."

Another similar problem was how Messrs Abramson and Pegg had been able to deal in securities rands

"I see that Dr Stals of the Reserve Bank has been quoted this morning as saying that South African residents are prohibited from using the securities rand market, and that it seems that both these gentlemen were South African residents for exchange control purposes"

If that was the case, how had they been able to use the securities rands market, Dr De Beer asked

"Again there would seem to have been some mysterious hand enabling people to do what is normally understood to be impossible."

Even more important from the public's point of view was whether and to what extent the Government had instituted a "cover-up exercise"

Dr De Beer said he believed the Opposition was justified in saying that the Government had been aware of the facts not later than November 1977

"Yet, as the commission points out, when Mr Vorster retired as Prime Minister 10 months later, The Citizen was still running, still losing some R400 000 a month and still being financed by the Government with taxpayers money.

"I suggest that to that extent at least there was a serious cover-up in which the Government was involved," he said. — Sapa

Basson calls for cleanup and election

RSM 19/12/78 259

THE resignation of the Government, a new, fair election in South Africa and the removal from public office of all "Government men" involved in the misuse of taxpayers' funds, was called for yesterday.

"We, the public, are totally justified in calling for the resignation of the Government and a new, fair and honest election." Mr Japie Basson said at a meeting of the Progressive Federal Party in Johannesburg.

Mr Basson, M P for Bezuidenhout, was speaking at a report-back meeting on the recent session of Parliament to debate mis-appropriation of funds by the former Department of Information.

"We are also justified in calling for the removal, or the disappearance from public office, of all Government men who were implicated in The Citizen affair and the misuse of taxpayers' funds." Mr Basson said

The Prime Minister, Mr P W Botha, had started his premiership by promising a "clean administration".

If public confidence was to be restored, there would have to be a clean slate, Mr Basson said.

"In Parliament Mr Botha was asked whether he could give the country the assurance that there is nobody left in his Cabinet who had, knowingly, co-operated in thh deed of misleading Parliament and the public as far as the establishment of The Citizen was concerned.

"He failed to give the assurance"

The public was also justified in calling for the resignation of the former Prime Minister, Mr B J Vorster, from the office he now occupies, Mr Basson said

"Mr Vorster has been promoted to the position of State President at the most convenient time in his political career He cannot now, politically, be called to account for the facts such as The Citizen, which he definitely knew about at least a year to 18 months ago," Mr Basson said.

"Where in the world have you ever seen a government entrusting millions in taxpayers' cash to a few officials to set up bogus companies by the score, here and abroad?"

Ministers who must have known and heard about the misuse of taxpayers' money had suddenly no tongues, and had all joined the new club of "Know-Nothing", Mr Basson said

Of all the Cabinet Ministers in Mr Vorster's administration, the former Minister of Information, Dr Connie Mulder, was left standing alone as the only scapegoat.

"He (Dr Mulder) certainly is guilty of gross incompetence and negligence." Mr Basson said

If Dr Mulder had become Prime Minister, power would have "flowed to the Mulder, Van den Bergh and Rhoodie axis — and the great cover-up would have continued", he said — Sapa.

Info probe 'must go on'

IT WAS unavoidable, and essential, for South Africa that the investigation into the former Department of Information be resumed on a large scale in the New Year, Dr Zach de Beer (PFP, Parktown) said yesterday.

He told a public meeting in Johannesburg that it seemed clear there were going to be prosecutions, and that it would be "very surprising" if the Erasmus Commission did not produce very important evidence after its forthcoming sittings

Dr De Beer said it was not possible to say with any confidence who would be prosecuted But it was known that attorneys-general were looking into a number of aspects of the commission's findings with an eye to certain very large civil claims

He said these might include a claim against Messrs David Abramson and Stuart Pegg flowing from the Hortors deal and against Messrs Jussen and Alberts, in connection with The Citizen.

There was also the possibility of action against General H J van den Bergh — former head of the Bureau for State Security — for contempt of the Erasmus Commission

Whether Dr Eschel Rhoodie was going to return to South Africa was "anybody's guess at this stage", Dr De Beer said. But Dr Deney's Rhoodie was in South Africa and it would seem that some action at least against him is

For minor ailments, 18 and V
Milk for child 13 packets for 3 ...
-30,22
A small amount is a
That listed consist
Health Departmen
Telephone calls and
depreciation or the e
gas and paraffin and
included in the list
These and the addi
approximately.
Services rendered
Deliveries at home or
Deliveries in citie
Ante natal and postnat
Home visits (general

The projections in the s really concern us.

2.3.1 According ur force employed in the mini the end of the century - by o 1980) and by between 35 ar the end of the century (197(some of the measurements im es.

TABLE 26:

	Labour force	ease since %)	Annual rate of increase since 1970 (% p.a.)	Annual rate of increase since 1980 (% p.a.)
1970	640 833			
1980 Tot_1	761 000		1,73	
1980 Tot_2	775 900		1,93	
2000 Tot_1	863 800	5	1,00	0,64
2000 Tot_2	999 600	8	1,49	1,27

In relation to histo ecent decades, these figures represent a return i (though not a full return) to the relatively rapid gro ent in the 1950s - after the much slower employment gr They envisage an average annual growth of employment a 1,7 and 1,9 per cent per annum; the 1950s achieved 2 experienced 0,6 per cent per annum. In the post-1980 dec return to (on the lower estimate) a 1960s-type growth- 0,6 per cent per annum; the higher estimate implies 1,3 per cent per annum - somewhere between the 1950s rate and the 1960s, and quite close to the average annual rate for the combined 1950s and 1960s period (viz. 1,4 per cent per annum).

2.3.2 In the precious minerals group there are two developments of interest. i) Gold-mining, after maintaining its 1970 level through to 1980, drops away strongly in the two decades after 1980 and by the year 2000 its labour-force has declined to slightly less than one-quarter of its 1970 - 1980 level. (This projection rests on the low probability that there will be further substantial discoveries of payable gold-bearing ore.

Hortors' hidden documents found in toilets

CAPE TIMES 19/12/78

259

Own Correspondent

JOHANNESBURG. — A Reserve Bank inspector and police yesterday retrieved files and documents which were hidden from investigators last week at an office of Hortors' owners, Mr David Abramson and Mr Stuart Pegg.

Mr Jan Senekal, deputy-general manager of the Reserve Bank, yesterday said most of the documentation — hidden in the women's toilets at the offices of the company, Business Press International Pty Ltd — had been recovered

He confirmed that Reserve Bank inspectors investigating alleged contraventions of exchange control regulations in the takeover of Hortors, visited the office last Friday

Business Press International is a holding company owned by Mr Abramson and Mr Pegg.

Mr Senekal said he was told yesterday that files and company books relating to the takeover were hidden by a staff member

The house of the person suspected of concealing the documents would also be searched

Mr Senekal, who is also head of the Reserve Bank's exchange control division, said there would be a thorough investigation of the transactions which preceded the Hortors takeover

If abuses were discovered, they would be brought to the attention of the police and an attempt would be made to recover any funds involved

Mr Abramson and Mr Pegg bought Hortors with loans guaranteed by the defunct Department of Information

Editor quits Hortors

CAPE TIMES 19/12/78

259

Own Correspondent

JOHANNESBURG — Mr Lucas Molete, the editor of the newly-launched black magazine, Pace, yesterday suspended his involvement with the magazine

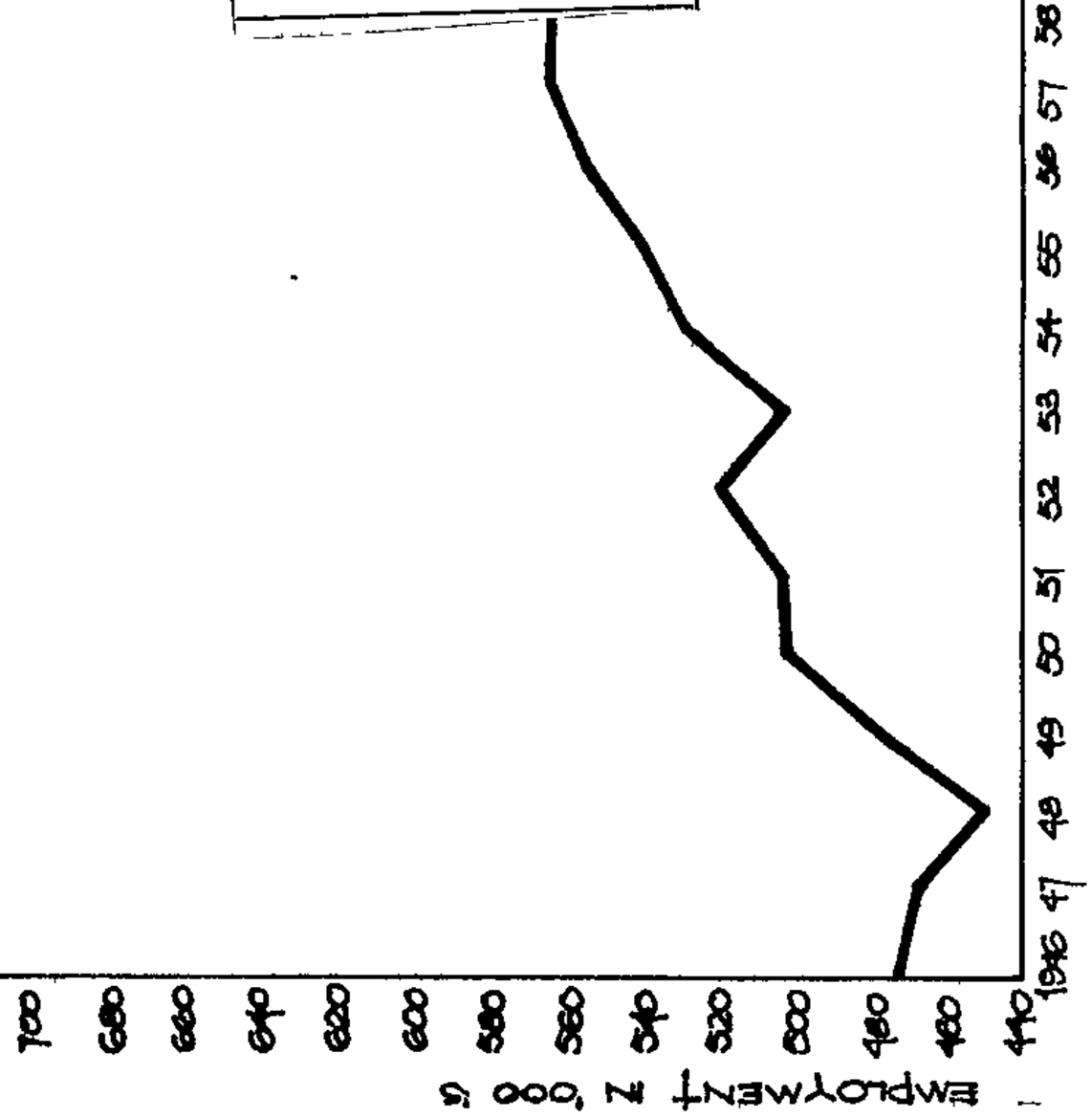
The magazine is owned by Hortors, the group which has been bought with funds guaranteed by the former Department of Information

"In view of recent developments concerning the involvement of Hortors' directors, David Abramson and Stuart Pegg, with the Department, I have decided to suspend my involvement with Pace magazine with immediate effect, until the whole issue is cleared to my satisfaction.

"I must emphasize that, had I known of the two senior executives' involvement, I would never have accepted a position with the magazine," Mr Molete said

He would return to the magazine, if it was "purged of any undesirable element and Government links"

GRAPH 12 : TOTAL EMPLOYMENT IN ALL MINES



Chapter 1

1. Gold
2. Empl
3. Empl
4. Empl
5. Empl
6. Empl
7. Empl
8. Emp
9. Emp
10. Emp
11. Emp
12. Tot

Chapter 2

1. Int
2. The

2.1 Output projections

2.2 Mining technologies and technical change 61

2.3 Employment projections 62

3. Assessment of the Plewman projections 67

3.1 Output projections, 1970-1980 67

3.2 Assumptions about (or projections of) technical change in mining, 1970-1980 75

3.3 Employment projections, 1970-1980 77

3.4 Projections 1980-2000 A.D. 87

RAM 20/12/76

259

Rhoodie: new R3m mystery

By TONY STIRLING

THE FORMER Secretary for Information, Dr Eschel Rhoodie — who is definitely in London according to information received yesterday — may have access to more than R5-million of his now-defunct department's secret funds.

The Rand Daily Mail learnt yesterday that the meeting between Dr Rhoodie and Pretoria attorney Mr Mervyn Lewis, who is said to act for Dr Rhoodie, was definitely

TABLE 5: OUTPUT, EMPLOYMENT AND PRODUCTIVITY ON THE COAL MINES: 1946-1977

Year	Output (1000 metric tons)	Employment	Output (tons) per worker
1946	23 602	51 643	457
		51 184	459
		49 865	482
		52 457	486
		54 827	483
		54 780	486
		63 161	444
		56 026	508
		56 474	519
		59 428	540
		59 723	563
		62 372	557
		65 848	563
		66 997	544
		66 307	576
		70 294	563
		72 073	573
		72 777	583
		76 449	588
		80 858	599
		82 239	583
		78 186	631
		78 561	658
		76 201	692
		75 742	721
		76 307	769
		75 338	776
		73 438	849
		73 992	893
		76 897	903
		83 814	919
		96 919	881

DD 20/12/78 (259)

Hortors man overseas

JOHANNESBURG — Mr Stuart Pegg, a director of the Hortors group, left here on Saturday for overseas, his wife said yesterday

His departure came shortly after Reserve Bank inspectors started investigations into exchange control contraventions by Hortors

It was believed Mr Pegg had gone to London to bring back to South Africa another director of the company, Mr Dave Abramson.

Mr Abramson left South Africa before the findings of the Erasmus Commission were made known

Mr Jan Senekal, the deputy manager of the Reserve Bank's exchange control regulations department, said his department had been aware Mr Pegg had intended leaving for London on December 27 "and that was the reason why we stepped up investigations."

Reserve Bank inspectors had visited Business Press International — of which Mr Pegg and Mr Abramson are directors — last Thursday and Friday

Mr Senekal said Mr Pegg was due back in South Africa tomorrow.

"We will be very unhappy if he does not return"

Mr Pegg's wife said her husband had left "for a few days' rest after the tension of the past few days"

She referred all further queries to her husband's father, Mr Peter Pegg.

Mr Peter Pegg, who works in the same office as his son, said he did not know files had disappeared from the office.

The managing director of Hortors, Mr Maurice Parrington, said Mr Pegg had not told him he was leaving He doubted Mr Pegg had left South Africa on the Hortors plane. It was in America.

Reserve Bank inspectors paid another visit to the offices of Business Press International in Braamfontein yesterday. They recovered more documents. — SAPA.

Rhoodie may hold 3 passports

RDM 18/12/78 (2)

By BRIAN O'FLAHERTY

DR ESCHEL Rhoodie, the former Secretary for Information whose South African passport has been withdrawn, may be carrying three other passports.

According to reliable Pretoria sources it is strongly believed that Dr Rhoodie and other people involved in the Department of Information scandal carry more than one passport.

There has been speculation that Dr Rhoodie may have three passports besides his South African one — including one from a South American state and another from a black state neighbouring South Africa.

The Rand Daily Mail learnt that Dr Rhoodie's son, Eschel, 15, flew to Israel only two days before the passport of Dr Rhoodie's wife, Mrs Katie Rhoodie, was withdrawn.

Security Police have kept Dr Rhoodie's luxury home in Menlo Park, Pretoria, under surveillance since he left the country after testifying before the Erasmus Commission.

It is not clear whether Eschel is joining his father in Israel, though Dr Rhoodie has taken his children to Israel before.

Eschel is a Standard Eight pupil at one of South Africa's top schools — Grey College, in Bloemfontein. He was taken out of the school before the end of the term and left South Africa on December 7. Two days later two policemen seized Mrs Rhoodie's passport.

Dr Rhoodie's passport was withdrawn earlier this month along with that of his brother Dr Deneys Rhoodie, the former Deputy Secretary for Information.

A spokesman for the Minister of the Interior, Mr Alwyn Schlebusch, said last night there would be no comment on the issue of Dr and Mrs Eschel Rhoodie's passports.

Abramson is angry

Own Correspondent

LONDON. — Mr David Abramson, chairman of the Hortors group, yesterday responded angrily to South African reports that the State may seize Hortors, bought by him and Mr Stuart Pegg with foreign loans guaranteed by the defunct Department of Information

The Reserve Bank is reportedly investigating alleged foreign exchange contraventions in the deal.

Mr Abramson said in London the Reserve Bank was welcome to any evidence he had.

"I have had about enough of this nonsense. It's gone too far," he said.

passed, or it was company policy to have one, or
ify for a works committee. About 26 (9%) gave
level of education among their African workers
ith a system of negotiation, while a further 12
mittees on the advice of outside agencies such
the Steel and Engineering Industries Federation
nced the reason that works committees resemble
his is not quite correct for the differences between
rade union are more marked than the similarities.
late the fear of collective bargaining which
an the Verster survey indicates. Yet another
t liaison committees are consultative rather than
, I believe, the crux of the matter. The disparity
and works committees established since the 1973
te that management perceives its interests to be
ntrol through consultation. Whether this is

ce

on of works committees. In January 1973 there
stituted works committees throughout the Republic[33]
hat year these had increased to 31.[34] At the end
committees had reached 207[35] and of these, 98
ansvaal,61 (30%) in the Cape, 45 (22%) in Natal, and
information put the number at 239 in May 1975, a
e over two years.[36]

The Verster investigation collected less satisfactory data on these committees than it had on liaison committees. This was due in part to the fact that management is not represented on a works committee and in many instances was not able, therefore, to complete the questionnaire satisfactorily. In some cases, apparently, the works committee members viewed the questionnaire and its purpose with suspicion. In June 1974 questionnaires were sent to 124 organisations of whom only 34 responded. These 34 had established 41 works

---

33. Hansard 7 columns 485-7, 20 March 1973.
34. Hansard 10 columns 632-4, 10 April 1973.
35. Hansard 10 column 691, 15 April 1975.
36. Rand Daily Mail, 22 May 1975. Cited in: Muriel Horrell and Tony Hodgson. Op.cit. p.212.

CAPE TIMES 18/12/78 (259)

Govt has lost support — poll

Political Correspondent

THE Information scandal had cost the government significant support, particularly that of English-speaking or young voters, according to an opinion poll published in Rapport yesterday.

The poll indicated that 13,3 percent of those who said in October they would vote for the National Party would not do so if an election were to be held now

The survey was commissioned from Mark en Menings Opnames immediately after the special parliamentary session on the Information affair on December 7 and 8

Among its findings were that the vast majority of Nationalist's held Dr Connie Mulder personally responsible for the irregularities in his former Department of Information and strongly disapproved of public money being used to finance the Citizen

Since the last poll in October, National Party support had fallen from 66,9 percent to 58 percent; Progressive Federal Party support had risen from 13,7 percent to 18 percent, and New Republic Party support had risen from 5,7 percent to 9,9 percent

English-speaking support dropped from 31,6 percent to 19,3 percent, support in the 16-24 age group from 70,8 percent to 58,4 percent and support among women from 67,3 percent to 56,6 percent

The survey reported the confidence of National Party supporters or potential supporters had been shaken considerably "with the implication that the cabinet cannot avoid collective responsibility for the wrongs in a particular department"

● In a letter in the same issue, a Klerksdorp reader said the Information scandal showed thinking Afrikaners that their leaders could sometimes have feet of clay and that the English-language press could sometimes expose the truth

---

27.

and the period of exposure likely to cause pneumoconiosis exists. The relative toxity of a series of dust particles has been worked out experimentally, but can serve only as a guide.

In some cases, standards determined by international organisations are applied in South Africa, but the Commission points out that the formulation of standards and threshold values for industries requires the greatest accuracy and care, not only for the protection of the worker and the public, but "also becuase they have financial implications that may have serious and sometimes disastrous consequences for an industry". (p.76)

The Department of Health will have to consult various bodies before carrying out industrial health projects. They will have to secure the best possible co-operation with employer organisations, White trade unions, local authorities, voluntary organisations, industries, International bodies and safety organisations.

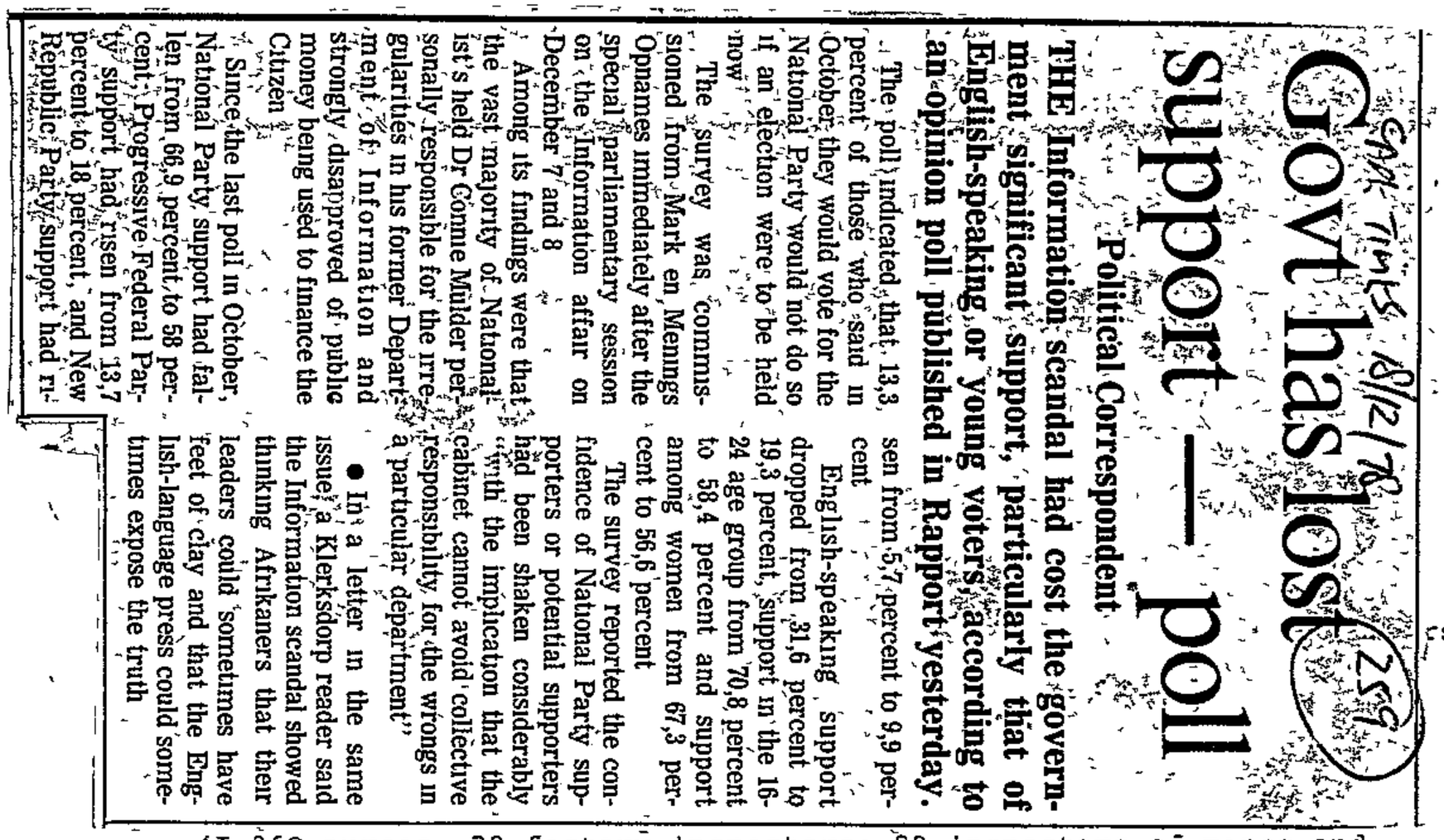
The Commission thus recommends that 3 new branches of the Department of Health be created: 1) Industrial Health Inspectorate Branch.
2) Legal Advisory Services Branch.
3) Industrial Health Development Branch in which NRIOD can be incorporated.
(See p.78 for table.)

Chapter XXI. Sanctions.

Commission recommends that industrial courts not be created. Existing legislation deals adequately with health and safety. The maximum threshold values for different substances should only serve as guides; thus litigations and prosecutions will be largely eliminated.

The "over-hasty enforcement of sanctions" is seen as unnecessary; rather "advice, persuasion and warnings" should be used. If sentences are necessary for contraventions of industrial health legislation, they should be as "constructive" as possible - i.e. suspended sentences.

The industrialist should have the right of appeal. A system of licensing should be introduced to promote industrial health. The issue of a permit or licence can be refused/withdrawn if certain



---

41 960 nurses; 32 factory inspectors; 82 inspectors of mines and quarries; 5 agricultural inspectors; 1 chief officer, assisted by 5 senior inspectors for air pollution control; 10 radiation inspectors; 159 safety officers; 5 industrial hygienists; 400 audiometrists.

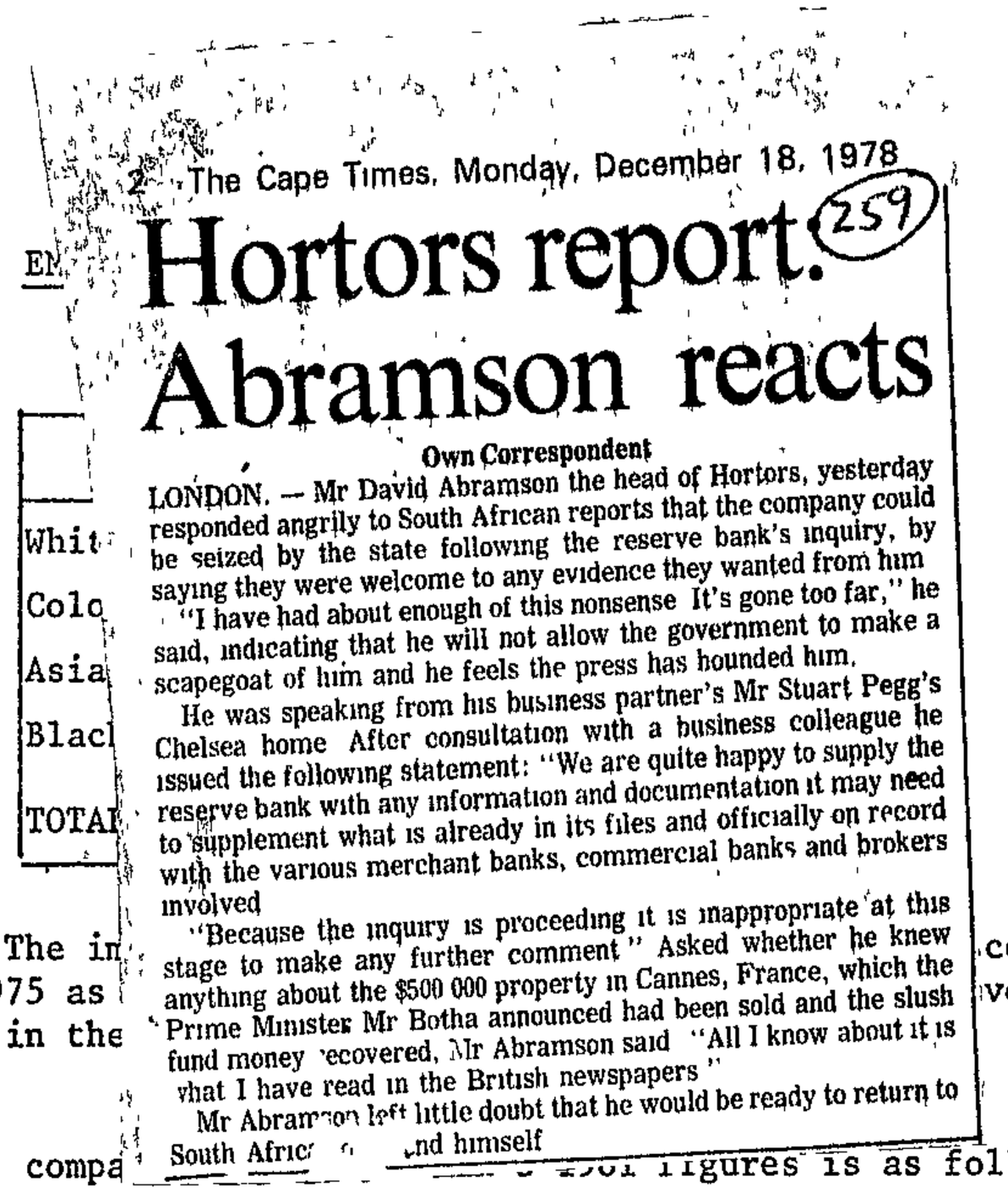
The Commission recommends that consideration be given to the training of the following staff: safety officers, industrial health nurses; industrial physicians, industrial hygienists and industrial health inspectors.

Chapter XXIV. Nature and Content of New Legislation.

If overall control for industrial health is vested in a single authority, there should be one principal Act called the Industrial Health Act. This should contain a main theme on general principles of industrial health. The tenor should be 'constructive', rather than 'prohibitive'. The objects of the Act would be to provide for the health of workers in industry; to protect persons other than industrial workers against health hazards arising from industrial activity; for control over storage, transportation and use of explosives and other hazardous substances.

The Industrial Health Act would cover all workers in industry who would otherwise not be covered by other specific provisions in Act. Its general duties would be the initial cornerstone of inspection work. The general duties of employers would be to protect "as far

TABLE 38: EM



2 The Cape Times, Monday, December 18, 1978

Hortors report. (259)

Abramson reacts

Own Correspondent

LONDON. — Mr David Abramson the head of Hortors, yesterday responded angrily to South African reports that the company could be seized by the state following the reserve bank's inquiry, by saying they were welcome to any evidence they wanted from him

"I have had about enough of this nonsense It's gone too far," he said, indicating that he will not allow the government to make a scapegoat of him and he feels the press has hounded him.

He was speaking from his business partner's Mr Stuart Pegg's Chelsea home After consultation with a business colleague he issued the following statement: "We are quite happy to supply the reserve bank with any information and documentation it may need to supplement what is already in its files and officially on record with the various merchant banks, commercial banks and brokers involved

"Because the inquiry is proceeding it is inappropriate at this stage to make any further comment" Asked whether he knew anything about the $500 000 property in Cannes, France, which the Prime Minister Mr Botha announced had been sold and the slush fund money recovered, Mr Abramson said "All I know about it is what I have read in the British newspapers"

Mr Abramson left little doubt that he would be ready to return to South Africa himself

Whit

Colo

Asia

Blac

TOTA

Note: The in course by having 1975 as vel of employment in the

The compa figures is as follows: his figures for 1980 are 761 000 (3 per cent rate of growth of domestic demand)and 775 000 (5 per cent rate of growth of domestic demand) which became 774 165 and 790 875, respectively, when projected for another year at the 1970's projected employment growth rates. The EDP figure (based on 5 per cent domestic GDP growth) of 783 000 falls into the middle of the range between Plewman's figures (however this is a little fictitious because the EDP is using in service and Plewman uses at work figures. The relevant projected range using in service figures would be 799 000 and 816 000 above the EDP figure).

Of course the EDP scenario for 1976-81 involves rates of growth far higher than those assumed by Plewman - who is interested in decade averages and assumes smoother progress. It is important to understand the grounds for the EDP's 'optimism' for the late 1970's. They report that the share of mining in real GDP dropped from an average of 11,3 per cent in 1961-65 to an average of 8,8 per cent in the 5 years 1971-75. They maintain that these are "strong indications, however, that it will rise over the programming period, at a rate of 5,8 per cent per annum. This growth should be concentrated mainly on entry into the export markets, particularly for iron ore and coal. The expected strengthening of the share of mining in the South African economy is mainly related to the development of the export projects at Saldanha Bay and Richard's Bay". (p.21, Economic Development Programme 1976-81, summary).. In addition mention is made of energy problems which have created a renewed interest in South African coal

Calls for swoop to recover Info cash

Political Staff

CAPE TOWN. — The Government should move fast against any individuals who might be held personally liable for losses of millions of rands of the State, resulting from the information debacle, Opposition spokesmen said at the weekend.

Mr Brian Bamford, MP for Groote Schuur and Cape leader of the Progressive Federal Party warned that unless speedy action was taken documents might be destroyed and funds might be transferred out of the country or hidden overseas.

His warning was supported by Dr Zac de Beer, MP for Parktown and Opposition spokesman on finance.

Mr Bamford said senior Ministers and officials of some departments in the Vorster administration could be made personally liable in terms of the law for the repayment of millions of rands illegally spent and transferred from one department to another.

He has challenged the Government to state whether an attempt was being made in terms of the Exchequer and Audit Act of 1976 to recover the money and if not, why not.

A section provided for recovery of losses caused by irregular payments and the Prime Minister, Mr P W Botha, could take one step immediately. He could refer the Erasmus Commission's report and evidence given before it to the Government's law advisers for their considered opinion as to which persons and which transactions might be covered by this section.

In terms of the Act, according to Mr Bamford, a person became personally liable if he was in the employment of a department of State and caused loss or damage.

es that labour productivity in
cted by technical change
here is no defence of this

ays that he has assumed an
ut a reversion to block-caving
bour productivity implications
clear: in fact diamonds are
e same way as copper and
num (see below) i.e. employment
rations connected with changes

luctivity in gold and platinum
ades. In this deep-level,
offsetting the steady general
istry against the decline in grade
tance of gold-mining as an
platinum output over time,
ption.)

ictivity as a result of technological
her' minerals - but there is not
of what the assumption is. The
tables of employment projections.

2.3. Employment projections

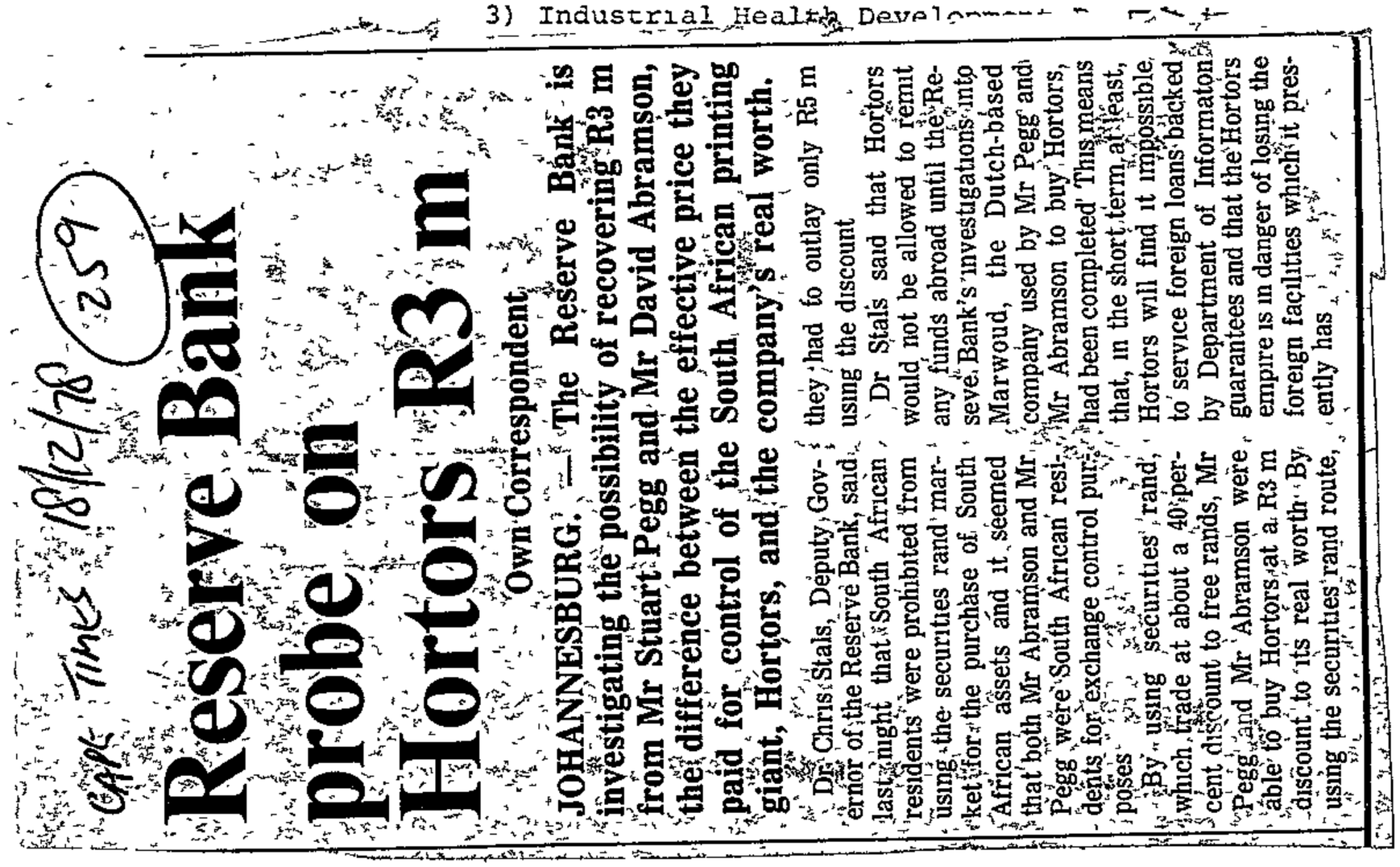
Having established estimates of future output levels and of future changes in labour productivity (resulting from changes in techniques), Plewman is able to work out the employment implications of these projections. These are usefully presented in two stages: first, 'labour requirements of the minerals industry assuming no change in technology or average grade' and, secondly, these 'labour requirements ... adjusted to take account of changes in technology'. (Tables 24, 25, p.63).

and the period of exposure likely to cause pneurocoriosis exists. The relative toxity of a series of dust particles has been worked out experimentally, but can serve only as a guide.

In some cases, standards determined by international organisations are applied in South Africa, but the Commission points out that the formulation of standards and threshold values for industries requires the greatest accuracy and care, not only for the protection of the worker and the public, but "also becuase they have financial implications that may have serious and sometimes disastrous consequences for an industry". (p.76)

The Department of Health will have to consult various bodies before carrying out industrial health projects. They will have to secure the best possible co-operation with employer organisations, White trade unions, local authorities, voluntary organisations, industries, International bodies and safety organisations.

The Commission thus recommends that 3 new branches of the Department of Health be created: I) Industrial Health Inspectorate Branch.
2) Legal Advisory Services Branch.
3) Industrial Health Develo[illegible]



Cape Times 18/12/70 250

Reserve Bank probe on Hortors R3 m

Own Correspondent

JOHANNESBURG. — The Reserve Bank is investigating the possibility of recovering R3 m from Mr Stuart Pegg and Mr David Abramson, the difference between the effective price they paid for control of the South African printing giant, Hortors, and the company's real worth.

Dr Chris Stals, Deputy Governor of the Reserve Bank, said last night that South African residents were prohibited from using the securities rand market for the purchase of South African assets and it seemed that both Mr Abramson and Mr Pegg were South African residents for exchange control purposes.

By using securities rand, which trade at about a 40 per cent discount to free rands, Mr Pegg and Mr Abramson were able to buy Hortors at a R3 m discount to its real worth. By using the securities rand route, they had to outlay only R5 m

Dr Stals said that Hortors would not be allowed to remit any funds abroad until the Reseve Bank's investigations into Marwoud, the Dutch-based company used by Mr Pegg and Mr Abramson to buy Hortors, had been completed. This means that, in the short term, at least, Hortors will find it impossible to service foreign loans backed by Department of Information guarantees and that the Hortors empire is in danger of losing the foreign facilities which it presently has

conditions pertaining to industrial health are not complied with. But licensing should be applied selectively. Licensing is necessary for control of factories, storage of hazardous substances and chemcials, hazardous processes and industrial activities.

Chapter XXII: Trained Staff Required for the Successful Promotion & Chapter XXIII: of Industrial Health.

If the Department of Health is to carry out its new functions with respect to industrial health, it is clear that trained industrial health staff are absolutely essential.
Except for first aid assistants, industry, at the moment, is making very limited use of safety officers, nurses and General Practitioners. There are no industrial health nurses and very few industrial health inspectors.
At the moment the following health staff could be profitably employed in industry: 6 300 G.P.'s; I 275 health inspectors; 4I 960 nurses; 32 factory inspectors; 82 inspectors of mines and quarries; 5 agricultural inspectors; I chief officer, assisted by 5 senior inspectors for air pollution control; IO radiation inspectors; I59 safety officers; 5 industrial hygienists; 400 audiometrists.
The Commission recommends that consideration be given to the training of the following staff: safety officers, industrial health nurses; industrial physicians, industrial hygienists and industrial health inspectors.

Chapter XXIV. Nature and Content of New Legislation.

If overall control for industrial health is vested in a single authority, there should be one principal Act called the Industrial Health Act. This should contain a main theme on general principles of industrial health. The tenor should be 'constructive', rather than 'prohibitive'. The objects of the Act would be to provide for the health of workers in industry; to protect persons other than industrial workers against health hazards arising from industrial activity; for control over storage, transportation and use of explosives and other hazardous substances.
The Industrial Health Act would cover all workers in industry who would otherwise not be covered by other specific provisions in Act. Its general duties would be the initial cornerstone of inspection work. The general duties of employers would be to protect "as far

and the period of exposure likely to cause pneumoconiosis exists. The relative toxity of a series of dust particles has been worked out experimentally, but can serve only as a guide.

In some cases, standards determined by international organisations are applied in South Africa, but the Commission points out that the formulation of standards and thresnold values for industries requires the greatest accuracy and care, not only for the protection of the worker and the public, but "also becuase they have financial implications that may have serious and sometimes disastrous consequences for an industry". (p.76)

The Department of Health will have to consult various bodies before carrying out industrial health projects. They will have to secure the best possible co-operation with employer organisations, White trade unions, local authorities, voluntary organisations, industries, International bodies and safety organisations.

The Commission thus recommends that 3 new branches of the Department of Health be created: I) Industrial Health Inspectorate Branch.
2) Legal Advisory Services Branch.
3) Industrial Health Development Branch in which NRIOD can be incorporated.

(See p.78 for table.)

Chapter XXI. Sanctions.

Commission recommends that industrial courts not be created. Existing legislation deals adequately with health and safety. The maximum threshold values for different substances should only serve as guides; thus litigations and prosecutions will be largely eliminated.
The "over-hasty enforcement of sanctions" is seen as unnecessary; rather "advice, persuasion and warnings" should be used. If sentences are necessary for contraventions of industrial health legislation, they should be as "constructive" as possible - i.e. suspended sentences.
The industrialist should have the right of appeal. A system of licensing should be introduced to promote industrial health. The issue of a permit or licence can be refused/withdrawn if certain

Cape Times 18/12/78

Rhoodie may be travelling on a foreign passport

259

Own Correspondent

Dr Eschel Rhoodie, the former Secretary for Information whose South African passport has been withdrawn, may be carrying three other passports.

According to reliable Pretoria sources it is strongly believed that Dr Rhoodie and other people involved in the Department of Information scandal carry more than one passport.

There has been speculation that Dr Rhoodie may have three passports besides his South African one, including one from a South American state and another from a black state neighbouring South Africa.

The Cape Times has also learnt that his wife, Katie's passport has been withdrawn and that his son Eschel, 15, flew out of South Africa for Israel only days before this was done.

Security police have kept Dr Rhoodie's luxury home in Menlo Park, Pretoria, under surveillance since he left the country after testifying before the Erasmus Commission of Inquiry into the affairs of the defunct Department of Information.

It is not clear whether Eschel junior is joining his father in Israel, but it is known that Dr Rhoodie has previously taken his children to the country during their last school holidays he left them with friends there while he disappeared into Europe. It is possible that Eschel junior may be staying with Dr Rhoodie's friends.

Eschel left South Africa on December 7 Two days later on the Saturday night two policemen seized Mrs Rhoodie's passport

41 960 nurses; 32 factory inspectors; 82 inspectors of mines and quarries, 5 agricultural inspectors; I chief officer, assisted by 5 senior inspectors for air pollution control; IO radiation inspectors; I59 safety officers; 5 industrial hygienists; 400 audiometrists.
The Commission recommends that consideration be given to the training of the following staff: safety officers, industrial health nurses; industrial physicians, industrial hygienists and industrial health inspectors.

Chapter XXIV. Nature and Content of New Legislation.

If overall control for industrial health is vested in a single authority, there should be one principal Act called the Industrial Health Act. This should contain a main theme on general principles of industrial health. The tenor should be 'constructive', rather than 'prohibitive'. The objects of the Act would be to provide for the health of workers in industry; to protect persons other than industrial workers against health hazards arising from industrial activity; for control over storage, transportation and use of explosives and other hazardous substances.
The Industrial Health Act would cover all workers in industry who would otherwise not be covered by other specific provisions in Act. Its general duties would be the initial cornerstone of inspection work. The general duties of employers would be to protect "as far

Sun. Times 24/12/78 (259)

R104 000

That's what Eschel Rhoodie paid into his two bank accounts this year

DR ESCHEL RHOODIE this year paid more than R104 000 into two of his bank accounts. Of this amount more than R82 000 was deposited before he retired prematurely on a pension of about R1 000 a month and a lump-sum payout of R40 000.

By NEIL HOOPER

Until he retired at the end of July, he was earning R22 000 a year as Secretary for Information

Five days before Dr Rhoodie left South Africa on November 19 after giving lengthy evidence before the Erasmus Commission, he withdrew R12 300 from one of the accounts — a savings account at a Pretoria branch of Nedbank.

Dr Rhoodie also has a cheque account at Nedbank in Pretoria and another at the Standard Bank.

These amounts were paid into his Nedbank accounts.

Into his cheque account;

- R45 945,32 between January 20 and June 1 This included an amount of R7 788 on May 20 and R5 000 nine days later.
- R15 487,94 from August 8 to October 27
- R5 613,89 on November 21 — two days after he left South Africa.
- R786,12 on December 7.

The known deposits in the account between January 20 and December 15 — last Friday — thus total R67 833,27 Most of the money was later withdrawn. All that remains in the account is R5 753,03 being the total of the last two deposits made after he left the Republic

Into his savings account:

- R3 122,61 on January 19
- R17 000 on May 19.
- R16 000 on June 30
- After June 30 five small credits totalling about R460 were made into the account, making the total deposited between January 19 and December 15 R36 582

Most of this money, too, has been withdrawn and his savings account now has a balance of only R356,57.

Apart from these two accounts, large sums have also been paid into an account of his wife, Mrs C E H Rhoodie:

- By the beginning of June an amount of R24 198,94 (including interest) had been paid into her savings account.
- The savings account had a balance of R13 590,09 on October 26, but its present balance is unknown.

Since Dr Rhoodie left the country last month — and since the Erasmus Commission of Inquiry into the affairs of the former Department of Information referred certain aspects to the Attorney-General of the Transvaal — the Government has declared his passport invalid, and has apparently searched in vain for him overseas.

Earlier this year Dr Rhoodie said he did not need to work " . anyone who thinks I live and work only for the R22 000 salary I draw, must be out of their mind

"It is not necessary for me to work at all I do it because I believe in the job I am doing, because I believe in South Africa," he said while still a public servant.

In June an Afrikaans newspaper said that Dr Rhoodie and his wife never discussed their financial affairs "but it is an open se-

---

Development of Silicosis Legislation in South Africa with Particular Reference to Compensation,' in ILOCR, op. cit., No. 18, pp.5-6. This paper, in particular, is very uncritical and laudatory of the provisions, and is defficient in mentioning many of the important terms of the acts, and makes few and sometimes inaccurate references to compensation for Africans;, MPA of 1911.

(215) Katz, op. cit., pp.330-331.

(216) MPA of 1912.

(233) MPA of

(234) RMBOD,

(235) Ibid.,

(236) See n.

(237) MPA of

(238) U.G. 31, Engineer

Nov. 1906.

nott to J. Cowie, 20 Oct.

Oct., 1908, file M 3(d), rt', J. Smuts to J. Cowie, m'; BRA, H.E., v.258, l Co., 18 April 1911.

F.D.P. Chaplin, 24 Aug.

Notes' by the 'Porcupine'.

of Mortality amongst Natives

r, 15 March 1911.

Union of South Africa 17 Feb., 1922 - 19 July,

ty of the cardio-respiratory rgans, namely larnyx, ng tissue, linings, blood- rve supply of the lungs as and membranes surrounding and veins of the thorax - as granted. From 1973 egree was granted if the ans was between 20 and 50 nt respectively.

f the Government Mining al, op. cit., p.19.

inherited a considerable, no a very large amount, from her mother and father.

At the time an investigation by the Sunday Times revealed that Mrs Rhoodie at that stage still had to obtain her inheritance. According to the distribution account Mrs Rhoodie was to receive R69 642.

Dr Rhoodie owns a property in Menlo Park, Pretoria with a municipal valuation of R68 000.

He bought it in 1965 for R14 400 with no improvements listed. Current improvements are valued at R49 600 by the municipality. According to municipal records, improvements costing R6 100 were done in 1974/75.

The transfer documents show property bonds totalling R14 974 were repaid by 1975.

Dr Rhoodie was also the registered owner of a house purchased last year in Bantry Bay, Cape, for R71 700. No bond was registered. The house was apparently bought for cash Improvements costing an additional R30 000 were made to the house

Flood St mystery

By SUZANNE VOS
London

THERE was snow on the sidewalks of Chelsea. At 51 Flood Street, a warm glow beamed from the lights on in the luxury four-storey home

In a house worth R300 000 even the flowers in the window boxes seemed immune to the bleak winter

It is thought that 51 Flood Street was bought from profits made with the help of the Department of Information in Pretoria

So I was standing outside in the cold, the front door having been slammed firmly in my face by a harassed-looking man.

He had said that inside Mr David Abramson was resting. And that his partner, Mr Stuart Pegg, was away.

So they wouldn't talk to the Press.

Earlier this week after Mr Pegg's sudden departure from South Africa the two men met someone in Paris Then they showed up in London

No, they would not discuss who they had met (Dr Eschel Rhoodie, perhaps?) Nor what they were doing in Paris

In Johannesburg files relating to their companies Alpane and Daniel were reported hidden in the ladies' toilet of their Business Press International offices in the Bank of Lisbon Building.

No, they wouldn't offer an explanation.

Abramson and Pegg have admitted that Dr Eschel Rhoodie and the Department of Information secretly backed their attempt to set up a major international publishing network.

Some of their companies registered in Bermuda cannot be checked in any way What do those companies hide? And who owns the house in Flood Street?

The secretary there said that perhaps, maybe, interviews could be arranged in the new year.

A New Year's resolution to tell all? Roll on January 1

Rhoodie seen entering Swiss banks

THE elusive Dr Eschel Rhoodie has been seen entering several banks in Switzerland

The controversial former Information Secretary still stands at the centre of the biggest political rumpus in South African history

Dr Rhoodie, whose passport was withdrawn by the Department of the Interior — technically he is obliged to surrender it to the nearest South African diplomatic mission abroad — was seen last week outside several banks in Zurich

One of them, the Union Bank of Switzerland, figured prominently in the books of Thor Communicators, the Pretoria-based "TV and public relations" company used extensively as a front by the defunct Information Department

Several million rands from the department's secret funds have been deposited in numbered accounts at various banks in Switzerland Most of the money was deposited on Dr Rhoodie's instructions

According to some National Party newspapers, Dr Rhoodie is not travelling on his personal or diplomatic South African passport

Reserve Bank officials [illegible] a

THE INFORMATION FILE

By KITT KATZIN and JOHN MATISONN

drawn, be referred to the Attorney-General for possible criminal proceedings

Yesterday the deputy Attorney-General of the Transvaal, Mr S A Engelbrecht, said the police had not yet referred the matter to him "They are still investigating," Mr Engelbrecht said

● Mrs Katie Rhoodie, whose passport has also been withdrawn, has returned home with her children after a short holiday Earlier reports that her son, Eschel Jnr , had flown abroad to join his father were found to be incorrect

New drama in Hortors investigation

IN THE wake this week of a day-and-night investigation by the Reserve Bank, the Government is poised to make a series of drastic and unprecedented moves in regard to the original illegal takeover of the Hortors Group, the R80-million-a-year South African publishing and printing empire.

The company was purchased earlier this year for R8-million by two Johannesburg businessmen, Mr David Abramson and Mr Stuart Pegg, with the aid of foreign loans guaranteed by Dr Eschel Rhoodie, the former Secretary of the now defunct Department of Information

With the ownership of Hortors, therefore, clearly not vested solely with the Government — the Abramson-Pegg combine and Dr Rhoodie agreed to a 50% share in the company's paid-out profits of about R2-million a year — the State may soon lay claim to this ownership

And with that, too, will go a claim to millions of rands in profits linked with Information Department backing to preceding foreign deals which enabled the Abramson-Pegg combine to grab the 2-million Hortors shares in spectacular fashion

This means that the Treasury, acting on instructions by the Government, may soon

● Seize the shares in Hortors held by Mr Abramson and Mr Pegg,

● Consider the personal financial assets of Mr Abramson and Mr Pegg — and block them indefinitely if they do not return to South Africa



● Mr David Abramson . . questioned in UK

With Mr Abramson still in England, though he is expected to return next week, and with Mr Pegg's sudden and dramatic departure from South Africa last Saturday, Reserve Bank foreign exchange inspectors moved swiftly into the picture on Sunday when they visited the Hortors offices in Johannesburg

In five days of drama that followed Mr Pegg's departure, the Sunday Express can reveal today that the Bank's foreign exchange control inspectors

● Submitted a report to the Minister of Finance, Senator Owen Horwood, recommending that the Government take certain preliminary action,

● Obtained a "mountain of information" from Hortors' employees,

● Took possession of vital files, documents and correspondence relating to the Hortors takeover,

● Searched the business offices of the Hortors company, Business Press International, of which Mr Pegg is the managing director,

● Searched Mr Pegg's luxury award-winning home at Khyber Rock, near Johannesburg. The house, said to be worth about R150 000, is understood to be up for sale

Reserve Bank officials have also been in touch with Mr Abramson in London and talks are under way to encourage him to return to South Africa

The Reserve Bank has established that certain files air-freighted to London from the Hortors' offices two weeks ago relate to the Abramson-Pegg 28% stake in the British publishing house Morgan-Grampian

● Attempts are being made to recover these files "We'd be very happy to lay our hands on them," said a Reserve Bank spokesman

In other developments this week

● Reserve Bank officials submitted certain reports to the police

● Mr Pegg's personal pilots, one of them a Mr Hewitson, returned to South Africa, but not with Mr Pegg's R1-million jet aircraft which Hortors' directors used The plane is grounded abroad with me[illegible]

few days in Switzerland last week, although he had also visited the country a few weeks earlier with his wife, Mrs Katie Rhoodie

Little, however, is known of his movements since he was spotted in Zurich, although it is known that he also visited the Netherlands, France and Cannes, where a flat purchased by Information secret funds was recently resold by the Government for R500 000

He may also have visited London, although South African embassy officials there have no record of his arrival

It is also known he was planning a trip to Santiago, Chile, at the time his passport was withdrawn

Informed sources said Dr Rhoodie was shocked by the findings of the Erasmus Commission — and expressed deep concern at some of the legal repercussions in so far as they could effect him

He had lengthy talks with his attorney, Mr Mervyn Gross, who flew from Pretoria three weeks ago to join him at a secret rendenzvous abroad

● The Erasmus Commission also recommended that irregularities perpetrated by Dr Rhoodie and his brother, Dr Deneys Rhoodie, formerly deputy Information secretary, whose passport was also with-

Scandal angers the party

NATIONAL PARTY members' bitterness over the Information scandal is surfacing in letters to Afrikaans newspapers, disclosing deep, unprecedented anger at the National Party establishment

Some of the critics attack the former Prime Minister, Mr Vorster, for staying silent when Dr Mulder lied to Parliament about the funding of The Citizen

Writes Mr T G Miler of Pretoria in Beeld "The man who heard it made no attempt to minimise the damage in the interests of South Africa

"Rather he waited until all Hell broke loose And in the process of remaining silent we almost had a Prime Minister who would have dumped South Africa into darkness"

This correspondent continues "It has shocked me that there are Afrikaner leaders with feet of clay

"One who gives false witness to Parliament that The Citizen is not financed by public money lies not only to the MPs but also to the people "I regard it as my duty to say that we still have leaders who cannot fill



● Mr Vorster . . . stayed silent

worthily the posts they now occupy

"As long as this continues these positions will not have the same value to me"

The part played by the English-language Press in uncovering the scandal is generously acknowledged

Remarks Mr D Strauss, of Pretoria "Have we forgotten that English-speakers also serve on the border?"

There is sharp criticism of the authoritarianism of the national structure that has developed over the years, which is compared to Marxism

Some letter-writers compare the superpatriotism of some of the jetsetting Afrikaner former leaders with what they see as the selfless and genuine patriotism of English-speakers

Says one "Think of the good names people like Gary Player, Doug Watson and Kork Ballington gave South Africa They are all English-speaking — and they didn't ask a cent from the Government to do it

"Compare that with the image that certain people in our former Department of Information created overseas and the cost of that Will we really ever know?"

Another pillar of the establishment, the Broederbond, is criticised

Mr Strauss, "a Nationalist for all my 46 years" reacts bitterly to the image of the secret Afrikaner elite organisation portrayed on TV last week by Professor Gerrit Viljoen, Rand Afrikaans University rector and Broederbond chief

He comments on the large number of schoolteachers who are Broeders, saying "I thought my children went to school to learn to think freely, but now I'm not so sure

And the priests who tell me I must love my neighbour, and then discriminate in secret?

"Oh yes, it appears as if there is a chosen Afrikaner elite in existence

There is also open hostility for the plan announced by the Government for more legislation controlling the Press in the light of Press disclosures of scandal

● Reserve Bank officials questioned Mr Pegg for four hours at his home last week They seized certain documents, but suspect he took others with him when he left on Saturday for London

● Mr Pegg and Mr Abramson held long talks in London this week

● Mr Pegg intended flying to the United States to "consult with his principals" but it is not known how long he intends staying

● Mrs Abramson and her two children returned to South Africa this week

Deadlock over ambassador's job

THE position of South Africa's Ambassador to London has fallen victim to the Information scandal and the National Party's internal fight between its Transvaal and Cape wings.

The post has been vacant for over two months — since Mr Matthys Botha, a career diplomat, completed his tour of duty in early October — and there is no replacement in sight.

The reason can be traced directly back to the infighting in the National Party, which came into the open with the election campaign for the new Prime Minister.

Until the election of Mr P W Botha on September 28 the ambassadorship was considered to be in Dawie de Villiers' pocket.

The former Springbok rugby captain, who is Nationalist MP for Johannesburg West and chairman of the party's foreign affairs group in Parliament, was considered prime promotion material and definitely the protege of Foreign Minister Pik Botha.

But then came his behind-the-scenes campaigning for the election of the Foreign Minister to the highest executive office in the land.

And the new premier, who had clashed with Mr De Villiers privately about his support for Mr Pik Botha, had other ideas about who was the best candidate for the job.

Next most likely was immediate ly thought to be the Minister of Transport, Mr Louwrens Muller, who has wanted for some time to get out of the Cabinet. The health of his wife has been mentioned as a reason.

But the new problem arose with the election of Dr Andries Treurnicht as Transvaal Nationalist leader after the Information scandal ousted Dr Connie Mulder from that post.

For now there is tremendous pressure on the Prime Minister to bring Dr Treurnicht into the Cabinet — something he is clearly loth to do for his regional and ideological rival.

He can only avoid doing so at the moment because all Cabinet posts are filled — a situation Mr P W Botha ensured with his reshuffle immediately prior to the Transvaal leadership election.

There lies the rub. If he appoints Mr Muller to London, he has a Cabinet vacancy which Dr Treurnicht would expect to fill.

If he does not promote the archverkrampte Deputy Minister and Transvaal leader, it would be tantamount to a declaration of provincial warfare within the National Party.

Party sources therefore believe he wants Mr Muller to stay on at least into the New Year to delay the inevitable inclusion of Dr Treurnicht in the Cabinet.

Meanwhile, South Africa still lacks an ambassador to the Court of St James

Maar nog geen teken van Rhoodie nie...



ESCHEL RHOODIE . . .
nog nie tuis nie

BY sy dubbelverdiepinghuis in Pretoria, op die woelige lughawe Jan Smuts en selfs by sy strandhuis by Nature's Valley is daar gister strykdeur gewaak. Maar van dr. Eschel Rhoodie, die man wat soveel duisende mense Kersfees tuis wil sien, was daar geen spoor nie.

Die groot huis met die hoë, wit mure in McKenziestraat, Brooklyn, kon gister byna as 'n besienswaardigheid beskryf word. Kort-kort was daar motorryers wat loer-loer verbygekruie het.

Mev. Katie Rhoodie was tuis, maar sy het die swaar

* VERVOLG OP BL. 4 *

Luyt sê hy weet niks

MNR. LOUIS LUYT, wie se aandeel in die stigting van die Inligting-koerant The Citizen soveel opslae veroorsaak het, het gistermiddag uit Londen in Suid-Afrika teruggekeer.

„Ek weet niks van dr. Rhoodie nie. Ek en my gesin het gaan vakansie hou," het hy gesê toe hy hom vasloop teen die span koerantmanne wat dr. Rhoodie op die lughawe ingewag het.

Rhoodie nog weg

VERVOLG VAN BL. EEN

traliehekke vir niemand oopgemaak nie 'n Paar keer is die gordyne effens opsy gedruk, maar dit was die enigste teken van lewe

Dr Eschel se broer, prof. Nic Rhoodie, het aan RAPPORT gesê hy het ook gehoor dat sy broer dalk Kersfees in Suid-Afrika sal vier Of dit waar is, weet hy nie

„Ek dink dis meer sielkundig dat mense nou sulke gerugte glo, Jy weet, dis Kerstyd, 'n tyd vir versoening en vrede — en gesinne wat bymekaar is Daarom kan mense outomaties aanvaar dat my broer Kersfees tuis sal wees," sê hy.

Van die twee ander „vermiste" mans in die Inligting-drama was daar ewe min teken

By die huis van Hortors se voorsitter, mnr. David Abramson, was daar gister net 'n jong paartjie van Kaapstad Hulle sou aanvanklik net 'n maand in mnr Abramson se huis in Hyde Park woon, maar nou wag hulle in onsekerheid op mnr Abramson se terugkeer.

Hy's beslis nie hier nie. Hy sou reguit huis toe gekom het, sê hulle.

By die huis van mnr Stuart Pegg, mnr. Abramson se Hortors-vennoot, het niemand gister die deur oopgemaak of die telefoon beantwoord nie

85

rican Institute

r Vice-President

jections for a

sed here) and

e given in terms

re and compare

ECTED RATES OF

von Wielligh

Projection 2	
12,7	7,9
8,6	8,5
6,4	9,4
8,0	5,1
8,2	3,2
6,7	n.a.
n.a.	n.a.
0	n.a.
3,4	n.a.
5,0	2,8

Wielligh expects a lower rate of growth for the second half of the 1970s and early 1980s than Plewman does for the seventies decade, three viz. copper, coal and platinum, are important for employment generation. In the case of copper he is more in line with the actual growth rate so far this decade - though still above it. His projected growth-rate for coal is surprisingly low, and below the average to mid-1977. Given his own reported historical growth rate of + 16,96 per cent per annum for the platinum-group metals over the whole period 1941-75 his projection of 2,8 per cent per annum for the immediate future is also very surprising. Unfortunately we do not have published data to use in trying to evaluate this point.

er be inferred that it also constitutes a serious urther development of the African trade union move- y enunciated so decisively over the past quarter- extension, however cautious, of the attenuated to participate in industrial bargaining is welcome, reseen in advance. For example, in those e bargaining is centralised at the national level, l that ten men, however good and true, would be ıd needs of the industry's African workers lustry, issues are often very complicated and agree- ollective bargaining are sophisticated instruments. ıstry committee would in the first instance be a y living and travelling what are often long and work; secondly, it is likely that he would r liaison committee in his own firm; and finally, he would be expected to carry out his duties as a member of an industry committee thus representing his confrères on an industrial basis. His life would assuredly be heavily burdened.

Still no sign of Dr Rhoodie

29/12/78

JOHANNESBURG — The whereabouts of Dr Eschel Rhoodie, former Secretary for Information, were still a mystery yesterday.

Sources in Pretoria said at the weekend that Dr Rhoodie — whose passport was withdrawn earlier this month — was expected to return to South Africa at any time.

By Monday there was no sign of him at his luxury home in Menlo Park, Pretoria, or on international flights at Jan Smuts Airport.

Dr Rhoodie's wife, Katie, and their two children, have been waiting for him at home since last Wednesday after cutting short their holiday at Nature's Valley in the Eastern Cape.

A reporter telephoned the house and asked for Mrs Rhoodie. The woman who answered, said "Seasons greetings to you Mrs Rhoodie does not give interviews. Goodbye."

In another call, the woman said, "We have no comment," when asked if Dr Rhoodie was home.

Dr Rhoodie left South Africa in November after testifying before the Erasmus Commission of Inquiry into the affairs of the defunct Department of Information.

Meanwhile, the Hortors partners, Mr. David Abramson and Mr Stuart Pegg, had still not returned home by last night. They were expected back in South Africa at the weekend. — DDC

The draft Bill makes no real provision for an industry-based secretariat to process data and formulate proposals for these industry committees. Neither executive nor administrative officers seem to have been considered. This inevitably places a question-mark against the potential usefulness of these committees.

Industrial Council Meetings

The members of an industry committee would, in terms of the new Bill, participate in the negotiation of wages and working conditions of African workers leading to an agreement. However, they enjoy no voting rights. Industrial councils must notify the Central Bantu Labour Board and the relevant Regional Committee timeously of any meetings which could affect African interests and the Board must designate one or more members of the industry committee to attend such meeting.

Agreements and Orders

Where no industrial council is registered, an industry committee is to be empowered, in collaboration with the Regional Bantu Labour Committee concerned, to enter into an agreement on the minimum wages and working conditions of their African workers with a group or association of employers.

AFRICAN HISTORY

EXTRACTS FROM ORIGINAL SOURCES.

No.4 - ETHIOPIA

THE KINGDOM OF AXUM

1."Adulis (is) a port established by law, lying at the inner end of a bay that runs in toward the south. Before the harbour lies the so-called Mountain Island, about two hundred stadia seaward from the very head of the bay, with shores of the mainland close to it on both sides. Opposite Mountain Island, on the mainland twenty stadia from the shore, lies Adulis, a fair-sized village, from which there is a three days' journey to Coloe, an inland town and the first market for ivory. From that place to the city of the people called Axumites there is a five days' journey more, to that place all the ivory is brought from the country beyond the Nile through the district called Cyeneum, and thence to Adulis. Practically the whole number of elephants and rhinoceros that are killed live in the places inland, although at rare intervals they are hunted on the seacoast even near Adulis.

There are imported into these places, undressed cloth made in Egypt for the Berbers; robes from Arsinoe; cloaks of poor quality dyed in colours; double-fringed mantles; many articles of flint glass, and others of murrhine, made in Diospolis; and brass, which is used for ornament and in cut pieces instead of coin; sheets of soft copper, used for cooking utensils and cut up for bracelets and anklets for the women; iron, which is made into spears used against the elephants and other wild beasts, and in their wars. Besides these, small axes are imported, and adzes and swords; copper drinking-cups, round and large; a little coin for those coming to the market; wine of Laodicea and Italy, not much; olive oil, not much; for the king, gold and silver plate made after the fashion of the country, and for clothing, military cloaks, and then coats of skin, of no great value. Likew of Ariaca across this sea, there are imported Indian c and that called sagmotogene, and girdles, and coats of s red cloth, and a few muslins, and coloured lac. There a e places ivory, and tortoise-shell and rhinocer

(Periplus of the Eryth y A.D.)

2."By the might of the Lord of the Noba, for the peoples of the Noba had rebelled and nd as I had sent warning to them, and they would not sed to stop their evil deeds and heaped insults upo flight, I made war on them. And I rose in the mi e Land, and I fought them... Thereupon they took to fligh a stand. And I followed the fugitives for twenty day prisoners, and capturing booty wherever I stopped."

(from an inscription fr , 4th Century)

3."On the coast of Ethiopia, tw shore, is a town called Adule, which forms the port s much frequented by traders who come from Alexan Gulf. Here is to be seen a marble chair just as the western side by the road which leads to Axomis."

Still no sign of Rhoodie

JOHANNESBURG. — The Own Correspondent whereabouts of Dr Eschel Rhoodie, the former secretary for Information, were still a mystery yesterday

Sources said at the weekend that Dr Rhoodie, was expected to return to South Africa "at any time". But, by yesterday there was no sign of Dr Rhoodie at his Pretoria home or on international flights

When the Cape Times corre- spondent visited his home in the morning, people inside would not come out. The corre- spondent later telephoned the house and asked for Mrs Rhoo- die. A woman answered and said: "Seasons' greetings to you. Mrs Rhoodie does not give interviews. Goodbye."

Asked last night if he knew whether Dr Rhoodie had re- turned, the Secretary for the Interior, Mr T J Booyens, said: "I have no comment on that".

EDITORIAL OPINION

The Eschel mystery

The continued absence from South Africa of Dr Eschel Rhoodie, the former Secretary for Information, serves to deepen speculation on his role in the Information scandal.

The last time Dr Rhoodie was in this country was in November when he gave evidence before the Erasmus Commission. He then returned abroad and his whereabouts seem to be a mystery, known only to a few.

Obviously there are many questions in the Information matter upon which Dr Rhoodie could be enlightening but the outstanding personal two are .

How is he able to travel and remain abroad when his passport has been withdrawn by the South African Government?

Why does Dr Rhoodie continue to be elusive overseas? (His wife and two children spent Christmas alone at their luxury house in Pretoria)

It should, of course, be recalled that the Erasmus Commission has recommended possible criminal action against Dr Rhoodie and his brother, Deneys, and the authorities must pursue this matter with the utmost vigour — though they will need the active co-operation of Dr Rhoodie.

The commission also said he raised five loans overseas totalling R16,6m without the authority to do so and that he invested R934 901 in fixed property, including a farm, from secret funds, in South Africa, Britain, France and the United States

Another point made by the commission was that a fixed property was bought with public funds and registered in Dr Rhoodie's name. "So far as the commission is concerned, this could just as well be an attempted cover-up of theft."

Dr Rhoodie, a former servant of the people, has a lot of accusations to answer and the longer he remains incommunicado overseas the greater will be the suspicion against him

He is in the position of the man with two choices He can stay overseas as an exile, apparently state-less, and without any of the dignity and respect afforded to other South African exiles, and be condemned by his silence and refusal to answer the charges

Or he can come back and answer to the nation

1964	21 982	32 033	..	..	..	15
1965	16 585	20 568	..	..	..	37 153
1966	17 997	22 568	115	129	22 324	40 565
1967	17 997	22 568	115	129	22 324	40 565
1968	20 010	23 016	146	168	22 702	43 026
1969	20 008	21 652	141	157	21 354	41 660
1970	19 994	22 018	1	261	21 756	42 012
1971	23 813	42 947	321	826	41 800	66 760
1972	23 214	32 115	158	593	31 364	55 329
1973	23 356	34 468	171	649	33 648	57 824
1974	26 128	44 122	236	663	43 223	70 250
1975	28 409	35 315	355	177	34 783	63 724
1976	31 752	41 855	486	111	41 258	73 607
1977						75 023

Rhodesian Minister quits in shock move

DD 28/12/78 272

SALISBURY — One of Rhodesia's senior Cabinet Ministers, Mr Rollo Hayman, yesterday started shock waves rolling through the interim government with his surprise resignation and a call for Britain to take control of the country.

Mr Hayman predicted the collapse within a few months of a majority rule government elected at next year's general election under the March 3 internal settlement agreement.

He said in a statement that Rhodesia would be better able to face the difficult transition to black rule under British control with sanctions removed

Mr Hayman, a Rhodesian Front member since the party's inception in 1962 and a Cabinet Minister for the past five years, has been known for his conservative views.

One of Rhodesia's quietest politicians, he has been working behind the scenes for several months to get the Prime Minister, Mr Smith, and his Cabinet colleagues to accept the British - American settlement proposals.

By last week he had become convinced, he told me in an exclusive interview last night, that he would have to resign to achieve support for his views

He saw Mr Smith privately and told him what he had in mind. He spent Christmas weekend working out his resignation statement.

And yesterday he handed in his formal resignation.

He will contest his own parliamentary seat, Mazoe, as an independent arguing against continuing with the internal settlement and pressing instead for a British - controlled transition as the only hope of averting military and economic chaos

Mr Hayman's shock resignation has caught the interim government off balance at a time when it is gearing up to put the new constitution to the whites-only referendum and to prepare for the April 20 election

Mr Hayman said the referendum on January 30 would give a choice between the political status quo and the new constitution with an election on April 20. Both alternatives wree unsatisfactory

He urged instead that voters be given the chance to accept the Anglo - American proposals for a British administrator to assume transitional control of Rhodesia How this would happen would be a matter for negotiation.

Mr Hayman said in his formal statement he had quit because of a disagreement with his colleagues about the viability of the majority rule government that would result from the election

The election would probably be the signal for an all-out effort by the communists to install a government sympathetic to their aims

They would have at their disposal the present guerilla forces which Mr Hayman said were communist orientated.

"They are also being assisted by political and economic pressures which will continue if, as seems probable, the hostile attitude of the Western powers to the March 3 agreement persists

"Because of strong international pressures the Prime Minister and his colleagues must advocate a transition to black rule.

"However, it appears they are leading Rhodesia into a trap by presenting to them an unrealistic assessment of the stability of the majority rule government which will result from the election "-

Mr Hayman said their assessment did not take into sufficient account the objectives of the communists and the unfavourable attitude of the Western powers

He said that rather than go on with the election it would be better for Rhodesia to be placed under the control of the British administrator as had been proposed by the British and American Governments

Meanwhile, it was announced yesterday that Rhodesia's new constitution would be published next Tuesday

A government statement said a white paper would be released on the same day

The checking of the new constitution and white paper — which contains a summary of the constitution — has been completed.

Under the new constitution Rhodesia's whites are guaranteed 28 seats in a planned 100-seat Parliament

The proclamation fixing January 30 as the date for the white referendum will be published in the Government Gazette on January 5 — DDC-SAPA

he RSA

targets are taken as pl... converted ... to physical units at 1970 prices".[33] To these export figures are added estimates of domestic requirements. In the case of coal two projections are made: the first assumes the domestic demand for coal will grow at 5 per cent per annum, the second at 8 per cent. In the cases of the other five minerals, the two alternative projections of the growth of domestic demand are based on 3 per cent per annum and 5 per cent.

2.1.4 In 1970, 85 per cent of total employment in base-minerals was covered by the listed six minerals. For the remaining minerals (tin, salt and quarrying in the main), Plewman assumes that output will grow at the same rate as the average rate for all minerals including gold, platinum, and diamonds.

Info 'frontman' aims for black market

Sun. Times 31/12/78 (259)

MR JAN Van Zyl Alberts — the Information Department's front man in publishing the Citizen — is involved in a major operation to exploit the black market in records, films and magazines

The drive for black markets began four years ago when he established a company, Afri-comics, to publish black-oriented comic books and a magazine

This venture has brought him into a close business relationship with Mrs Helena Pieterse, wife of film magnate, Andre Pieterse, who was another of the department's front men

Mrs Pieterse is a director of one his companies, Cherry Lane Music Company, and is also a director of her husband's company Film Trust

Mr Van Zyl Alberts, who told a Johannesburg regional court on December 14 that he had fronted for the Government as owner of the Citizen newspaper, is a director of a network of companies which were formed to penetrate the black market

BY GEOFFREY ALLEN

'Mighty Man'

There is no evidence to suggest that Government money is behind any of the ventures

Company records in Pretoria show that Mr Van Zyl Alberts launched Afri-comics in 1974, to produce, among other publications, "Mighty Man", a black-oriented comic strip created on the lines of "Superman"

According to the Sunday Times correspondent in New York, the chief cartoonist for the comic, Mr Joe Orlando, said there were "certain guidelines, like not upsetting the (South African) Government"

In 1977 Afri-comics launched "the all-African monthly" magazine Hit which, according to the Audit Bureau of Circulation, had monthly sales of 80 217 in the first half of this year

Mr Van Zyl Alberts is also a director of Afri-Mirror, which was formed specifically to "make films for the Bantu market"

Afri-Mirror is a subsidiary of Heyns Films Edms Bpk, which has become the country's major producer of films for the black market

"Heyns Films specialises in feature films starring black actors, while Afri-Mirror produces a monthly newsreel highlighting the black environment," says a recent Press release distributed by Trac Records, one of Mr Van Zyl Alberts's companies

Key role

"The black consumer plays a key role in marketing strategy To date the South African entertainment field has largely overlooked the special requirements of an increasingly sophisticated black audience

"Recognising this fact, Trac Records has joined a conglomerate which concentrates on the media field and is aimed at realising the potential of the black entertainment market The group mbraces Heyns Films, Afri-Mirror and Hit magazine," the release says

Mr Van Zyl Alberts's most recent venture into this market is in the recording industry.

His activity in this field centres on two music publishing companies, Cherry Lane Music Company, of which Mrs Pieterse is a director, and Evergreen Publishers which, according to the company's letterhead, in turn owns Trac Records

Cherry Lane is affiliated to the Cherry Lane Music Company of Greenwich, Connecticut Two of the US directors, Mr M Okun and Mr Frank Murray, hold directorships on the South African board

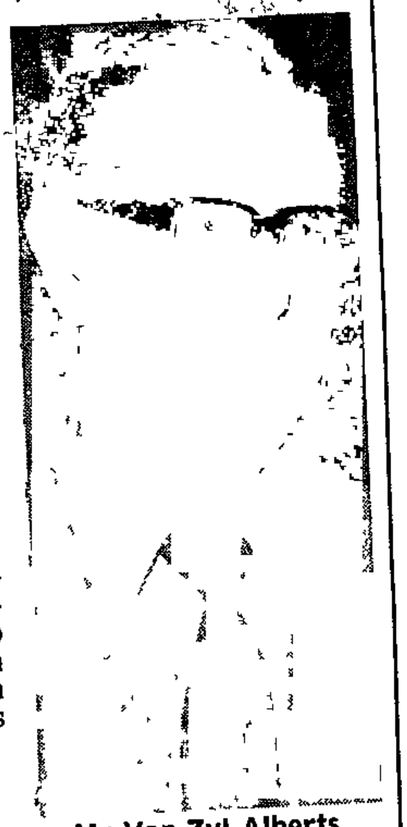
Although Mr Van Zyl Alberts's name does not appear on company returns to the companies registrar in Pretoria, he is listed on Cherry Lane letterheads as a director

Exclusive

Mr Frank Murray confirmed by telephone from the United States that Mr Van Zyl Alberts is a director of the company

Cherry Lane holds exclusive rights to the music of pop country super-star John Denver His entire catalogue of songs (with some exceptions) is now the property in South Africa of the affiliated company, a fact which is regarded in the local record industry as a major coup

The Trac Records Press release says "Trac's association with the American-based Cherry Lane Company, which holds all publishing rights, has meant that local artists now have access to the international market"



Mr Van Zyl Alberts
Records and films

Evergreen Publishers was formed in 1971 by Mr Rudolph Pretorius and his wife Sophia, and bought by Mr Anton Alberts, who is also managing director of Trac Records, in February this year

Among others on the board are Mr and Mrs Pretorius (who were re-appointed after resigning during the take over), and Mr Van Zyl Alberts

Mr Anton Alberts said that Trac had produced 29 single records for the African market and 10 for whites in its first year of operation

He confirmed that Cherry Lane had once shared offices with Mr Andre Pieterse's Film Trust

respondents) or by [illegible] nal

About 63% of the re[illegible] elected for a perio[illegible] of office. In mos[illegible] ular monthly committee meetings were held, but a further [illegible] nths and 5% quarterly.

There were 284 orga[illegible] nded to a question as to why they had preferred a liaison [illegible]. The majority of 147 (nearly 52%) gave as their reaso[illegible] mmittee was an 'anti-polarisation' device conferring benefits [illegible] nce by management and prompt solution of problems, thus s[illegible] interests and improving two-way communication. In a furt[illegible] t 13%) either the liaison committee

---

32. Ibid, p.20.

Sun. Times 31/12/78

Ban on book which told all on Info still stands

(259)

A BOOK which deals comprehensively with the covert activites of the former Department of Information was banned last year by a Publications Act committee appointed by Dr Connie Mulder, the then Minister of the Interior and of Information.

The book, "The Great White Hoax", is still banned.

But virtually all aspects of the department's activities dealt with in the book appear to have been uncovered by parliamentary select committee enquiries, as well as the Mostert and Erasmus commissions.

Opposition spokesmen this week criticised the banning of the book.

Mr Harry Schwarz, the Progressive Reform Party's representative on the parliamentary select committee which investigated certain aspects of the Information Department debacle, said he was curious what additional information the book could have contained to justify its banning.

Cover-up

Mr John Malcomess, the New Republic Party member of the select committee, said the Government should lift the ban on the book and allow the public to decide on its merits.

"Keeping the contents of this book from the South African public, when it has already been published overseas, can only be seen as a desperate attempt to cover up the sins and omissions of the National Party," he said.

The book was published by the Africa Bureau in London on March 9 last year.

The Africa Bureau is a London-based anti-apartheid group which drew up the report to show how the South African Government uses all available means and millions of the taxpayers' money to defend apartheid.

The committee — to which the book had been referred — decided that it was undesirable in terms of sub-section 2 of section 47 of the Publications Act of 1974. The sub-section deals with publications which are undesirable because they

- Are blasphemous
- Are indecent
- Ridicule a certain section of the community.
- Are harmful to relations between any sections of the community
- Are prejudicial to the safety of the State

By NEIL HOOPER

Compiled by eight writers, it consists of five parts dealing with "South Africa's international propaganda machine".

Part one is headed "Official Propaganda" and deals with the Department of Information, the SABC, the Department of Tourism and the Press.

Part Two is headed "Private Propaganda" and has sections devoted to the South Africa Foundation, the Foreign Affairs Association, the South African Freedom Foundation, To the Point Magazine, and various sports lobbies for South Africa.

The South Africa Foundation has denied that it was a front for the Department of Information.

Parts Three and Four deal with the activities of the former department in Britain, America and Europe.

Part Five deals with the issues covered by the department's activities, and these are subdivided into the categories of Health, Education, Economy, SWA/Namibia and the black homelands.

[redacted]

Hunt is on for Rhoodie in Europe

Sun. Times 31.12.78

259

BY EUGENE HUGO

SOUTH Africa's secret services are now searching Europe for the missing Dr Eschel Rhoodie.

The search was launched after the former Secretary for Information failed to return to South Africa by Christmas after a deal negotiated by his attorney, Mr Mervyn Gross.

As soon as he is located, his whereabouts will be reported to the Minister of Interior who declared his passport invalid nearly a month ago

This was confirmed to the Sunday Times this week by top Government sources who expressed surprise that Dr Rhoodie had not returned home to Pretoria last weekend as expected.

"I don't know what went wrong, because we had firm indications that Dr Rhoodie would return last weekend after a meeting he had with Mr Gross," said one well-placed source

This source said, however, that he was still hopeful that Dr Rhoodie would return to South Africa of his own volition "What other option does he have? His family is in Pretoria and his wife's passport has also been withdrawn"

The Sunday Times was told that Dr Rhoodie has been in contact by telephone with his Pretoria attorney within the past week. But Mr Gross refused to discuss the matter.

Dr Rhoodie had agreed to return to South Africa in exchange for a promise that he would not be detained while accusations against him were being investigated

He has been accused by the Erasmus Commission of serious irregularities and faces possible criminal charges

The commission found Dr Rhoodie had committed irregularities which pointed to theft and that he might have been implicated in theft and fraud through which the State suffered great losses.

Meanwhile police have begun investigating the activities of Dr Rhoodie, according to a statement by the Commissioner of Police, General Mike Geldenhuys

findings of the investigation were that in
mple the initiative for establishing the liaison
management. In about 9% of the sample the
management and its African employees together.
en the initiative on their own. In fact from
ar that in only 2 of 326 organisations had this
etermining African workers' needs for a liaison
sample attributed the main factor to management's
had discussed the matter with African supervisors
d about 18% had held general meetings of all their
some 4% of the organisations had African employees
tion of the establishment of a liaison committee to

members of the liaison committee did not partici-
n of their committee in 81,9% of the participating
hand, 79,1% of the respondents reported that
n committee were elected rather than appointed by
y 16,6% of the firms could candidates be nominated
example, as to age or seniority. A representational
ents was required by 78,1% of the respondents,
(seniority) qualifications and 27,3% required a
is usually by means of ballot papers (57,1% of the
hands (33,4% of the respondents).

About 63% of the respondents reported that their liaison committees were elected for a period of one year while nearly 28% recorded a two-year period of office. In most instances, 72%, regular monthly committee meetings were held, but a further 12% met every two months and 5% quarterly.

There were 284 organisations which responded to a question as to why they had preferred a liaison to a works committee. The majority of 147 (nearly 52%) gave as their reason that the liaison committee was an 'anti-polarisation' device conferring benefits such as better guidance by management and prompt solution of problems, thus serving both parties' interests and improving two-way communication. In a further 38 instances (about 13%) either the liaison committee

---

32. Ibid, p.20.

'MAIL' IN COURT

From Page 4

not ascertain if the report could have had its origin in evidence made available by Judge Mostert?

Major Nel: I did not, I accepted it.

Re-examined by Mr J A van Schoor d'Oliviera, who is assisting Mr Jansen, Major Nel said that the Erasmus Commission was investigating the activities of the Department of Information and that Judge Mostert's Commission had to investigate alleged contraventions of Currency Control Regulations

Later Major Nel said he wanted to make it clear that he did not give information to Beeld about his conversation with Mr Sparks. It looked as if the information came from other sources, as if it came from the Erasmus Commission, he said.

Mr Kentridge: That is also our impression.

Mr Jansen then closed the case for the State.

In opening his case Mr Kentridge said that in terms of the regulation under which the accused were charged no person should prejudice, influence or anticipate the proceedings or findings of any commission.

His clients were charged with having by, publication of the article, prejudiced, influenced or anticipated the proceedings of findings of the commission.

At a later stage in further particulars an averment that his clients had prejudiced or influenced the findings was abandoned. They were left with the charge that by publishing the article they had anticipated the proceedings and findings of the commission

"Although my clients when asked said that they understood the charge I must say that regarding this paragraph I'm not sure I understand it myself

"It is of the essence of this charge that what was complained about by the state was subject matter falling within the terms of reference of the commission. The attitude of the defence is that whatever the phrase "to anticipate the findings or proceedings of the commission" means it cannot be an offence simply to republish a matter of public interest which had come to light even before the commission was appointed. Nor can it be an offence to comment on such matter

"It will be submission of defence that in any event in order to know if the findings or proceedings have been anticipated one must know what the proceedings are and what the findings are going to cover in order to establish that what was published covered the terms of reference of the commission.

"We will attempt to show that if the article goes further than what was revealed by the Mostert Commission there is nothing to show that that matter refers specifically to the Department of Information and we shall attempt to show that it does not relate to the Department of Information although it may relate to other Government departments

"In so far as the article refers to certain companies and personalities I shall attempt to lead evidence to show who they were Save where Dr Mulder and Dr Rhoodie were named in this connection I shall show that these persons were not connected with the Department of Information

"We shall attempt to show that this article cannot be regarded as anticipating the findings of the commission, still less its proceedings."

Mr Kentridge then called as his first witness Mr John K Speirs, a chartered accountant who told the court he has been in practice in Johannesburg for 29 years His firm did audits for SAAN, among other things

Mr Kentridge I requested you to examine certain documents which will be proved as having been released by the Mostert Commission Firstly, a balance sheet of a company known as S A Today (Pty) Limited of February 28 1978 and next thereto certain income statements They form part of a bundle of documents which I will hand to you now

Mr Speirs referred to the balance sheet It was in the ordinary form of a balance sheet, he said Under the heading 1978 the accumulated loss was shown as R11 957 062, the figure for long term loans was given as R16 870 000, for current loans R7 328 000, for fixed assets R1 402 000, and for investments R10 349 495

According to the documents in 1977 the company made a trading loss of R2 972 214, in addition wrote off preliminary expenses to the amount of R2 881 919 which resulted in an accumulated loss of R5 854 133

In the 1978 column this figure was brought forward and added to the loss for 1978 of R6 102 928 This resulted in an accumulated loss for the year ending February 28 this year of R11 957 062.

In the report in the "Mail" a figure of R27-million was mentioned, Mr Speirs said. From the balance sheet and income statements the figure was

ADENDUM TOT OOREENKOMS TUSSEN

LOUIS LUYT (Verkoper)

en

J VAN ZYL ALBERTS of sy genomineerde (Koper)

GEDATEER 14 FEBRUARIE 1978

BYVOEGING TOT BLADSY 9 VAN OOREENKOMS

HIERMEE verleen ek die ondergetekende, die reg aan L LUYT om die lenirgsrekening van R835 564 (Agt Honderd Vyf-en-dertig Duisend Vyf Honderd Vier-en-Sestig Rand) (soos hieronder aangedui) te verkoop aan J VAN ZYL ALBERTS of sy genomineerde vir R1 (Een Rand)

	Volgens finansiele state 3 Februarie 1978	Begrote posisie volgens kl 3 van dec proos gedateer 14 Februarie 1978
Vaste bates	R1 892 437	
Behuisingslening	10 000	
Bedryfsbates	664 141	
	2 566 578	
Min: Bedryfslaste	1 026 011	
	1 540 567	
Min: Uitgereikte aandele	3	
	1 540 564	
Min: Inbetaal konsortium (R600 000 plus betaal i luyt masjienlening R105 000)	705 000	
	R 835 564	R485 239

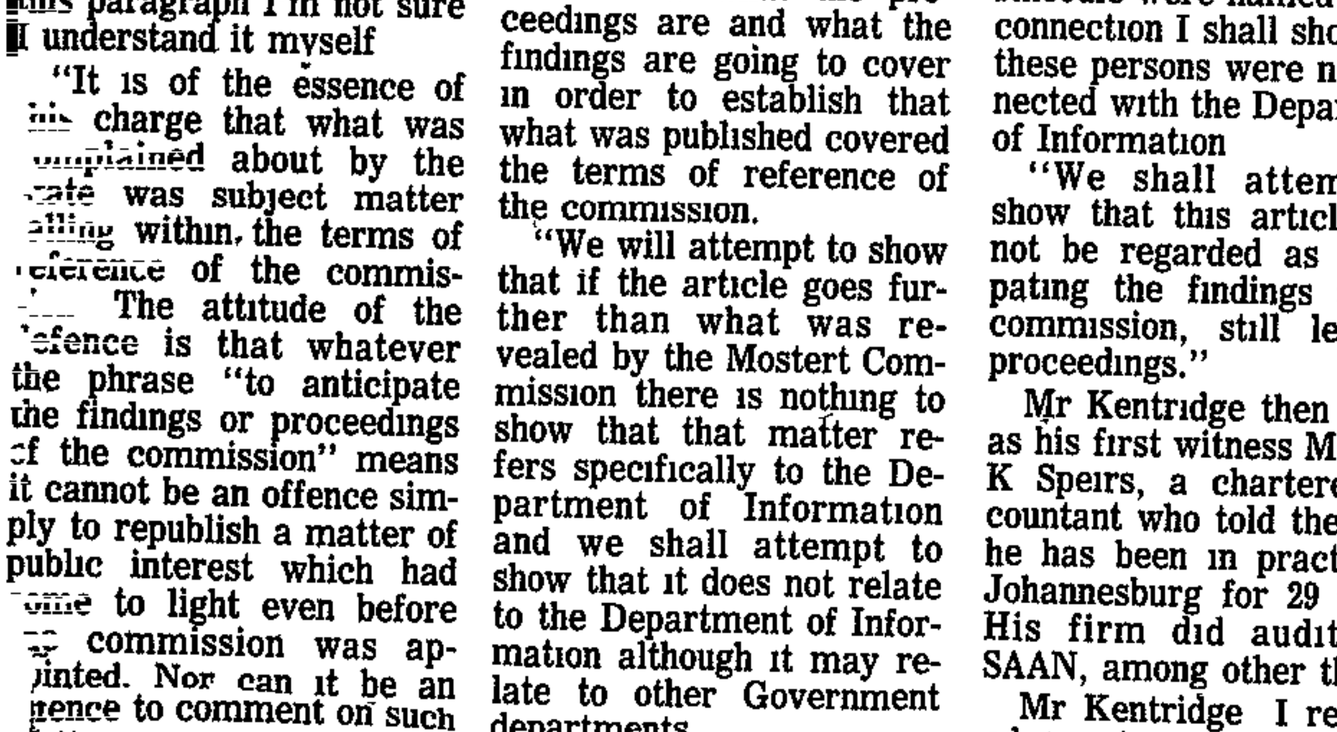
ALDUS gedaan en geteken te PRETORIA op hierdie agste dag van Junie 1978.

AS GETUIES:

1. .....
2. .....

.....
8/6/78

This document was handed in as an exhibit yesterday, having been part of the evidence made public by the Mostert Commission. The document, signed by Dr Eschel Rhoodie, gives permission to Mr Louis Luyt to sell a loan account worth R835 564 to Mr Van Vyl Alberts for R1 when they exchanged ownership of the Citizen newspaper.



made up as follows: accumulated loss R12-million, added investments R10-million, added estimated trading loss for 10 months of this year based on R500 000 per month loss incurred for the year ending February 28 this year making R5-million, all totalling R27-million

Mr Speirs referred to a bank overdraft mentioned in the article and said it was found in the balance sheet where nett liabilities were set out These liabilities included a bank overdraft of R6 966 330

The issued capital of the company was R3 According to the company balance sheet the bank overdraft would not be recoverable against the company unless all the assets were realisable. Under the heading securities, it was stated that the bank overdraft was secured for R700 000 over a printing press This only covered about one tenth of the overdraft, Mr Speirs said.

From his experience as a practicing accountant, banks in this country did not give overdrafts for amounts like this to a company with an issued capital of R3 without a guarantee, he said

had been reduced to R10 000

This represented amounts owing to S A Today by Triomf, Sentrale Kunsmis and L L G Investments, Mr Speirs said

He told the court that any competent accountant would have been able to extract the same figures from the documents

He was not cross-examined byythe prosecutor, Mr Jansen

Mr Alberts was then called to the witness box

He told the court he had been subpoenaed to appear in court He was managing director of S A Today (Pty) Limited, the company which owns The Citizen, he said.

Mr Alberts then asked if he could say something before answering questions.

The time given to him to produce documents to the court had been very short, he said Also, he had given evidence before the Erasmus Commission and had been asked not to divulge this evidence If he had to give evidence in this case he was asking if the case could be postponed so that he could obtain legal advise, he said

Mr Kentridge said he would not ask him what he said to the Erasmus Commission If he had any claim to privilege in law he might raise it when such a question was asked

Mr Kentridge said. "This is the balance sheet and income account for the company S A Today for the period ending February 28, 1978 Can you identify your signature?"

Mr Francis Mr Kentridge has said he will ask you no questions relating to what you said to the Erasmus Commission You have heard the question Are you prepared to answer it?

Mr Alberts I may not divulge what has been asked I object because Mr Kentridge does not know exactly what evidence I have given and I was told not to divulge it These documents were documents before the commission I feel the case is sub judice

Mr Kentridge I am afraid, your worship, that this witness is squirming rather, but he has completely misunderstood the commission. I am sure he has told the commission his name, that he lives in Sandton and that he was managing director of S A Today This does not mean that he may not tell the court this It is a purely frivoulous objection It should be explained to him that he has the privilege to refuse incriminating questions but until he raises an objection which is an objection in law he has to answer the questions Surely he can say whether these are his balance sheets or not and whether the signature on the agreement is his or not It should be explained to him that he is here to answer these questions and not to divulge what was said to the Erasmus Commission

Mr Francis. It seems to me he wants to get legal opinion

Mr Kentridge agreed the case could stand down till 2 pm when Mr Alberts could return to court with his legal adviser

Mr Alberts was asked to do so after Mr Kentridge had pointed out that a subpoena had been served on him at 4.10 pm on November 20 and that yesterday was November 23.

"I hope we are not going to have any delaying tactics," he said

He pointed out that Mr Alberts had been asked to bring certain documents with him He wanted to know if he had, he said

Mr Alberts I would like to answer this after I have spoken to my legal advisor.

Mr Francis The question was if you brought the documents or not

Mr Alberts I brought them but there are many of them

Mr Kentridge then asked that the documents should be placed in the custody of the court Neither party may then be able to look at them, but "perhaps it is best," he said.

After Mr Francis had pointed out that Mr Alberts may want to discuss the documents with his legal adviser Mr Kentridge agreed that he could take them along

Mr Kentridge then called to the witness box Mr A J Pretorius manager of the De Villiers Street branch of Volkskas Bank

Mr Pretorius' attorney, Mr A C Laurens, had informed him he would probably make the same objection to Mr Pretorius giving evidence as Mr Alberts had, he said.

Mr Pretorius told the court that he came to court on a subpoena addressed to Volkskas and that he had been asked to bring along certain documents

Mr Kentridge What I am going to ask the witness relates to the overdraft which Volkskas has given to S A Today I want to know who is guaranteeing it, has it been paid off, who has paid it, when and it what manner

Mr Laurens said he came to court on late notice at the request of Pretoria attorneys to assist Mr Pretorius in giving evidence He had understood that the case would be postponed and was not sufficiently prepared for his task, he said

The attitude of Mr Pretorius was that questions would be asked which were closely connected with the enquiries of the Erasmus Commission This overdraft was definitely pertinent in relation to the Erasmus

● To Page 6