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Rhodie inquiry: Call for action

Cape Times 15/4/78

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CONT

Political Staff

HOUSE OF ASSEMBLY. — Admissions by top government officials to a parliamentary select committee have prompted its call for an in-depth probe into the financial control and management of the Department of Information.



Dr Rhodie

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- Call for finances probe.
- "Trial by newspaper" deplored
- Special debate next week on public accounts report.

The select committee on public accounts yesterday tabled its report on allegations by the Auditor-General that there had been "unauthorized expenditure" by the department.

It was "so perturbed at the poor internal control" that it has recommended an in-depth investigation by the Treasury and Public Service Commission into the department.

Central figures in the inquiry were the Secretary for Information, Dr Eschel Rhodie, his brother, who is also his deputy, Dr Deneys Rhodie, the Auditor-General, Mr F G Barrie, and a publisher, Chris van Rensburg.

Points to emerge about a controversial publication on which the department spent R320 000 a considerable time before it received final copies of the book included:

Bank authority

● An admission by Dr Eschel Rhodie that his department spends R10-million a year in foreign currency, and for some of this he does not know whether he has authority from the Reserve Bank.

● An allegation by the Auditor-General that information officials were instrumental in getting Mr Van Rensburg, publisher of the book "Stepping into the Future", to falsify letters to secure certain advance payment.

● The disclosure that a third Rhodie brother, Professor Nic Rhodie, was "editor-in-chief" of the publication.

● Though Dr Rhodie was only entitled to spend R180 000 on the book in the 1974-1975 year, he spent R320 000.

● Dr Eschel Rhodie personally recommended to the publishers, Erudita, that they get an overseas quote for printing from a Mr Kohl, of African International Publications in Sandton City, and who represents the Dutch firm of Smeets. African International Publishing is owned by Mr H G Jussen, who controls To the Point magazine and has a major stake in the Johannesburg morning daily, the Citizen.

Further report

The report tabled yesterday did not deal with allegations of wasteful expenditure or extravagance in the department. Those aspects are now being investigated and a further report is expected soon.

The Minister of Information, Dr Connie Mulder, would not comment on the report. But he is believed to be surprised at the recommendation that his department be investigated.

He met the Prime Minister, Mr Vorster, yesterday, but it is not known whether the matter was raised.

The essence of criticisms of the department is the way "Stepping into the Future" was published.

Mr Van Rensburg sent a letter to the department requesting R273 560 in respect of the book. He claimed the books were available when they were not.

According to the Auditor-General, Mr Van Rensburg admitted to him personally that the letter was false.

But he blamed the two officials, who he said asked for the letter because Mr Van Rensburg was not aware of the regulations. "I do not acutely blame him for having done what he did. I would not do it myself, naturally. I do blame the of-

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Blanket authority

On Dr Rhodie's relations with the Reserve Bank, Mr Schwarz asked him whether he had been prepared to pay part of the book's cost in foreign currency. Dr Rhodie replied he had, because the printing was done in Spain.

Mr Schwarz: "Did you discuss this with the Reserve Bank?"

Dr Rhodie: "No."

Mr Schwarz: "What then gives you the authority — I am not saying you did not have it — to offer to pay in foreign currency for something which you purchase?"

Dr Rhodie: "Every year I spend R10 million in foreign currency."

Mr Schwarz: "Do you have a blanket authority from the Reserve Bank?"

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officials, however, who asked him to do it" Earlier Mr Barrie had told the committee the two officials were Dr Deneys Rhodie and Mr Braam Fourie, chief accountant of the department.

Asked whether Mr Van Rensburg knew the letter was a falsification, Mr Barrie replied "Oh yes, he must have, because he admitted it was a falsification."

Certificate

Though the contract between the department and the publisher provided that final payment would be made only within 30 days of completion of the books by a Spanish printing firm, advance payments of R35 000 and R238 560 were made respectively on December 9, 1974 and March 25, 1975, on the authority of the secretary — out no books were available by the latter date.

Dr Rhodie also signed the certificate on the proof of payment on March 25, 1975, certifying that the 80 000 copies ordered had been received in good condition and that the beneficiary was entitled to payment.

One of the aspects raised during the inquiry was the necessity for paying foreign printers when tender regulations make it clear local firms should be favoured. Concern was also voiced that this led to an unnecessary outflow of foreign exchange.

Cross-examining Dr Eschel Rhodie on what he had done when he realized he had been misled to make payment on the strength of the letter dated March 24, 1975, Mr Harry Schwarz (PFP, Yeoville) asked Dr Rhodie what he had done.

"I believe, and I think the chairman also believes, that when one induces someone to make a payment which is not yet due, and this is done as a result of false representation, that may have very serious consequences in both civil law and otherwise," Mr Schwarz said.

Dr Rhodie replied "That is right," and said he had taken steps to prevent such a recurrence "In the department itself, the disciplinary steps I have in mind concern the future of the relevant official."

Mr Schwarz pointed out, however, that the incident took place in 1975 and it was now 1978. He wanted to know exactly what had happened.

Dr Rhodie said the steps being taken were against the head of the section involved and disputed that his brother and Mr Fourie had done anything wrong. "I think the publisher was wrong," he said.

Dr Rhodie: "Seventy percent of the department's operations overseas are conducted in foreign currency. Payments are made through transfers by the Reserve Bank."

Mr Schwarz: "The question I am asking is, do you have a blanket authority from the Reserve Bank to make purchases in foreign currency and to make payments in foreign currency when you are contracting with a person who is a South African resident?"

Dr Rhodie: "I do not know whether I have such authority. I did not ask for that."

One of the key questions raised by the committee was why it had become necessary for the department to pay a deposit of 15 percent (on the original contract price of R309 600) to the printers in Spain.

The book had been commissioned privately by Erudita and was presumably not the responsibility of the department. However, on June 14, 1974, the department paid R46 440 in terms of an agreement with Erudita.

Later an additional R10 400 was paid, apparently to offset the effects of currency devaluations that didn't take place until some time after the deal was concluded. The total of R320 000 paid to Erudita comprises these amounts, plus the R238 560 paid on March 25, 1975.

Council asked to reject complaint

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JOHANNESBURG — The Press Council was yesterday asked by the Sunday Express to dismiss a complaint against the newspaper by the Secretary for Information, Dr. Eschel Rhoodie, regarding a report it published in February.

Dr Rhoodie had objected to a paragraph of the report which said:

"To The Point has strong connections with the Department of Information whose Secretary, Dr. Eschel Rhoodie, became its first editor in 1972 and whose present editor, Mr. John Poorter, was Director of Information at the S.A. Embassy in London."

At yesterday's hearing Mr. Kelsey Stuart, for the Sunday Express, maintained the newspaper was fully justified in making this assertion on the basis of Dr. Rhoodie's one-time employment by To The Point, Mr Poorter's previous position in London and the fact that the present Director of Information in London, Mr Chris van der Walt, had previously written political reports for the magazine.

Readers of the Sunday Express were given the facts and it was up to them to decide for themselves whether or not there was in fact any connection between the magazine and the department, Mr. Stuart told the Council.

"We simply say there is a strong connection and set out the facts," said Mr Stuart.

Mr. Dirk Marais, appearing for the Department of Information, said the Express had presented "what they term facts based on the most gossamer foundation."

He submitted that the newspaper had published opinion as fact without qualifying it as such and had failed to publish a correction.

Mr Oscar Galgut, sitting with two assessors, Admiral H. H. Bierman and Dr. P. A. Weber, reserved judgment — (Sapa.)

Rhodie's books deal under fire

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Report on trips soon

Political Correspondent

CAPE TOWN — A separate report on a series of international trips by two mysterious Department of Information officials will be presented to Parliament later this session.

The officials — referred to simply as official A and official B in a recent report of the Auditor-General, Mr. F. G. Barrie — made six separate visits abroad each in six months.

Mr. Barrie said they could "under normal circumstances be regarded as extravagant," they were also considered to be "wasteful."

Mr. Hennie van der Walt, chairman of the Parliamentary Select Committee on Public Accounts, confirmed yesterday that a report on the affair could be expected later in the session.

The committee yesterday tabled a report on unauthorised expenditure in the Department of Information.

During the hearing, Dr. Eschel Rhodie, the Secretary of Information, complained about Press reports — which he described as "trial by newspaper" — about the trips.

He said he should have been able to put his case before the Auditor-General's report had been tabled in Parliament — which led to an exchange with Mr. Harry Schwarz, MP for Yeoville.

Dr. Rhodie said he wanted to raise a matter of principle.

After the report of the Auditor-General certain newspapers had published sensational headlines and reports which had created the impression that the Department of Information was "recklessly and irresponsibly" wasting large amounts of Government money.

"I deplore this form of trial by newspaper and I believe that the interests of the officials and the department could be protected by embargoing the publication of the Auditor-General's report until after the Select Committee has heard both sides of the case," said Mr. Rhodie.

Mr. Schwarz said if Dr. Rhodie was in order, then it would be necessary to have a debate on whether the Auditor-General's report should be made public.

Dr. Rhodie replied that he was not querying the practice but putting a request on behalf of himself and his officials. He requested that the chairman consider the matter.

Parliamentary Correspondent

CAPE TOWN — An in-depth probe of the management and financial control of the Department of Information following evidence of unauthorised expenditure was recommended yesterday by the parliamentary select committee on public accounts.

The committee had investigated unauthorised expenditure totalling R396 560 by the Department of Information over the three financial years to March, 1977, reported by Auditor-General Mr. F. G. Barrie.

Central figures in the inquiry are the Secretary for Information, Dr. Eschel Rhodie, his brother, who is also his deputy, Dr. Deneys Rhodie, Auditor-General Mr. Barrie, and a publisher, Mr. C. C. van Rensburg.

Among the facts to emerge in relation to a controversial publication, on which the department spent R320 000 17 months before it received final copies of the book, are:

- An admission by Dr. Eschel Rhodie that his department spends R10 million annually in foreign currency, and for some of this he "does not know" whether he has authority from the Reserve Bank.

- Evidence from the Auditor-General that two officials of his department, including Dr. Deneys Rhodie were instrumental in getting the publisher of the book *Stepping Into The Future* to falsify letters to secure certain advance payment.

- The disclosure that a

was entitled to spend only R180 000 on the book in the 1974-1975 year, he in fact spent R320 000.

- Dr. Eschel Rhodie personally recommended to the publishers of the book, Erudita, that they obtain an overseas quote for printing from a Mr. Kohl of African International Publications in Sandton city, who represents the D. & F. firm of printers. African International Publishing is owned by Mr. H. G. Jussen, the man who controls *To The Point* and has a major stake in the Johannesburg morning daily, the *Citizen*.

Surprised

The report tabled yesterday did not deal with allegations of wasteful expenditure or extravagance in the department. Those aspects are currently under investigation and a further report is expected soon.

Minister of Information Dr. Connie Mulder would not comment on the report but he is believed to be extremely surprised at the recommendation that his department be investigated.

He met Prime Minister Mr. Vorster yesterday for private discussions, but it is not known whether a probe call was raised.

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third Rhodie brother, Professor Nic Rhodie, was editor-in-chief of the controversial publication.

• Though Dr. Rhodie

The gravamen of the charges against the department rests with the way in which the book *Stepping Into The Future* was published.

Mr. van Rensburg of Erudita sent a letter to the department requesting payment of R273 560 in respect of the book. He claimed the books were available when in fact they were not.

According to the Auditor General Mr. van Rensburg admitted to him personally that the letter was false.

The certificate on the payment voucher of March 25, 1975, in which it was certified that the 80 000 copies had been received in good condition and that the payee was entitled personally to the payment, was also signed by the Secretary per-

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Dispute over false letter allegation

Cont

HOUSE OF ASSEMBLY — Allegations that two senior Department of Information officials requested a false letter from the publisher of a book the department was buying were disputed in evidence before a parliamentary select committee

The letter, certifying that all 80 000 copies of the publication "Stepping into the Future" were completed when not one copy was ready resulted in a final payment of R238 560 being made

The Auditor-General, Mr F G Barne, told the select committee on public accounts that the publisher, Mr Chris van Rensburg, had told him the letter had been requested by Dr Deneys Rhoodie, chief director of the department and Mr Braam Fourie, a senior departmental accountant.

The letter was written on March 24, 1975, because the department did not wish to carry payment over into the next financial year and because of fears that a rand devaluation would affect foreign payments for the contract, Mr Barne said

According to the committee report tabled yesterday, this was denied by the Secretary for Information, Dr Eschel Rhoodie, and by Dr Deneys Rhoodie

Mr Van Rensburg himself said he had been asked by the department to write such a letter, but added later that the Department of Information had not persuaded him to write a false letter

The letter of March 24 followed a letter of March 3 in which it was clear the contract could not be completed by the end of the 1975 financial year in March, 1975

There was also a dispute over why the March 3 letter was no longer in Department of Information files Dr Deneys Rhoodie denied it had been given back to Mr Van Rensburg, who in turn denied stealing it

Dr Eschel Rhoodie said he had given instructions that Mr Van Rensburg was to be "pushed" to deliver all books by March 31, but that a false letter saying the work was complete would not have been requested

"That we said to him he should cook up such a letter was not the case in my opinion," he said

They would rather have asked him how far he was with the work and for an assurance that it was completed

Dr Rhoodie said he had only later become aware of the fact that the contents of the letter were untrue, and that it was on this basis he had authorized a final payment.

Mr Barne said he did not doubt that Dr Deneys Rhoodie and Mr Fourie knew the books could not be ready, and Mr Van Rensburg knew the letter he was writing was false.

"I do not actually blame him for having done what he did I do blame the officials, however, who asked him to do it"

This was denied by Dr Deneys Rhoodie.

"Mr Van Rensburg did not say to me the books were not ready or could not be ready," he said

What had happened was that Mr Van Rensburg was asked why he should say on March 3 that the books would not be completed that month when he had previously indicated on December 6 that work would be completed in January

Mr Van Rensburg was asked how up to date his information was, and had undertaken to investigate anew and report before the end of March

Mr Van Rensburg was also told that, unless the work was delivered by March 31 he would simply not be paid, because after that additional funds had to be requested by the Treasury for the new financial year, or other projects reconsidered

"It was thus his problem entirely," Dr Deneys Rhoodie said

The letter of March 3 had been given to Mr Van Rensburg in Dr Rhoodie's office, but not for him to take away, although this happened

"I did not ask him to take it away That was his own decision"

Testifying about the March 24 letter, Mr Van Rensburg was asked by Mr P D Palm (NP Worcester) why this untrue document had been written

"My interpretation of my conversation with the department after I wrote the letter of March 3 was that they wanted something on record to ensure that funds were not carried over and that the letter would put them in a position to justify why the money would not be carried over," he said.

Mr Palm "Do you thus allege that the department told you to write such a letter"

Mr Van Rensburg. "My interpretation is that this was so"

Asked directly if anyone asked him to write it, Mr Van Rensburg replied. "Yes, it comes down to that."



Dr Eschel Rhoodie

Replying to subsequent questions, Mr Van Rensburg said the Department of Information had not persuaded him to write a false letter

"I can definitely not accuse the department of ever persuading me to write a false letter, but the fact is, as I saw it, that that letter was wanted from me to put them in a position where, from a record point of view, it would not be necessary for them to lose funds and that the funds would not have to be carried over"

Dr H M J van Rensburg (NP Mossel Bay) "Did it seem to you that the letter was required from you whether or not the work was completed?"

Mr Van Rensburg "I think I must give the answer as 'yes', because that is why I wrote the letter I would otherwise not write such a letter out of the blue"

Mr Van Rensburg said he knew the letter was untrue when he wrote it, but that it was done purely to assist the Department of Information

"There were no other motives The only, absolute purpose was to put the government in a position where it would not lose money and would also not have to pay more as a result of devaluation as I saw it, the end justified the means"

Mr Van Rensburg was asked whether he had told an official from the auditor-general's department that he had instructions to destroy his letter of March 3 and replace it with another letter of March 24

Since the conversation concerned, he had thought deeply about the matter he said

"My worry now is If the department wanted that letter destroyed — all staff have so-called shredders in their offices — why should they give it to me to destroy and why did they not just destroy it themselves?"

"The letter was given back to me I have the letter on record."

Mr Van Rensburg said there was no doubt that the letter of March 3 was returned to him with the intention that he was to take it away He had made notes on the back of it

"There is only one of two possibilities Either I stole the letter, or it was given back to me I definitely did not steal the letter"

Nor did he regard the letter of March 24 as a replacement for that of March 3, he said

Mr Van Rensburg said people who did work for the Department of Information often found the department unrealistic in its demands for delivery dates

He had been appointed a few months previously to compile statistics for a yearbook He was given an appreciable sum of money and told the material was wanted within four months.

"I thought it was a fantastic programme and contract until I realized the men knew it was almost impossible to do"

Mr Van Rensburg said he had also had problems with delivery dates for books on Transkei and Bophuthatswana — Sapa

'Trial by paper' deplored by Dr Rhoodie

HOUSE OF ASSEMBLY — The Secretary for Information, Dr Eschel Rhoodie, told a parliamentary select committee he objected to "trial by newspaper" following revelations that his department had spent money without authorization.

Dr Rhoodie said he believed he should have been able to put his point of view before the report of the Auditor-General, in which the revelation was made, was tabled in Parliament earlier this session

In testimony before the select committee on public accounts, whose report was tabled yesterday, he said several South African newspapers had published sensational stories, following the tabling of the Auditor-General's report, "as if the Department of Information recklessly and irresponsibly squandered large sums of money"

Detrimental

Dr Rhoodie mentioned reports and cartoons in English and Afrikaans newspapers and said the publicity had been detrimental to the department as well as to the public service

"I deplore this form of "trial by newspaper" and I feel the interests of the officials and the department could be protected by limiting publication of the Auditor-General's report until after the select committee has heard both sides of the case."

The chairman of the committee, Mr Hennie van der Walt (NP Schweizer-Reneke) said he had raised the question with the Speaker, because he had felt the committee could be dragged into the issue

However, the tabling of reports was laid down in parliamentary procedure and the committee could not discuss that aspect

"I think the opportunity can be created on another occasion to deal with this specific aspect"

No query

Dr Rhoodie told the committee that as far as his department's records showed, there had been no audit query between April 1963 and January last year in connection with any ad hoc publications

In 1969, after the second international court case on South West Africa, he had arranged printing and distribution of "The

Finances probe call

HOUSE OF ASSEMBLY — The parliamentary select committee on public accounts yesterday recommended an in-depth investigation of the management and financial control of the Department of Information following evidence of unauthorized expenditure.

The committee had investigated unauthorized expenditure totalling R396 560 by the Department of Information over the three financial years to March 1977 reported by the Auditor-General, Mr F G Barrie.

"It is so perturbed at the poor internal control, the inefficient utilization of staff and the failure to comply with financial instructions that it deems it essential that an in-depth investigation be instituted," the committee report said.

It recommended, however, that the expenditure be covered by specific appropriation by Parliament as the State had incurred no actual financial loss.

Investigation

The investigation should be conducted by the Treasury and the Public Service Commission to ensure a recurrence of the unsatisfactory actions was prevented, it said.

An amendment by Mr Harry Schwarz (PFP, Yeoville) that the committee recommend a commission of inquiry be appointed into the Department of Information in terms of the Commissions Act, was rejected.

after a division.

Mr Schwarz and Dr Zach de Beer (PFP, Parktown) voted in favour of the amendment and Mr John Malcomess (NRP, East London North) abstained, while the other members of the committee voted against the amendment.

The committee found that a final payment of R239 560 had been authorized for a publication not yet printed against a false letter from the publishers certifying all 80 000 copies were ready for dispatch.

There was evidence that this letter had been requested by Department of Information officials to facilitate payment before the end of the 1974-75 financial year and to avoid possible losses in the pending 1975 devaluation of the rand.

It also found that unauthorized progress payments were made for three other publications, a habit the committee said the department had developed.

The most serious allegations related to payments for the book "Stepping into the Future", which was printed in Spain.

Mr Barrie said there had been unauthorized advance and final payments no steps were taken to indemnify the State against possible loss and Tender Board instructions on giving preference to South African suppliers appeared not to have been fully considered.

An advance payment of R35 000 and a final payment of R238 650 were authorized by the

Secretary for Information, Dr Eschel Rhoodie, although no book had yet been completed.

"The certificate on the payment voucher of March 25, 1975, in which it was certified that the 80 000 copies had been received in good condition and that the payee was entitled personally to the payment was also signed by the secretary personally," the report said.

"The Secretary for Information stated that he had received a letter from the publisher on March 24, 1975, in which it was certified that the work had been completed and that all 80 000 copies of the publication were held by Erudita Publications in stock awaiting dispatch and delivery instructions.

"No evidence was given that such instructions were given. The secretary signed an acknowledgement of receipt for the goods.

"In evidence he stated he only discovered subsequently that the books were not ready and that the letter therefore did not contain the truth."

A further letter from the publishers stating that 40 000 copies were ready was only received in May, 1975.

Mr Barrie said the publisher, Mr C C van Rensburg, had made a voluntary verbal admission that his letter of March 24, 1975, did not contain the truth.

It had been written after discussions with two officials of the Department of Information, and a letter of March 3, 1975,

setting out progress made, was returned to him.

Dr Rhoodie testified that he had taken steps to prevent a recurrence and had taken steps against the head of the section concerned after discussions with Mr Van Rensburg and the officials concerned.

"Mr Van Rensburg of the publishing firm concerned stated in evidence that his letter of March 3 1975, had been returned to him during discussions with officials of the department in order that, as he understood the position, he could submit a document to the department before the end of March, 1975, in which he had to indicate that the whole consignment of books was available so that the department would not need to surrender the funds at the end of the financial year and to avoid losses as a result of a possible devaluation.

"He then wrote the spurious letter of March 24, 1975, to the department in which he indicated that the books were available, while he knew full well that the books were not available.

"Although he stated that he was under the impression at that stage that he was acting in the best interests of the department, he alleged he only realized the serious nature of this action at a later stage, during the audit investigation in 1977."

On other unauthorized payments, totalling R123 000, the committee said the Department of Information had clearly fallen into the habit of making progress payments without a contractual provision and without consent.

The Department of Information had alleged the irregularities occurred because inexperienced professional staff not acquainted with the financial instructions had "encroached on the work sphere" of the administrative section.

Dr Rhoodie had also stated he did not have sufficient administrative staff, and had requested a Public Service Commission investigation, the report said — Sapa.

Special debate next week on public accounts report

HOUSE OF ASSEMBLY. — A special debate on the report of the select committee on public accounts is to be held in the Assembly next Friday, the government chief whip, Mr Pen Kötze, announced yesterday.

The debate follows the report's criticism of the Department of Information and its recommendation that a special investigation be held into the department's management and financial control.

The committee chairman, Mr Hennie van der Walt (NP Schweizer-Reneke), said in a statement that, although the committee disapproved of the procedures leading to unauthorized expenditure, it decided to authorize the money because the State suffered no actual loss.

"The fact that the report recommends an investigation of conditions within the Department of Information indicates that the committee is disturbed at the circumstances, which led to the unauthorized expenditure.

"The intention is, while the committee is satisfied that the State suffered no loss, to prevent a recurrence of such circumstances which could

possibly lead to the State suffering loss in the future."

He hoped the investigation by the Treasury and the Public Service Commission would lead to a report at the next parliamentary session on whether the necessary rectifications were made.

The two Progressive Federal Party members of the committee, Mr Harry Schwarz (Yeoville) and Dr Zach de Beer (Parktown), said the report, was a disturbing document.

"It demonstrates a disturbing lack of control and communication — the only remedy for which is a full-scale judicial inquiry."

The department paid for and acknowledged receipt of books not yet completed. The fact that the books were eventually delivered did not remove the potential prejudice to the State at the time of payment.

"The Department of Information has the job of projecting South Africa abroad. It is, therefore, essential that the department itself be projected without blemish," they said in a statement — Sapa.

case for South-West Africa London firm over the urgency of the matter.

There had been no tenders and no contract and payment of several thousand pounds had been made before physical delivery of the books was certified.

Justified

"The circumstances of the time justified this," Dr Rhoodie said, "and there was no investigation or audit inquiry afterwards."

There had been other such examples, but he thought this was an important precedent.

"In view of the fact there was no formal inquiry over a period of 15 years concerning our modus operandi in connection with the printing and distribution of publications, I had reason to believe there was nothing wrong with the procedure," Dr Rhoodie said — Sapa.



DR. ESCHEL RHOODIE, Sekretaris van Inligting.

Rhodie: man in die son

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RHOODIE 16/4/78

RYK dr. Eschel Rhoodie, Sekretaris van Inligting en aweregse nuusmaker van die week, is 'n man van duisende: duisende rande rol in sy eie en sy Departement se transaksies, en hy vlieg duisende kilometer per jaar om Suid-Afrika se saak oorsee te stel. Soms vlieg sy vrou saam. Dan is dit 'n kwessie wie betaal, maar daarmee is daar nie moeilikheid nie.

Nou wil die Volksraad die maniere van doen in sy Departement, waaroor 'n Gekose Komitee vandeeweek verslag uitgebring het, van 'n kant af laat ondersoek. Terwyl aantyginge en insinuasies om sy kop vlieg, het hy vandeeweek in sy kantoor vir Thinus Prinsloo in die oë gekyk en sy kant van sake gestel (lees berigte op bl. 5).

In die proses kom dit aan die lig:

*Dat hy, wat so Jetset vlieg, vliegritte eintlik „verpes” en wens hy kan liever soos ou dae skipper.

*Dat hy bo alles eintlik graag die groot roman wil skryf — „'n soort Suid-Afrikaanse Gone With The Wind,” sê hy.

haar man waardevolle seels bygevoeg. Verlede Mei het dr. Rhoodie 'n deel van die versameling aan 'n afgetrede Nederlandse sakeman verkoop.

Terwyl mev. Rhoodie se ouers, mnr. en mev. Joe Bondesio van Dwaalboom nog geleef het, het sy gereeld kontantskenkings ontvang: tussen R2 000 en R10 000 per jaar.

Die Rhodies se huis in Menlopark is in 1965 vir R15 000 gekoop. Daarvan het dr. Rhoodie R7 000 betaal en sy skoonpa die res.

Mev. Rhoodie het 'n derde van haar ouers se boedel geerf: sowat R70 000 kontant, 'n plaas en al die juwele van haar moeder. Dis glo duisende rande werd.

Dr. Rhoodie het ook ander eiendomsbeleggings behalwe die huis in Bantrybaai.

Agttien maande gelede het hy 'n woonstel in die Oscar Dee-woonstelle op Plettenbergbaai aan 'n Franse sakeman, mnr. Arnold Milchem van Parys, verkoop. Die verkoopprijs was R49 000 en dr. Rhoodie was die alleeneienaar.

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... uit die Departement sou wou "uitkoop" sodat hy sy tyd voltyds aan skryfwerk kan.

Terloops: „Ek hou van my huis, ek het 'n lekker huis. Ek het 'n mooi en intelligente vrou. Ek het amper bygevoeg ryk ook, maar dis nie belangrik nie.”

Ook oor sy finansiële transaksies, wat die afgelope weke sterk in die gedrang is, kom daar intussen uit 'n ander bron meer besonderhede. **RAPPORT** se berig verlede week dat sy vrou groot geërf het, is waar. Maar dis lank nie al nie. Dr. Rhodie is self handig met beleggings en sake-transaksies. Nou die dag nog R36 000 gemaak uit die verkoop van deel van 'n seelversameling.

Om status gaan dit nie vir hom nie — hy is 'n motor van sewe jaar oud — dis net ekonomiese oorewegings wat tel. Daardie huis van R71 000 kontant (plus R30 000 vir verfraaling) in Bantrybaai is nie gekoop vir die spog nie. Dis om in te gaan aftree en intussen bring dit R700 per maand aan huur in.

Die seels wat gehelp het om die huis te koop, was deel van 'n kosbare versameling, begin deur mev. Rhodie se oupa, die Italiaanse ingenieur Bondesio, wat voor die Tweede Wêreldoorlog na S.A. verhuis het. Mev. Rhodie het sy seelversameling, voor haar troue geërf, maar deur die jare het sy en

R30 000 by die Oscar Dee-maatskappy oorge-neem.

Uit sy sewe boeke tot dusver het dr. Rhodie self al 'n aansienlike bedrag verdien. Party het in die buiteland verskyn, en uit Third Africa wat in Amerika deur die National Catholic Press uitgegee is, het oor die R9 000 al na sy kant gekom. Hy hoop om teen die middel van volgende jaar nog twee uit te gee.

* Toe dr. Rhodie om kommentaar genader word, het hy gesê: Wat hy besit en sy inkomste was nog nooit 'n geheim vir sy vriende en familie nie.

Elendoms-transaksies — is onder Departementshoofde glad nie vreemd nie. Sy prokureurs is besig om te kyk na insinuasies in hoerante dat hy sy eiendomme op onbehoorlike manier verkry het. Sy inkomste en hoe hy dit spandeer, veral wat vakansies betref, is sy eie saak.

En die mense wat dink hy werk vir die geld en die voorregte, dink nie verder as wat hul neus lank is nie. Vir sy onge-reelde werkure, afwesigheid van die huis en al die klappe en insinuasies wat hy kry sowel in amptelike as private hoedanigheid, kan die Regering hom nie ver-goed nie. „Hulle sal my salaris moet verdubbel!”

As Sekretaris van Inligting kry dr. Rhodie R22 000 per jaar.

'Dedicated men' — other side of the story

By KITT KATZIN

THE Department of Information is increasingly under attack but, in the view of its supporters, there is another side to the story.

The department has recorded a series of brilliant diplomatic triumphs behind the scenes — but its top priority programming is being impeded by Public Service regulations designed specifically for conventional government departments, according to statements made to me.

And in sheer desperation and frustration, top Information officials — including the Minister, Dr Connie Mulder — are compelled at times to bend rules and regulations to break through vital diplomatic barriers in the hunt for more international contact.

On many occasions senior officials have no option, but to travel incognito by using foreign airlines and private aircraft.

They fly off at a moment's notice to all parts of the world in an incredible backdoor-type of shuttle service.

In the process, many are cut off from their families or weeks, and in some cases not even their destination is revealed.

The officials are paid novertime for the long and exhausting missions. Often they work 20 hours a day — through weekends, at night, and on planes.

In the interests of fairness, the Sunday Express has pieced together what might be termed "the case for the defence".

Sometimes they are accompanied by their wives, who help to play a secondary role, indirectly.

Although the department's financial affairs have been strongly criticised by a Parliamentary select committee, informed sources say its diplomatic offensive has been the most effective ever mounted on behalf of any government in this country.

Both the Minister, Dr Mulder, and his dynamic Secretary, Dr Eschel Rhoodie, have transformed the department from what was described to me as a "glorified post office" into a highly effective information and diplomatic bureau.

But because much of its work is conducted in secret — even in Parliament Dr Mulder has refused to name countries he has visited — its difficulties and frustrations, within the framework of existing government structure, could never be publicly appreciated.

That is why it is essential for the department to operate autonomously whenever it can.

Normal Civil Service regulations frustrate and impede the work of the department, particularly in diplomatic and international con-

Cont



● Connie Mulder ... full responsibility

Demo flight: a bill for R6 900 arrived later

By KITT KATZIN

THE Pretoria company that flew out millionaire Louis Luyt's jet to the Seychelles on a free demonstration flight last year received a bill of R6 900 for the flight six months later.

But Mr Luyt did not hire the plane for a fee — he had no charter licence to do so.

The only costs involved were R500 for fuel and landing, and this bill was settled by the client which flew the plane, Thor Communicators (Pty) Ltd, a Pretoria company which was interested at the time in buying the R4 500 000 BAC 1-11 airliner.

The rest of the flight — on which Mr Eschel Rhoodie, Secretary for Information was a guest — was free as is customary with all demonstration flights. Mr Luyt told me this week.

Who, then, submitted the bill — for R6 900 — to Thor Communicators, and why was it sent only six months later?

The Sunday Express has established this information

from reliable sources, and has other details concerning the bill.

JOHN MATISONN reports from Cape Town that Dr Rhoodie personally negotiated a six-figure property deal in the city on behalf of Thor Communicators. The company owns six flats under sectional title — worth R225 000 — in a 30-flat block, Valkalla, in Victoria Avenue, Clifton.

Dr Rhoodie came himself to look at the flats a number of times. He negotiated with a salesman, Mr Clive Parkes, who was working at that time for Voysey Bond, Cape, which owned the block.

Negotiations were sometimes delayed because Dr Rhoodie was travelling abroad. At first he spoke of buying one flat, but later said he was interested in more, according to Mr Parkes.

"There was no haggling. They (Thor Communicators) paid the asking price, and they paid in cash," said Mr Parkes.

Report names Rhoodie brothers

By JOHN MATISONN

THE Parliamentary select committee on public accounts has called for an in-depth probe by the Treasury and Public Service Commission into the Department of Information, in a report tabled in the House of Assembly on Friday.

Most of the report deals with unauthorised department expenditure of R273 560 on a publication

called "Stepping into the Future".

Its publishers approached Professor Nic Rhoodie, head of the sociology department at Pretoria University, to be "editor-in-chief" of the book.

Before printing the book, they contacted Professor Rhoodie's brother, Secre-

tary for Information Dr Eschel Rhoodie, to offer the book to his department.

Another brother, Dr Denys Rhoodie, was involved in the negotiations as chief director of the Department of Information, which bought 30 000 copies.

Members of Parliament from all four parliamentary

parties sat on the committee, which reported unanimously that it was "so perturbed at the poor internal control, the inefficient utilisation of staff and the failure to comply with financial instructions" that an in-depth probe by the Treasury and the Public Service Commission was essential.

The truth about those trips

• From Page 1

in one year and twice in another

A second wife went overseas three times in one year

The trips, I understand, were in conflict with a decision taken by the Cabinet in March 1975 — that wives of senior Government officials could travel abroad at State expense with their husbands once for every four visits made by their husbands, and with a time span of not less than two years between the visits

As far as officials themselves are concerned, one of them went on six overseas trips in just the first five months of 1977

I can reveal today that the Department of Information has consistently used private travel agencies — and not the Government's Railway Travel Bureau — to make overseas bookings for officials

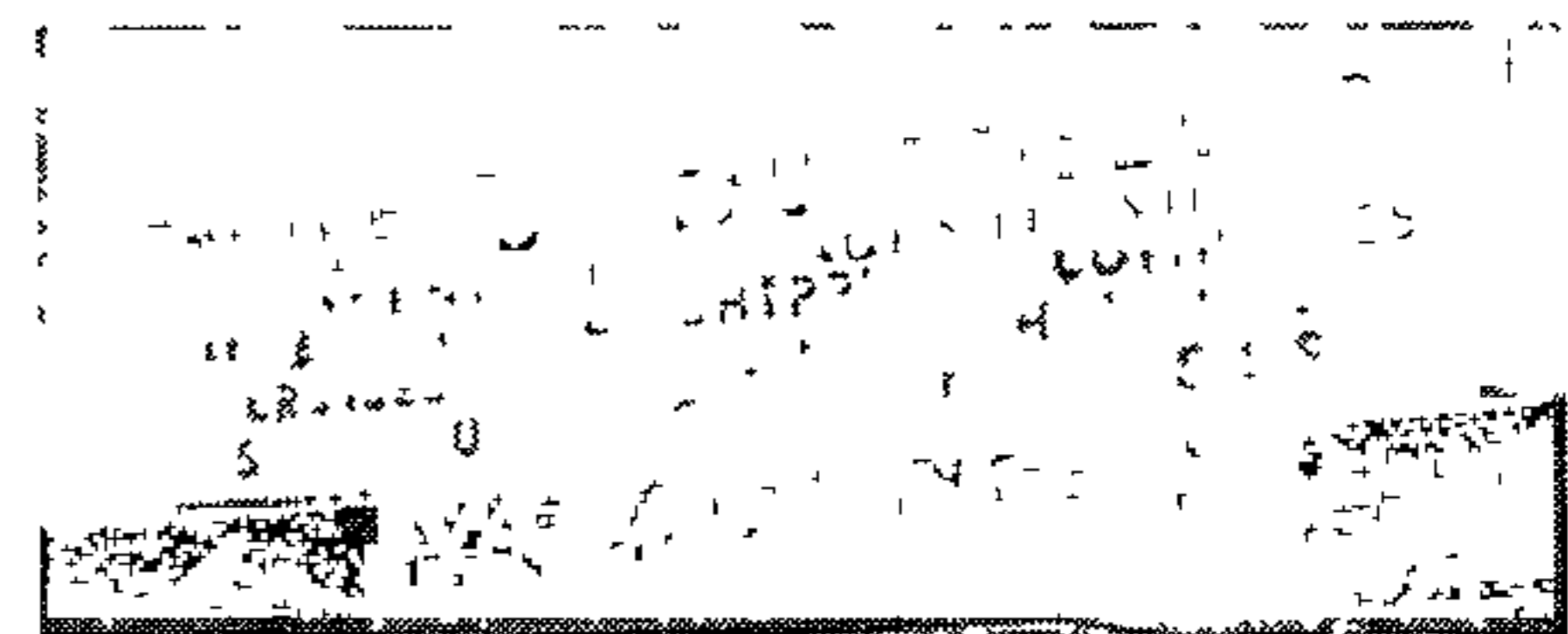
Though it has used several agencies for this purpose, it has done most of its business with Vacations Unlimited — for official, unofficial, and private bookings

The following sums were paid by the department to Vacations Unlimited for "services rendered"

1973/74 — R 2 700
1974/75 — R42 984
1975/76 — R73 548
1976/77 — R721653
1977/78 — R18 113

For the 4½ financial years, Vacations Unlimited was also paid a commission of R17 000 by the SAR Travel Bureau for bookings and travel arrangements it made for officials of the Department of Information

I established from informed sources that the purpose of requiring Gov-



● The sign hanging outside the office of Vacations Unlimited.

ernment departments to make bookings for trips abroad through the SAR bureau is to eliminate the payment of commission to private travel agencies.

I understand that concern was expressed at Government level about the booking arrangements of the Department of Information, and its involvement with Vacations Unlimited

A request was made that the Department should be urged to stop this practice, which deviated from established Government policy

It was also pointed out that the procedure — making bookings through private travel agencies — gave rise to irregularities.

I understand too that many of the trips booked with Vacations Unlimited were classified "unofficial", but were undertaken for official purposes, for diplomatic and other reasons

This, I understand, is what the Secretary for the Department, Dr Rhodie, meant when he explained this week that bookings were often made (with Va-

cations Unlimited) on behalf of departmental officials in a personal capacity.

The managing director of the company, Mr Leon Suskin, said he made bookings for people in various Government departments in their private capacity, including the Department of Information

I established that ● One official of the Department possessed at times R10 000 and sometimes as much as R14 000 in advance payments for travel and accommodation expenses for pending trips abroad

● Another senior official, on official Government business in London last year, watched the Wimbledon Tennis Championships, from June 22 to July 3

The official also attended previous Wimbledon tournaments

● There have been allegations at official level that two deliberate attempts were made to hide the fact that air tickets were obtained by the Department of Information for a woman to travel abroad at State expense

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THE TRUTH ABOUT THOSE

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INFORMATION TRIPS

CONTRARY to Government policy, the Department of Information paid a private travel agency in Pretoria R210 000 in five years for air tickets and hotel bookings for its senior officials to travel on diplomatic missions abroad. And in many cases wives of the officials were allowed to accompany their husbands — at State expense.

The R210 000 payments were made to Vacations Unlimited, situated in an arcade between Church and Vermeulen streets, Pretoria. Only a few paces from the Department of Information offices the payments, from 1973 to 1976, jumped by R31 000 to R73 000 in one year — the 1975-76 financial year.

ANOTHER EXPRESS EXCLUSIVE BY KITT KATZIN

Total payments topped R209 998, from 1973 to 1977. As a result, the South African Railway Travel Bureau, which is the official Government agency for overseas bookings, had to pay Vacations Unlimited R17 000 in commission.

Most of the trips undertaken by Department of Information officials — mainly to Europe and the United States — were classified "official". But some were unofficial — in the form of "secret and sensitive contact-making exercises", mostly to Africa and the Middle East.

All the trips, however, were considered to be in the national interests of South Africa and all were conducted in accordance with the full approval of the Minister of Information, Dr Connie Mulder.

Both the Minister of Information, Dr Mulder, and his Secretary, Dr Eschel Rhoodie, are said to feel compelled at times to use their own initiative to make their own diplomatic progress. Dr Rhoodie, a man with tremendous drive and his

team of advisers, often reach the point of exhaustion and breakdown. I understand. At times it is necessary for them to travel abroad officially as many as 10 times a year. Supporters of the department say its top officials are the "finest and most dedicated team" the South African Information Department has ever had. The wife of one official travelled abroad four times

● To Page 7

RHOODIE STELSY

BUROKRASIE krap by die Departement van Inligting, sê sy Sekretaris. Die „massas voorgeskrewe reëls en regulasies,” werk stremmend in op die werk van die Departement, kla dr. Eschel Rhoadie.

„Ons kan dikwels *skere take nie betyds handel nie omdat daar veel reëls en regulasies waarna ons moet oplet* — *at die mense net eenoudig nie betyds die werk aan klaar kry nie*.”

Dis veral finansiele regulasies en Tenderraad-voor-krifte wat krap Reelings ord getref om vinniger te an optree en om „biefjie roter outonome gesag te kry en besluite te neem in ver- and met finansiele beste- ing”

In 'n padlangse onderhoud met RAPPORT het dr Rhoadie ook gesê dit is soms nodig in onder 'n vreemde vaandel : waar om Suid-Afrika se handpunt in sekere lande te tel en dis sy Departement standpunt.

„Dat ons enige indwidi, enige organisasie, enige metode, enigiets, sal gebruik n sal aanwend as ons daar- eur kan help om ons land

se belange in die buiteland te bevorder.”

* Daar word van u gepraat as Suid-Afrika se „jet-set-ska- kelman. Hoe voel u daaroor?”

„Ek beskou myself as 'n skakelman in die sin dat ek skakeling bewerkstellig tus- sen die Suid-Afrikaanse Re- gering en meningsvormers en besluitnemers in die buite- land aan wie ons inligting wil oordra.

„In dié sin is ek en my personeel skakelmense, maar ek beskou myself nie as 'n jet-setter nie. Vir eers omdat dit 'n ander kommissie inhou, en ten tweede omdat ek self nie baie van lugreise hou nie

„Maar ongelukkig is dit nou so dat ons in die huidige tydsgewrig — om die Eerste Minister se woorde te gebruik — 'n ongekende aanslag van buite beleef, feitlik in 'n oor- log verkeer. Ons is dus in 'n propagaanda-oorlogstryd gewikkelen dit is vanselfspre- kend dat ons voortdurend

persoonlike kontak in die bui- teland moet behou.

„Nie alleen met ons eie mense nie, maar ook met ander instansies en organisasies. Wat ons eie Departement betref, besite die De- partement van Inligting R10 miljoen per jaar in die buiteland en by het agtien buitelandse kantore.

„Dit is so dat ons ander organisasies in die buiteland mekaar op 'n vertroulike grondslag help, met die ge- volg dat dit ook in dié ver- band noodsaaklik is om na die buiteland te reis.

„Maar alles en alles in ag geneem, word elke reis vooraf bespreek met die Minister van Inligting. Dit word teenoor hom gemoetveer, daar word verduidelik hoekom dit nodig is, en die Minister van Inlig- ting keur elke indwiduele reis persoonlik goed.”

* Thor Communicators word onder meer beskryf as 'n openbare skakelfirma; 'n

In die klei: Só het dit gebeur

Van Ons Politieke Berleggewer

DIE staat ken jaarliks volgens behoeftes en ahangende van die sterkte van die staatskas geld aan die onderskeie staatsdepartemente toe. Aan die einde van die boekjaar op 31 Maart moet alle oorskotte weer in die staatskas gestort word

firma wat navorsing doen oor internasionale verhoudinge in die publikasieveld, en raad- gewers oor internasionale konferensies. Die firma se naam en u naam word kort-kort in dieselfde asem genoem. Daar is gevolg- lyk beweringe dat Thor Com- municators een van die kanale is wat gebruik word wanneer amptelike kanale nie toegang het nie is dit so?

„Dit is nie korrek nie. Ek dink daar word baie wilde bewerings gemaak My ver-

LOW

THINUS PRINSLOO het Donderdag, op die voorrand van die in- handiging by die Volksraad van die verslag van die komitee wat ondersoek ingestel het na ongemagtigde uitgewes van die Departement van Inligting, 'n openhartige gesprek met dr. Eschel Rhoadie in Pretoria gevoer.

bintenis met Thor Communi- cators is 'n suwer persoonlike aangeleentheid. Ek ken al drie die direkteure. Hulle is adv. Reihf van Rooyen, mr. André Pieterse en wyle Oscar Hurwitz, wat ek dertig jaar persoonlik geken het — mnr. Hurwitz is verlede jaar oor- lede.

„Ons is huisvriende, met die gevolg dat my persoonlike kontakke met hulle nie nood- wendig beteken dat daar 'n amptelike verbinde is nie.

„Ek kan konstateer dat ek nie weet waarom hierdie mense destyds hierdie maat- skappij gestig het nie. Ek het hulle ook nie gevra nie. Al wat ek kan sê, is” Thor Communicators het geen kon- trak van die Departement van Inligting nie

„Daar is geen finansiele transaksies tussen Inligting en Thor Communicators nie. Sover ek weet, het Thor Com- municators ook nie enige

ander staatsdepartemente met wie hy kontrakte van dié aard het nie.

„Van 'n moontlike botsing van belange is hier glad geen sprake nie. Thor Communi- cators kan u net sowel verrang met vyf of ses ander maat- skappye met wie se direkteur ek besonder goeie vriend is. Ek is goed met hulle bevriend en het ook saam met hulle vakansie gehou.

„Ek wil nou nie mense aan die hare herly insleep nie, maar ek kan selfs die naam

noem van 'n direkteur wat in dieselfde linkse hoek sit as SAAN (South African As- sociated Newspapers, uitge- wers van onder meer The Rand Daily Mail, The Sunday Times en The Sunday Express)

„So, bloot die feit dat ek 'n persoonlike kennis is van die direkteure van sekere maatskappye, beteken nie ipso facto dat daar nou 'n sogenaamde amptelike ver- binde is nie.”

* Watter rol speel mnr. Louis Luyt se straler — wat buite Suid-Afrika geregistreer was — in Suid-Afrika se ofensief om 'n standpunt te stel waar Suid-Afrikanners amptelik nie toegelaat word nie?

„Ek kan die vraag nie beantwoord nie. Dis vir eers vir mnr. Luyt om te antwoord, en ten tweede vir ander departe- temente wat al in dié

van mnr. Luyt se vlieguitg gebruik gemaak het.”

* In die buiteland en in Suid-Afrika word in sommige kringe aanvaar dat u, die Departement van Inligting, ook van front-organisasies ge- bruik maak?

„Ons vyande in die buite- land het al verskeie boeke gepubliseer waarin hulle elke organisasie wat iets goeds doen vir Suid-Afrika, of 'n goeie woord vir Suid-Afrika het, beskryf het as 'n instru-

ment vir die Departement van Inligting.

„Dit is natuurlik nie die geval nie. Maar hierdie bewe- rings wat gemaak word, is iets waarvan u maar u eie afbeeldings moet maak.”

* Dit is soms nodig om onder 'n vreemde vaandel te vaar om Suid-Afrika se stand- punt in sekere lande of by sekere persone te stel?

„Ja, dis korrek. Dit is 'n feit dat nie-amptelike instansies en organisasies se analises en evaluering van ontwikkel- linge in Suid-Afrika meer gewig dra by meningsvormers en besluitnemers onse — en waarskynlik ook in Suid- Afrika — as dié van 'n ampte- like kanaal”

* Het u magtiging in dié moeilike tye om nie-amptelik met oorsese staatshoofde te onderhandel?

„Ek het geen amptelike

magtiging van die Regering om met staatshoofde te onderhandel nie.

„Ek het wel 'n opdrag van my Minister om in die kon- teks van skakeling met meningsvormers en besluite- mers — wat dus alle groepe en instansies en indwiduele insluit — na die buiteland te gaan en sekere kontrakte te maak

„Alles wat ek daar doen, word vooraf met die Minister bespreek en word deur die Minister goedgekeur. As ek dus vir die Minister mededeel dat ek moontlik by, Pres. Manchin sal ontmoet in die Seychelle, dan is dit omdat die Minister al by 'n vorige geleentheid ook met die presi- dent kontak gehad het en dat dit met sy goedkeuring plaasvind

* Is dit nie buitengewoon dat 'n staatshoof soos pres. Man- chin twee keer, soos uit koe- rantberigte blyk, dié vergis- sing begaan om twee keer u besoek as amptelik te sien terwyl u dit nie as amptelik sien nie?

„Ek kan werklik geen lig werp op die standpunt wat die president oor die saak ingeneem het om die reise as amptelik te beskryf nie.

„Indien dit 'n amptelike besoek was, sou ek alleen met die Suid-Afrikaanse lug- diens daar aangekom het. Dit was tog heeltemal duidelik, vanwee die hele opset van die geselskap dat dit 'n vakansieres was

„Die president se geheue speel ongelukkig 'n biefjie- parte. Hy kan volgens berigte ook glad nie onthou dat hy 'n dinnee vir ons aangebied het nie. Hy kan ook nie ont- hou dat my familie daar was nie, terwyl my vrou in werk- stel is.”

sy mening gesond en hy het gereken „die doel heilig die middele”

So is daar voorkom dat 'n groot bedrag van R238 560 (R35 000 was reeds vooruit betaalbaar) in die staatskas teruggestort word en dat daar opnuut vir die volgende boekjaar om 'n addisionele lening aansoek gedoen moet word

Die vooruitbetaling in Maart was ook met die oog op die devaluering van die rand vir die staat voordelig, is in 'n stadium van Inligtings- en uitgewerskant aangevoer Maar daaroor het die gekose komitee 'n vraagteken geplaas die devaluasie was op die ou end eers in September daardie jaar

Hoewel daar nie sprake was van bedrog in die sin dat staatsgeld in verkeerde sakke beland het nie, was die procedure strydig met die finansiële regulasies, aangesien daar nie by die Tesourie goedkeuring verkry is om die vooruitbetaling te doen nie. Buitendien het die kontrak wat met die uitgewery aangegaan is, dit duidelik gestel dat die finale vereffening eers binne dertig dae ná aflewering moet geskied.

Dit is gebruik dat die Volksraad die verslae van die Gekose Komitee oor Openbare Rekeninge sonder bespreking aanvaar. Vrydag word egter 'n buitengewone debat oor die verslag gevoer

Dr Eschel Rhoadie het beweer dat die onreëlmatighede wat aan die lig gekom het, daaraan gewyt kan word dat onervare vakkundige personeel wat nie met finansiële voorskrifte vertrou was nie, hulle op die werkterrein van die administratiewe afdeling begeef het Voorts het hy gesê dat die departement nie voldoende administratiewe personeel het om die take wat verwag word, te verrig nie. Hy het gevra dat 'n staatsdiensinspekteur die aangeleentheid moet kom ondersoek.

Mnr. Chris van Rensburg het in die loop van sy getuenis herhaaldelik beklemtoon onder watter geweldige druk die departement — en uitgewers wat vir hulle werk doen — werk moet afhandel. Dat dit min of meer betyds geskied, is miskien nie altyd 'n wonderwerk nie, maar baie na daaraan

* Sedert die onreëlmatighede deur die Ouditeur-generaal, die Tesourie en die Staatskoper onder die Departement van Inligting se aandag gebring is, het die departement reeds 'n adviserende finansiële komitee onder voorsitterskap van 'n Adjunksekretaris (administratief) tot stand gebring ten einde te verseker dat die skoenmaker hom by sy lees hou, het dr. Rhoadie aan die gekose komitee bevestig

* Daar is ook stappe gedoen dat die amptenare van die departement van alle regulasies oor finansiële sake kennis dra, het dr. Rhoadie gesê



DR ESCHEL RHOODIE vandeeweek in sy kantoor in Pretoria aan die woord

Geheime reise kos die staat R150 000

DIE Departement van Inligting het die afgelope ses jaar blykbaar sowat R150 000 aan 'n private Pretoriase reisagentskap, „Vacations Unlimited, vir amptelike reise na die buiteland betaal — en die SA Lugdiens het as gevolg daarvan tussen R15 000 en R18 000 aan agentskapsgeld verloor

Sommige van die reise is onderneem deur senior amptenare van Inligting en hul vroue Die amptenare wie se vroue soms saamgery het, is dr Eschel Rhoadie, Sekretaris van die Departement, sy broer, die hoofdirekteur, dr. Deneys Rhoadie, en mnr Les de Villiers, Adjunk-sekretaris.

Mev. Katie Rhoadie, dr Eschel Rhoadie se vrou, het sedert 1972 vyf keer die Minister van Inligting, dr. Connie Mulder, en sy vrou op buitelandse reise vergesel

Die R150 000 was nie net vliegkoste van amptenare van die Departement van Inligting nie 'n Deel was om belangrike persone vir die Departement — insluitende nie-blankes — na die buiteland te help Met die geld het die Departement ook belangrike persone uit die buiteland in die geheim na Suid-Afrika gebring

Dr Rhoadie het gisteroggend in 'n gesprek met RAPPORT gesê dat daar normaalweg van die SAL se Reisburo gebruik gemaak word mits daar „geen vertroulike aspekte” aan 'n reis verbonde is nie.

„Waar die departement reise stil wil hou t.o.v. die lande waarheen gereis word en die mense wat besoek word, moet die besprekings

so stil moontlik gedoen word. Dan word 'n private reisagentskap gebruik. Net een persoon by die reisagentskap werk daarmee

„Indien normale amptelike kanale gebruik word, weet soveel mense daarvan dat die reise eenvoudig uitlek Dit kan ramspoedige gevolge vir Suid-Afrika hê

„Wat betref die reise wat deur Vacations Unlimited gereel is vir senior amptenare en hul eggenotes, het die Minister dit in elke geval goedgekeur, om spesifieke redes wat nie nou ter sake is nie

„In sommige gevalle het uitnodigings gekom van belangrike persone in die buiteland — op kabinetsvlak en selfs hoer Dit was uitnodigings dat 'n betrokke persoon van sy eggenote vergesel moet wees

„Daar is natuurlik 'n staande kabinetsgoedkeuring dat senior amptenare se eggenotes hulle op staatskoste mag vergesel op elke vierde buitelandse reis wat die amptenaar aflê.

„Mev Rhoadie het die laaste jare by 'n halfdosyn geleenthede amptelik oorsee gereis omdat die Minister van Inligting deur sy vrou vergesel was en mev Rhoadie dan outomaties saamgaan

„As 'n Minister deur sy vrou vergesel word, is dit gebruikelik in die staatsdiens dat die vrou van die sekretaris ook saamreis.

„Ek weet van drie geleenthede sedert 1972 dat my vrou op my koste na die buiteland gereis het By ongeveer vyf geleenthede sedert 1972 het my vrou die Minister en sy eggenote op amptelike oor-

sese reise vergesel.

„Dit was na Amerika, Europa en die Midde- en Verre Ooste. By een geleentheid het my vrou in die afwesigheid van mev Mulder as gasvrou opgetree op 'n amptelike banket in Parys, waar 500 Franse teenwoordig was My vrou het vir mev. Mulder as gasvrou ingestaan omdat sy ongesteld was.”

Oor die reise waarop die eggenotes van dr. Deneys Rhoadie en mnr. Les de Villiers ook saam oorsee is, sê dr. Rhoadie

„Die Minister het ook in hul gevalle elke reis goedgekeur. Ek kan nie presies onthou hoeveel reise dit in die afgelope ses jaar was nie.

„Dis waarskynlik in albei se gevalle een keer elke tweede jaar.”

Oor bewerings dat daar verlede jaar in Parys 'n geheime vergadering was waarop metodes uiteengesit is hoe om geld in die geheim aan anonieme medewerkers te betaal en dat daar 'n skriftelike opdrag en uiteensetting van dr Rhoadie aan buitelandse kantore gestuur is, het dr. Rhoadie gesê

„Daar was nie so 'n skriftelike opdrag van die aard nie. Terwyl die Departement wel vertroulike aksies oorsee het, is ek nie van plan om daarop kommentaar te lewer nie, hetsy oor die aard of die metodiek daarvan”

Is daar finansiële en ander hulp aan persone en organisasies wat in die stilligheid betaal word?

„Ek het geen kommentaar daarop nie Vanselfsprekend sal 'n mens alles binne voorgeskrewe finansiële instruksies doen om bevriende organisasies en partye van hulp te wees”

* Een vliegkaartjie na Amerika kos R2 000

pare by die dinee was

„As hy dit as amptelik beskrywe, het hy waarskynlik sy redes daarvoor. Wat my betref, het die Minister dit reeds in die Parlement duidelik gemaak dat dit nie 'n amptelike besoek was nie. Ek het niks verder toe te voeg nie”

* Hoeveel nie-amptelike reise waartydens u staats hoofde ontmoet het, het u onderneem?

„As u bedoel vakansiereise, dan is die antwoord nul A u bedoel reise waarna Minister in die Parlement verwys het as besoeke waar die nie in die nasionale belang is om besonderhede bekend te maak nie, dan is dit so dat ek al by 'n paar geleenthede ander staats hoofde ontmoet het Nie net in Afrika nie, maar ek is nie bereid om te sê hoeveel nie en waar en wanneer nie”

* Lê die burokarasie u nie aan bande in u werk as skakelman nommer een van Suid-Afrika?

„Ja beslis Ek is in die Departement van Inligting aangestel as 'n vakkundige, d.w.s 'n professionele beampte, en nie as 'n administratiewe beampte nie.

„Die Departement van Inligting werk dikwels soos koerantkantoor. Ons moet beweeg saam met die nuwe ons moet beweeg saam met die aanvalle van ons vyande. Ons moet dikwels op kort kennisgewing reageer.

„Ons moet oor die hele wêreld werk, ons moet hier in Suid-Afrika werk, en die massa voorgeskrewe reëls en regulasies van verskeie behorende liggame in die staat, soos die Staatsdienskommissie en soos die tesourie en tenderraadvoorskrifte en so aan, vind ek inderdaad stremend op die werksaamhede van die Departement van Inligting.

„Ek mag nie eens sonder Tesourie-magtiging 'n paar amptelike boeke per lugvrag aan by 'n Britse parlements-lid stuur nie

„Ons kan dikwels nie sekere take betyds afhandel nie omdat daar soveel reëls en regulasies is waarna ons moet oplet dat die mense net eenvoudig nie betyds die werk kan klaarkry nie

„Dit is juis as gevolg van dié soort probleem-situasie dat die Amerikaners bv. hul United States Information Agency — wat ons eweknie is — uitgehaal het uit die normale staatsbestel en hom 'n outonome liggaam gemaak het.

„In die jongste presidensiële ondersoek na die Amerikaanse inligtingsdiens is dit weer bevestig dat hy, indien hy effektief wil kan optree, eintlik outonoom moet kan optree t.o.v. sy personeel en sy werkmodes en so aan.

„Ek vind dit inderdaad dikwels problematies om groot kampanjes op kort kennisgewing skielik te moet lan-

Cont

RAPPORT, 16 April 1978—5

SAAK



MEV. KATIE RHOODIE — dr Eschel se „mooi en intelligente, vrou, en ek kon gesê het. ryk ook, maar dis nie belangrik nie“ — het by geleentheid as gasvrou op 'n amptelike banket in Parys opgetree toe mev Connie Mulder ongesteld was.

seer en aan te pak. Dan vind ek dat daar 'n magdom reëls en regulasies is wat dit nie noodwendig in die wêreld ry nie, maar ten minste ernstig verdraag.

* Voorsien u 'n ingrypende nuwe bedeling in die Departement van Inligting, om aan te pas by die eise van ons tyd?

„Daardie nuwe bedeling is reeds in 1971/72 in werking gestel toe die Minister van Inligting ná 'n besoek aan die buiteland sekere radikale aanpassings in die Departement gemaak het.

„Dit is weer in 1974 deur die Eerste Minister persoonlik aangepas om aan die nuwe, moeiliker eise te kan voldoen.

„Wat die onmiddellike toekoms betref, voorsien ek nie enige radikale ingrype, altans nie in die volgende jaar of wat, wat die Departement se samestelling, werksvermoe en operasies betref nie.

„Ons is op die oomblik besig om die administratiewe sy van die Departement te versterk sodat ons juis hierdie probleme waarna ek verwys het, kan oorkom — waar ons dikwels ôf sondig vanwee die oortreding van voorgeskrewe Staatsdienskommissie-voorskrifte of tesourie-regulasies,

of aan bande gelê word as gevolg van al die reëls en regulasies.

„Ons is besig om die administrasie te versterk om daardie probleme die hoof te kan bied, en om 'n reëling te kan tref dat ons vinniger kan optree en 'n bietjie groter outonome gesag kan kry om besluite te neem in verband met finansiële besteding.”

* Wat is die kern van u optrede om Suid-Afrika se beeld uit te bou?

„In die lig van die aanslag teen Suid-Afrika wat ons nou in 'n oorlewingstryd geplaas het, waar ons vyande so gedetermineerd, georganiseer en gefinansier is, waar hulle gebruik maak van alle metodes, waar hulle hulle nie steur aan die Queensberry Rules nie, is ons uitgangspunt dat daar in hierdie soort van oorlog geen reëls is nie.

„Die Minister van Inligting het dit ook beklemtoon dat hy hom aan geen reëls steur in hierdie oorlewingstryd nie. Ons gaan dus uit van die standpunt dat ons enige individu, enige organisasie, enige metode, enigiets, sal gebruik en sal aanwend en sal toepas as ons daardeur kan help om ons land se belange in die buiteland te bevorder.”

Veronagsaming van hierdie finansiële regulasie het die Departement van Inligting in die „beskuldigdebank” van die Parlement laat beland.

Die Ouditeur-generaal het op prosedures afgekom wat tot ongemagtigde uitgawes van byna R400 000 gelei het. In sy verslag aan die Parlement wys hy daarop, en die Gekose Komitee oor Openbare Rekeninge het daarna ondersoek ingestel.

Die komitee het bevind dat die staat geen skade gely het

Erudita-uitgewery aangegaan.

Aan die einde van die boekjaar 1974-75 is besef dat die boeke nie voor einde Maart gelewer kon word nie. Twee senior amptenare, dr. Deneys Rhoodie, hoofdirekteur en derde broer, en mnr. Braam Fourie, senior rekenmeester, het mnr. Chris van Rensburg (wat namens sy vrou-hulle se firma, Erudita-uitgewers, met die departement onderhandel het) gevra om 'n vorderings-

DR. RHOODIE: Oor suiwer finansiële aspekte, d.w.s. wanneer betalings moet geskied of nie moet geskied nie, berus dit by die administrasie-afdeling om na my toe terug te kom en vir my daarop te wys dat sekere bepalinge nagekom is nie.

MNR. P. D. PALM: (vir die gekose komitee). O, hulle kom terug na u toe?

DR. RHOODIE: Ja, as ek 5c ekstra eis op reis- en verblyfkoste, keur hulle dit soms af. Hulle kom terug na my toe en sê dis nie reg nie.

nie, maar dat hy die prosedures wat tot die ongemagtigde uitgawes gelei het, nie kan goedkeur nie.

Die werkinge van die Departement van Inligting het soveel kommer gewek dat aanbeveel is dat die Tesourie en die Staatsdienskommissie 'n diepte-ondersoek instel na bestuur en finansiële beheer in die departement.

Die belangrikste en grootste ongemagtigde uitgawe wat voor die komitee gediën het, was vir die publikasie „Stepping Into the Future”, 'n glansboek oor opvoeding in Suider-Afrika, waarvan prof. Nic Rhoodie, 'n broer van die Sekretaris, die hoofredakteur was. Erudita-Uitgewers het hom gevra om in die hoedanigheid op te tree, 'n Ooreenkoms vir die lewering van 80 000 eksemplare vir altesame R309 600 is met die

verslag van 3 Maart terug te vat en 'n brief te skryf dat die boeke wel gereed is — by die drukkers in Madrid.

Die Sekretaris van Inligting, dr. Eschel Rhoodie, het op grond daarvan die brief die volle vereffening goedgekeur. Die finale betaling het op 25 Maart 1975 geskied — ses dae voor die einde van die boekjaar. Die helfte van die boeke was in werklikheid eers in Mei klaar.

Die Ouditeur-generaal het getuig dat die brief van die uitgewer nie die waarheid bevat het nie.

Mnr. Chris van Rensburg, namens die uitgewers, het self voor die komitee getuig dat het hom eers later „soos 'n donderslag” getref het hoe „skrikwekkend” hy met die brief gefouteer het. Indertyd het hy dit nie so besef nie, want die motivering was na

Old story would

SUN EXPRESS

have put

16/4/78

Express

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in wrong

THE Sunday Express would have erred in "dragging up" a three-year-old Press Council hearing between Dr Eschel Rhoodie, Secretary for Information, and the Afrikaans Sunday newspaper Rapport, Mr Kelsey Stuart, representing the Sunday Express, said at a Press Council hearing in Johannesburg on Friday.

The council was hearing a complaint by Dr Rhoodie, which the Sunday Express contests, about a report which appeared on February 19

The paragraph to which Dr Rhoodie takes exception reads "To The Point has strong connections with the Department of Information whose secretary, Dr Eschel Rhoodie, became its first editor in 1972 and whose present editor, Mr Joan Poorter, was Director of Information at the SA Embassy in London."

On receiving Dr Rhoodie's objection, Mr Stuart said, the Sunday Express had printed a correction on February 26 which said Dr Rhoodie had been assistant editor of the magazine for six months in 1972 "and not editor as we stated".

The Sunday Express had not, however, complied with Dr Rhoodie's request to refer to a 1975 Press Council decision against Rapport, which said Dr Rhoodie had no connection with To The Point

The Sunday Express would have erred in doing so, Mr Stuart said, because the article in Rapport to which Dr Rhoodie had complained referred to a "backstabbing exercise" against the Department of Foreign Affairs and it was possible a reference to it three years later could have given rise to a libel action

There was argument between Mr Stuart and Mr D Marais, representing Dr

Sunday Express Reporter

Rhodie, about the Sunday Express contention that the Department of Information's annual expenditure of R5 000 on copies of To The Point was grounds for alleging a "connection"

The Sunday Express transgressed the NPU code of conduct in stating a "connection" between To The Point and the Department as fact instead of as a matter of opinion, Mr Marais went on

Its report tried to show the Department of Information was involved, "in some nefarious, underground manner", in the recent takeover of The Citizen and was "pumping money into it"

"This was "wild speculation based on a gossamer foundation", he said

Mr Justice Galgut, chairman of the Press Council, ruled with the agreement of both assessors that it was "not necessary" for the council to hear arguments about "any tie-up with The Citizen"

Mr Justice Galgut reserved judgment. He was assisted by two assessors, Admiral H H Bierman (retired) and Dr P W Weber

Mr Stuart, of Bell, Dewar and Hall, appeared for the Sunday Express and its editor, Mr Rex Gibson. Mr Marais, appearing for Dr Rhoodie, was instructed by the State Attorney.

Foreign journalists are bought, Mulder admits

in 'no Queensbury rules' shock disclosure

WE WANT BRIBE IN INTERESTS OF SA

By EUGENE HUGO

MINISTER OF INFORMATION Dr. Connie Mulder admitted last night his department was prepared to bribe foreign journalists to get good publicity for South Africa overseas.

He was reacting to evidence given by Information Secretary Dr. Eschel Rhoodie to a parliamentary select committee investigating unauthorised spending by his department.

He told the Sunday Tribune in an exclusive interview that when the future of a country was at stake and when the country's enemies were using all methods to destroy its future stability, it could not be expected that South Africa should stick to the "Queensbury rules."

In a letter from his department to the Department of the Treasury, notifying an appeal for funds, Mulder stated that his department "condoned" buying the services of a journalist who then ostensibly supplies independent material for his publication while we pay him for his favourable opinion.

The same letter made it plain the Department of Information also hoped to cure favourable world opinion by persuading well-known foreign authors to write suitable books under their name and under the direction of the department. The books would be bought by the department.

The "letter" dealt specifically with the independence of Transkei and notified an appeal for a million in funds to pay for it.

Asked last night whether he intended to resign, in view of the evidence presented to the select committee, Dr. Rhoodie said: "You must be out of your mind, simply because a parliamentary select committee recommends that my department's administrative and financial position be investigated doesn't mean to say I will resign. Whenever I resign I will do so in my own time and for my own reasons."

This disclosure by Dr. Rhoodie is likely to meet a world-wide journalistic outcry. Mr. Don Burn, member of the board of governors of the National Press Club in Washington, said in his personal capacity that any American journalist found to be involved would be drummed out of the White House, the State Department and Capitol Hill.

In the interview the Minister said that although such payment to journalists for favourable publicity was common in some overseas countries, such methods had not yet been used by South Africa.

Earlier — before he had consulted Dr. Rhoodie — Dr. Mulder repeatedly told me: "I don't know how to handle this." He said he was "afraid to take the strongest action."

And he said that Dr. Rhoodie's admission had come as a total surprise to him.

"But, of course," he said, "it is a natural practice . . . not in our country but in many countries in the world. There is nothing funny about that."

Dr. Mulder said it would be a farcical situation if he said one thing and Dr. Rhoodie said another.

But after consulting Dr. Rhoodie, Dr. Mulder made this statement to the Sunday Tribune: "Different ways and different methods are used by different countries to ensure that objective reports are published about such a country."

He added "I know I am sticking my neck out."

He said when the future of a country was at stake, when the enemies of that country were using all methods to isolate you and destroy your future stability, he did not think it could be expected that South Africa should stick to the Queensbury rules.

(See also page 6 and 7)

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CONNIE MULDER

19/4/78
Sunday
Tribune

Three Rhoodies and a book that spoelt trouble

ALL three Rhodie brothers — Information Secretary Eschel, his deputy, Denys, and University of Pretoria professor Nic — were associated with the publication of a book bought by the Department of Information from a publisher who was paid R238 560 on the basis of a false letter.

BY FLEUR DE VILLIERS and NIC VAN OUDTSHOORN

Evidence to a parliamentary Select Committee disclosed that:

- Brother Eschel was immediately involved in pre-publication work on the book
- Brother Nic accepted an invitation to be editor-in-chief
- Brother Eschel passed on to Brother Denys a letter from the publisher, Mr Chris Van Rensburg, which indicated that the publication would not be ready on time
- Brother Denys returned the letter to the publisher, who substituted a false letter claiming the work was finished.
- Brother Eschel signed an untrue certificate that the books had been received, and he authorised payment to Mr Van Rensburg

This was the story that emerged from the Select Committee's report which was tabled in Parliament this week.

The committee was told that Dr Denys Rhodie and the department's senior accountant, Mr A. J. Fourie, had arranged for a publisher to submit the false letter to the Government. As a result the publisher was paid for work he had not yet completed.

The committee also

the Department of Information would buy 80 000 copies at R3,97 each — later changed to R4 — and that the final delivery date would be November-December of that year.

In his reply, Dr Rhodie also noted that the Department was entitled to pay only R180 000 in the 1974/75 financial year towards the purchase and the balance before the end of May, 1975.

Although Mr Van Rensburg had said that the book would be printed in Spain, Dr Rhodie also asked him to get two other quotes — one locally and the other from African International Publications, in the Netherlands.

This firm is controlled

by Mr H. D. Jussen, owner of *The Point magazine* (for which Dr Rhodie once worked) and the man who played a major role in the takeover of the *Citizen newspaper*.

In his evidence, Dr Rhodie later admitted that prior to receiving the first letter, that of May 28, he had had informal discussions with Mr Van Rensburg about the project and that Mr Van Rensburg had already obtained a number of quotes — including one from Mr Jussen's company — two months before officially approaching the Department.

Dr Rhodie's letter of reply was dated June 7, 1974, and exactly one week

later he authorised payment of R46 440 to Mr Van Rensburg as a deposit.

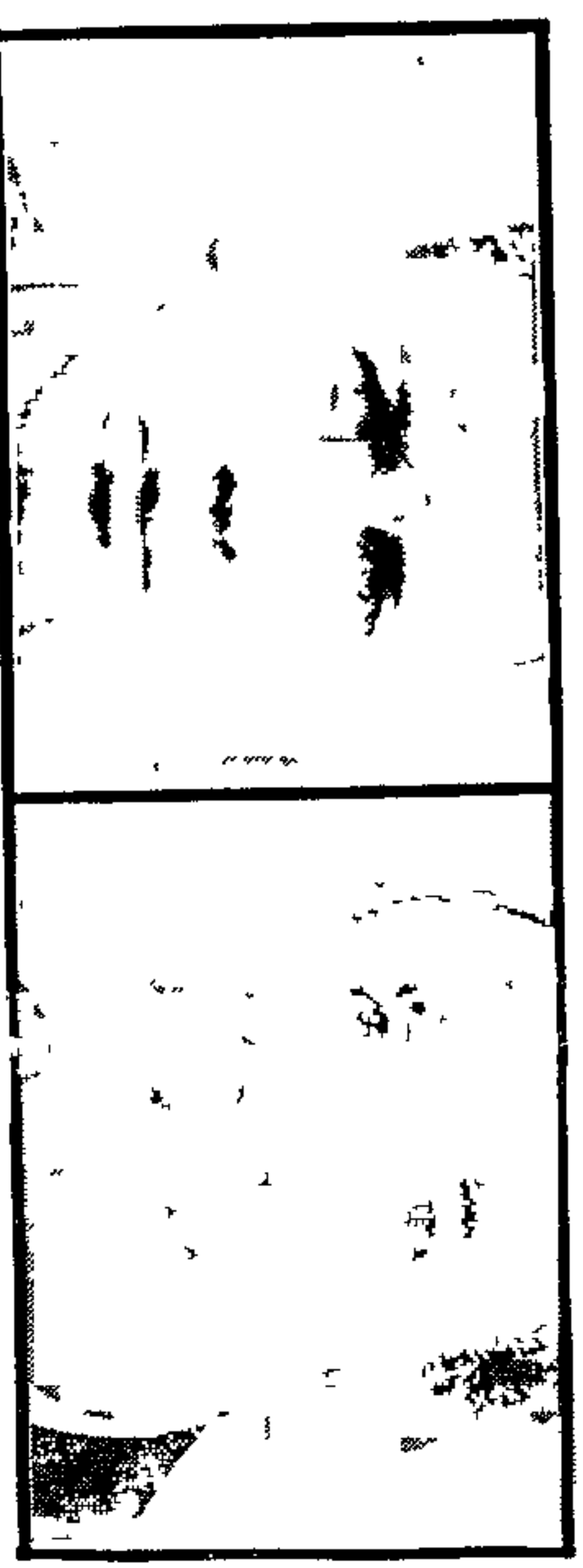
Dr Rhodie said in evidence that he was intimately involved in the pre-publication work on the book.

On December 6, 1974, Dr Eschel Rhodie received a letter from the publisher stating that work was progressing satisfactorily and that the estimated that printing would begin the following month "appears to be accurate".

In the same month an advance payment of R35 000 was made to the publisher. Yet it emerged in evidence that there was no contractual obligation to pay that money.

On March 3, 1975, the Department received another letter from the publisher. It informed it that

Two of the three Rhodie brothers: Denys (left) and Eschel



the work would be completed in stages from May to June.

However, Dr Rhodie was not satisfied with this, according to the evidence. There were fears that if the money allocated for this project was not spent during the financial year, it would have to be returned to Treasury.

The committee heard that Dr Rhodie then as-

signed the two top officials — Dr Denys Rhodie and Mr A. J. Fourie — to bring pressure to bear on Mr Van Rensburg.

At a meeting with them in the middle of March, according to the evidence, Mr Van Rensburg was left with the impression that the Department wanted a letter to enable it to finalize its books before the end of March.

The March 3 letter was removed from the files and returned to him, and on March 24 he substituted it with another letter which he admitted in evidence was "false".

In this he stated that the 80 000 books were ready and awaiting delivery from Spain, where they had been printed, and he requested payment.

On March 25, Dr Eschel Rhodie signed a receipt stating that the books had

been received in good order and authorised payment of R238 560.

However, in evidence Mr Van Rensburg admitted that not a single book had been printed at that time.

In fact, in the March 3 letter the publisher had stated that the "positives" — which are used for colour printing — would only be flown to Madrid on March 25.

Mr Van Rensburg said it would therefore have been "impossible" for the Spanish printers to have completed the printing by the end of that month.

Dr Eschel Rhodie told the committee that if his two officials had gone to the publisher and asked to know whether he had finished his work and "requested payment", they would have a letter to that effect so that they could

make a payment", then their actions had not been wrong.

He also admitted that he had told the officials that they "must pressure" Mr Van Rensburg and "make certain that the necessary documentation was there for payment for the publication".

"They received instructions from me to pressure him," he said.

The unauthorised payments and the falsification of the letter only came to light during an investigation by the Auditor-General last year.

Dr Rhodie told the committee that he only discovered later that the books were not ready and that the letter of March 24 had therefore not contained the truth. He had taken steps to prevent a recurrence of this.

Mr Schwarz: "But it is much more serious than that."

Dr Rhodie: "That is correct."

Mr Schwarz: "This is much more serious than the Auditor-General's findings indicate because they relate to authorised expenditure."

Dr Rhodie: "I am concerned about the fact that a payment is made on the strength of a letter received, on your evidence and the evidence of the Auditor-General, by members of your department."

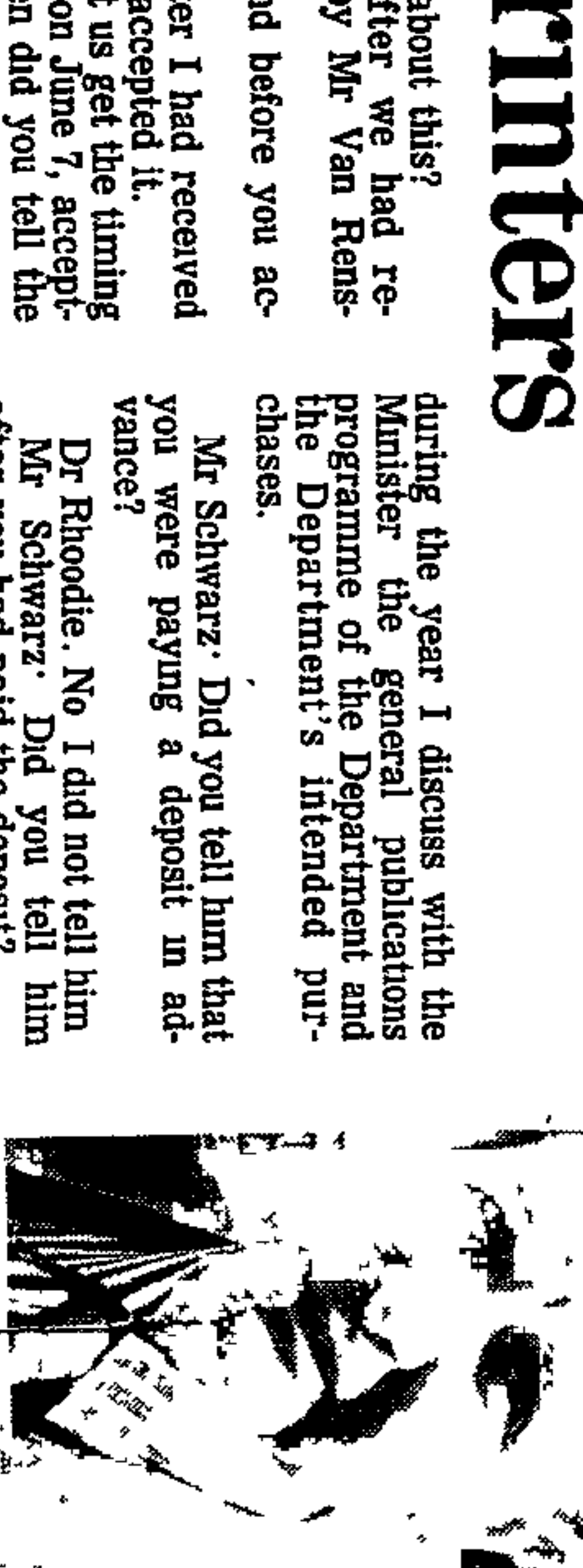
Mr Schwarz: "Without having referred it to the Reserve Bank."

Dr Rhodie: "That is correct. Dr Rhodie, who as Secretary for Information is also the Department's accounting officer, conceded that, he was unaware of certain Treasury regulations."

Mr Schwarz: "It is a far more serious matter than unauthorised expenditure and I am trying to find the truth."

Dr Rhodie: "I understand"

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Dr Rhodie: "I understand"

No action against two top officials

Sunday Times Reporters

NO STEPS have yet been taken against the two top officials, one a brother of the Secretary for Information, Dr Eschel Rhodie, who were named in connection with the falsified letter.

This became clear in an exchange between Dr Rhodie and Mr Harry Schwarz.

Dr Rhodie conceded it might be a very serious matter.

But, he said, steps had been taken to prevent a recurrence.

Mr Schwarz: "But it is much more serious than that."

Dr Rhodie: "That is correct."

Mr Schwarz: "This is much more serious than the Auditor-General's findings indicate because they relate to authorised expenditure."

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Dr Rhodie: "I understand"

Schwarz queries advance payments to printers

MR HARRY Schwarz questioned Dr Eschel Rhodie at some length on why he had authorised advance payments to the publisher, and whether this had been done with the Minister's authority.

Mr Schwarz: In other words, you think it is a necessary requisite of your Department to give financial assistance to publishers so that they can pay their printers?

Dr Rhodie: No, not in all cases, Mr Schwarz. When did you first

tell your Minister about this?

Dr Rhodie: After we had received the offer by Mr Van Rensburg.

Mr Schwarz: And before you accepted it?

Dr Rhodie: After I had received it and after I had accepted it.

Mr Schwarz: Let us get the timing right. You replied on June 7, accepting the offer. When did you tell the Minister?

Dr Rhodie: The normal procedure is that on several occasions

during the year I discuss with the Minister the general publications programme of the Department and the Department's intended purchases.

Mr Schwarz: Did you tell him that you were paying a deposit in advance?

Dr Rhodie: No, I did not tell him.

Mr Schwarz: Did you tell him after you had paid the deposit?

Dr Rhodie: No, I did not tell him that at all.

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Dr Rhodie: No, I did not tell him that at all.

'I never asked Reserve Bank for authority'

DR ESCHEL Rhodie admitted in evidence before the select committee that his department spent R10-million a year in foreign currency.

But he did not know whether he had blanket authority from the Reserve Bank to make payments in foreign currency.

Questioned by Mr Harry Schwarz, Dr Rhodie said: "I do not know whether I have such authority. I have not asked the Reserve Bank whether we can spend foreign currency in this way. We have done this for 20 years."

The price for "Stepping Into the Future", the book on which the department spent R275 500 in unauthorised funds, was based on the rand-peseta exchange rate.

Dr Rhodie said he had volunteered to make part of the payment in foreign currency.

Mr Schwarz: Without having referred it to the Reserve Bank?

Dr Rhodie: That is correct. Dr Rhodie, who as Secretary for Information is also the Department's accounting officer, conceded that, he was unaware of certain Treasury regulations.

Mr Schwarz: "It is a far more serious matter than unauthorised expenditure and I am trying to find the truth."

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Acrimonious exchanges

It made this recommendation because it was "so perturbed at the poor internal control, the inefficient utilisation of staff and the failure to comply with financial instructions".

In often acrimonious exchanges with both Dr Eschel and Denys Rhodie, Mr Harry Schwarz — one of the two PFP members of the committee — played a leading role in bringing to light in evidence many of the relevant facts.

On several occasions Nationalist members of the committee were divided, with the majority voting with the PFP.

During long and involved evidence the following account of the Department of Information's activities concerning the unauthorised expenditure of a total of R396 560 emerged.

On May 28, 1974, Mr Chris van Rensburg, representing Erudita Publications, wrote to Dr Eschel Rhodie to solicit his support for the publication of a book, "Stepping Into the Future".

In his letter to Dr Rhodie, Mr Van Rensburg noted that Professor Nic Rhodie — of the department of sociology at the University of Pretoria and Dr Eschel's brother — had accepted an invitation to act as editor-in-chief.

Dr Rhodie agreed that

Rhodie signed a document authorising payment and stating that the goods had been received in good order — more than two months before the first stocks actually arrived. Some stocks only arrived 17 months later.

The inquiry into unauthorised expenditure by the Department of Information followed the Auditor General's report published earlier this year.

Other major facts to emerge from the detailed investigation by the 17-man committee were that:

- The Department had ignored tender board regulations.
- Advance payments had been made which were in conflict with Treasury instructions and financial regulations.
- The Department had taken no steps to indemnify the State against possible losses.

The committee has called for "an in-depth investigation by Treasury and the Public Service Commission into the management and financial control of the Department".

Sun, Times 16/4/78

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THE SOUTH AFRICAN GOVERNMENT PAYS SOME FOREIGN JOURNALISTS TO SEND TO THEIR NEWSPAPERS FAVOURABLE STORIES ON SOUTH AFRICA.

THE South African Government pays some foreign journalists to send to their newspapers favourable stories on South Africa.

BY FLEUR DE VILLIERS and NIC VAN OUDTSHOORN

REPUBLIC OF SOUTH AFRICA
FIRST AND SECOND REPORTS
OF THE
SELECT COMMITTEE
ON
PUBLIC ACCOUNTS
(ON UNAUTHORIZED EXPENDITURE)
Printed by Order of the House of Assembly
The report that started it all

This amazing disclosure was made by the Secretary for Information, Dr. Eschel Rhoodie, to the Parliamentary Select Committee probing unauthorised spending by his Department of Information.

Dr Rhoodie gave the committee a letter from his Department to the Treasury asking for R300 000 for a sponsored-article programme to propagate the independence of Transkei.

The letter said it was very important that a relatively extensive article campaign be launched in Europe, South America and the United States.

There are, of course, various ways in which sponsored articles can be obtained and all will, depending on circumstances, be used in the various countries and media.

A small supplement in which we and other South African organisations advertise and the articles are then published as a bonus.

The buying of editorial space for articles then supplied by us or by journalists of the publication (some publications, of course, require that this kind of editorial material is shown to be an advertisement while others use it simply as text).

Mr Basson said he thought a good case could be made out for returning the Department's foreign section to the Department of Foreign Affairs.

Dr Corne Mulder, Minister of Information, declined to comment.

But it is believed in Department of Information circles that no staff changes will be made as a result of the committee's report.

It is felt that Dr Rhoodie and other top Department members have done nothing

wrong and that the buying of foreign journalists is the best money South Africa has spent.

On unauthorised spending, which will be debated in Parliament on Friday, Department of Information circles believe that only technical offences were committed which do not justify resignations.

The Select Committee is still investigating wasteful spending by the Department on overseas trips by two top officials.

The committee's two Progressive Federal Party members stated to the Sunday Times yesterday that

Mr Japie Basson, Progressive Federal Party spokesman on Information, said yesterday that nothing in the committee's report would have such a damaging effect on the future work and credibility of the Department of Information as this disclosure.

It was, he added, bound to lead to widespread suspicion of the products of foreign writers who had associated with the Department.

"D - The buying of the services of a journalist who then ostensibly supplies independent material for his publication, while we pay him for his favourable opinion. The disclosure has shocked foreign correspondents in South Africa, who believe it will damage the credibility of any favourable stories they may send abroad.

And it is believed the disclosure could cause a witch-hunt in overseas countries to discover which correspondents have been bought by Dr Rhoodie's Department.

Credibility
cause additional risks if the writers are chosen well.

content this should not

Departments may link, say sources

Cape Times 17/4/78 (259)

Political Staff

DR CONNIE MULDER'S Department of Information will hand over most of its quasi-diplomatic responsibilities to the Minister of Foreign Affairs, Mr R F Botha.

It is believed the Prime Minister, Mr Vorster, may amalgamate the two departments under Mr Botha.

This was said yesterday by top government sources who were reacting to further newspaper disclosures in connection with the controversial management of the Department of Information.

It was alleged in reports yesterday that money was spent by the Department of Information on paying foreign journalists to write favourable articles about South Africa in their newspapers and on paying a private travel agency R210 000 for officials and their wives while this was against the rules of the public service.

These allegations follow the recommendation by a parliamentary select committee that the Department of Information's management and financial control be probed by the Treasury and Public Service Commission because the committee was perturbed at the poor internal control.

Dr Mulder is to answer an opposition attack on Friday which may include demands for action against the Secretary for Information, Dr Eschel Rhodie. Because he



Dr Rhodie



Dr Mulder

will have only half-an-hour at his disposal during this special debate on the select committee's report to Parliament, the affair is expected to spill over to Dr Mulder's Information vote in two weeks' time.

While Dr Mulder is expected to defend his subordinate, Dr Rhodie, it is understood the minister will recommend to Mr Vorster that the Department of Foreign Affairs in future carry the responsibility for South

Africa's unorthodox diplomatic activities abroad and in Africa.

Dr Mulder apparently wanted the Department of Foreign Affairs to assume this responsibility many years ago, but the former Minister of Foreign Affairs, Dr Hilgard Muller was one of those who rejected the plan.

Now with Mr Botha in charge, Dr Mulder apparently plans to curtail almost totally this side of his department's activities.

Dr Rhodie would then be left with a partly restricted charter and this would involve straight traditional propaganda and communication overseas.

Marrying

A number of Cabinet ministers, however, believe the Prime Minister may solve the problem by simply marrying the two departments.

One of the arguments put forward by one minister in favour of such a development, is that it would free the over-committed Dr Mulder to concentrate on the difficult portfolio of Plural Relations and Development.

One Cabinet minister said yesterday "The government certainly cannot continue to allow publication of the kind of information to which the people have been exposed in recent weeks. It has provoked a public debate and some of the subject matter which may come out is not necessarily in

Continued on page 2

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be given in this paper.⁸ In the Urban area a clustered sampling method was used. For the 1970 Census the Department of Statistics had divided the country into Enumerators' Sub-Districts (ESD's), each numbering a thousand people. Twenty eight of these ESD's were randomly selected in the Urban area. Eighteen households (dwelling units) were in turn selected on a random basis from each ESD. Of the 504 households thus chosen, 439 were in fact interviewed, the difference consisting of refusals and vacant stands, mostly the former.

Vertical text on the left margin, possibly a page number or reference.

Cape Times 14/4/1 (231)

Pressmen weren't bought — dept

PRETORIA. — The Department of Information yesterday denied newspaper reports that it paid foreign journalists to send their newspapers favourable stories on South Africa.

In a statement last night, the department said: "The allegations contained in the Sunday Times story are based on four suggestions which the Secretary for Information, Dr Eschel Rhoodie, submitted to the Treasury to propagate the independence of the Transkei.

"At no time did the secretary or his officials propose that one or more of the suggestions be implemented."

The statement said the Sunday Times report of April 16 led to inquiries by newspapers and foreign journalists based in South Africa for confirmation or denial of the allegations made.

The statement said the newspapers' suggestion that the Department of Information was abusing its formal relationship with foreign correspondents based in South Africa was a brutal attempt at character and integrity assassination of all foreign correspondents in the country.

"The Department of Information has close connections with all foreign correspondents based in South Africa. All foreign journalists obtain their official press accreditation through the department and are briefed, informed and assisted whenever they acquire official information on South African affairs."

Furthermore, the parliamentary select committee, investigating alleged unauthorized expenditure by the department, did not consider or discuss the matter after the secretary for information introduced, at its hearing, a copy of his letter to the treasury outlining the various methods available to the department, at the time he applied for funds to publicize the independence of Transkei."

"At no time did the Sunday Times attempt to verify the situation or even attempt to obtain comment or clarification from the department or the secretary before publishing its story," said the statement. — Sapa

Department

denies
'buying'
journalists

STAR 19/4/78 (259)
**No reason to quit
— Rhodie**

Star 19/4/78 (243)
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ABUSE

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Dr Rhodie had called a meeting of all divisional heads of the department dependence celebrations. Sapa.

Pretoria Bureau

The Secretary for Information, Dr Eschel Rhodie, has no intention of resigning.

He said in an interview in Pretoria today that findings by the Select Committee on Public Accounts, tabled in Parliament on Friday, were not reason enough to even begin considering his resignation.

It went without saying, however, that he would not hesitate to resign if the Minister of Information and Parliament felt his handling of the department had been damaging to the country.

"The department committed technical offences every single project was, in fact, authorised through the proper channels. What was unauthorised was the method of expenditure," said Dr Rhodie.

ADVANCE

"The State lost not a single cent. Everything it paid for was eventually delivered," he said.

In some cases, for example, the department made advance payments and in other cases overlooked Tender Board rules.

Asked why unauthorised methods of expenditure were used, Dr Rhodie said: "No particular reason. It was at the end of the financial year and the administrative and ac-

counts sections, where final control rests before payments are made, made mistakes"

Dr Rhodie pointed out that steps were being taken to rid the Department of Information of the weaknesses in these two sections.

"Even before the (Select) Committee's findings, we contacted the Public Service Commission to help strengthen this section," he added



Dr Eschel Rhodie

Rhodie faces new cash row

NM 19/4/78

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Parliamentary Correspondent

CAPE TOWN — The Minister of Information, Dr. Connie Mulder, gave Parliament answers to questions which conflicted directly with evidence given to a parliamentary select committee by the head of his department, Dr. Eschel Rhodie.

On March 31 this year, according to the parliamentary record *Hansard*, Dr. Mulder told Parliament that no advance payment had been made in respect of the controversial R320 000 publication *Stepping Into The Future*.

He also said in reply to a question from Mr Harry Schwarz, PFP MP for Yeoville, that the book had been printed by Agredisa in Madrid, Spain.

But during the hearings of the Select Committee on Public Accounts more than a month earlier, Dr. Rhodie said a 15 percent deposit amounting to R46 440 had been paid on June 14, 1974. On December 9, 1974, a further R35 000 was paid, all to Erudita Publications.

This evidence was given on February 28. But a week later Dr. Rhodie also claimed that the printers who were awarded the contract were Roner S.A. in Madrid.

Evidence

From the evidence to the select committee, however, it appears Dr. Mulder had not been consulted about the advance payments.

Questioned by Mr. Schwarz on whether it was necessary to give financial assistance to the publishers so that they could pay the printer, Dr. Rhodie replied: "No, not in all cases, but in this particular case."

Mr Schwarz. Did you discuss this with your minister?

Dr. Rhodie. The minister is not the accounting officer.

Mr. Schwarz: That is not the question I asked. I asked you whether you discussed it with the minister.

Dr. Rhodie. I did not discuss it with the minister.

Mr Schwarz. Did you tell him you were paying a deposit in advance?

Dr. Rhodie. No, I did not tell him that at all.

Mr Schwarz said last night that Dr. Mulder "would have some explaining to do" during a special debate in Parliament on Friday.

'Confusion'

Parliament is to discuss the recommendation by the Nationalist-dominated, Select Committee on Public Accounts that the Treasury and Public Service Commission should investigate the management and financial control of the Department on Information.

"Friday appears to be a day on which some people are likely to step into confusion," Mr Schwarz said.

Though the contradiction by Dr. Rhodie of his minister's answers is now beyond the terms of reference of the select committee, I understand the Government will not let the matter rest here.

Apparently there is deep concern in official circles over the growing controversy. The fact that a parliamentary select committee has put in a majority report expressing its "perturbation" about unauthorised expenditure has been interpreted as an indication that the Government is determined to get to the bottom of problems in the department.

According to the ministerial reply on March 31, Agredisa received a further R10 500 during the 1977/78 financial year for work on *Stepping Into The Future*. Dr. Mulder also repeated his assertion that no advance payment had been made.

This new controversy follows an earlier but similar row over whether one of Dr. Mulder's answers to a question might have been misleading.

He had been asked by Mr Japie Basson (PFP Bezuidenhout) what official trips Dr. Rhodie had been on without him during 1977.

The list given by the minister did not include the Seychelles, to which Dr. Rhodie and his deputy, Mr. Les de Villiers, flew for a holiday and to see the then President of the Seychelles, Mr. James Mancham, and his Prime Minister.

The question which has given rise to this new controversy was asked by Mr. Schwarz, who wanted to know in respect of each contract involving the department since April 1, 1974, "whether any advance payments were made" and if this was the case "what advance payments?"

Dealing specifically with *Stepping Into The Future* Dr. Mulder replied: "none."

Dr. Mulder, who according to his private secretary was on his way to Nongoma in KwaZulu to see Chief Gatsha Buthelezi, could not be contacted for comment last night.

Dr. Rhodie's personal clerk in Cape Town, Mr. de Beer, said the secretary was on his way back to Pretoria from Cape Town, but as he had an evening engagement it would be impossible to contact him.

Dept of Information:

Mulder to back inquiry move

Cont

Cape Times

21/4/78

(259)

Political Staff

THE MINISTER OF INFORMATION, Dr Connie Mulder, is to support the recommendation of the select committee on public accounts that an in-depth investigation by the Treasury and Public Service Commission be conducted into his department.

This was disclosed to the Cape Times last night by sources close to Dr Mulder.

The minister has also accepted the finding by the parliamentary select committee that there has been "poor internal control, inefficient utilization of staff and failure to comply with financial instructions" in the department.

The debate on the findings of the Nationalist-dominated select committee will be held in Parliament today.

Difficult ministry

According to government sources, Dr Mulder's personal career is not at stake.

He has held a number of



Dr Mulder

Though Dr Mulder's officials provide him with the information and facts, the minister personally approves the final answers to virtually all formal questions in the House.

On March 31 — according to the parliamentary record,

Continued on page 2

debate will be a debate with a difference. Nationalist members of the select committee are expected to join their opposition counterparts.

CAPE Times

21-4-78

AS

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complicated portfolios over the past 10 years, including the difficult Ministry of the Interior, and his personal ability has not been an issue in any of these departments.

The future of the Secretary for Information, Dr Eschel Rhoodie, is not so clear. In his personal role as administrative head of the department, he personally gave much of the controversial evidence to the select committee.

While sources say Dr Mulder is not expected to "throw Eschel and the others to the wolves" he is apparently prepared to concede his subordinate's administrative weaknesses. And he is likely to admit that Dr Rhoodie broke a number of public-service rules.

However, Dr Mulder is expected to praise what one Nationalist terms "the brilliant, if unorthodox successes" he claims. Dr Rhoodie has had in the field of unconventional diplomacy.

The four-and-a-half hour

in some of the basic criticisms of the department.

What is certain, however, is that he will be given an unprecedented grilling by both main opposition parties over the growing controversy in his department and surrounding his officials.

While the official Opposition — the Progressive Federal Party — is to press for a commission of inquiry to investigate fully the Department of Information, the New Republic Party may take an even tougher line.

The leader of the NRP, Mr Vause Raw, said last night that his party would take the "strongest possible stand against the minister allowed in terms of the rules of Parliament".

One of the key questions the minister will be asked is why he gave Parliament conflicting answers to evidence given by Dr Rhoodie in the select committee hearings nearly a month earlier.

(259)

Rhodie probe

Continued from page 1
and other matters which the government regards as damaging to the Department of Information. At the moment the Express has agreed to withhold all publication until this Sunday to enable lawyers to examine matters which, it was claimed, touched on State security.

According to the editor of the Express, Mr Rex Gibson, "discussions are still taking place but I believe we'll publish the story, or at least most of it."

Government sources dealing with the pending Express disclosures were less confident that they would be published.

"If they don't co-operate with us we'll simply go ahead and apply to court for an interdict to prevent the newspaper's publication," one source said.

In addition, questions were tabled in Parliament this week asking for details about the government's dealing with Thor as well as other organizations, and written replies to these questions are expected within the next few days.

Another key issue which may be raised is the question of senior Information officials getting special clearance through customs - in spite of government policy that public servants should be subject to the same customs checks as are ordinary citizens.

The government's policy on this matter was spelt out emphatically in Parliament this week by the Minister of Finance, Senator Owen Horwood.

But the normal procedure of the Department of Information was to arrange from head office special clearance with somebody at the airport for senior officials returning from overseas. This was disclosed by a high echelon source in the Department of Information.

Harwood 11 21 April 1978
 Question standing over from
 Wednesday 19 April, 1978.

APRIL 1978

678

Question standing over from Wednesday
 19 April 1978

**Coloureds/Indians designated as chairmen
 of Committees of Publications Act**

The MINISTER OF THE INTERIOR re-
 plied to Question *8, by Mr D J DAL-
 LING

Question:

- (1) Whether any of the Indians and Coloureds whose names appear on the list of persons compiled in terms of section 5 of the Publications Act to serve for the period 1 April 1978 to 31 March 1981 have been designated to act as chairmen of committees; if so, how many; if not, why not;
- (2) whether the names of any Blacks appear on such list; if not, why not.

Reply:

- (1) No The Publications Act, 1974 provides that only in the case of advisory committees shall these committees consist of Coloured persons and Indians
 The Act does not provide that persons from specified population groups shall be included by me in the list of members of committees of publications or be designated as chairmen of committees of publications
 I am therefore not prepared to motivate why certain members were not designated as chairmen of committees of publications.
- (2) No, because no Black person was recommended by any other person or body or himself indicated that he was interested in being included in the relevant list of persons.

CT, 21/4/78

Mulder

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Continued from page 1

Hansard — Dr Mulder told Parliament that no advance payment had been made on the highly controversial R320 000 publication, *Stepping into the Future*

He also said in reply to a question from Mr Harry Schwarz, MP for Yeoville, that the book had been printed by Agredisa in Madrid, Spain.

But during the select committee hearings over a month before — on February 28 — Dr Rhodie admitted that a 15 percent deposit, amounting to R46 440, had been paid on June 14, 1974. On December 9, 1974, a further R35 000 was paid. Both sums went to Erudita Publications. A week later Dr Rhodie claimed the Spanish printers were called Roner

Other matters which will be probed today include,

- The relationship between publisher Chris van Rensburg

and the Department of Information;

- Why Dr Rhodie told the select committee he was not sure he needed Treasury approval for some of his dealings in foreign exchange, when he admitted candidly to spending R10-million in foreign exchange in a year, and

- Why no concrete action was taken against officials in the Department of Information who, according to the evidence of the Auditor-General, participated in the falsification of a letter, which led to huge advance payments (unauthorized) being made to the publishing firm Erudita, which was represented by Mr Van Rensburg. The officials were Dr Rhodie's brother Deneys, and the chief accounting officer of the department, Mr Braam Fourie.

If allegations are proved

Heads may

Cont

Cape Times 22/4/78

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roll - Mulder

Political Staff

THE Minister of Information, Dr Connie Mulder, said last night that if one shred of substantiated evidence of corruption or dishonesty among his officials came to his attention, their "heads would roll".

Reacting in an interview last night to opposition calls for his resignation over the growing controversy in the Department of Information, Dr Mulder told the Cape Times:

"I don't care who it is or what his seniority and status may be. I will even go right to the top and sack the person or people involved."

If this information reached him before the select committee published its second report on his department, or the findings of the Treasury and Public Service Commission became known, there would be "an immediate vacancy or vacancies".

Dr Mulder added, "Anyone who thinks I don't have the guts to do this should ask Mr Hannes Rall (a former deputy minister) and Mr Willie Grobler (the former Springs MP). I gave them 24-hours' notice once I was satisfied about the allegations against them."

Dr Mulder emphasized that he was keeping an "open mind" on the allegations against officials in his department. "But I have to be fair, and I need proof. The whole atmosphere created by newspaper reports about my officials' trips to the Seychelles, Dr Rhodie's houses and so on does not help," he added.

Support

Earlier in Parliament, Dr Mulder supported unreservedly the findings of the select committee on public accounts that there had been poor internal control, inefficient use of staff and failure to comply with financial instructions by officials in his department.



Dr Mulder

Full report

on

yesterday's

special

debate

— page 4

Dr Mulder

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Continued from page 1
Information, Dr Eschel Rhodie, out of his job.

"The PFP believes there is already sufficient evidence for action to be taken by the minister," Mr Egin said.

"This apparent insensitivity to the seriousness of the situation which has been revealed by the report of the committee and the evidence before it indicates the minister should reconsider his own position. In these matters the minister's responsibility for the administration of the department cannot be evaded."

Mr Egin added "The possible dismissal of senior officials should not be allowed to cloud the issue of ministerial responsibility."

The New Republic Party's only representative on the select committee, Mr John Malcoim, also called on Dr Mulder to resign "because of the revelations that have come to light in the department that he has

cover-up which will feed into a personal scandal, a Cabinet minister told the Cape Times "He knows that very little incentive will be needed to persuade the Prime Minister to hand over the Department of Information to foreign affairs, which is administratively a strong department"

According to this source, such an action would jeopardize Dr Mulder's chances of becoming South Africa's first prime minister under the new constitution, since much of his influence would pass to his arch-rival in the race for the premiership - Mr R F Botha.

Nationalists are already lobbying and contentions are jockeying for position, since the new constitution is only a year and a half away from being implemented.

that he has

"I am staggered and said that on the evidence before him there was no need to take action against any officials"

Not fit

Mr Bill Sutton (NRP, Mooi River) said Dr Mulder was not fit to be Minister of Information "In any civilized country he would have resigned"

In spite of Dr Mulder's public stance on the issue, sources close to him say he is already considering ways and means of reorganizing his department — and weighing up seriously the consequences of moving the Secretary for

certainly be the man to succeed the new republic's state president, who is expected to be Mr Vorster

Dr Mulder said he was not over-concerned about the opposition reaction to his speech in Parliament "I give them my firm assurance that if a shred of substantiated proof of corruption or dishonesty among my officials comes to my attention at any stage — even before the committees have reported — there will be immediate vacancies in my department"

Through most of the four-and-a-half hour debate the Prime Minister, Mr Vorster, stared stonily ahead

He also welcomed the decision to conduct an in-depth Treasury and Public Service Commission probe into the affairs of the Department of Information.

In last night's interview he emphasized that the responsible officials would be "on the carpet and severely reprimanded" pending the outcome of the new investigations.

The Leader of the Opposition, Mr Colin Eglin, said last night he found Mr Mulder "utterly unconvincing" and called on the minister to resign immediately his portfolio of information and concentrate on his new job as Minister of Plural Relations and Development.

Continued on page 2

Parliamentary Staff

The Minister of Information, Dr C P Mulder, welcomed a State jury into the affairs of his department and noted that this could lead to a new status, as restricted by Government controls, for the Department of Information.

RHOODIE IN ROW Mulder hints at new information status

accepted also that this had led to unauthorised expenditure

CORRUPTION

This was Dr Mulder's reaction to yesterday's 41-minute special debate in the assembly on the report of the select committee on unauthorised expenditure by the Department of Information and other departments

Referring to the debate, Mulder said he accepted the select committee's findings that irregularities had been irregularities in his department. He

against the people concerned and dismiss them, no matter what positions they held

Dr Mulder conceded that harm had been done to the image of his department and that it could not function without restoring public confidence

The Minister gave an assurance that should any further investigation provide proof of any form of corruption, he would not hesitate to take action

Dr Mulder said he fully accepted the report of the select committee and welcomed 'with open arms' the recommendation that an inquiry be held by the Treasury and the Public Service Commission into the affairs of the Department of Information

He offered his full support because he wanted the truth to come out

Dr Mulder suggested that this investigation should go even further — there should be a deeper inquiry, he said, into the functioning of his department and the burden it had to carry against the assault on South Africa in difficult times

He envisaged a department less restricted by Government controls and operating outside the normal framework of the Civil Service

Earlier yesterday, Mr Harry Schwarz, the Opposition

tion's chief spokesman on finance, called for a judicial inquiry into the affairs of the Department of Information and accused the Secretary for Information, Dr Ischel Rhoodie, of challenging the authority of the State without waiting for the judgment of Parliament

REFLECTED

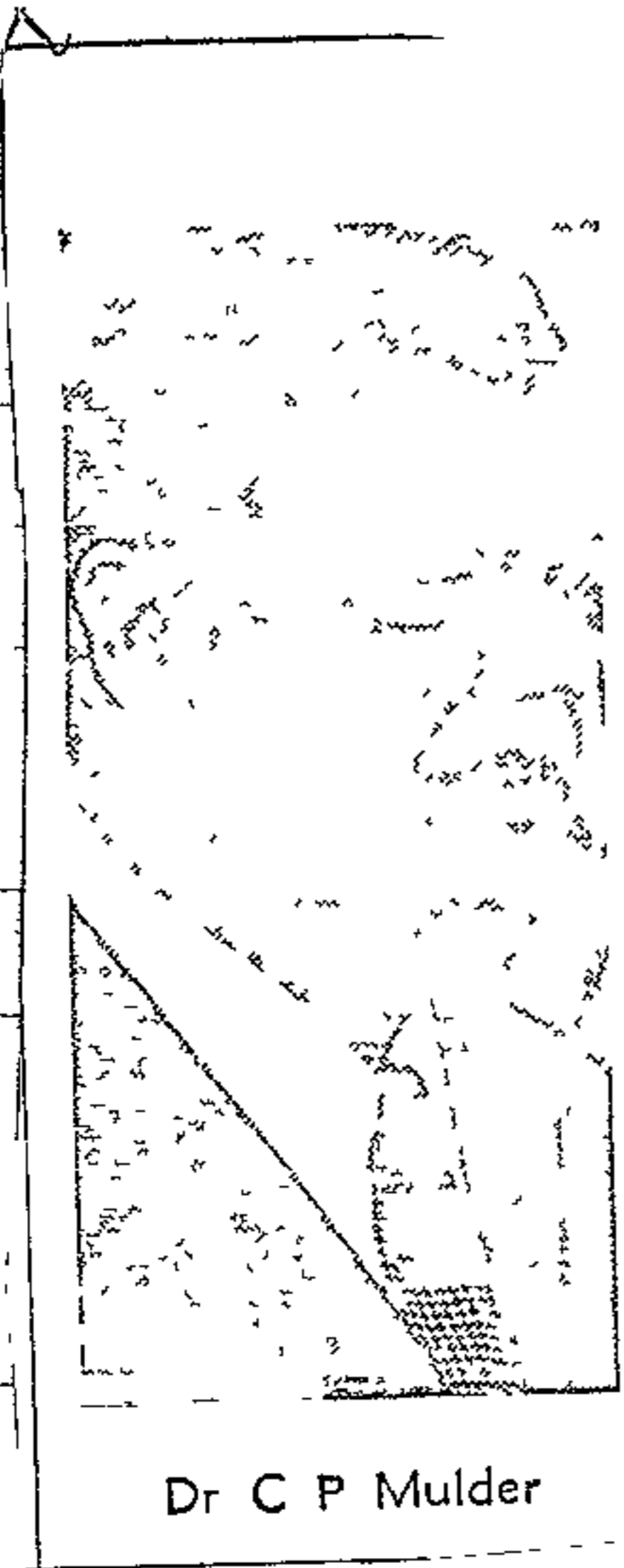
Mr H J D van der Walt, chairman of the National Party's finance group and chairman of the parliamentary Select Committee on Public Accounts, rejected

the call for a judicial inquiry

Meanwhile Dr Rhoodie has said that 'hundreds of millions of rands' may have been 'spent in vain' because Transkei failed to gain international recognition

This emerged in evidence he gave to the Select Committee

Dr Zac de Beer (PPP, Parktown) drew attention to it yesterday when he read a section of Dr Rhoodie's evidence.



Dr C P Mulder

Rhodie reports shock US journalists

W/E ARGUS
22/4/78

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Weekend Argus
Bureau

WASHINGTON.—The Secretary for Information, Dr Eschel Rhodie, whose job is to sell South Africa's image overseas, has shocked the American Press.

Statements reported in America this week by Dr Rhodie suggesting the department condoned the bribing of foreign journalists to get favourable

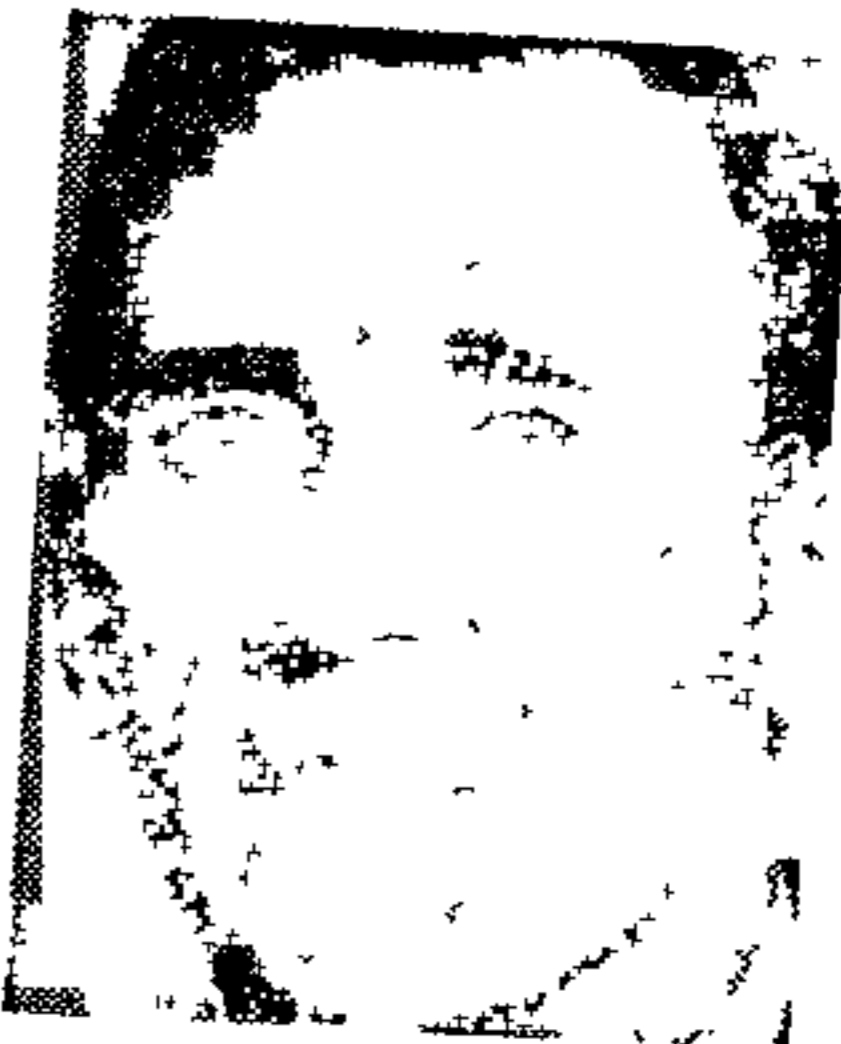
publicity for South Africa, were met by startled disbelief in the United States.

Leading journalists and professional bodies representing more than 80 per cent of all working journalists in the US said the statements would have a devastating effect on South Africa's image in America and on the country's campaign to win favourable Press and television coverage

'It's just hard to believe that anyone connected with the US media, would

make such outrageous and irresponsible statements,' said Mr Robert Lewis, vice-president of the Freedom of Information Committee of the Society of Professional Journalists

'The statements attributed to Dr Rhodie immediately bring under suspicion all favourable reports on South Africa which have appeared in the past, and will undoubtedly raise questions about any favourable material we might see in the future,' Mr Lewis said.



Dr Eschel Rhodie

Rhodie met sy bedankingsaanbod by Minister

Reukpunt 23/4/78

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COONNIE STE. JY BILY

sal g'n

Reob spaar

DR. THINUS PRINSLOO
JOHAN VOGLIO

LI. RAFAEL TOODIE, Sekretaris
van die Vryheidsparty, het sy bedanking
Vrydag aan sy Minister, dr. Coonnie
Stee, voorgelê. Dr. Coonnie wou
dit as 'n teken van waardering aanvaar.

Dis die jongste om-
wikkeling in die

Rhodie-sage...
Oor die ongernagigde
uitgawe-aspek het die
Volksraad Vrydag 'n
ongewone debat van
4 1/2 uur gevoer.

E. Rhodie het die
oogend na die debat ge-
keer en toe in die mid-
daguur met sy bedankings-
aanbod na sy Minister
gestap.

Na verneem word, het dr.
Rhodie aan min. Mulder
gesê as hy geen vertroue het in
die wyse waarop hy die
departement bestuur nie, as
dit vir hom 'n politieke
gestap.

RAPPORT,
BIER EN
RUGBY
(Kyk op bl. 9)

verteenwoordig, en as dit
werklik die land en departe-
ment skade berokken het, sal
hy onmiddellik bedank
Min. Mulder, so verneem
RAPPORT, het gesê dat hy
glad nie eens aan die moont-

DR. PAUL VAN DER
MERWE, gewese Adjunk-
speker en Nasionale
sweep, wat gister as
lid van die NP in Suid-
wes bedank en hom by
die Republikeinse Party
aangesluit het
o Lees volledige berig
op bl. 7

23-4-58

24 Sun. Tribune

2314

Comment

Truth 259 cannot be bought

JUST how often in the past Dr Eschel Rhodie, Secretary for Information, and his officials have been acutely embarrassed by ineptness in the handling of Government policy we cannot tell. But it must have been often and whenever it has happened it has been the Department of Information's task to try to repair this country's image.

Today South Africa's image is gravely tarnished by the ineptness of Dr Rhodie himself.

Understandably, he is sensitive to the criticism he and his department is experiencing over the disclosure in the report of a select committee of a letter in which he listed various courses for sponsoring articles to propagate Transkei's independence. The one course — and it is the one that is causing the outcry at home and abroad — was to "buy" the services of journalists who would ostensibly supply independent material for their publications having been paid for their "favourable" opinions.

In the cold, realistic world the word for this "buying" is "bribery".

He can argue the issue as he likes. It was his notion written in his letter.

He may not have "bought" anyone. Dr Mulder says categorically that no journalists have yet been bought. But it remains a fact that both he and Dr Rhodie are on record as being prepared to consider buying journalists should it be necessary "in the interests of South Africa."

Both should know that the truth cannot be bought; that objective reports may be either favourable or unfavourable; but that they are no longer objective if their content is influenced by cash rather than fact.

Both should know that journalists of standing depend wholly on accuracy and impartiality for their reputation.

Both should know that those who have honestly come by findings which Dr Mulder and Dr Rhodie would regard as favourable to South Africa will be sorely embarrassed by a suggestion that bribes could be necessary to bring others to those same conclusions.

And knowing these things, the harm should never have been done.

That "buying" journalists should ever have been considered is a sad reflection on the policies the Government is trying to sell.

Mulder

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Continued from page 1

the interest of the country."

● Dr Rhodie said yesterday that not one cent was spent on paying foreign journalists to report favourably on South Africa

But, he said in an interview, this did not mean it was not an accepted practice internationally and he wondered why the press had adopted a holier than thou attitude on the matter

Dr Rhodie said that, while he did not wish to discuss the morals of such a tactic, it was one widely used abroad. This was where he had learned of it.

"I can tell you about a number of reputable journalists not only in places like South Africa, but the Western world and Europe, whose newspapers publish articles which they didn't write and for which they are paid," he said.

Questioned on disclosures that the Department of Information sent R210 000 on payments to a private travel agency in spite of the fact that this was against government policy, which is for departments to use the government's own South African Railways travel agency, Dr Rhodie said he had little option.

He said sensitive and important government movements would leak out if the normal channels were used.

One employee of the agency was chosen to handle this confidential work and he was specially screened, Dr Rhodie added.

FROM PAGE 1

own and another country, he said.

Speaking during the debate on the Prime Minister's vote, Mr. Raw said he hoped that he was wrong in hearing what had sounded to him as a listing of "almost justifications" for Transkel's action by Mr. Eglin.

His own party's stand was clear. "My appeal was to Transkel to reconsider its attitude. It is not for me to say to my Government, through a foreign Government, what should be done. I can only say to my

Government: Your policy is wrong."

Quoting from a speech made during a previous session in which his party had raised the possibility of Transkelian action, he said: "If the chickens are going to come home to roost, our conscience is clear. We have warned."

Instead of the expected positive proposals from the official Opposition, Mr. Eglin had repeated old clichés, old allegations and old conclusions.

Did the Prime Minister accept or reject the two concepts of sharing power and confederation?

There had to be a definition of the official policies of both the National Party and the PFP before there could be constructive debate on the problems facing the country. — (Sapa.)

Rhoadie's letters to Sunday Times

of the conversation, the Sunday Times is withholding those comments. Dr Rhoadie is therefore mistaken in saying that the Sunday Times did not attempt to verify its report. In fact, it went to the highest possible source. — Editor.

That R500 000 was spent on 6 books not one

WITH reference to your story of April 16, 1978, "Who wrote lavish R½-million book?"

1. The Department of Information wishes to point out that your story creates the impression that about R500 000 was spent on one book.
2. The amount in question was not spent on one book or one volume of the book, but covers a total of six books.
3. You are requested to correct this error.

— E. M. RHOODIE

● The Sunday Times report last week made it clear that about R500 000 was spent over a period of about six years on successive editions of the book "South Africa: A visual history". Our report said: "New editions were produced annually until publication ceased last year. About 30 000 copies were printed the first year and bought by the Department of Information at R7,50 each." — Editor.

to publicise the independence of Transkei
● At no time did the Sunday Times attempt to verify the situation or even attempt to obtain comment or clarification from the Department or the Secretary before publishing its story.

● The Department of Information has no option left but to express its regret to foreign correspondents based in South Africa for the slur cast upon their integrity and professional independence through the publication of a baseless story in a South African newspaper which accused the South African Government of paying some foreign journalists to send to their newspapers favourable stories on South Africa

E. M. RHOODIE, Secretary for Information, Pretoria.
● The four suggestions referred to by Dr Rhoadie are contained in a document which says in part, under the heading "Guaranteed articles":
"There are naturally different methods by which guaranteed articles can be obtained and ALL WILL BE APPLIED in the various countries and media according to circumstances . . . (d) 'The purchase' of the services of a journalist who then supplies ostensibly independent material (oenskylnik onafhanklike materiaal) to his newspaper while we pay him for his favourable opinion."

The Sunday Times report was put to the Minister of Information, Dr Connie Mulder, and he was invited to confirm or deny it. On the record, he would say only: "No comment."
Off the record, he spoke for some time but in terms of the ground rules

LETTERS

PO BOX 1090 JOHANNESBURG

called a meeting of all divisional heads of the Department to discuss the Department's contribution and role in the independence celebrations of Transkei.

The meeting was also attended by the then Deputy Minister of Information, Mr Louis le Grange
At no time was it ever suggested that journalists should be bought to write favourable stories on Transkei, or, for that matter, on South Africa.
This is borne out by a tape-recording of the dis-

cussions at this meeting which is in the possession of the Department as an official minute of the meeting
Furthermore, the Parliamentary Select Committee investigating alleged unauthorised expenditure by the Department did not consider or discuss the matter after the Secretary for Information introduced at its hearing a copy of a letter to the Treasury outlining the various methods available to the Department at the time he applied for funds

not only a slur on the Department and its officials, but is a brutal attempt at character and integrity assassination of all foreign correspondents based in the Republic or who visit the country from time to time

● The allegation contained in the Sunday Times story is based on our suggestions which the Secretary for Information, Dr Eschel Rhoodie, submitted to the Treasury to propagate the independence of Transkei

The suggestions were formulated after overt methods and practices in use in various overseas countries were examined by him

● At no time did the Secretary or his officials propose that one or more of the suggestions be implemented

As a matter of fact, the Secretary for Information



It is all a private affair



Dr

I REQUEST immediate retraction of your front-page story last week, "Rhoodie Press Bribe Shock", by way of publishing the statement set out below

You are also requested to publish the retraction on Page 1 of your next issue

You are requested to publish the following statement: The Department of Information emphatically denies a categorical statement by the Sunday Times in its front-page report on April 16, 1978, that the South African Government pays foreign journalists to send to their newspapers favourable stories on South Africa

● The Sunday Times story has led to numerous inquiries being made by various newspapers and foreign journalists based in South Africa for confirmation or denial of the allegations contained in the story

● The Department of Information has close connections with all foreign correspondents based in South Africa, because all foreign journalists obtain their official Press accreditation through the Department.

It is also responsible for seeing that all foreign correspondents are briefed, informed and assisted whenever they require official information on South African affairs

● To suggest that the Department is abusing its formal relationship with foreign correspondents based in South Africa is

YOUR Mr Van Oudtshoorn came to see me on Friday, April 7, on the pretext that he had documents which required my official comment.

After 35 minutes of questions and answers I told him that everything which he had raised concerned only my private personal affairs and did not touch on a single official issue.

Asked what quote he could use, I twice said that my financial status, income and expenditure does not concern the Press and this is all that could be printed. Mr Van Oudtshoorn agreed to use only this quote.

In Sunday's (April 9) issue of your newspaper, I noticed that he not only printed part of our discussion but also quoted me on private matters

I find this action despicable. This is therefore to inform you that Mr Van Oudtshoorn has had his first and last interview with me. Furthermore, since he misled me to obtain the interview and broke an agreement, Mr Van Oudtshoorn will also not have any fur-

DR ESCHEL RHOODIE
Last interview

ther official access to anyone else in the Department in case he should repeat this deplorable form of journalism — E. M. RHOODIE.

● Mr Van Oudtshoorn replies. "The document referred to concerned the purchase of Dr Rhoodie's house in Bantry Bay and the negotiations involving Thor Communicators, the company whose connection with the Information Department was a matter of public interest because it flew Dr Rhoodie and his party to the Seychelles.

"Dr Rhoodie refused to allow the interview to be tape-recorded but he did not at any stage say the conversation was "off the record". He was aware throughout the interview that he was talking to a Sunday Times reporter and he continued to answer questions for 30 minutes." — Editor.

Sunday Times

23-4-1978

Mystery of a flying magnate's shares

Sun. Times. 14/10

Mystery of a flying magnate's shares

THE executor of the estate of Mr Oscar Hurwitz, a Pretoria property magnate who died last September, is investigating why his share in the company Thor Communicators, was transferred out of his name only two weeks before his death.

The executor, Mr Wally Edelman, a Pretoria attorney, confirmed that he would be seeing Thor's accountant Mr J H N Stridom, this week to clarify the matter.

Thor was the company which flew the Secretary for Information, Dr Eschel

that Mr Hurwitz one of the three shareholders, transferred or sold his share without telling his family or his closest financial adviser, Mr Edelman.

Mr Hurwitz knew he was dying. He had been told in January that he had leukaemia and had only a limited time to live. From then on Mr Edelman said, he had been intimately involved in settling all Mr Hurwitz's business and financial affairs.

Mr Edelman said he had called on Mr Hurwitz at his home every day during the

last month of his life to discuss his business affairs. During this period until his death on September 8, Mr Hurwitz was too ill to leave his home.

But during this period on August 23, his one-third share in Thor was transferred to one of the other two shareholders, Mr P R van Rooyen a Pretoria advocate. The transaction is recorded in the share register of the company which is kept by Mr Stridom.

The first Mr Edelman knew of this transaction was when he read a Sunday

Times report a fortnight ago.

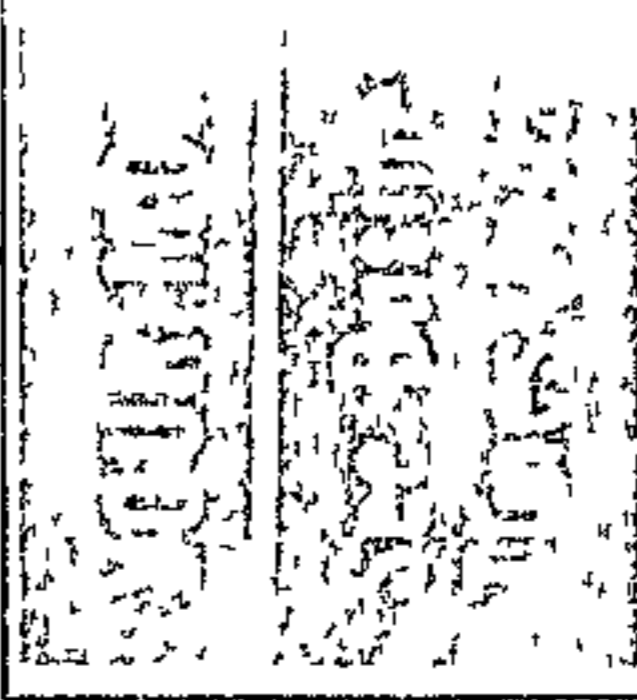
Mr Van Rooyen, Mr Hurwitz and Mr Pieterse, head Trusi, were the owners of one share in Thor, and they as directors of the company.

Mr Van Rooyen was one of the party who flew to the Seychelles with Dr Rhoadie when Thor tested Mr Luyt's jet with a view to buying it.

The advocate was previously in the news when he appeared in Washington in the company of Mr Donald de Kieffer the Department of Information's registered agent in Washington and became embroiled in an ar-

gument with Mr D Woods, former editor East London Daily patch.

Neither Mr Stridom nor Mr Van Rooyen contacted for comment but Mr Van Rooyen had previously told the Daily Times that he was prepared to discuss the matter or company matter with the Press.



Release of tapes if scapegoats chosen

From Page 1

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officials and visitors are recorded, they said. An informant said that officials had been sent overseas some time ago to buy the equipment.

While Dr Rhodie revealed in a statement on Friday that he was unable to produce vouchers for money paid out on certain secret projects for the Auditor General because he had already destroyed them with the permission of three Cabinet Ministers, for the sake of secrecy, several senior officials this week told the Sunday Times that when Dr Rhodie was asked whether he was not worried about the inquiry into the Department, he tapped his briefcase and assured them that he could not be "touched" since it contained evidence that would incriminate people at the top level of Government.

Another reliable source told me yesterday that Mr Waldeck — the senior administrative officer who was unexpectedly retired and who told an Afrikaans newspaper (Beeld) that he was "shocked" when informed about his early retirement after 41 years in the public service — had also recently been recording his conversations with other officials in the De-

partment

A number of these tapes had mysteriously disappeared from his desk drawer within the past three weeks, I was told. Although his office is locked with two sophisticated locks for which only he has the keys, his door had apparently been opened without the locks having been damaged. Mr Waldeck refused to comment when approached by the Sunday Times.

Meanwhile, the Sunday Times learnt this week that the top-secret "Planning" section on the sixth floor of the Information Department building had shrunk considerably since the departure of its first director, Mr Les de Villiers, and his protegee, Mr Len Haasbroek to Barons, the American public relations firm that has for many years handled some of the Department's more unconventional information projects in New York.

The grille door which once cut off a whole passage from the rest of the Department now only guards the door to the office of Mr Braam Fourie, the "funny-money" man.

Tony Stirling reports that a meeting of senior officials of the Department of Information was held on Friday at Ad Astra Building, according to sources in the city.

Sunday Times

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Cont

Vorster lays it on the line: No cover-up

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SUN. TIMES 23/4/78

BY FLEUR DE VILLIERS

NATIONAL Party sources revealed this week that the Prime Minister, Mr Vorster, had said that he would not tolerate any cover-up of the Department of Information

It is believed that Mr Vorster has had lengthy talks with the Minister of Information, Dr Connie Mulder, on the issue

And in Parliament on Friday, Dr Mulder said that if any Department official were found to be corrupt, he would not hesitate to dismiss him no matter what his rank

Meanwhile an obvious split has developed in National Party ranks over the report of the Select Committee on Public Accounts on unauthorised spending by the Department of Information

The split involves the chairman of the committee, Mr Henne van der Walt, and a committee member, Mr Jan van Zyl, National Party MP for Sunnyside

Yesterday Mr Van der Walt in an unprecedented criticism of a fellow party member, told me that he had "taken exception" to the line followed by Mr Van Zyl in the debate

In his speech on Friday Mr Van Zyl surprised fellow Nationalists by attacking the behaviour of a Progressive Federal

Party committee member, Mr Harry Schwarz during the committee hearings

Mr Van Zyl's speech was seen as a thinly-veiled criticism of the way in which Mr Van der Walt had conducted the inquiry

It was also noted that Mr Vorster, who had listened to the debate with keen attention, left the House midway through Mr Van Zyl's speech

Mr Van Zyl, who is head of the information study group in the NP caucus, attempted to defend the Department, despite the fact that he had signed the committee's majority report

In the report the committee said that it was "perturbed at the poor internal control of the Department and recommended an in-depth investigation by the Treasury and the Public Service Commission

Mr Van Zyl, together with three other Nationalist committee members, had voted against calling Dr Denys Rhodie Under-Secretary of the Department, to give evidence. They were outvoted by a combined Nationalist PFP and NRP majority

The split became evident in Parliament on Friday when Mr Van der Walt defended the committee's report and Mr Van Zyl and other Nationalist speakers defended the Department

Mr Harry Schwarz, who led the PFP attack, told me yesterday that the "clear division in Government ranks which reared

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Vorster spells it out

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its head in the committee was only too evident in the debate."

He was also dissatisfied with the fact that Dr Mulder had failed to reply to certain key questions he had put to him.

The Minister, he said, had failed to explain adequately why he had given incorrect information to Parliament; he had not said what kind of action he was going to take to put the Department right; and he had not said what he was going to do about the fact "that a fraud had been committed".

In his speech Mr Schwarz said that in 1976 Dr Mulder twice gave the wrong amount (R238 560 and R250 000) for the cost of the book, "Stepping into the Future". The final amount was R320 000.

The Minister had also told Parliament that the final cost of each copy would be R3 — it was eventually R4. "Where did the

Minister get this information from and why is he being put in a position where he has to give us wrong information?"

In his reply Dr Mulder said he would go into the matter and answer more fully during his budget vote.

He also said that on one issue — the question of advance payments to Erudita Publications — his reply had been wrongly recorded in Hansard.

The report of the findings of the Select Committee on Public Accounts into alleged wasteful expenditure on overseas trips by senior Department of Information officials will, it is understood, appear just before the end of the session.

The present report will be debated again during the Information budget vote next Monday. It will be debated again when a Bill is introduced to authorise unauthorised spending by the Department of Information and other departments.

Release of tapes if scapegoats chosen

© From Page 1 **259**

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DR ESCHEL RHOODIE
Last interview

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Rhoadie's letters to Sunday Times

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LETTERS

PO BOX 1090 JOHANNESBURG

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● The allegation contained in the Sunday Times story is based on our suggestions which the Secretary for Information, Dr Eschel Rhoodie, submitted to the Treasury to propagate the independence of Transkei.

The suggestions were formulated after overt methods and practices in use in various overseas countries were examined by him.

● At no time did the Secretary or his officials propose that one or more of the suggestions be implemented.

As a matter of fact, the Secretary for Information



Reserve Bank gave authority

I REFER to your story, "I Never Asked Reserve Bank for Authority", in the Sunday Times of April 16, 1978

1 The Department of Information wishes to point out that you have selected an extract from the first and second reports of the Select Committee on Public Accounts (Questions 151 and 156) to indicate that the Secretary for Information was spending R10-million annually without Reserve Bank authority.

2 Your motive in selecting these questions and part-answers are only known to yourself but the Department of Information would have thought that you, purely in the interest of factual reporting, would have considered it a basic necessity to quote Question 394 (page 89) as part of your story.

Had your reporter done so, he or she would have been able to ascertain that Dr Eschel Rhoodie had informed the Select Committee that all payments were made through the South African Embassies and that there was a standing authority by the Reserve Bank to make these payments in foreign currency.

For that reason it was not necessary for him to obtain special authority from the Reserve Bank.

3 The Department of Information now requests from you to publish the necessary retraction in the next issue of the Sunday Times.

— E. M. RHOODIE

● Dr Rhoodie refers to these extracts from the record of the Select Committee inquiry:

151 Mr H. H. Schwarz: What then gives you the authority — I am not saying that you do not have it — to offer to pay in foreign currency for something you purchase?

Dr Rhoodie: Every year I spend R10-million in foreign currency.

152 Mr Schwarz: Do you have blanket authority from the Reserve Bank?

Dr Rhoodie: Seventy per cent of the Department's operations overseas are conducted in foreign currency. Payments are made through transfers by the Reserve Bank.

153 Mr Schwarz: The question I am asking is: Do you have a blanket authority from the Reserve Bank to make purchases in foreign currency and to

make payments in foreign currency when you are contracting with a person who is a South African resident?

Dr Rhoodie: I do not know whether I have such authority. I did not ask for that. It is something which I think you should ask my predecessors, too.

154 Mr Schwarz: I am only asking you. We may or may not investigate your predecessors. I do not know. At the moment, however, we are just dealing with you and this particular publication.

Dr Rhoodie: I have not asked the Reserve Bank whether the Department of Information could spend currency in this way. We have been doing this for 20 years.

Dr Rhoodie's reply to question 394 deals with several subjects. The relevant portion (translated from Afrikaans) reads:

"Mr Schwarz put several questions to me concerning the payment of publishers in foreign currency and he wanted to know if the Reserve Bank was contacted in this connection.

"I have made inquiries and have established that all overseas payments of the Department of Information in foreign currency — such payments make up 70 per cent of our budget — are made by South Africa's foreign embassies.

"There is a standing arrangement with the Reserve Bank for such payments. It also covers, for example, the contracts which we enter overseas for the printing of South African Panorama

"Payments for such printing are made in foreign currency and large amounts are involved. All our projects overseas are paid for in foreign currency. There is standing authorisation for the transfer of the funds and the Department decides for itself where to undertake projects abroad."

(Dr Rhoodie added that the single exception was the Information office in Los Angeles.)

The issue raised by Mr Schwarz was not merely whether Dr Rhoodie had Reserve Bank authority to offer to make payments in foreign currency, but whether he knew at the time he made the offer that he had that authority. By his own admission he did not know, but he made the offer nevertheless. — Editor.

Sunday Times

THE PAPER FOR THE PEOPLE

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The buck stops with Dr Mulder

THE Minister of Information, Dr Connie Mulder, has acted properly in withholding judgment on the actions of his officials until all the facts are established by thorough investigation. The Minister himself, of course, bears the ultimate responsibility for the activities and the management of the Department of Information — more so than ordinarily.

He went outside the normal public service channels to find in Dr Eschel Rhodie a man of special talents to do a special job as Secretary for Information. He disregarded the misgivings voiced at the time about Dr Rhodie's experience in the financial and managerial aspects of running a Government department. Dr Mulder condoned — nay, encouraged and took part in — the use of unconventional methods by which the Information Department came to perform a quasi-diplomatic role.

For all these reasons, the public interest in the management and financial control of the department is greater than normal. Where Government departments must act in secrecy, it is essential — contrary to some of the outrageous suggestions now being made — that external supervision by such agencies as the Treasury, the Auditor-General and the Cabinet be tightened, not loosened.

It is also essential, for the sake of all concerned, that any hint of irregularity be investigated. Dr Mulder himself has expressed the hope that the rumours and gossip which have been circulating about the department for many months will be put to rest by the investigation ordered by Parliament. That, too, is a legitimate comment. The

effectiveness of his department is bound to be affected so long as the cloud of rumours — raised, incidentally, by an official audit, not by newspapers — continues to hang over it.

To clear the air, many questions need to be answered. The select committee has reported to Parliament that unauthorised expenditures were made in connection with one publication, a volume for which Dr Rhodie's brother, Professor Nic Rhodie, wrote the introductory chapter. Even so, one member of the select committee, Mr D. J. N. Malcomess (NRP), has raised further questions in debate about the matter. The whole question of how tenders and quotations were obtained, how they were judged and how the contracts were eventually fulfilled needs to be placed on the public record.

The list of questions can easily be expanded but, in the welter of detail, it is too easy to overlook the fundamental question: Has the department been going about its work in the best way? Do these expensive, glossy coffee-table publications do any good? What tasks are performed by the rather mysterious overseas agents hired by the department? How is their effectiveness measured?

For the sad fact of the matter is that — despite the department's unconventional methods, if not because of them — South Africa's stock overseas has (as Dr Rhodie told Parliament) never been worse.

And, if the Information Department is to play a semi-diplomatic role abroad, it should perhaps be brought under the control of the foreign policy specialists — in the Department of Foreign Affairs.

Decisions 259

Continued from page 1
came after a series of earlier reports that wasteful, extravagant, and unauthorized expenditure had been picked up in test audits of the department

Reorganizing

On the recommendation of a parliamentary select committee, the department's financial affairs and management are also to be investigated by the Treasury and the Public Service Commission.

Dr Mulder said last month that he would not wait for

reports from the Treasury and the Public Service Commission if other substantiated evidence required him to dismiss anyone in his department

Dr Mulder is also believed to be reorganizing his department in anticipation of handing over all quasi-diplomatic activities to the Minister of Foreign Affairs, Mr R F Botha

Asked last night whether he would remain in his post, Dr Eschel Rhoodie replied. "Yes, until the minister decides otherwise"

Other than this he had no comment.

Honeymoon is over, says Information publisher

SUN TUES 23/4/78 259

By IVOR WILKINS

THE honeymoon between Johannesburg publisher Mr Chris van Rensburg and the Department of Information is over. From now on it will be strictly business, says Mr Van Rensburg.

He has published numerous books for the Department and intends to do more. But in an interview yesterday, Mr Van Rensburg said that in the past, whenever his costs on a particular project increased, the Department had very seldom compensated him.

For example, on the controversial book, "Stepping into the Future", which featured prominently in the select committee inquiry into unauthorised spending by the Department, his costs had increased by R32 000. The Department had paid only three per cent of this.

His previous contracts with the Department had not included clauses to cover himself fully. In future they would. "You can be absolutely sure about that," he said.

"Perskor and all the other big concerns always cover themselves. I will have to have similar cover as well."

Reacting to the attack on him in Parliament on Friday by Mr Theo Aronson, South African Party MP for Walmer, Mr Van Rensburg said it was "quite remarkable".

In a special debate on the select committee report, Mr Aronson said that Mr Van Rensburg was responsible for the unauthorised expenditure. He had written a letter full of untruths to obtain payment from the Department for a book which was not yet ready.

"He has given the impression that I am a liar in everything I do," said Mr Van Rensburg. "I have told one lie and I regret it bitterly. But I was man enough to stand up and admit it and apologise for it. I was prepared to face the consequences for that and my motives at the time were good, I consider myself as absolutely honest."

Indiscreet

At the same time Dr Rhodde is apparently in trouble over another aspect of the same letter in which he exposed flaws in the Government's policy of separate development.

It is felt in top Government circles, including Cabinet Ministers, that the letter was extremely indiscreet — particularly in the light of world-wide reaction and the fact that Transkei has now broken off diplomatic relations with South Africa.

There is a possibility, according to sources close to the Government, that Dr Rhodde could be censured at the highest level for writing the letter and subsequently releasing it to the Select Committee on Public Accounts.

Both aspects of the letter have seriously embarrassed the Government at a time when the Opposition is calling for the resignation of Dr Mulder as the man ultimately responsible for the activities of the Information Department.

Dilemma

In the letter Dr Rhodde wrote: "A point that should not be missed is that if the independence of Transkei is not convincingly promoted the whole policy of the Government will fall flat in world eyes."

"It is in fact the cornerstone on which the whole structure of future constitutional and political development is to be built."

"In the event that other governments in Africa, Europe and the Americas do not recognise the State of Transkei hundreds of millions of rands will, in fact, have been wasted."

• See Page 25.

Press payola plan uproar reverberates round the world



RHOODIE:
Man in the middle

Tribune Reporter

SUGGESTIONS by Information Minister Dr Connie Mulder and his Department Secretary, Dr Eschel Rhoodie, that they are prepared to bribe foreign journalists for South African publicity have been slammed by journalists throughout the world.

The suggestions were made in a statement to the Sunday Tribune by Dr Mulder and in a letter to the Treasury from the Information Department asking for a minimum of R500,000 to "sell" Transkei's independence.

Indications are that the disclosure by Dr Mulder and Dr Rhoodie of their feelings on this subject could have a devastating effect on South Africa's image abroad.

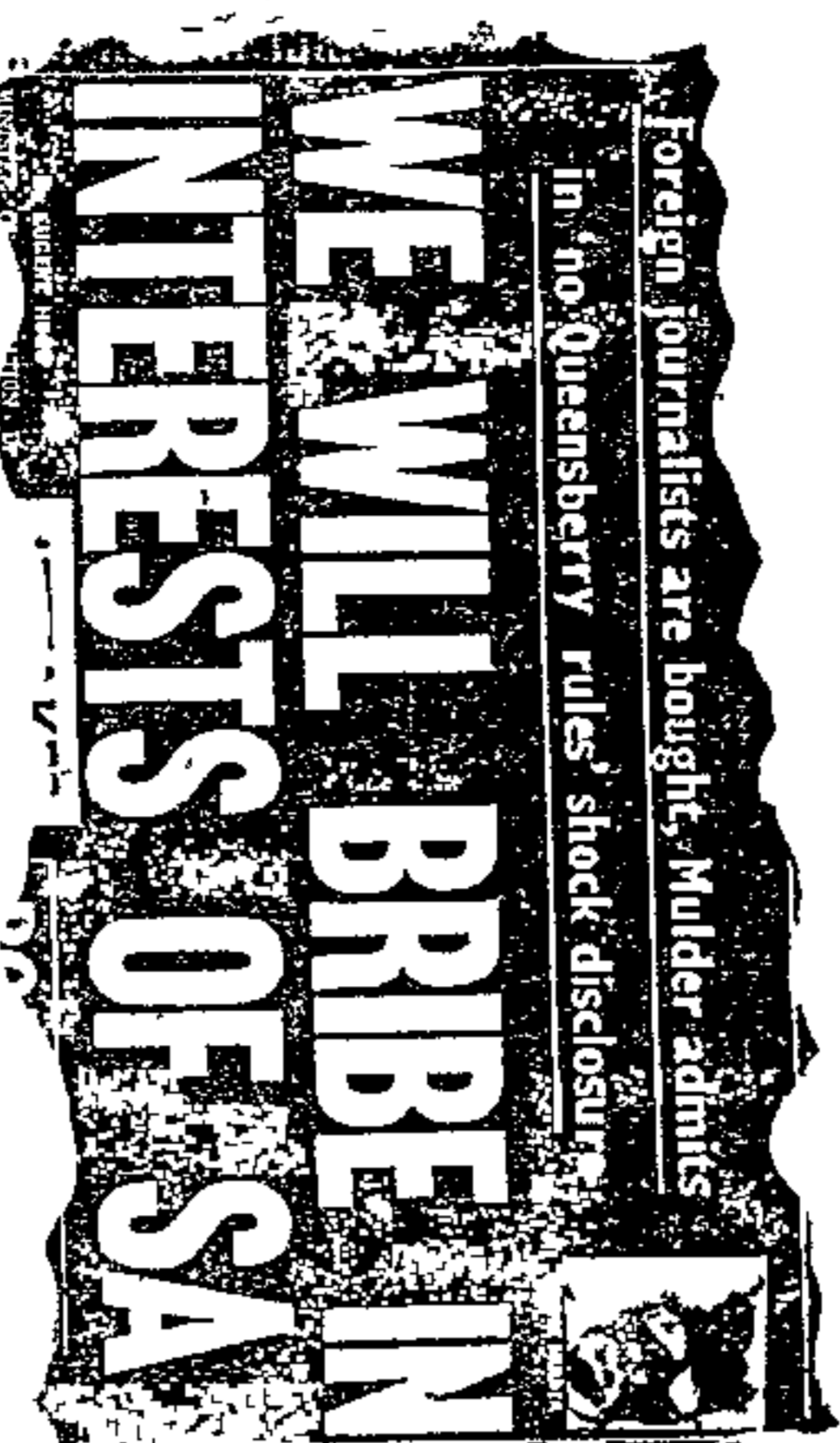
Sunday Tribune
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Rhodie challenges Tribune bribe report

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Foreign journalists are bought, Mulder admits
In no Queensberry rules' shock disclosure

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Last week's SUNDAY TRIBUNE headlines

The Sunday Tribune has been accused of misreporting in its lead story on the Department of Information controversy last week. The accuser is Secretary for Information Dr Eschel Rhoodie, the man who wrote the sensational letter which suggested 'buying' journalists was one of the options open to South Africa in its dealings with the world Press.
SUNDAY TRIBUNE analyses Dr Rhoodie's charge.

SECRETARY for Information Eschel Rhoodie has accused the SUNDAY TRIBUNE of using a "crude example" of the "questionable technique" of suppression of the truth and the suggestion of a falsehood.

His allegations against this newspaper came after the Minister of Information, Dr Connie Mulder, had forthrightly told the SUNDAY TRIBUNE that the Department of Information was prepared to bribe foreign journalists to get favourable publicity.

But with Dr Rhoodie's charge came a denial that Dr Rhoodie or his officials had at any time proposed that such action be implemented and a request for a retraction of the SUNDAY TRIBUNE'S April 16 final edition front page lead report.

Dr Rhoodie states: "Your banner Foreign journalists are bought, Mulder admits in 'no Queensberry rules' shock disclosure' is a categorical statement on your part and is nowhere contained or supported in the body of your report."

He goes on to claim that the presentation of the whole report was to convey to readers the impression that the Department of Information was bribing journalists "To give it a veneer of truth you quoted a hypothetical reply of the Minister of Information and linked it to a so-called admission which I never made and which I dare you to prove."

In the text of the prepared "retraction" sent to the SUNDAY TRIBUNE, Dr Rhoodie said: "To suggest that the Department is abusing its formal relationship with foreign correspondents based in South Africa, is not only a slur on

the department and its officials, but is a brutal attempt at character and integrity assassination of all foreign correspondents based in the Republic or who visit the country from time to time."

The Secretary for Information describes the SUNDAY TRIBUNE story as "baseless" saying that the newspaper "accused the South African Government that it pays some foreign journalists to send their newspapers favourable stories on South Africa."

The facts speak for themselves: The SUNDAY TRIBUNE'S main headlines read: "Foreign journalists are bought, Mulder admits in 'no Queensberry rules' shock disclosure We Will Bribe In Interests of South Africa."

This was backed by an introduction which stated that the Minister admitted his department was prepared to bribe foreign journalists to get good publicity for South Africa overseas. In the body of the report the Minister was quoted as saying that although such payment to journalists for favourable publicity was common in some overseas countries such methods had no yet been used in South Africa.

Nowhere did the SUNDAY TRIBUNE make a "categorical statement" that foreign journalists had been bribed.

The Minister's statement as Dr Rhoodie claimed. He made a definite statement that South Africa was prepared to pay for favourable coverage.

report did the newspaper use the words "foreign correspondents" and nowhere did it refer to correspondents "based in South Africa."

The SUNDAY TRIBUNE report was not "baseless" as suggested by Dr Rhoodie.

There were in fact two bases for the SUNDAY TRIBUNE report that the Department of Information would bribe in the interests of South Africa:

The letter which Dr Rhoodie presented to the Select Committee investigating unauthorised spending by his department — a letter from his Department to the Treasury asking for R300 000 for a sponsored article programme to propagate the independence of the Transkei.

The letter said it was very important that a relatively extensive article campaign be launched in Europe, South America and the United States.

It added: "There are, of course, various ways in which sponsored articles can be obtained and all will, depending on circumstances, be used in various countries and media:

"A small supplement in which we and other South African organisations advertise and the articles are then published as a bonus.

"B: The buying of editorial space for articles then supplied by us or by journalists of the publication (some publications, of course, require that this kind of editorial material is shown to be an advertisement while others use it simply as text).

"C: Inviting specific influential journalists with the specific purpose of visiting Transkei and writing articles about it (although this method, of course, sometimes causes us to lose our control over the eventual content this should not cause additional risks if the writers are chosen well).

"D: The 'buying' of the services of a journalist who then ostensibly supplies independent material for his publication while we pay him for his favourable opinion.

Dr Rhoodie's letter makes it clear that "all" these "various ways" will be used depending on the circumstances.

The reaction of Dr Rhoodie's superior, Dr Mulder, who made it clear that his department would not hesitate to use these methods if it was deemed necessary in the interests of the country.

In his immediate reaction to the publication of the Department of Information letter to the Treasury, Dr Mulder said: "I am just so surprised that the newspapers are so naive that they think that it is only in South Africa that this happens."

But in general terms do you feel that sort of action is necessary in terms of South Africa's situation?

A. "No, I wouldn't say that that is necessary. Those are some of the possibilities. It is a question of also being prepared to use that method if necessary, if the other fails. Because that is what is being done by our enemies."

Dr Mulder again repeated that it cannot be quite a surprise to him . . . although I know that this sort of thing does not happen in my country only, it happens all over the world. But nobody will ever acknowledge it. Nobody will ever agree to it. Everybody will deny it openly."

After consulting Dr Rhoodie, Dr Mulder gave this formal statement to the SUNDAY TRIBUNE: "Different ways and different methods are used by different countries to ensure that positive . . . objective . . . reports are published about such a country."

The methods differ in various ways and may include payment for objective reporting. This custom is followed not only in South Africa . . . this custom is followed in many countries depending on how severe the problems.

With the bad press South Africa is receiving overseas at the moment it is only natural that any method to improve that should be used in the interests of South Africa."

He said what was quoted (from the letter) were suggestions as outlined as possibilities and different methods could be applied in different countries mentioned.

"I am in a position to state unequivocally that no journalists were bought on this occasion . . ."

Doctor you say this occasion . . . that's not clear . . .

I see immediately your point. It begs the question on what other occasions then have these methods been used. So what I can say is that this method has not been used by South Africa.

"When I am prepared to say, and I know I am sticking my neck out, that is to say I am usually the man who has the courage to say it . . . When the future of the country is at stake, and your enemies are using all methods to isolate you and destroy you, future stability, then I don't think it can be expected that South Africa should stick to the Queensberry rules."

INFORMATION Minister Conme Mulder and his Department Secretary Eschel Rhoodie today face worldwide journalistic condemnation for suggesting they condone the bribing of foreign newsmen to get favourable publicity for South Africa.

The suggestions — made in a statement to the Sunday Tribune by Dr Muller and in a letter Dr Rhoodie produced for the Select Committee on Public Accounts — were greeted with shock in the world's capitals this week.

The suggestions that the Information Department would "buy" foreign journalists in the interests of South Africa were met with these serious reactions:

● In America leading journalists and professional bodies representing more than 80 percent of all working journalists said the statements would have a devastating effect on South Africa's image there and on the country's campaign "to win favourable Press and television coverage."

● Mr Robert Lewis, vice-president of the Freedom of Information Committee of the Society of Professional Journalists said: "It's just hard to believe that a Minister of Information, or anyone connected with the US media, would make such outrageous and irresponsible statements." The society has more than 37 000 members and is the world's largest and most influential body of journalists with members on almost every registered newspaper and television station in the US.

● Members of the New Bavarian Journalists' Association,

Sun, Tribune

23/4/78

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NEWSMEN OUTRAGED

CONT →

By HUGH ROBERTSON, New York; RORY LYNKY, London; ANDRE MEYEROWITZ, Brussels; PETER MANN, Johannesburg; and BOB TILLEY, Munich.

York Guild of Journalists, the largest and most influential regional grouping in the US, said they were considering a move to hold guild inquiries into possible attempts to bribe members.

● In Britain the editor of the conservative London Sunday Express, Mr John Junor, said: "It is a classic example of bungling and mishandling by Dr Mulder and Dr Rhoodie. I think is a bungling amateur."

Agencies

● Mr Peter Gallner, director of the International Press Institute (IPI), one of the two leading journalistic watchdog bodies, said it had long been suspected that in many governments had offered bribes to journalists and the Press Council said it would act following any specific complaint from an individual journalist.

● The chairman of the

said any journalist found accepting bribes from the Government to write favourable stories about South Africa would be asked to resign from the association.

His association comprises about 50 foreign correspondents representing major news agencies and influential overseas newspapers, radio and television stations.

He doubted whether any of his members would be involved in "this type of thing."

Junkets

But he said that "quasi" or "fringe" journalists could be guilty of accepting government "junkets"

Mr Hawthorne said that at the time of Transkei independence some overseas journalists had been flown on first class tickets to South Africa and had been accommodated in 5-star hotels during their stay.

This would make it difficult not to think of a statement more calculated

to defeat what one presumes are the objectives of the department."

He said he personally doubted whether American journalists of any influence would accept bribes from any quarter and added "Dr Mulder and Dr Rhoodie should get this straight — a free Press is not for sale."

Inquiry

He said it was incomprehensible that Dr Mulder, who had boasted about South African Press freedom while visiting the United States, should "so demean it," and added that by condoning bribes to journalists Dr Mulder and Dr Rhoodie were "in effect challenging Press freedom"

"You cannot admire the concept of Press freedom and also condone the bribing of journalists," Mr Lewis said

The president of the National Press Club, Mr Frank Akoufer, stressing

that he was speaking privately as a professional journalist, said he believed any responsible journalist would condemn the statements

"I must say I'm startled. It's almost unbelievable that goes without saying that this sort of statement is bound to have an unfavourable effect on South Africa's image in the US"

One leading journalist remarked privately "This is an assault on the profession and it's not something that will be easily forgiven or forgotten. We Americans are a puritanical lot and this is going to do no good at all to journalists who have anything to do with the South African Department of Information in the future"

A member of the New York Guild of Journalists said "Our constitution allows for an inquiry and it is a matter potentially reflecting on the personal and professional integrity of all our members. It should not be difficult to

go through the files to find out who has written on South Africa recently and to invite them to participate in an inquiry"

London Sunday Express editor Junor said "It's going to make it very difficult for people who write favourably about South Africa because the mud is going to be thrown that they are taking money"

The Sunday Express, considered right wing within the spectrum of British nationals, often has favourable articles and editorial comment on the white states in southern Africa.

Mr Junor said he thought that Dr Mulder's admission was an "extraordinary" statement

"It is utterly reprehensible," he said "Any journalist who is found to be accepting a bribe of this kind should be thrown out of his newspaper immediately"

Trip

He told me that he

Dr Rhoodie . . . blames South African newspapers.

Nationalist speakers skirt the issue of Officials evading Treasury regulations

By Bill Krige
Political Correspondent

THE Department of Information was like Caesar's wife, the New Republic Party's MP for Mooi River, Mr Bill Sutton, told parliament this week. It had to be above suspicion.

This was the only quip the Assembly had to chuckle over during this week's debate into how the department manages its financial affairs. At the end it drew from the Minister, Dr Connie Mulder, the firm assurance that corruption and dishonesty would be rooted out wherever it was found.

He made it plain that on the evidence provided by the Select Committee on Public Accounts he was not considering action against officials under his wing. Parliament agreed to an in-depth probe conducted by the Treasury and the Public Service Commission into the department's management and financial control — a step unanimously recommended to it by the Select Committee.

Control

However, Dr Mulder has since said that "heads would roll" if one shred of substantiated evidence of corruption came to light.

The Assembly also accepted without demur the committee's conclusion that an investigation was essential because it was perturbed about the department's poor internal control, its inefficient utilisation of staff and its

failure to comply with Treasury instructions.

Lastly Parliament authorised the appropriation of R396 560 to cover the outlay on four books and a film all commissioned and paid for by the department over a three-year period from 1974.

But the gravest issues raised in the debate relating to the evasion of Treasury regulations and concerning the conduct of senior officials in the department were skirted by all Nationalist speakers. They were succinctly put by the opposition MP for Parktown, Dr Zac de Beer, who was a member of the Select Committee which recommended the probe.

In part of it is the tale of two letters. The first was written on March 3, 1975 by Mr Chris van Rensburg, an agent for a Johannesburg publishing concern, Erudita. It was marked for the personal attention of the Secretary of Information, Dr Eschel Rhoodie. The letter stated that a consignment of 80 000 books entitled "Stepping into the Future" would be ready for the printers only after the end of the month. The printer was in Spain. The books, in five different European languages, were already at least two months overdue. There was no question of delivery by the end of March.

Dr Rhoodie told the Select Committee he couldn't remember having seen the letter but he wrote on it on March 12: "Dr Rhoodie, Mr Adendorff-bère" (file) so he at least handled it.

The letter later disappeared from the department's files to reappear more than two years later in the possession of the man who wrote it, Mr van Rensburg. He surrendered it voluntarily to the staff of the Auditor-General which was then beginning its investigation of the department.

The second letter was also from Mr van Rensburg. It was dated March 24, 1975 — 12 days after Dr Rhoodie penned his comments to the first. It also flatly contradicted it. It stated that the book consignment was complete — all 80 000 copies of "Stepping into the Future" in truth the last copy was received 18 months later.

False

In short the second letter was false. The next day on the basis of the false information in the letter, Dr Rhoodie signed a receipt for the books when in fact they had not been received. He went further and authorised full payment. R238 000 was then paid out in addition to R81 440 the department had already sent. A total of R273 560 was "unauthorised expenditure" allowed for neither by the contract nor the Treasury's rules.

The Auditor-General, Mr F. G. Barrie, told the Select Committee — and for Dr de Beer this was the "most astounding moment in the whole investigation" — that he had evidence that the second letter was written by Mr van Rensburg at the

request of two senior department officials, one of them being Dr Deneys Rhoodie, the Secretary's brother.

Both Dr Rhoodies denied making the request. However, Dr Eschel Rhoodie acknowledged that he had asked his officials to lean on Mr van Rensburg and Dr Deneys Rhoodie agreed that he had acted on this request sometime between the department's receipt of the first and second letters.

In turn, Mr van Rensburg claimed that his first letter, which stated truthfully that the books were not ready, was returned to him at this meeting. He also gained the impression that the second and untruthful letter was required of him to enable the department to finalise its books and to ensure that funds budgeted for "Stepping into the Future" would not have to be returned to the Treasury. The financial year ended on March 31.

Dr Rhoodie also claimed that the books could have been printed in three weeks from early March to the end of the month in spite of Mr van Rensburg's statement in his first letter that this was not so.

Said Dr de Beer: "On the Secretary's evidence, either he never saw the letter of March 3 — but his handwriting appears on it — or he thought it possible in the light of the letter of the third that the job could nevertheless have been complete by the 24th which is patently absurd."

Alternatively Dr Deneys

Rhoadie did not ask for the letter of the 24th but "merely urged Mr van Rensburg to hurry up and complete the job — which is not only contradicted by the evidence but obviously would have been an exercise in futility.

"Whichever we choose of the three versions, it is not possible to feel great confidence in the witness," he said.

Dr de Beer also mentioned the fact that the false letter included the following sentence: "We are actually awaiting despatch and delivery instructions and would appreciate your making available to us the necessary instructions."

But when Mr van Rensburg wrote that, the department had been waiting for a long time for the books. And on March 25 Dr Rhoadie paid almost one-quarter-of-a-million rands for them.

Misled

"One would have thought that since he believed the copies were ready, the Secretary would have promptly issued instructions for their delivery. Had he done so he would very soon have discovered that they did not exist," said Dr de Beer. But no such instructions were issued. Instead, Dr Rhoadie acknowledged to the Select Committee that it was only "a couple of months later" that he discovered he had been misled but that "basically it was the Auditor-General who picked up this unauthorised payment."

Alternatively Dr Deneys

October as a guest of the University of South Africa. "No one offered me any money," he added jokingly.

Nevertheless, other Fleet Street editors and spokesmen for journalistic watchdog groups have been more circumspect.

Mr Harold Evans, editor of the London Sunday Times, who was in South Africa earlier this month says that, as a rule, his staff does not accept free trips from State organisations.

"It doesn't necessarily mean that a journalist has been influenced if he accepts a free trip. But the suspicion is harder to eradicate that he might have been influenced."

"I don't blame the South African Government for inviting journalists to the country and paying for their fare because every government in the world does it," he said.

Surprise

Mr Evans added: "If I was invited to go at government expense I would not go."

Mr Louis Heren, foreign editor of the Times, said he was mildly surprised by the allegations because he had no personal experience of it.

"Not one of our correspondents who has worked in South Africa in recent years has been so approached. Certainly I was not when I was out there," he said.

Mr Walter Geerts of the Belgian radio and television service accepted a State invitation and was criticised in some quarters for pro-South African broadcasts on his return.

"My travel and accommodation were paid for but I would never accept a bribe. South Africa is in for a bad time if that sort

R25 000 trip by *Cape Times 24/4/78* Mulder, ⁽²⁵⁹⁾ Rhodie

Own Correspondent
JOHANNESBURG

Details are now known of another remarkable Department of Information trip abroad—this time involving Dr Connie Mulder, head of the department.

Details of the trip are:

- In 1976 Dr Mulder headed a party which made an abortive "top secret" diplomatic mission to Egypt. The mission failed when the party was refused permission to enter Egypt and were turned back at Cairo Airport because of visa problems.
- The party then continued to Athens, where they stayed at the plush Hilton Hotel during an unscheduled stop-over. They went on to Rome and Bonn. Some of the party members went to England, others to Copenhagen.
- The total cost of the tour was approximately R25 000, which was paid for by the Department of Information.
- The trip was organized by a private travel bureau, "Holiday International Travel and Tours", in contravention of a public service regulation which stipulates that all government departments should book for overseas trips through the South African Railways Bureau to eliminate payment of commission to private travel agencies.
- Mr Christoffel Vermeulen, the National Party candidate

Continued on page 2

⁽²⁵⁹⁾ Rhodie

Continued from page 1

in Hillbrow during the last election, accompanied the party as a tour leader. He was a director of Holiday International and is understood to be a personal acquaintance of Dr Mulder.

● Dr Mulder was accompanied by his wife and Dr Eschel Rhodie and Mrs Katy Rhodie, as well as other officials. The Department of Information paid the expenses of Mrs Mulder and Mrs Rhodie. It is understood that this is in accordance with government regulations.

Asked to comment yesterday, Dr Mulder would not deny that he had approved and accompanied trips organized by Holiday International. "My only comment now, and in 10 years' time will be no comment," Dr Mulder said.

The disclosures involving Dr Mulder's "top secret" trip were first made by Mr Vermeulen during his 1977 election campaign.

He said he had also arranged top secret trips to the Middle East for Dr Mulder, a personal acquaintance of his.

Approached yesterday, Dr Rhodie, the Secretary for Information, said. "Where did you get that information?" Told it was originally received from Mr Vermeulen and later confirmed independently, Dr Rhodie said. "I cannot believe he would say such things. I have no further comment to make."

Dr Rhodie then added that he recalled that a briefcase of Mr Vermeulen's containing "this kind of information" had been stolen. "I find it very curious that you now have this information," Dr Rhodie said.

● Dr Rhodie said yesterday he had discussed a possible resignation with Dr Mulder. But the minister would not even consider it, Dr Rhodie said.

Release of tapes if scapegoats chosen

○ From Page 1

officials and visitors are recorded, they said. An informant said that officials had been sent overseas some time ago to buy the equipment.

While Dr Rhoadie revealed in a statement on Friday that he was unable to produce vouchers for money paid out on certain secret projects for the Auditor-General because he had already destroyed them with the permission of three Cabinet Ministers, for the sake of secrecy, several senior officials this week told the Sunday Times that when Dr Rhoadie was asked whether he was not worried about the inquiry into the Department, he tapped his briefcase and assured them that he could not be "touched" since it contained evidence that would incriminate people at the top level of Government.

Another reliable source told me yesterday that Mr Waldeck — the senior administrative officer who was unexpectedly retired and who told an Afrikaans newspaper (Beeld) that he was "shocked" when informed about his early retirement after 41 years in the public service — had also recently been recording his conversations with other officials in the De-

partment

A number of these tapes had mysteriously disappeared from his desk drawer within the past three weeks, I was told. Although his office is locked with two sophisticated locks for which only he has the keys, his door had apparently been opened without the locks having been damaged. Mr Waldeck refused to comment when approached by the Sunday Times.

Meanwhile, the Sunday Times learnt this week that the top-secret "Planning" section on the sixth floor of the Information Department building had shrunk considerably since the departure of its first director, Mr Les de Villiers, and his protegee, Mr Len Haasbroek, to Barons, the American public relations firm that has for many years handled some of the Department's more unconventional information projects in New York.

The grille door which once cut off a whole passage from the rest of the Department now only guards the door to the office of Mr Braam Fourie, the "funny-money" man.

Tony Stirling reports that a meeting of senior officials of the Department of Information was held on Friday at Ad Astra Building, according to sources in the city.

Toeval was Deneys se slagyster

Rapport 30/4/78

(25)

Deur THINUS PRINSLOO

DIE verbreking van 'n ongeskrewe reël — dat doeane-amptenare nie Ministers en departementshoofde se private bagasie deursoek nie — het gemaak dat dr. Deneys Rhoodie, Adjunk-skeretaris van Inligting, vandeeweek in die sop beland het.

In die jongste Rhoodie-drama moes dr. Deneys die onwaardige ondervinding deurmaak dat doeane-amptenare op die lughawe Jan Smuts hom met R500 se onverklaarde goedere in sy tas betrap.

Volgens 'n senior woordvoerder op Jan Smuts het dr. Deneys — ouer broer van die Sekretaris van Inligting, dr. Eschel Rhoodie — in 'n sonderlinge slagyster getrap.

Hy se daar is 'n ongeskrewe reël dat Ministers en departementshoofde se private bagasie nie deurgesoek word nie. Die toeweging geld nie vir gewone amptenare nie.

„Selfs 'n Minister se private tas kan deurgesoek word. Dit is maar net 'n ongeskrewe reël tussen die mense. Daar word aanvaar dat senior amptenare genoeg verantwoordelikeit het om nie verkeerde dinge te doen nie.

„Die kansé dat 'n departementshoof se private bagasie deurgesoek word as hy van 'n oorsese reis terugkom, is omtrent „nul”, het die woordvoerder gesê.

Die Wet op Amptelike Geheime bepaal dat 'n dokumentetas met amptelike geheime wat 'n senior amptenaar by hom het, nie deur doeane-amptenare oopgemaak mag word nie, maar dit geld nie private bagasie nie.

Ministers gaan nie deur die normale doeane-kanale nie, maar word die lughawe-gebou langs 'n ander weg binnegelei. Departementshoofde volg normaalweg die gewone paadjie.



DR DENEYS RHOODIE

RAPPORT verneem dat daar taamlke konsternasie in die doeanesaal op die lughawe was ná die episode met dr. Rhoodie.

Dr. Rhoodie het Donderdagoggend met sy tasse met die groen baan by die doeanesaal uitgestap. Beampies het hom voorgekeer en gevra om sy tasse oop te maak.

Skoene, parfuum en toiletware van sowat R500 is daarin gekry. Hy is onder bewaring na 'n spesiale vertrek geneem.

Hom is meegedeel dat hy nie aangekla sal word nie, maar dat hy ingevolge artikel 91 van die Wet op Doeane en Aksyns 'n heffing van sowat R200 op die ingevoerde goed kan betaal. Daar is beslag gelê op die inhoud van die tas.

RAPPORT verneem die hoof van die doeane-afdeling, mnr. P. Joubert, het later die dag die ses of sewe amptenare wat tydens die voorval teenwoordig was, byeengeroep. Selfs amptenare wat nie op daardie tyd in die saal was nie, is gevra wat hulle van die voorval weet.

Mnr. Joubert het vroeër die week alle navrae na Pretoria verwys, en gesê hy kan nie kommentaar lewer nie.

Toe dit aan dr. Eschel Rhoodie gestel is, dat daar

* VERVOLG OP BL. 10 *

Deneys se slagyster

* VERVOLG VAN BL. EEN *

'n ongeskrewe reël bestaan dat senior amptenare, se tasse nie deurgesoek word nie, het hy gesê wat hom betref. „Is die doeane welkom om altyd my tasse deur te soek, en dit moet ook so wees. Verder wil ek nie kommentaar lewer nie.”

Gevra oor die situasie waarin sy broer beland het, het dr. Rhoodie gesê „Die saak het amptelik niks met Inligting te doen nie. Ek beskou my nie verantwoordelik vir persoonlike items wat amptenare koop as hulle op reise gaan en terugkom nie.”

Toe dit aan dr. Rhoodie gestel is dat sy broer immers op 'n amptelike sending was en as 'n amptenaar van Inligting deur die lughawegebou gestap het, was die antwoord „Hy was op 'n amptelike sen-

ding, dis korrek. Maar die goedere waarna verwys word, is persoonlike items. Dit is die saak.

„As een van my amptenare tydens 'n amptelike rit 'n verkeerskaartjie kry omdat hy te vinnig gery het, dan gaan ek ook nie help nie, want dit het niks met sy amptelike posisie te doen nie.”

Gaan daar 'n departementele ondersoek gelas word? „Die departement beskou dit as 'n persoonlike saak. Dit het niks met hom te make nie.”

Wat is die prosedure as 'n senior amptenaar van Inligting hy doeane kom? „Hy moet net soos elke ander lid van die publiek aan al die voorskrifte en reëls voldoen. Geen amptenaar kan aanspraak maak op besondere behandeling vir sy persoonlike benodigdhede nie,” het dr. Rhoodie gesê.

INSIDE
INFORMATION

NOW ITS

WANT TO KNOW WHAT HAPPENED AT JAN SMUTS AIRPORT

Dr Deneys Rhoadie ... stopped at Jan Smuts Airport after an official trip



Odder and odder ... the affair of Dr Deneys and the Customs

BY NEIL HOOPER, TONY STIRLING,
and GHERHARD PIETERSE

A BLANKET of secrecy was yesterday thrown over Dr Deneys Rhoadie's detention by a customs official at Jan Smuts Airport this week.

Dr Rhoadie, Deputy Secretary for Information and elder brother of the Secretary for Information, Dr Eschel Rhoadie, was stopped on Thursday when he returned from an official trip abroad.

His suitcase was opened and searched, and he was taken to a separate office by a customs official.

But yesterday . . .

● A senior railways police officer who inquired about the affair was told by an airport customs official: "It is none of your business."

● A senior airport administrator who asked questions was asked to leave the customs hall at the airport after being told the matter had nothing to do with him.

● Customs officials contacted by the Sunday Times refused to comment, saying they had been given instructions by "higher authority" not to divulge details about the affair.

● The Sunday Times was unable to contact Dr Rhoadie, and his wife said he was not prepared to comment on the incident, which he considered personal.

● Nor was the Department of Information prepared to comment this week, apart from confirming that Dr Rhoadie had returned from an official trip overseas on Thursday.

There also appears to be uncertainty as to what actually happened when Dr Rhoadie was stopped while leaving the customs hall

through the nothing-to-declare green exit.

According to a Johannesburg Afrikaner morning newspaper yesterday, Dr Rhoadie was given the choice of either producing an import permit for goods, consisting of perfume, shoes and collieries, or paying import duty.

But Mr J. E. Conradie, Deputy Secretary for Customs in Pretoria, said: "If, as outlined in reports, Dr Deneys Rhoadie was given the option of paying an excess on undeclared goods brought into South Africa, or producing an import permit, a highly irregular procedure was followed."

He added that if undeclared goods were found on a passenger or in his baggage, he had the option of

being dealt with departmentally or in court.

"The departmental procedure as prescribed in law requires the person to sign an admission of guilt, pay a fine laid down by the department and forfeit the undeclared goods. If the person declines, the matter will automatically be taken to court.

"No deviations from this procedure are permitted," he said.

Dr Eschel Rhoadie, Dr Deneys's brother and boss, said of the incident: "I am not prepared to hold myself responsible for every occasion when an official in my department decides to buy himself a tennis shirt, a tennis jersey, a pair of shoes, a bottle of perfume or whatever while he is overseas."

The penalties for not declaring dutiable goods are severe. Anyone found guilty faces a fine of R2 000, or a fine of treble the value of the goods, whichever is greater, or two years in jail, or both.

Sun Times 20/4/78

MON

CONT →

By FLEUR DEVILLIERS

DR CONNIE Mulder — once Mr Vorster's heir-apparent — is fighting for his political future as the Department of Information storm bursts about his head.

National Party sources said this week that unless he dissociated himself soon from the actions of his top officials in the department, he would have to accept Ministerial responsibility for their acts.

At the same time, Mr Harry Schwarz, Progressive Federal Party member of the Select Committee on Public Accounts, called on Dr Mulder to "act or go".

The Nationalist sources said the debate on the Department of Information Vote — now postponed to May 9 — would prove critical to Dr Mulder's ambitions to be a future Prime Minister.

Failure to act decisively, Nationalist MPs said, could finally destroy that ambition.



DR CONNIE MULDER
Denies reports



DR ESCHEL RHOODIE
Confidential matter

Denial

These comments followed the burgeoning controversy over the conduct of the Department of Information, which this week produced these new developments.

● Dr Mulder denied that the Secretary for Information, Dr Eschel Rhoodie, had offered to resign, as widely published reports claimed.

● It was disclosed that Dr Rhoodie's brother, Professor Nic Rhoodie, was overpaid R500 on a contribution he made to a department publication and had to return it.

● Dr Deneys Rhoodie, deputy to Dr Eschel Rhoodie, was stopped by customs officials at Jan Smuts Airport on Thursday for allegedly failing to declare goods worth R500 which he had brought from abroad.

● Fresh questions were raised about the sale to Indian schools of a book commissioned by the Department of Information.

A further series of wide-ranging questions on the department's activities will be tabled in Parliament on Wednesday, and some sources believe that these questions could advance Dr Mulder's day of decision.

dence told two newspapermen who were friends of the discussion.

However, last Saturday night when I approached Dr Mulder for confirmation of the original report of the offer to resign, the Minister said: "Dr Rhoodie has made no such offer — and I have not discussed the matter with him."

Asked in Pretoria yesterday by Martin Welz to clarify his reported offer to resign, Dr Rhoodie said he was not prepared to comment on matters he had discussed in confidence with his Minister.

Asked about the Sunday Times report last week, Dr Rhoodie said: "The Minister has, as far as I know, issued a statement in which he has said it was not so."

"A couple of weeks before that I told the Minister that if the manner in which the Department of Information was run was causing him or the Government embarrassment, I would be happy to resign," he said.

Meanwhile, it was learnt that Professor Nic Rhoodie, who is professor of sociology at the University of Pretoria, was required last year to repay R500 to the Department of Information after he had been paid R1 000 for his contribution to the department's publication, South African Year Book.

Satisfied

It is understood that, according to a fixed rate for outside contributions, Professor Rhoodie was entitled only to R500 for his contribution.

It was also established that publisher Mr Chris van Rensburg, who was found by the select committee to have written a false letter to the Department of Infor-

information about a book, "Stepping into the Future", will be indemnified against prosecution — if he seeks it.

The letter stated that the book was ready for delivery when, in fact, not a single copy had been produced.

At the close of his evidence before the select committee, Mr Van Rensburg was told by the chairman, Mr Hennie van der Walt, that he was "satisfied with his evidence in terms of Section 23 of the Powers and Privileges of Parliament Act".

In terms of this Act a witness who has satisfac-

● To page 4

Sunday Times

30-4-78



Schwarz calls for speedy action

Harry Schwarz, **DEF. AID.** for
Yeville, said:
Dr. Connie Mulder must now act, or
he must go.

He has very little time to show South
Africa that he is capable of taking effec-
tive action in regard to the Department
of Information and, if he does not act
immediately, his options will disappear.

The Information Department of the
Government can no longer function with
any degree of credibility until the Minis-
ter takes drastic action and, therefore, in
these crucial times, South Africa is

partially crippled in resisting attacks
which are made upon it.

The image of the Department, both in
South Africa and abroad, arising from
the publicity given to recent events, the
reports of the Auditor General, the re-
port of the Select Committee of Public
Accounts and numerous other Press dis-
closures, makes it impossible for the
Department, in its present form, to fulfil
its functions.

The Minister must, therefore, act — or
go. 9

NM 15728 (259)

Paper calls for names

LONDON — The Sunday Express here yesterday demanded the names of any British journalists paid by the South African Department of Information to write stories favourable to the republic.

The Right-wing newspaper referred to evidence by the Secretary for Information, Dr. Eschel Rhoodie to the Parliamentary Select Committee investigating the information department's expenditure.

The committee reported that Dr. Rhoodie referred to foreign journalists being offered South African Government money to write stories favourable to South Africa.

He has subsequently said no such payments were made.

The Sunday Express asked: "Were any of these newspapers British? If so, what are their names? And who were the journalists?"

"Dr Rhoodie owes this country a few answers." — (Sapa)

Rhoadies facing axe by minister

Question for Mulder on mystery company

Mercury Correspondent

JOHANNESBURG — Dr. Connie Mulder, head of the controversy-rocked Department of Information, will be questioned in Parliament this week on the mystery company, Thor Communicators and its possible connections with his department.

Thor has emerged as a possible key link in a controversy which is expected to end the careers of Dr. Eschel Rhoadie, the department's secretary and his brother, Deneys.

The company has been named as the source of the funds that financed the flight in Mr. Louis Luyt's jet for Dr. Rhoadie's R687 a day Seychelles trip last year. At the time the company was considering buying the aircraft, Thor Communicators was also involved in negotiations for the purchase of Dr.

Rhoadie's luxury Bantry Bay home.

On Wednesday possible connections between Thor and the Department of Information will be probed in Parliament when Mr. Japie Basson, PFP (Bezuidehoof) will put questions to Dr. Mulder on the matter.

Mr. Basson will ask whether the department has had any dealings with Thor, if so, when and for what purpose and whether funds were paid to the company from the department. If this was the case, Mr. Basson will ask how much was transferred.

"If any of these things have been taking place, we take it for granted that Dr. Mulder will take full responsibility for everything," Mr. Basson said yesterday.

The following information has been established about Thor Communicators:

- It is a registered company, formed to conduct business in "public relations, publishing, tourist promotions, advertising, research in international relations, TV and film production, consultants in international relations, in the field of publications and audiovisual productions and in real estate, consultants in international conferences."

- It was formed in June 1976 with a share capital of R4 000.

- There were three directors . . . Mr. Oscar Hurwitz, an architect who died last year, Mr. Retief van Rooyen, who shot to prominence as the police advocate in the Biko inquest, and Mr. Andre Pieterse, a director of Film Trust.

- The company has an "office" in Pretoria. In-

formed sources report it consists of a single large "entertainment lounge" which is luxuriously furnished.

- Sources report that Dr. Eschel Rhoadie pays frequent, but irregular visits to the office.

- The company signs were taken down several weeks ago when the name was connected with the growing controversy in the Department of Information.

- The luxuriously fitted room cannot be seen from the outside, as a shop-front window was bricked over when Thor moved into the premises.

- From the outside only a securely locked carved wooden door is visible.

- The "office" does not appear to be accessible to the public for business during regular hours.

FACING THE AXE

FROM PAGE 1

Dr. Eschel Rhoadie has had a number of unquestioned triumphs, but Government sources believe the secretary's standing at home and abroad has been so damaged that he is now virtually useless in his accustomed role.

Talk that he may be drafted to another department where he will not have administrative duties has been described as "out of the question."

Dr. Mulder is understood to be reorganising his department in anticipation of

mentioned in connection with the purchase of Dr. Rhoadie's "retirement home" at Bantry Bay in the Cape.

It is believed Dr. Mulder has resolved to deal with his officials tomorrow. He is presently occupied with the debate in Parliament on his portfolio of Plural Relations and Development and this morning has to attend the weekly Cabinet meeting.

Urged on

While some Nationalists are concerned that he may be seen to be bowing to newspaper pressure, by far the majority are urging him to go ahead and take firm action. They argue that Dr. Mulder has too much to lose — perhaps even the premiership.

Even his critics agree he is making steady progress in the sensitive portfolio of Plural Relations. Most would be sorry to see him lose support because of a controversy over his officials.

For Dr. Mulder, the decision to dismiss the Rhoadie brothers — which I understand has been taken in prin-

TURN TO PAGE 2

Parliamentary Correspondent

CAPE TOWN — A purge of the Department of Information, expected to include firing its two most senior officials, the Rhoadie brothers, will almost certainly be announced this week following a secret investigation by the Auditor-General.

The Minister of Information, Dr. Connie Mulder, yesterday told the Prime Minister of his deep concern about the situation in his department, many aspects of which apparently had taken him completely unawares.

He also briefed Mr. Vorster on parts of the Auditor-General's probe, which were disclosed to the minister by the Sunday Express on Friday last week and confirmed to him by the Auditor-General.

The new investigation came after a series of earlier damaging reports from the Auditor-General, Mr. F. G. Barrie, alleging wasteful, extravagant and unauthorised expenditure in the department.

Request

The editor of the Sunday Express, Mr. Rex Gibson, agreed to a request by Dr. Mulder to postpone for a week publication of reports based on the new facts.

The newspaper's lawyers are meeting legal representatives of the State to examine Dr. Mulder's belief that disclosure of some of the facts could amount to a contravention of the Official Secrets Act.

I learned from impeccable Government sources yesterday that the Sunday Express revelations came as a hammerblow to the minister. Some of the names mentioned and confirmed by the Auditor-General to him personally were those of organisations and companies completely unknown to Dr. Mulder.

Sources close to the minister say the disclosures have made it impossible for him to continue his association with the Secretary for Information, Dr. Eschel Rhoadie, or his brother and second-in-command, Dr. Deneys Rhoadie.

One of the key points said to have been raised behind closed doors by the Auditor-General and the Express was the department's financial dealings with the "public relations" company, Thor Communicators.

Thor was t

handing over all quasi-diplomatic activities to the Minister of Foreign Affairs, Mr. P. K. Botha. Since this was the field in which Dr. Rhoadie was a principal operative such a move would make him virtually redundant in any event.

It is clear, however, that Dr. Rhoadie will survive out of the political sphere. His estate, and that of his wife Kate, are believed to be worth a total of R250 000.

His brother Deneys is not so well off.

I understand that an outright dismissal from the Public Service means forfeiture of pension fund benefits.

Information Department

Decisions

over

officials

expected

Cape Times
2/5/78

259

According to impeccable government sources, the revelations came as a total shock to the minister.

One of the disclosures concerns departmental dealings with organizations and companies — named by the Auditor-General

One such company is said to be Thor Communicators, the company mentioned in connection with the purchase of Dr Eschel Rhoodie's "retirement home" at Bantry Bay

It is believed that Dr Mulder has resolved to take some kind of action this week, possibly on Wednesday.

The new investigation by the Auditor-General's office

Continued on page 2

Political Staff

CRITICAL decisions regarding the future of the two most senior officials in the Department of Information, Dr Eschel Rhoodie and his brother, Dr Denys Rhoodie, are expected to be taken this week.

There is strong speculation in political circles that departures may occur in the department following a startling secret investigation by the Auditor-General, Mr F. G. Barrie.

It is understood that the Minister of Information, Dr Connie Mulder, told the Prime

Minister, Mr Vorster, yesterday of his deep concern about the deteriorating controversy in his department, many aspects of which have apparently taken him completely unawares.

He also briefed Mr Vorster on parts of the Auditor-General's probe, which was

disclosed to Dr Mulder by the Sunday Express on Friday last week, and later confirmed to him by Mr Barrie

Sources close to the minister say these disclosures have made it virtually impossible for him to continue his association with the Rhoodie brothers, who are secretary and deputy secretary of the department.

Last week, the editor of the Sunday Express, Mr Rex Gibson, agreed to a request by Dr Mulder to postpone for a week publication of the disclosures so that aspects touching on State security could be examined.

Meanwhile, the newspaper's lawyers are meeting legal representatives of the State to examine Dr Mulder's belief that publication of some of the facts could amount to a contravention of the Official Secrets Act.



Dr Mulder



General Van den Bergh

BSS chief, Rhoodies meet at Mulder's

Cape Times 3/5/78

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Political Staff

THE Prime Minister's right-hand man and chief trouble-shooter, General Hendrik van den Bergh, appears to be personally investigating the implications of the mounting controversy in the Department of Information. The general is head of the Bureau for State Security.

Last night General Van den Bergh accompanied the Secretary for Information, Dr Eschel Rhodie, as well as Dr Rhodie's deputy and brother, Deneys, to a crucial meeting at the home of the Minister of Information, Dr Connie Mulder.

The trio left Parliament shortly before 8pm in an ordinary taxi. The taxi company later confirmed that all three had been dropped off at Dr Mulder's house in Rondebosch.

A spokesman for the taxi company said Dr Mulder himself came out and ushered all three into the house.

Dr Mulder was planning to discuss with his two top officials the question of their future in the public service. In addition he is expected to recommend the abolition of his department and the division of its responsibilities among other arms of the executive.

PM's confidant

The appearance of General Van den Bergh on the scene at such a critical point is regarded as highly significant. He is not only Mr Vorster's closest confidant — but he is known to have played a vital advisory role in most crises involving Cabinet ministers and top officials of the government in the past.

It also underlines the growing belief — confirmed by

Rhodies see Mulder

Continued from page 1
be closely examined by lawyers. It appears the facts are not in dispute, as may have been confirmed to Dr Mulder himself by the Auditor-General, Mr Gerald Barrie.

Dr Rhodie and his brother flew to Cape Town from Pretoria yesterday.

Sources close to Dr Mulder believe he may make an announcement today detailing his plans to repair the damage done to the Republic's information service.

Meanwhile, Mr Harry

Schwarz, the senior Progressive Federal Party representative on the parliamentary select committee which is investigating certain accusations of the Auditor-General, has asked the Prime Minister to intervene.

"The situation in this department is going far beyond this type of political issue. If further harm to South Africa is to be avoided, the Prime Minister must intervene, and I accordingly ask him personally to take the necessary action," Mr Schwarz said.

Dr Mulder to the Cape Times last night — that some of the new facts which may be disclosed have implications in so far as State security is concerned.

Most of these facts are believed to be in the possession of the Sunday Express, which has agreed to postpone publication for a week so that these aspects can

Continued on page 2.

Rhoadie faces job phase-out

(25)

Inadequate

Dr. Mulder's statement was described by several of his colleagues as "hopelessly inadequate" and "window-dressing." But a key nationalist who has been heavily involved in drafting plans for a new information dispensation, said Dr. Mulder had taken an obvious course.

He explained - and his explanation was backed up by a Cabinet Minister - that the department would become an "agency" under the aegis of the Department of Foreign Affairs. It would not have the status of a department and therefore the secretary's job would cease to exist.

Instead, it would operate largely along the lines of the tourist corporation, Satour, and its director would be considerably junior to the Secretary for Foreign Affairs.

The agency would not conduct any form of diplomatic activity and most of its officers abroad would be "rationalised" within the structure of foreign embassies.

Since the job of director

Parliamentary Correspondent

CAPE TOWN - The Secretary for Information, Dr. Eschel Rhoadie, is to be "phased out" of his job during restructuring of South Africa's information services.

This was learned yesterday after Dr. Connie Mulder's announcement in Parliament that the Department of Information in its present form would disappear.

Nationalists at the highest level yesterday emphasised that premature retirements of Deputy Secretary Denys Rhoadie and the department's head of administration, Mr. J. F. Waldeck, should not be seen as "the end of the story."

They point out that Dr. Eschel Rhoadie would have quit - or been asked to go - at this stage if it were not for the fact that his departure would have left the department without any suitably qualified person to wind up its affairs.

As controversy over the department raged on, the Opposition called for the Minister to "accept manfully his responsibility" and resign. The department had dug its own grave and it was up to Dr. Mulder to accept this, Mr. Japie Basson, chief Opposition spokesman on information matters, said last night.

The leader of the NRP, Mr. Vause Raw, said the Minister's "belated statement" did not exonerate him for his failure to act immediately.

Dr. Eschel Rhoadie said he would consider his own after the restructuring had been finalised.

"I want to say I will cooperate to the best of my ability with the Public Service Commission in structuring the new information apparatus.

"When the commission's final recommendation is made to the Government, I will then consider my own position. Beyond this, I have no further comment."

OUT



DR. DENEYS RHOODIE . . . premature retirement on pension. His brother, Eschel, Secretary for Information, is to be "phased out" of his job too.



MR. J. F. WALDECK . . . premature retirement after a service of more than 40 years. "I have no comment to make whatsoever," he said last night.

Horwood tells of 'false declarations'

ORMANDE PÖLLOK
Political Correspondent

CARE TOWN — Dr. Deneys Rhoodie, number two man in the Department of Information, made two "false declarations" after being stopped in the Nothing to Declare Customs channel at Jan Smuts Airport and now faces the possibility of criminal charges.

Finance Minister Senator Owen Horwood told Parliament yesterday in reply to opposition interjections — "have you laid a charge" and "what about the false declarations" — that the question of criminal charges did not rest with him but that the matter would be completed.

He emphasised that senior Government officials were treated in exactly the same way at the customs points as any other person.

He said the customs officials had stopped Dr. Rhoodie in the "green zone" and later valued dutiable goods in his possession at R580 — more than four times the value first given by him.

Search

Senator Horwood said that Dr. Rhoodie had been stopped in the "green zone" — which meant that he had items worth less than R50 — and later declared their value at R134.

However, the Customs official was not satisfied and asked if he had anything else to declare.

Dr. Rhoodie was given a form to fill in and set the value of the goods at R222.

The Customs official was not satisfied and took Dr.

Rhodie's luggage to the search room at which Dr. Rhoodie asked to see the controller.

Senator Horwood said that Dr. Rhoodie then said that there must have been some mistake because he was under the impression that he did not have to declare the goods which he had done at first verbally.

The goods were later valued at R580 and included shoes, earrings, perfume, cufflinks, gramophone records and books.

The controller calculated the duty on them as R356,01 and asked Dr. Rhoodie to produce an import permit.

He was later asked to deposit R25 on books and a magazine which were confiscated.

Senator Horwood explained that Dr. Rhoodie could choose to settle the matter through the department but if he declined, he could go to court.

He added that if Dr. Rhoodie decided to settle the matter with the Department of Customs and Excise in order to reclaim the goods he could face a maximum penalty of R2 096,01 plus the warehouse charges, which "would not be much."

phase-out

of the new information agency would represent a clear demotion. Dr Eschel Rhodie is not expected to seek the position. Nor, indeed, is it likely to be offered to him.

In spite of Dr Mulder's statement there is deep anxiety in Government circles over pending newspaper disclosures about the actions of his officials — including Dr Eschel Rhodie. At this stage the secretary is the only one of the triumvirate in the department regarded by the Government as suitable to be kept on.

But he will certainly come under new and heavy fire if the reports are published. The seriousness of the situation was underlined this week by the sudden appearance on the scene of the head of the Bureau for State Security, General Hendrik van den Bergh.

The general met Dr Mulder and the two Rhodie brothers on Tuesday night — before Dr Mulder announced his proposals for revamping the department. He flew to Cape Town specially for the four-hour meeting, booking into his hotel well after midnight, and leaving early yesterday.

There is considerable speculation that General van den Bergh's involvement is a reflection of the Prime Minister's concern about developments.

On the line

So far as Dr Mulder is concerned, many Nationalists believe he is already fighting for his political life, and by not taking more drastic corrective action against his officials, has laid his political career firmly on the line.

Last night Mr Waldeck said his retirement was most unexpected.

"At this stage I have no comment to make whatsoever. I first want to study the Press release and if, afterwards, it is necessary for me to say anything I will do so."

The 59-year old civil servant was speaking to Pressmen in his fifth floor office at Department of Information headquarters in Pretoria.

"I do not regret my 40 years in the State service. It has been a long and rewarding career and I understand that my early retirement was the consequence of reorganisation within the department," he said.

Mr Waldeck joined the Government in 1937 in the Department of Agriculture. After serving in the Air Force during World War II, he continued with his career in the State service with stints with the Transvaal Education Department and its law enforcement section, and the law enforcement sec-

Mr Waldeck joined the Government in 1937 in the Department of Agriculture. After serving in the Air Force during World War II, he continued with his career in the State service with stints with the Transvaal Education Department and its law enforcement section, and the law enforcement section of the Transvaal provincial administration before joining the Department of Information under the then Secretary Mr. Brand Fourie.

Eschel

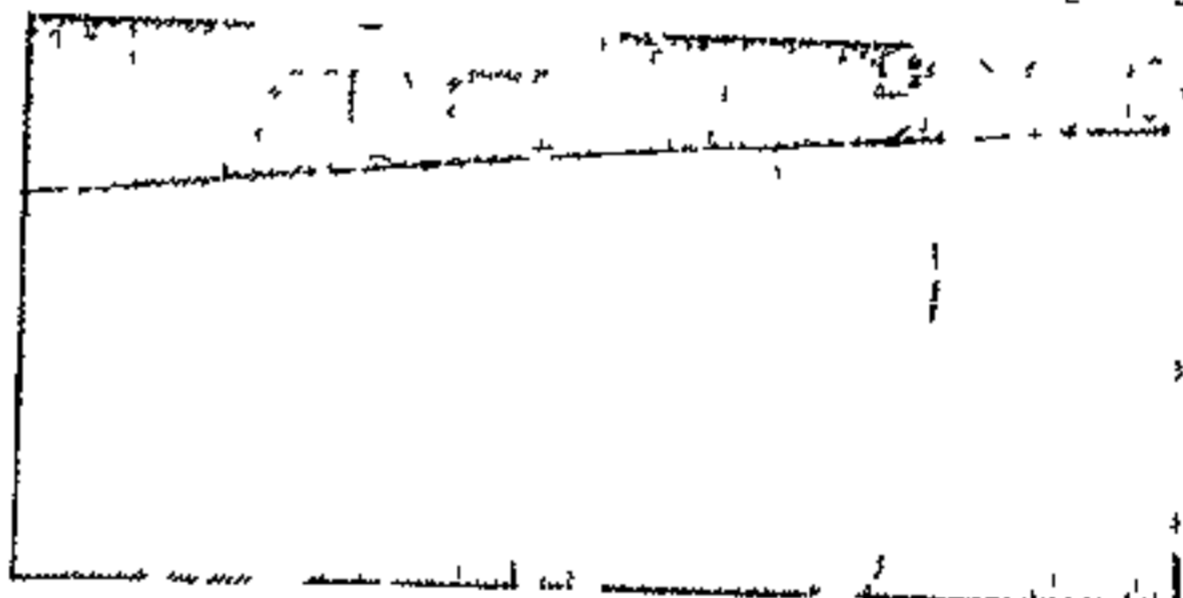
Rhodie

Cape Times
4/5/78

to be 259

'phased

out'



Political Staff

THE Secretary for Information, Dr Eschel Rhodie, is to be "phased out" of his job during the process of restructuring South Africa's information services.

This was learned yesterday following the announcement in Parliament by the Minister of Information, Dr Connie Mulder, that the Department of Information in its present form would disappear.

Nationalists at the highest level emphasized that the premature retirements of the Deputy Secretary for Information, Dr Deneys Rhodie, and the department's head of administration, Mr J F Waldeck, should not be seen as "the end of the story".

They point out that Dr

They point out that Dr Eschel Rhodie would have quit or been asked to go at this stage if it were not for the fact that his departure would have left the department without any suitably qualified person to wind up its affairs.

Dr Eschel Rhodie said in a statement last night that he would consider his own position after the restructuring of his department had been finalized.

Dr Rhodie's statement said "I want to say I will cooperate to the best of my ability with the Public Service Commission in structuring the new information apparatus.

"When the commission's final recommendation is made to the government and when the position in the government and the functions of the new

Continued on page 2

resigned, says Japie Basson

"The department dug its own grave and by rights the minister should have manfully accepted responsibility and announced his resignation as Minister of Information."

Mr Ray said: "The minister's belated statement does not exonerate the minister for his failure to act immediately when the Auditor-General first revealed irregularities in the Department of Information."

"As emphasized by us the special debate and incorporated in the New Republic Party's amendment, responsibility for control of the department rests with the minister."

"Apart from the issues raised in the select committee in debate and in the press — issues which may yet be found to be only the tip of the iceberg — it was quite clear that a serious situation existed in the control and financial administration of the department."

"By failing to act immediately the minister has allowed the situation to drift and to escalate to the irreparable harm of South Africa. The only ones to have benefited from the delay in acting are our enemies to whom the discrediting of South African information is an obvious and an important objective."

"The parliamentary system provides for proper financial control by Parliament and for ministerial responsibility to Parliament."

"It was for this reason that the NRP moved to censure the minister in the House and indicated that it believed that the department should be disbanded as it presently exists."

"This was and remains correct parliamentary procedure to follow. Had the minister acted immediately, he could have prevented tremendous embarrassment to South Africa which cannot now be glossed over by the retirement of two officials."

£2. The Cape Times, Thursday, May 4, 1978 (28)

Mulder should have

Political Correspondent

THE Official Opposition spokesman on information, Mr Japie Basson, yesterday accused the Minister of Information, Dr Connie Mulder, of attempting to "exculpate himself from all responsibility" for the situation in his department.

In a statement after Dr Mulder's announcement that two senior officials in the department are to be retired at the end of the month, Mr Basson said the minister should have announced his own resignation.

The leader of the New Republic Party, Mr Vause Raw, said Dr Mulder's "belated statement" did not exonerate him for his failure to act immediately.

He again emphasized the NRP's view that responsibility for control of the department rested with the minister.

Mr Basson said: "The Minister of Information's statement

in the Assembly this afternoon was satisfactory in only one respect. This is that a total restructuring of the Department of Information is foreshadowed, as demanded by the PFP in past weeks.

"However, what we strongly disapprove of, is the manner in which the minister tried to explain away the realities and exculpate himself from all responsibility for the situation in which the department finds itself.

"He blames all sorts of outside factors for the suspicion and criticism which has built up regarding the department, and he totally conceals the fact that it was a select committee of all parties in the assembly that found serious fault with the management of the department and that the main reason for the distrust which now exists stems from the evidence presented to that committee."

Unfair to drag me into this— Horwood

Political Staff
HOUSE OF ASSEMBLY. — The chief Opposition spokesman on finance, Mr Harry Schwarz, clashed with the Minister of Finance, Senator Owen Horwood, yesterday over disclosures about the Department of Information.

Mr Schwarz said "economic sabotage" had been uncovered and he asked what Senator Horwood was doing about the department ignoring Treasury and Tender Board instructions. He also wanted to know how top officials of the government were treated at customs points when re-entering South Africa after official trips abroad.

Senator Horwood said that he considered it unfair of Mr Schwarz to "drag me into this affair."

Senator Horwood said he had the "utmost faith" in the treasury, the Auditor-General and the Tender Board.

On Mr Schwarz's inquiry about the customs procedures, he said all officials were treated in the same way as any other people.

He denied Mr Schwarz's charge that he was ignoring the instruction that local companies should get preference over foreign companies.

The reference concerned evidence before the Select Committee on Public Accounts that the Department of Information had had books printed abroad, for which foreign currency had been spent.

Senator Horwood said, the matter was being investigated by the Select Committee, and he would not mix in the affairs of the Tender Board.

Dealing with advance payments on the book published by the department, he said if there were irregularities and Treasury instructions had been ignored, the person or department involved would have to take responsibility.

"This is what is happening now," said Senator Horwood.

If all procedures had not been followed action would be taken

Cont

Horwood tells of Rhoodie at customs

CAPE TIMES

May 4 1979

Political Staff

HOUSE OF ASSEMBLY. — Dr Deneys Rhoodie, number two man in the Department of Information, made two "false declarations" after being stopped at the nothing to declare customs channel at Jan Smuts Airport and now faces the possibility of criminal charges.

The Minister of Finance, government officials were treated in exactly the same way at the Parliament yesterday in reply to position interjections — "Have you laid a charge?" and "What about the false declaration?" — at the question of criminal charges did not rest with him, but that the matter would be completed

He said that customs officials stopped Dr Rhoodie in the "green zone" and later valued dutiable goods in his possession at R580 — more than four times the value first given by him

Senator Horwood, replying to

Official is retired after 40 years in civil service

Own Correspondent

JOHANNESBURG — After an unblemished record spanning more than 40 years in the civil service, Mr J F Waldeck, administrative chief in the Department of Information, was told that he would have to quit — retired prematurely

Obviously shocked by the announcement made in Parliament by the Minister, Dr Connie Mulder, Mr Waldeck said it was most unexpected.

"At this stage I have no comment to make whatsoever. I first want to study the press release and if, afterwards, it is necessary for me to say anything, I will do so"

The 59-year-old civil servant, was speaking to pressmen in his fifth floor office at the Department of Information headquarters in Pretoria.

Mr Waldeck said he was waiting to discuss the matter with the Secretary for Information, Dr E Rhoodie

"I do not regret my 40 years in the State service. It has been a long and rewarding career and I understand that my early retirement was the consequence of reorganization within the department," he said.

Mr Waldeck joined the government in 1937 in the Department of Agriculture. After serving in the air force during World War II, he continued with his career in the civil service with stints in the Transvaal Education Department, the law enforcement section of this department and the law enforcement section of the Transvaal Provincial Administration before joining the Department of Information under the then secretary, Mr Bränd Fourie

He lives in Waterkloof and has four grown-up children.

inquires by the chief opposition spokesman on finance, Mr Harry Schwarz, said Dr Rhoodie was stopped in the "green zone" — which meant that he had items worth less than R50 — and later declared their value at R134

However, said Senator Horwood, the customs official was not satisfied and asked if he had anything else to declare. Dr Rhoodie was given a form to fill in and set the value of the goods at R222.

Still the customs official was not satisfied and took Dr Rhoodie's luggage to the search room at which Dr Rhoodie asked to see the controller

Dr Rhoodie then said there must have been some mistake because he was under the impression he did not have to declare the goods which he had done at first verbally. He was given another declaration to fill in and was asked for his import permit. The goods were later valued at R580 and included shoes, earnings, perfume, cufflinks, records and books, and the duty on them was R365,01

Dr Rhoodie was later asked to deposit R25 on the books and a magazine which were confiscated. "The matter is being investigated by the Secretary for Customs and his officials. The normal procedures will be followed from start to finish," Senator Horwood said

He said it was up to the Secretary for Customs to decide on any penalties. The goods would be returned to Dr Rhoodie if he paid. "The matter will be completed"

Mr Brian Bamford the PFP chief whip "What about the false declarations?"

Senator Horwood explained that Dr Rhoodie could choose to settle the matter through the department, but if he declined, he could go to court

The matter will be dealt with Mr Bamford "What about the false declarations?"

Senator Horwood. "That will be handled"



Dr Deneys Rhoodie

Dr Eschel Rhoodie

Mr J Waldeck

Rhoodie to be 'phased out'

Continued from page 1

apparatus are finalized, I will then consider my own position. Beyond this, I have no further comment."

Reacting to Dr Rhoodie's statement Dr Mulder said "That is precisely what I expected to happen"

The minister added that he could not expand on how the Department of Information would operate in future

As the controversy in the department raged on, the Opposition called for the minister to "accept manfully his responsibility and resign". The department had dug its own grave and it was up to Dr Mulder to accept this, Mr Japie Basson, chief Opposition spokesman on information matters, said last night.

Dr Mulder's statement in Parliament was described by several of his colleagues as "hopelessly inadequate" and "window-dressing". But a key Nationalist who has been heavily involved in drafting plans for new information arrangements said Dr Mulder had taken an obvious course

He explained — and his explanation was backed up by a Cabinet minister — that the Department of Information

would become an "agency" under the aegis of the Department of Foreign Affairs. It would not have the status of a government department and therefore the secretary's job would cease to exist

Instead it would operate largely along the lines of the SA Tourist Corporation, Satour, and its director would be considerably junior in standing to the Secretary of Foreign Affairs

The agency would not conduct any form of diplomatic activity and most of its officers abroad would be rationalized within the structure of foreign embassies. They would fall directly under the head of the mission, and take their instructions from the Department of Foreign Affairs

Since the job of director of the new information agency would represent a clear demotion, Dr Eschel Rhoodie is not expected to seek the position. It is not likely to be offered to him.

The process of rebuilding an orthodox information service — probably under the Department of Foreign Affairs — will mean the ministerial portfolio of

Information is virtually certain to be scrapped. Such an event would mean Dr Mulder would be able to concentrate solely on his portfolio of Plural Relations and Development.

In spite of Dr Mulder's statement yesterday there is deep anxiety in government circles over pending newspaper disclosures about the actions of his officials — including Dr Eschel Rhoodie

He will certainly come under new and heavy fire if the reports are published. The seriousness of the situation was underlined this week by the sudden appearance on the scene of the head of the Bureau for State Security, General Hendrik van den Berg

The general met Dr Mulder and the two Rhoodie brothers on Tuesday night — before Dr Mulder announced his proposals for revamping the department. He flew to Cape Town specially for the four-hour meeting, booked into his hotel well after midnight, and left early yesterday morning

There is considerable speculation that General Van den Berg's involvement is a reflection of the Prime Minister's concern about

developments. It is also being speculated in informed circles that the government is considering applying for an interdict in terms of the Official Secrets Act to prevent publication of certain new facts which are presently in the possession of the Sunday Express.

The Express agreed to postpone publication of these facts for one week in order to clear up confusion over whether publication in some instances would represent a threat to the security of the state

I understand that in the wake of the decision to restructure the department, and treat its errant officials as lightly as possible, the government is anxious to prevent further embarrassment. Not only would this make nonsense of Dr Mulder's decision not to sack his senior officials outright, it will damage the minister's personal standing considerably.

Many Nationalists believe Dr Mulder is already fighting for his political life, and by not taking more drastic corrective action against his officials, has laid his political career firmly on the line.

'Retiring' takes civil servant by surprise

ARGUS 4/5/78

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The Argus Political Staff

THE administrative chief of the Department of Information, Mr J F Waldeck, was told about his early retirement only a day before it was announced in Parliament that he was 'willing' to retire from service.



Mr J F Waldeck

This emerged yesterday in an interview with Mr Waldeck immediately after the Minister of Information, Dr C P Mulder, had announced Mr Waldeck's retirement with that of Dr Deneys Rhodie, deputy secretary of the department.

'It came as a complete surprise to me. I was first told about it only yesterday,' Mr Waldeck said.

On pension

Announcing the move in Parliament, Dr Mulder said the two officials 'had already indicated their willingness to retire on pension from the service at the end of May'.

Mr Waldeck, 59, who had been a civil servant for more than 40 years, said he would announce his plans after he had discussed the situation with his family.

Meanwhile Mr Japie Basson, the PFP's chief spokesman on information, accused Dr Mulder of 'looking for scapegoats' and refusing to shoulder responsibility himself by resigning.

Mr Waldeck, who joined the Department of Information in 1964 says he could have continued working in his present capacity until the age of 65.

Cautious

He referred to himself as a 'cautious bird' after the 40 years and eight months as a civil servant, and said he would want to study Dr Mulder's statement carefully before

commenting more fully on it.

Dr Deneys Rhodie, who with his brother, Dr Eschel Rhodie, returned to Pretoria yesterday after a crisis meeting in Cape Town with Dr Mulder, and the head of the Bureau for State Security, General Hendrik van den Bergh, declined to comment yesterday on his plans.

Dr Rhodie said Dr Mulder's statement was an 'accomplished political decision by the Government.'

Blaming

He said Dr Mulder would 'deal with the matter as he sees fit' during the Information Vote in Parliament next week — probably on Tuesday.

Commenting on the restructuring of the department and the early retirement of the two officials, Mr Japie Basson, said Dr Mulder should have taken the rap himself instead of blaming everyone else for the troubles that had befallen his department.

The reality of the situation was that the department had 'destroyed itself from within' Mr Basson said.

Failure

The leader of the New Republic Party, Mr Vause Raw, said Dr Mulder's statement did not exonerate the Minister for his failure to act immediately when irregularities were first disclosed.

By failing to do so Dr Mulder had allowed the situation to drift and escalate, causing irreparable harm to South Africa.

Information Department's eays number

NEW-LOOK booty likely after major shake-up

ARGUS 4/5/78 259

The Argus Political Correspondent

THE Department of Information in its present form is likely to make way for an information agency, following a far-reaching inquiry by the Public Service Commission.

And further heated discussions on the department are expected in the Assembly next Tuesday when the Information Vote comes up.

The Opposition is likely to continue pressing the line that the Minister of Information, Dr C P Mulder, himself must take responsibility and that he must resign.

They are also likely to pursue again the suggestion that the disclosures about the department so far may be only the tip of the iceberg.

Some of Dr Mulder's Nationalist colleagues are not completely satisfied with the way he has handled the crisis in his department and the whole affair may harm him politically.

to provide specialist services.
The post of Minister of Information will probably be abolished, with the effect that the present Minister, Dr Mulder, would lose one of his influential portfolios.

Big shake-up

The external services of the present department are likely to be transferred to the Department of Foreign Affairs, while each Government department is likely to have liaison staff providing information to the new agency that may be



Parliament

Deneys Rhoodie could face criminal charges

Cont

The Argus Parliamentary Staff

DR DENEYS RHOODIE, deputy secretary of the Department of Information and chief director (information), could face criminal charges arising out of a false declaration made to a customs official when he was stopped at Jan Smuts Airport last week with undeclared goods to the value of R580.

This was made clear by the Minister of Finance, Senator O P F Horwood, in the Assembly yesterday during the Budget debate on the finance vote.

Senator Horwood repeatedly emphasised that the case of Dr Rhoodie would be treated in exactly the same way as any other person who contravened the customs and excise regulations. There was no preferential treatment for senior public servants by the customs department, he said.

The Minister was replying to questions put to him earlier in the debate by Mr Harry Schwarz (PFP, Yeoville).

Mr Schwarz asked Senator Horwood what treatment was accorded by the Department of Customs and Excise to departmental secretaries and other top officials with particular reference to the case of Dr Rhoodie when he was stopped at Jan Smuts Airport last week.

NOTHING TO HIDE

Senator Horwood said the whole matter was in the hands of the Secretary of the Department of Customs

and Excise who would be followed.

Dr Rhoodie would have the choice of paying a penalty imposed by the Department of Customs and Excise or of taking the case to court.

The goods would be returned if Dr Rhoodie produced a valid import permit.

Mr Bamford: What about the false declaration

Senator Horwood said that Dr Rhoodie would be able to choose whether he wanted to pay the penalty or be prosecuted in a court of law. The matter would be completed.

Mr Bamford: What about the false declaration — that is the criminal matter.

Senator Horwood replied that the matter would be dealt with by

the secretary of the department in exactly the same way as for any other person.

Speaking outside the House later Senator Horwood said that if Dr Rhoodie wanted to get his goods back he would have to pay the R356 duty and in addition a penalty which could amount to three times the value of the goods (R1,740), plus the warehouse charges.

A deplorable state of affairs, says Schwarz

The Argus Parliamentary Staff

Budget 'achieves all the Opposition wanted'

MR C H W SIMKIN (NP, Smithfield) said in the Assembly yesterday, that Senator Horwood had succeeded in creating a Budget about which there could be no real criticism. This was why Opposition parties were forced into silly quibbling.

The Budget had achieved everything the Opposition had wanted, and had in fact exceeded their expectations.

The Progressive Federal Party was a 'fat cat' political party, he said.

Mr I F A de Villiers (PFP, Constantia) said, productivity held the key to the recovery of the economy.

The high inflation rate, high unemployment and slow growth were all caused by low productivity.

Increased productivity would also stimulate growth, which in turn would lower unemployment.

STATIC

The higher the percentage of the work force employed in professional, managerial and technical

Excise, and would be dealt with. There was nothing to hide, he said.

Mr Brian Bamford (PFP Groote Schuur): Will you lay a criminal charge?

Senator Horwood: I will deal with it. It does not rest with me at all.

Mr Bamford: Why not? Senator Horwood: Because there is an Act of Parliament which prescribes procedures in this regard.

Reading from a note prepared by the secretary of the Department of Customs and Excise, Senator Horwood said that Dr Rhodie was stopped by a senior customs official while passing through the 'green' channel for people with nothing over the value of R50 to declare.

NOT SATISFIED

Dr Rhodie was asked whether he had anything to declare. He then verbally declared goods to the value of R134. The customs official was not satisfied and began searching Dr Rhodie's luggage.

Dr Rhodie was then requested to fill out a form on which he declared goods to the value of R222. The official was still not satisfied and took Dr Rhodie's luggage to the search room.

Dr Rhodie then requested to see the controller-general of customs and excise at Jan Smuts Airport and said that there must have been a misunderstanding because he was under the impression that it was not necessary for him to re-declare the goods which he had earlier declared verbally.

FURTHER CHANCE

Dr Rhodie was then given a further chance to declare the remaining goods and was asked to fill out further forms and produce his import permit, which he was unable to do.

The value of the goods on the final form was R580 and included handbags, earrings, shoes, books and gramophone records. Dr Rhodie's luggage was then searched.

Dr Rhodie was then told that he would have to pay R356 duty on the goods and would have to produce his import permit. A number of books and magazines which had not been declared were confiscated and Dr Rhodie was requested to pay a deposit of R25 on them.

Senator Horwood said the normal procedure ad-

THE official Opposition's chief spokesman on finance, Mr Harry Schwarz, challenged the Minister of Finance, Senator O P F Horwood, in the Assembly yesterday to say what he was doing about the 'sabotage' of his economic policies by the Department of Information.

During a sharp clash Mr Schwarz accused the Minister of allowing Treasury regulations to be ignored and of allowing a 'deplorable' state of affairs to develop.

He asked what the Minister was doing about it and whether other Government departments were also affected by the kind of practices disclosed in the Department of Information.

Senator Horwood angrily rejected some of Mr Schwarz's accusations by way of interjections. In his reply to the debate the Minister defended his department and gave an assurance that the Treasury and the Auditor General would take proper action if any irregularities were proved.

Speaking during the debate on the Finance Vote, Mr Schwarz said Cabinet Ministers should accept responsibility when things went wrong in their departments.

CLASSIC EXAMPLE

Mr Schwarz then referred specifically to the 'classic example' of yesterday's statement by the Minister of Information, Dr C P Mulder, about the retirement of two top officials, Dr Deneys Rhodie and Mr J F Waldeck, and the proposed restructuring of the department.

He (Dr Mulder) blames other people for what is wrong in his department, Mr Schwarz said. 'This cannot be tolerated.'

The issue was whether Ministers could escape responsibility.

Mr Schwarz said the Minister of Finance controlled the Treasury, the Department of Customs and Excise, the office of the Auditor General and the Tender Board — all involved in the disclosures about the Department of Information.

Mr Schwarz then asked the Minister of Finance to answer a series of questions including:

● What treatment was accorded by the customs and excise to departmental secretaries and other top Government officials, with particular reference to the case of Dr Deneys Rhodie who was stopped at Jan Smuts Airport last week?

● What was the Minister doing about the select-

committee disclosure that the Department of Information had not obeyed Tender Board regulations by failing to give preference to South African firms for contracts?

● What was the Minister doing about the disclosures concerning the use of foreign currency by the Department of Information? The department seemed to spend foreign currency as it wished.

● What was the Minister doing about a disclosure that the Department of Information wanted to spend money before the end of the financial year to avoid it being returned to the Treasury?

Mr Schwarz said the Minister of Finance was allowing Treasury regulations to be ignored. This was economic sabotage.

SURPRISED

What steps was the Minister taking to ensure that his economic policies were not being sabotaged as in the Department of Information? Mr Schwarz asked.

Replying, Senator Horwood said he was surprised by Mr Schwarz's accusations. 'It was not I who did the things that were investigated,' the Minister said.

The public service had a tradition of integrity and honesty that could compare with the best in the world. He had the utmost confidence in the Auditor-General, the Secretary of the Treasury and their departments.

Their tradition of integrity was second to none.

Referring to Mr Schwarz's argument about Cabinet responsibility, Senator Horwood said 'I don't wish to escape Cabinet responsibility in any way and I don't think any of my colleagues would dream of it.'

NOTE

On the issue of Dr Deneys Rhodie and the Department of Customs and Excise, Senator Horwood said he had asked the Secretary of Customs and Excise for a written note, which the Minister then read to the Assembly.

On the Tender Board issue, Senator Horwood said 'What have I to do with the Tender board? How would I interfere with the board?'

capacities; the higher productivity would be. Since 1946 a static four percent of the work force had been so employed.

To get more people working in professional, management and technical posts, the country needed more and better education and training.

Mr de Villiers called for equalisation of education systems and equality of opportunity.

Senator Horwood should establish tax incentives to encourage use of solar energy and forecast could play an important part in the country's economy.

Case Time 5/5/78 (259)

Rhoadie probe—evidence call

Political Staff
THE parliamentary select committee investigating the affairs of the Department of Information, following a critical report by the Auditor-General, will call for important evidence from the Rhoadie brothers — whose careers at the head of the department are coming to an end

Walt, Nationalist MP for Schweizer-Reneke. Mr Van der Walt said in an interview that Dr Deneys Rhoadie, whose premature retirement was announced this week, would probably appear before the committee again when it meets on Tuesday. "We will carry on as usual and finish the job," Mr Van der Walt added.

The fact that the drama and opposition claims department was to be that the Ministers of Information, Dr Connie Mulder, was trying to evade responsibility for the deepening internal crisis in his department. Evidence required from any officials — including the Secretary, Dr Eschel Rhoadie — would have to be given. Mr Van der Walt's remarks came at the end of a week of

department is regarded by fellow Nationalists with considerable disquiet. Dr Rhoadie's links with the mystery public relations firm, Thor Communicators, are the source of wide-ranging speculations among his colleagues. One of the directors of Thor, Mr Andre Pieterse, flew to Cape Town on Tuesday for

That was confirmed yesterday by the chairman of the select committee on public accounts, Mr Hennie van der

The Sunday Express is believed to have in its possession facts about Thor. Continued on page 2

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Information row - editor expects to publish

MR. Rex Gibson, editor of the Sunday Express, said today he expected to go ahead with publication of matters related to the controversy surrounding the Department of Information.

Last week the Sunday Express agreed to withhold all publication until this Sunday to enable lawyers to examine matters which, it was claimed, touched on State security.

"It is my intention to publish this week and I expect to be able to do so," said Mr Gibson.

SURPRISED

Mr. Gibson was surprised to learn of reports which quoted Government sources dealing with the impending Express disclosures.

The sources were quoted as saying that they would apply for a court interdict to stop publication of the Express if the newspaper did not co-operate.

"I have not read these reports," said Mr Gibson. "And I simply stand by the public assurance given by the Minister of Information that he would not stand in the way of us publishing anything that did not affect State security."

Mr. Gibson said his newspaper had acquired some additional information during the course of this week, but the story remained basically the same.

Rhodies may be questioned again

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H MURRAY
Correspondent
CAPE TOWN

MINISTRY select committee investigating serious activities of Auditor-General Department of Information for important evidence Rhodie brothers — at the head of the coming to an end.

Dr Rhodie, the Department Secretary, would be called chairman of the Select Public Accounts, Mr Hendrik Nationalist MP for confirmed yesterday.

He said in an interview that for the Department, Dr Rhodie's premature retirement at this week, would appear again when it meets on

"We will carry on as usual and finish the job," Mr Van der Walt added.

The fact that the department was to disappear soon did not mean the committee's function in regard to its investigation had come to an end.

Evidence required from any officials — including the Secretary, Dr Eschel Rhodie — would have to be given.

Mr Van der Walt's remarks, coming at the end of a week of high drama and Opposition claims that the Minister of Information, Dr Connie Mulder, was trying to "cover up" the deepening internal crisis in his department, are seen by Nationalists as an expression of Government determination "to get to the bottom of the mess".

Dr Eschel Rhodie is expected to quit soon and has said publicly he is to reconsider his position as Secretary.

His personal links with the mystery public relations committee, Thor Communicators — an organisation which assisted in

negotiating the purchase of his luxury Cape home and which has vital and controversial dealings with his department — are the source of wide-ranging speculation among his colleagues.

The mystery surrounding these ties was highlighted this week when one of the directors of Thor, Mr Andre Pieterse, flew into Cape Town on Tuesday for urgent talks with Dr Eschel Rhodie. On the same day the fertiliser tycoon and former owner of the Citizen newspaper, Mr Louis Luyt, also flew into Cape Town on the same flight as the Rhodies.

Mr Luyt has been named as one of the people involved in discussions held in Thor's strange Pretoria headquarters — reported to be solely a sumptuous lounge.

Coinciding as the visits did with the sudden arrival in Cape Town on Tuesday of the head of the Bureau for State Security, Gen Hendrik van den Bergh, they are regarded as highly significant.

The Sunday Express is believed to have in its possession facts about Thor and other matters which the Government regards as extremely damaging to the Department of Information and its senior personnel.

At the moment the Express has agreed to hold all publications until this Sunday to enable lawyers to examine matters the Minister claimed touched on State security.

According to the editor of the Express, Mr Rex Gibson, "discussions" are still taking place but I believe we'll publish the story, or at least most of it."

Another key issue which may be raised is the question of senior Information officials getting special clearance through customs — despite Government policy that public servants should be subject to the same customs checks as ordinary citizens.

Will the public get all the information?

By HELE ZILLE
Political Reporter

DR CONNIE Mulder's announcement that his Department of Information will cease to exist in its present form comes almost nine months since the first thunder rumbled in what became a non-stop storm raging round the department.

Yet, although the controversy was a major factor behind the phasing out of the department and the premature retirement of two top officials, Dr Deneys Rhooie and Mr J F Waldeck, the public is still reasons prompting these dramatic moves.

In a recent development, the Sunday Express held back a bombshell report for a week at the request of Dr Mulder, while lawyers studied aspects of the report, the Minister claimed touched on State security.

In another dramatic development, General Hendrick van den Bergh, head

of the Bureau for State Security, was drawn into the investigation.

Dr Mulder has given the assurance that there would be no cover-up, but the steps he has taken so far have been severely criticised by the opposition as being inadequate.

The Rand Daily Mail has traced the steps that have led to the closing down of the department once described by Dr Mulder as 'the shop window of South Africa'.

Towards the middle of last year at least six of South Africa's biggest newspapers began to investigate clandestine activities involving the Department of Information and some of its top officials. The allegations concerned use of Government funds.

Allegations and rumours spread to many top businessmen, diplomats and members of the public throughout the country. It got to the point where a major newspaper called on

on a book order.

The next disclosure concerned a 1678 a-day diplomatic mission and holiday to the Seychelles by Dr Eschel Rhooie, the Department's Secretary and a party of 10.

Fuel and landing costs of the flight in the private jet of millionaire industrialist, Mr Louis Luyt, former owner of the Citizen, were paid by a company known as Thor Communicators.

Thor Communicators emerged as a possible key link in the controversy. It was a company established in 1976 to undertake business in public relations, tourism, television, radio and real estate.

Investigations showed that Dr Eschel Rhooie and Mr Luyt had visited and held meetings at Thor's "office", a luxurious entertainment lounge in central Pretoria.

There were further disclosures that the department had paid a private Pretoria travel agency R210 000 in five years for

air tickets and hotel bookings for senior officials — in contradiction of a Public Service regulation.

Disclosures followed that Dr Eschel Rhooie had approved a policy of paying some foreign journalists to write favourable reports about South Africa.

Meanwhile the Parliamentary Standing Committee on Public Accounts recommended a Treasury investigation of the department.

Dr Mulder entered the growing controversy by announcing that if there was any proof of corruption or dishonesty by his officials, their heads would roll.

The next revelation concerned an abortive Middle East mission undertaken by Dr Mulder and Dr Rhooie. The trip failed when they were refused entry at Cairo Airport because of visa problems.

Dr Eschel Rhooie then offered to resign, but Dr Mulder "would not hear of it".

In the most dramatic development of all, the

Sunday Express last week held back bombshell additional revelations concerning the department so that matters touching on the interests of the State could be investigated.

Dr Deneys Rhooie was detained at Jan Smuts Airport for allegedly failing to declare goods to customs worth R580.

In the following dramatic development, General Hendrik van den Bergh, head of the Bureau for State Security, held talks with Dr Mulder.

Finally Dr Mulder announced in Parliament that South Africa's Information Services would be restructured and that Dr Deneys Rhooie and Mr J F Waldeck the deputy

ment's head of administration, would be pensioned off early. Cabinet sources have said that Dr Eschel Rhooie would be 'phased out' of his job.

Despite the drastic action, the key question remains unanswered: Will the public ever know the full facts?

Waldeck repeats: I am not mentioned

Pretoria Bureau

The Department of Information's chief of administrative services, Mr J F Waldeck, who is being retired, today repeated that his name was not to be found in the Select Committee's report after the department was investigated.

Asked at his office if

the report of the Select Committee on Public Accounts exonerated him, he said "My name has nowhere been mentioned in this report"

An Afrikaans morning newspaper quotes Mr Waldeck (59) as saying he stood by the committee's report — his name was not mentioned in it

When Mr Waldeck emerged into the reception area outside his office this morning, he said: "I am sorry, I am not in a position to say anything except good morning and it's nice to see you"

The visibly distraught Mr Waldeck said he was waiting to be called to an interview with Dr Eschel

Rhodie, Secretary for Information

According to a morning newspaper, Dr Rhodie said he would give Mr Waldeck a chance to say whether or not he had been correctly reported in newspaper interviews

"If it is correct, Mr Waldeck is in trouble," Dr Rhodie apparently told the newspaper

Dr Rhodie and his brother, Dr Deneys Rhodie, the second in line at the department, who is also retiring at the end of the month, were not at their offices earlier today for comment

A department spokesman said he did not know when Mr Waldeck and Dr Rhodie would be meeting

Star 6/5/78

Our secret operations crippled — Rhodie

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The Secretary for Information, Dr Eschel Rhodie, will ask on Monday for a police inquiry into the way a secret Department of Information document fell into the hands of the Sunday Express

In a statement issued in Pretoria last night and quoted by Sapa, he also revealed that his department, guided by a secret, three-man Cabinet committee had, for years, undertaken "sensitive and even highly secret operations to counter the propaganda war against South Africa."

"I was authorised by the Government, in the presence of my two deputies and one other person, that counter-action was to be undertaken as if we were in a state of war and that no rules or regulations would apply," he said

Dr Rhodie sketched the series of events which led to the Auditor-General's report to Parliament.

"The Auditor-General, in April 1977, began an audit of my secret operations. I objected to this and also to the open manner in which the audit was conducted with scant regard to secrecy.

WARNED

"In more than one letter the Auditor-General was warned that secret funds and projects were involved. The Auditor-General claimed the funds were not secret

"Since I inherited some of his secret projects and even from time to time informed him of progress and of new secret projects, I could never and will never accept his argument"

Dr Rhodie's statement said: "The Government has advised me that a secret document, the property of the Auditor-General, has been leaked by word of mouth or by photo-copy to the Sunday Express and other parties

"This document is nine months old"

Dr Rhodie said a secret fund was provided to the department.

"It was clearly stated that this was a top-secret fund and that no one would have access to its implementation, not even the Auditor-General."

Dr Rhodie then told of Mr Barrie's auditing activities and his (Dr Rhodie's) letters of protest.

"The Sunday Express will say Dr D O Rhodie at times had advanced payments as high as R10 000. Normally, this would be irregular, but it was used as authorised to compensate persons here and abroad involved in secret projects

"The records kept of overseas travels financed from secret funds and expenditure of a secret nature are not the same as that for the department's normal operations, which explains why the Auditor-General found this highly irregular"

"I refused to provide the auditor-general and his two assistants with details of our operations and the Minister of Information supported me in this

"He nevertheless continued and in the process lines of expenditure under secret and open funds crossed.

"TREACHEROUS"

"The Auditor-General never showed me or discussed his secret report with me, otherwise the report would have looked substantially differently

"In fact, Wednesday, May 3, was the first time I ever laid eyes on this report

"I have now come into possession of a report prepared by the Sunday Express for publication this coming Sunday (tomorrow)

(GMT)

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safekeeping was that of the Auditor-General, my predecessor, and it obvious that it could not have been kept locked up in a safe or dealt with as officially prescribed

SENSITIVE

"The Department of Information has, for years, been asked by the Government to undertake sensitive and even highly secret operations as counter-action to the propaganda war against South Africa

"Money was secretly used for this purpose even before my appointment and I inherited from my predecessor at least two major secret operations.

"After my appointment in 1972, counter-action to the propaganda war was vastly stepped up by me"

stantiated and speculative nine months old report.

The lengthy statement concluded, "The treacherous act of leaking a secret report to the Press, and other leaks to the Press have indeed seriously and negatively affected all operations of the department, both open and secret.

"South Africa's enemies must be laughing their heads-off at the way the Auditor-General and sections of our Press have destroyed an apparatus which, unknown to the public, has in secret achieved incredible success — simply because we fought the way our enemies did"

"I will make absolutely no further comment on this matter until my department's vote has been discussed in Parliament"

SA strike on 'Moscow'

Raid dealt Swapo a great blow

Military Correspondent

"Moscow," the name given the Swapo headquarters for terrorist activities in South West Africa/Namibia, and a series of bases just across the border from Ovambo were the targets of the lightning strike by SA Security Forces into Angola on Thursday

The five deaths suffered by the SA forces were "not comparable to terrorist losses," Lieutenant General J R Dutton, Chief of Staff Operations of the SA Defence Force, said at a Press conference at Defence Headquarters in Pretoria yesterday

But he stressed that the purpose of the operation had not been to kill terrorists

"We did not go in to kill hundreds or thousands of terrorists. Our purpose was to destroy their headquarters, to get information and to disrupt their operations"

General Dutton said the SADF regarded the operation as a great success and added "Military, we believe that we did Swapo a great blow"

"Moscow" — which was not a village as such but a base for terrorists — had its headquarters building destroyed, documents and other items of information were seized, and weapons, heavy equipment, military-type vehicles and ammunition were destroyed or captured

In the Swapo base were found machine guns, AK 47 rifles, anti-aircraft machine guns, communist posters and leaflets, many photographs of Swapo leader Sam Nujoma, and military vehicles were "everywhere"

12 HOURS

General Dutton said elements of both the SA Army, including black and white SWA/Namibia troops, and the SA Air Force took part in the operation, which was completed in a little more than 12 hours

The operation was begun early on Thursday and was completed before the Minister of Defence, Mr P W Botha, made his announcement about it in time for the 11 pm news that night

"All our troops have been fully withdrawn from Angola," he said, confirming that apart from some hot pursuit actions, this was South Africa's first incursion into Angola since the 1975 campaign

SURPRISED

The terrorists appeared to have been taken by surprise, and he expected Swapo activities in SWA/Namibia to decrease following the operation. It was difficult to say how long it would take Swapo to reorganise

He described 'Moscow' as a well-protected, well-situated and well-guarded base, deeper inside Angola than the series of permanent and temporary bases within 50 km of the border which were used as springboards for raids into Ovambo

The terrorists had put up resistance, but the SA forces lost no weapons or equipment.

Sapa reporter Con Crous, who accompanied Security Forces on the raid, reported from Ondangwa in SWA/Namibia yesterday that officials considered the action a success

He said all troops who had been involved in the probe had returned to base

Crous flew over a raided camp in a helicopter and then landed and tried to interview guerillas captured by the South African troops. However, they would not speak to him

Crous said he saw several dead. He added

"It was ironical that I saw a security forces doctor fighting for the lives of wounded guerillas who shortly before had been firing at South African troops"



A South African soldier looks at the entrance to an underground fortification at the Swapo base at "Moscow"

LEFT Rifleman Edward James Backhouse (22) of Berea, Johannesburg — one of the five South African casualties. With him is his wife, Karen. They were married in September last year

RIGHT Rifleman Kokkie de Waal of Pretoria . . . another casualty

STAR

6-5-78

Cont

Explanation for Angola strike

The Star Saturday May 6 1978

The State Department's reaction to date has been its frank admission that it has no information on the situation other than that published by local newspapers. This is in significant contrast to the situation during South Africa's larger intervention in the Angolan civil war, when the US Government was briefed daily and in some detail about South Africa's actions, intentions and progress in Angola and pro-

The State Department's lack of information on the latest incursion reflects the

It suggests that South Africa did not give the US any advance warning of the latest incursion though the Minister of Foreign Affairs, Mr. Piko

Both, hinted that it might take place in an interview with the Washington Star the day before — and that South Africa is providing the Carter Administration with only the barest data on the subject and then only in response to diplomatic requests for

Some observers suggest that since the imposition of the United Nations mandatory arms embargo against South Africa, Pretoria has felt less bound to exchange military information with Washington.

Chilly US response to SA

Hugh Robertson

WASHINGTON — There is a chilly silence from the State Department yes in response to South Africa's explanation of the swift military incursion into Angola this

And officials suggested the silence would probably be maintained over the weekend in an attempt to head off a public exchange of differences on the issue. So far, the only United States reaction to South Africa's incursion has

been a statement on Thursday night expressing grave concern and dismay at the development

But officials said the US was in close contact with the four other Western members of the United

Nations Security Council — Britain, France, West Germany and Canada — and that future statements on the subject might be made on behalf of all five powers. Meanwhile, perhaps the most notable characters

STAR

May 6 1978

Raid victim wanted to be a vet

One of the five South African soldiers killed in the Angolan strike, Corporal Terry Bridgeman (19), sacrificed a childhood dream of being a veterinary surgeon and instead became an apprentice printer to help support his mother, widowed seven years ago.

The others killed were Corporal Herbert Charles Truebody of Rautenbach Street, Windhoek, Rifleman Jacob Conrad de Waal (24) of Weavind Park, Pretoria, Rifleman Edward James Backhouse (22) of Berea, Johannesburg; and Rifleman Martin Kaplan (25) of Nelspruit.

"LOVED LIFE"

Last night, close relatives said Terry Bridgeman was a happy-go-lucky character who, once he had settled in his job, enjoyed it, "because he loved life."

But his love for animals, which he shared with his mother, Mrs Joan Bridgeman, was reflected in the number of pets at their home in Neethling Street, Benoni.

Terry, who matriculated at Christian Brothers College, Boksburg, in 1975, was a tanker crew commander.

HOME DESERTED

Kokkie de Waal was studying to be an engineer at the College for Advanced Technical Education in Pretoria.

He matriculated at the General Smuts School in Vereeniging and leaves home to Mrs Betsie de Waal, his sister Anna Marie and his brother Pieter.

Terry, Bridgeman

The Nelspruit home of Rifleman Kaplan was deserted this morning.

But a child's shoe, a pram and toys scattered about the garden indicated that this was the home of a once happy family.

And with several building alterations under way, Martin and his wife must have had big plans for the future.

There were some wounded among SA forces, but no numbers were given.

"It is our policy never to release figures about the number wounded," said Lieutenant-General J R Dutton, Chief of Staff, Operations, of the SA Defence Force, at a Press conference in Pretoria.

He said the five SA deaths were "not comparable to terrorist losses." He could not release figures.

Swapo women in uniform

Military Correspondent
Women wearing terrorist uniforms were encountered by South African forces in the operation against Swapo.

Lieutenant-General J R Dutton, Chief of Staff Operations of the SA Defence Force, said in Pretoria yesterday: "If there were any Cubans or MPLA involved it was not our purpose to seek them out."

Terrorists had been taken prisoner.

"They are terrorist prisoners, not prisoners of war," he said.

The terrorists were brought back to SWA/Namibia.

At "Moscow" — the name given to the base taken by SA troops — a building had been equipped as a hospital and SA Medical Services men attended to women and children there before the return to SWA/Namibia.

Rhodie claims dispute ended

NIM
6/3/78
(259)

PRETORIA — The threatening row between Dr Eschel Rhodie and his information department's administrative chief and deputy secretary Mr J F (Koos) Waldeck, was resolved to their "mutual satisfaction" yesterday.

The issue arose after Mr Waldeck had granted interviews to various newspapers about his surprise at the news that he was prepared to retire on pension at the end of this month.

Mr. Waldeck was reported as saying that he was shocked at the news, adding that he could also, like other people, say many things but that the Public Service Regulations prevented him.

Yesterday morning Dr Rhodie was quoted as saying that Mr Waldeck was answerable for the things he had said to the Press and that if he had been reported correctly, "then Mr. Waldeck is in trouble".

After meeting Mr. Waldeck yesterday, Dr Rhodie told Sapa:

"Reports in the Press and other media concerning the position of Mr J F Waldeck and also alleged statements by Mr Waldeck to the Press was discussed between us this afternoon and resolved to our mutual satisfaction.

"In this respect, I would draw your attention to the last paragraph of the Minister of Information's statement to Parliament, that the officials concerned affected by reorganisation and that the public service commission confirmed it had nothing to do with maladministration or incompetence."

In his statement to Parliament, the minister, Dr Connie Mulder, said the retirements, due to reorganisation of the department, would become effective at the end of the month.

'Complete' NM

NM 6-5-78 Cont

Swapo's 'Moscow' wrecked

PRETORIA — Photographs taken during the lightning raid on Swapo terrorist camps in southern Angola showed that the targets were military bases and not towns, Lieutenant-General J. R. Dutton, Chief of Staff, Operations, of the South African Defence Force, said here yesterday.

He said the base code-named "Moscow" had been the headquarters responsible

for conducting all operations against South West Africa and was also the logistic support centre and the main training base.

"A few days ago we received intelligence which indicated to us that Swapo terrorists were planning an attack on the hydro-electric installation at Ruacana, the scheme which is responsible for the supply of power in future to South West Africa

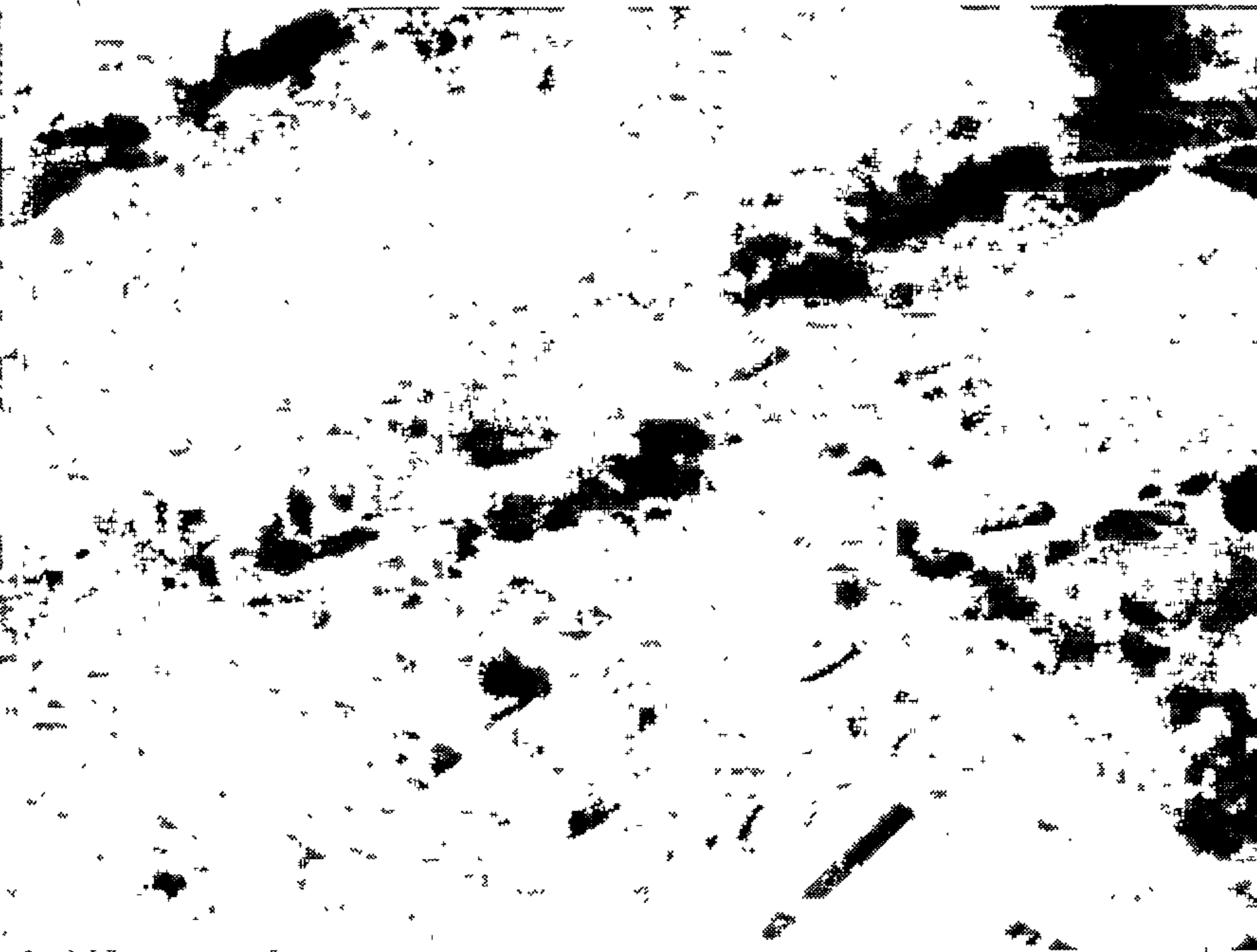
as well as the provision of water to the northernmost areas of the territory.

"You will also recall that the situation at Ruacana and Calueque was what led us into our actions in crossing the border into Angola late in 1975 because it is regarded as an installation which is the key to the economic development of the territory.

"These bases were well

protected, well-defended and well-equipped. There were weapons, heavy equipment, vehicles, soldiers and ammunition, and a considerable amount were captured.

"During the attack on the main base the main complex, as such, was practically totally destroyed. The documents we succeeded in obtaining will be released as soon as their contents have been evaluated."



AN AERIAL picture showing "Moscow," Swapo's main base in southern Angola, which was completely destroyed by South African forces in a dawn-to-dusk attack on Thursday. The white lines indicate earth works. The camp had been well protected.

S.A. lost only five killed

Mercury Correspondent

PRETORIA — Five South African soldiers were killed in the combined operations raid into southern Angola on Thursday when SAAF aircraft flew in an army strikeforce to attack Swapo terror bases.

An undisclosed number of soldiers were wounded.

But, said Lieut.-General Jack Dutton, Chief of Staff Operations, last night, "the operation was a total success.

"That is clear from the fact that only five of our men were lost"

Swapo's casualties, he said, were "incomparable."

The raid, mounted by the Army and Air Force, began at dawn and was still going on when the Minister of Defence, Mr P W Botha, revealed it late on Thursday night

It achieved

- The destruction of two series of Swapo terror bases, 50km inside Angola and

- The destruction of Swapo's terror headquarters, code-named "Moscow" which lay deeper inside the territory.

Prisoners — they will be treated as terrorists and not prisoners of war — were taken and large amounts of equipment, weapons and ammunition captured

"Moscow," Swapo's military strategy HQ, was the camp from which all terrorist operations into South West Africa were planned.

It was also their main terror training base.

When the South Africans went in, Swapo fought back, said General Dutton. The bases were well defended and had prepared earthworks round their perimeters.

Weapons captured included machine-guns, heavy anti-aircraft machine-guns, mortars and recoilless rifles. Considerable numbers of the standard Russian AK47 rifle were also taken.

Women soldiers in terrorist tunics had been encountered and some might have been killed in the operation, the general said.

The main building complex at "Moscow" housed a hospital building in which some women and children were hospitalised.

"They received treatment from our medical personnel but this was not because of the military action. They were there as patients."

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Success'



SOME of the weapons captured by South African troops. They include machine-guns, heavy anti-aircraft machine-guns, mortars and recoilless rifles.

Swop of soldier offered

Mercury Correspondent

LUSAKA — The South West Africa People's Organisation (Swapo) is prepared to exchange its captured South African soldier Johann van der Mescht for South West Africans held by the South African authorities.

This was stated here yesterday by Swapo information secretary Peter Katjavivi.

He said the number of South West Africans to be exchanged for the one South African soldier would be negotiated with the South African Government, or else he would continue to be held as a prisoner of war.

Mr. Katjavivi added that if the exchange of prisoners was turned down by the South African Government, the captured soldier would only be released when South West Africa became independent.

Documents

Documents were also captured and are being evaluated.

Major aim of the operation was to disrupt Swapo's terror capability and not to kill Swapo personnel.

"We did not enter Angola to kill large numbers of terrorists but rather to destroy their bases and to disrupt them," the general said.

No Cuban or MPLA forces were encountered.

The level of border violations and incursions by terror gangs is now expected to drop sharply as a result of the destruction of the camps.

In the attack, military-type vehicles were "everywhere in evidence." Communist posters and propaganda sheets were found "in profusion" as well as pictures of Swapo leader Sam Nujoma.

All South African forces have now been withdrawn.

Those killed were: Corporal Herbert Charles Turebody (19), of 18 Rautenbach Street, Windhoek; Corporal Terrance Michael Bridgeman (19) of 3 Mara Mansions, Neething Street, Benoni; Rifleman Jacob Conrad de Waal (24), of Uuvin Street, Weaving Park, Pretoria; Rifleman Edward James Backhouse (22), of 201, Davenport, 52 O'Reilly Road, Berea; Johannesburg, and Rifleman Martin Kaplan (25), of 40 Marioph Street, Nelspruit.

MM 6-5-78

Luyt was on Rhodie plane ^{RDM} 'by chance' ^{6/15/78}

Staff Reporter

MR LOUIS Luyt said yesterday he had flown to Cape Town this week on the same flight as the Rhodie brothers — but explained his trip had nothing to do with the Department of Information controversy.

The industrialist and founder of The Citizen newspaper said his trip was solely in connection with his wine farming interests in Stellenbosch.

The fact that he was on the same flight as the Rhodie brothers was "purely by chance."

Mr Luyt was responding to reports dealing with the mystery company, Thor Communicators, and the controversy surrounding the Department of Information.

The Rand Daily Mail reported that Mr Luyt had been involved in discussions with Dr Eschel Rhodie, Secretary for Information, at Thor's office — a sumptuous lounge in Central Pretoria.

Mr Luyt said the report implied that his trip to Cape Town was connected with talks between Dr Connie Mulder, Minister of Information, Dr Eschel Rhodie, Secretary for Information, and Dr Deneys Rhodie, who was prematurely retired as the department's deputy secretary after the discussions.

(259)

is intended to stimulate the bird to lay eggs

Waldeck row ADM 615/78 'now settled' (259)

Pretoria Bureau

THE threatening row between Dr Eschel Rhodie and his information department's administrative chief and deputy secretary, Mr J F "Koos" Waldeck, was resolved to their "mutual satisfaction" yesterday.

The issue arose after Mr Waldeck was reported by newspapers as saying he was shocked at the news of his retirement at the end of the month.

Yesterday morning Dr Rhodie was quoted as saying Mr Waldeck was answerable for the things he had said to the Press and if he had been reported correctly "then Mr Waldeck is in trouble".

In a statement to Sapa yesterday afternoon after meeting Mr Waldeck, Dr Rhodie repeated that the officials retiring at the end of the month were af-

ected by reorganisation and had nothing to do with maladministration or incompetence.

He said he and Mr Waldeck discussed his "alleged statements to the Press" and the matter was "resolved to our mutual satisfaction".

Meanwhile a row about the department has broken out in the letter columns of Beeld newspaper.

Miss Jenny Basson, head of the department's cultural section, wrote a letter to Beeld published on Thursday in which she praised Dr Eschel Rhodie.

But yesterday in a replying letter, a former official of the department asked whether it was still required by the department that all statements and letters to the Press be cleared first with Dr Rhodie or his deputy.

TOP TROPHY IS Swapo, SA in bitter hand-to-hand fighting

PORTRAIT OF NUJOMA

A GIANT four-metre-square portrait of Swapo leader Mr Sam Nujoma, torn by hand grenade splinters and riddled with bullet holes, has pride of place at the military intelligence evaluation centre at Defence Headquarters in Pretoria.

It was ripped from the wall of a building in Swapo's Angolan base-camp on Thursday by triumphant South African paratroopers after hours of hand-to-hand fighting with suicidal Swapo guerrillas.

The crack unit of airborne soldiers was dropped by South African Air Force aircraft over the camp — code named "Moscow" by Swapo — nearly 300 km inside Angolan territory, at 8 o'clock on Thursday morning.

Their attack was part of a carefully co-ordinated plan to wipe out terrorist strongpoints following a massive increase in Swapo terror activities across the border inside South West Africa.

As the paratroopers launched their attack, other army units rolled across the border into



LEFT: South African troops with captured Swapo ammunition during the operation into Angola. **ABOVE:** South African medical personnel treat a wounded Swapo terrorist during the raid in Angola

Leant over

The Government leant over backwards to prevent anything disrupting the South West Africa talks, but immediately after South Africa's acceptance of the Big Five proposals Swapo stepped up its activities in the territory.

The Minister of Defence, Mr P. W. Botha, made frequent approaches to the Angolan Government about Swapo base camps

Swapo resistance 'fierce'

From Geoffrey Clark

PRETORIA — A husky former Springbok rugby player today told of the fierce resistance offered by terrorists to the Ascension Day operation against Swapo bases in Angola. They fought as if they had been indoctrinated to believe that if they were captured they would be shot anyway, said Brigadier Hannes Botha, a Springbok flank forward of the early 1960s.

Brigadier Botha, now Director of Operations of the South African Army, led the attack on the Swapo base, code named 'Moscow' — the headquarters for all operations against South West Africa.

He spoke to the Press today at Defence Headquarters in Pretoria.

Following a heavy bombardment the South African soldiers expected to find that the base had been disrupted, the terrorists demoralised and that many of them had run away, the brigadier said.

However the South Africans had to fight against much heavier resistance than expected. An operation which had been expected to be completed in one and a half hours took six and a half hours.

Factors which extended the duration of the operation — apart from the will to fight shown by the terrorists — were that Moscow turned out to be well prepared for defence, with an extensive system of tactical placed fortifications and trenches, and that the vegetation in the area was unexpectedly dense.

Among those in uniform and fighting against the South Africans were women and a number of 12- and 13-year-old children.

Asked how the South African soldiers had reacted to being opposed by women and children, Brigadier Botha said: "They did not like it but if somebody was irrying a weapon he or she had to be regarded as a terrorist. Among the weapons taken were 12.7 mm and 14.5 mm anti-aircraft machine guns, which Brigadier Botha said he had not encountered before and RPG-47 anti-tank weapons which the terrorists also used in anti-personnel exercises.

Brigadier Botha said that after the base had been overrun women and children who had been abducted from Ovamboland clapped their hands and appeared to be glad to see the SA troops.

targets which they destroyed, demolishing buildings and blowing up ammunition dumps and vehicles as they went

Razed

Two major base camps including 'Moscow' were razed

They struck ruthlessly, but they misjudged their enemy. The terrorists fought, in most cases, to the last man. The SADF will not release figures of the Swapo dead, but captured documents handed to military correspondents by the Defence Force show that 'Moscow' was occupied by more than a thousand people before the attack. Only a handful survived.

Brigadier Hannes Botha

went unheeded, General Dutton said.

Weekend Argus

6-5-1978

Rhodesian trellis of secret fund

Cape Times
6/5/78

(259)

By TOM COPELAND Political Correspondent

THE Secretary for Information, Dr Eschel Rhoodie, last night disclosed the existence of a secret fund provided to his department with the approval of a three-man Cabinet committee for unspecified undercover work abroad.

And in an unprecedented attack by one senior civil servant on another, Dr Rhoodie said South Africa's enemies must be "laughing their heads off" at the way the Auditor-General and sections of the press had "destroyed an apparatus, which, unknown to the public has in secret achieved incredible success — simply because we fought the way

our enemies did". He revealed that his department, guided by the secret Cabinet committee, had, for years, undertaken "sensitive and even highly secret operations to counter the propaganda war against

South Africa"

His statement, clearly aimed at pre-empting disclosures which will appear in Sunday newspapers tomorrow based on a secret report by the Auditor General, will have massive reverberations within

the government and could have far-reaching implications for the Minister of Information, Dr Corné Mulder

Dr Rhoodie, who described the leaking of the Auditor General's secret report as a "treacherous act", said he would formally request a police investigation into the

- BACKGROUND TO information controversy, pages 6 and 7
- FULL STATEMENT, page 4

Continued on page 4

JOHANNESBURG. — Mr Louis Luyt yesterday partially lifted the veil of secrecy around the Pretoria company, Thor Communicators, and its connection with the Department of Information

The fertilizer magnate and founder of the Citizen newspaper said he had "communicated sensitive international messages from African presidents" to the Secretary for Information, Dr

Luyt says he was 'courier'

Eschel Rhodie, in Thor's office.

He had acted "virtually as a courier" in business trips to black Africa during the Angolan civil war. "This was a matter involving 14 African states, the Angolan war and the Benguella Line," he said

Questioned on rumours

that Thor Communicators had been involved in arms sales, Mr Luyt denied that his communications had anything to do with weapons.

He said he had merely communicated diplomatic messages from African countries because their presidents wanted to deal with the South African

Government through Dr Rhodie whom they trusted

"I have no interest in Thor Communicators — financial or otherwise," Mr Luyt said.

He also denied that he had met Dr Rhodie at Thor's office recently. He said they had met only three times in late 1974 and early 1975

Mr Luyt confirmed he had tried to sell his BAC 111 jet to Thor Communicators early last year after establishing that one of the directors, the late Mr Oscar Hurwitz, was financially sound. His asking price had been R4 million.

He said the jet had been used on a test flight in Dr Rhodie's controversial R678-a-day flight to the Seychelles with another Thor director, Mr Retief van Rooyen, and nine friends.

Rhodie's statement

Continued from page 1
leak on Monday.

Dr Rhodie said he had been authorized by the government to undertake "counter-action as if we were in a state of war and that no rules or regulations would apply."

He said his department was of the opinion that the leaking of the document, which he said was the property of the Auditor-General, implied a contravention of the Official Secrets Act as well as the minimum guidelines for security measures for the protection of State secrets

He claimed that money for the secret fund had been used before his appointment, and that he had "inherited" from his predecessor (Mr F G Barrie, now the Auditor-General) at least two major secret operations

It had been clearly stated, Dr Rhodie said, that the fund was "top secret", and that no one would have access to its implementation, not even the Auditor-General

He had refused to provide the Auditor-General and his two assistants with details of the department's secret operations and had been supported in this by the Minister of Information.

Dr Rhodie said that one such operation was his controversial visit to the Seychelles and in that he had been instructed to fly in a private jet, ostensibly as part of a holiday party.

He said the President of the Seychelles, President James Mancham, had insisted on this cover and that the government had paid for the cost of fuel and operations.

"I have no hesitation in confirming that this was an official secret mission structured in a way approved by President Mancham and my minister."

that of the Auditor-General, my predecessor, and it is obvious that it could not have been kept locked up in a safe or dealt with as officially prescribed, and the Department of Information subscribes to the opinion that leaving highly classified state documents unsecured, implies a contravention, not only of certain sections of the Official Secrets Act, but also of the "minimum standards" already laid down in 1966 in the guidelines for security measures for the protection of state secrets

"To divulge the contents of such classified documents, or to create access to such documents can lead to very serious consequences

"I will on Monday formally request a police investigation. I wish to state that the Department of Information has, for years, been asked by the government to undertake sensitive and even highly secret operations as counter-action to the propaganda war being waged against South Africa

"Money was secretly used for this purpose even before my appointment and I inherited from my predecessor at least two major secret operations

"After my appointment in 1972 counter-action to the propaganda war was vastly stepped up by me.

"It was overseen by a secret, though unofficial, three-man Cabinet committee from which I received approval for secret projects and to whom detailed verbal, and written reports were made annually and often every six months

"A secret fund was provided to the department but I do not intend, now or ever, to say how much and in what way it reached me

"I was authorized by the government, in the presence of my two deputies and one other person that counter-action was to be undertaken as if we were in a state of war, and that no rules or regulations would apply

"It was furthermore clearly stated that this was a top-secret fund and that no one would have access to its implementation, not even the Auditor-General.

"It was also made clear to me

projects, I could never and will never accept his argument.

"I refused to provide him and his two assistants with details of our operations and the Minister of Information supported me in this

"Without wishing to go into detail I can prove with existing official documentation that the Auditor-General in fact had no local standing as far as auditing of the secret funds was concerned.

"He nevertheless continued and in the process lines of expenditure under secret and open funds crossed

"The Auditor-General never showed me or discussed his secret report with me, otherwise the report would have looked substantially different

"In fact, Wednesday, May 3, was the first time I ever laid eyes on this report

"I have now come into possession of a report prepared by the Sunday Express for publication this coming Sunday. It is based almost word for word on the Auditor-General's unsubstantiated and speculative nine-months-old report.

"This contains information which, if the truth is not told, would be libelous in the extreme and that would not be the newspaper's fault — unless it had all the facts and still preferred to publish its story the way it has been read to me now

"For this reason I will now deal with some specific matters raised in the Auditor-General's report and likely to be repeated by the Sunday Express and Sunday Times

"The Auditor-General's report leaked to the press did not distinguish between secret and open funds, thereby creating the wrong impression, nor did he distinguish between the open and secret financing of travel abroad.

"In his report the Auditor-General referred to 'irregularities' and described them as unique in civil service history. This is correct, only in the sense that the country has never yet been fighting an equally unprecedented, no-holds-barred propaganda war against its enemies in which normal rules and regulations can be applied

protecting a secret operation I said at the time the trip did not cost the Department of Information anything which is true — it was paid from government funds not appearing on the books of the Department of Information

"References to some trips by wives of officials are correct, but each trip was approved by the minister simply because members of the team who handled the secret projects, of which there are dozens, were absent from home for inordinate periods and worked abnormally long working hours, performing tasks which would normally be entrusted to two or more officials.

"The Sunday Express will say Dr D O Rhodie at times had advanced payments as high as R10 000. Normally this would be irregular, but it was used as authorized to compensate persons here and abroad involved in secret projects — and most decidedly not irregular in terms of the authorized secret practices

"The records kept of overseas travels financed from secret funds and expenditure of a secret nature are not the same as that for the department's normal operations which explains why the Auditor-General found this highly irregular

"The simple fact is that we kept the minimum on paper and the minimum of records which is standard procedure in secret operations

"The Auditor-General had no way of determining the full extent of our operations and our methods and, being in the dark, had no option but to refer to irregularities and serious deviations from (normal) rules and regulations. The department has a special auditor who has been checking all secret operations accounts and all expenditure under this found has been fully and properly accounted for. He has so reported

"He has reported that there have been no malpractices or corruption and where monies were due to the State for erroneous or unacceptable claims this has all been repaid. There is a vast difference between an error and a misdeed

"The Auditor-General's

expensive hotels abroad and in South Africa is a simple matter of staying at the same level as your own guests and contacts in secret operations

"References in the Auditor-General's report that trips were arranged overseas to coincide with tennis tournaments is not valid since the minister must (and did) approve all visits as well as the timing and period of absence

"The Sunday Express report that one visit cost the State R10 000 is absurd because the money was paid out to other people and agencies and receipts and records were kept in my safe

"Much has been made of the travel agency used by the department for many visits abroad

"Two other companies were also used. The fact is that the agencies were used not only for officials but for other South Africans going abroad, or people abroad coming to South Africa, all connected with secret operations, who flatly refused to go by official channels

"All payments to Vacations Unlimited were from secret funds and it was here that the auditors got payment for open and closed visits mixed up

"Reference in the report to six visits by Mrs C Rhodie in 1976/77 is not only wrong but loses sight of the fact that when the minister is accompanied by his wife the secretary's wife travels along

"In his report the Auditor-General referred to six trips by Dr D O Rhodie and Mr D G Grobler as wasteful and badly planned. Details of these trips also appear in the report leaked to the Sunday Express

"The Auditor-General was told in writing that the officials did not travel solely for personal matters but principally for secret projects. Dr D O Rhodie's trips were in fact paid from secret funds

"The Auditor-General did not refer to this and this led to the absurd story in the press that two officials flew all the way to Los Angeles to assess a typist when in fact they went to the USA (including Los Angeles and Atlanta) for a series of closed meetings with opinion formers from many states in the USA

"The Sunday Express and

"Furthermore, my house in Bantary Bay was paid for from my own resources and was handled from beginning to end by a Pretoria firm of attorneys who will vouch for this.

"The treacherous act of leaking a secret report to the press, particularly a report which should never have been prepared in this way or kept secret from me, and other leaks to the press have indeed seriously and negatively affected all operations of the department both open and secret.

"South Africa's enemies must be laughing their heads off at the way the Auditor-General and sections of our press have destroyed an apparatus which, unknown to the public, has in secret achieved incredible success — simply because we fought the way our enemies did.

"In the circumstances I can now only hope that the Public Service Commission's recommendation for the restructuring of a new apparatus will be completed speedily.

"I will make absolutely no further comment on this matter until my department's vote has been discussed in Parliament."

Sapa

reference to the department, using funds, for private purposes including books, car rentals, telephones, radios, tickets for cable cars and tennis tournaments would have been correct, were it not for the fact that these were used for secret operations and visitors from abroad.

"It is totally untrue to insinuate that these purchases were for private use. Records were kept for all such purposes.

"A report to be published by the Sunday Express that I had commissioned work on two books after my appointment as secretary, vis 'SA Mosaic' and 'Visual History' for which I paid personally, is untrue.

"Visual History' was proposed as a project to my predecessor and accepted by him. I did not imitate 'SA Mosaic' It was offered to us.

"The Auditor-General also criticized what he termed 'excessive payments' made to typists of the Department of Information. These were not typists but special administrative assistants working with the most secret operations and the payments were allowances applicable to the posts they occupied.

"Subsequently the Public Service Commission and the Treasury approved these allowances as a security measure. The people involved worked abnormal hours, had to maintain utmost secrecy, and turnover of staff in this field was to be avoided at all costs.

"The Auditor-General's complaint that officials stayed at

other newspapers have asked or will ask the following questions about our secret fund.

(1) Is the Auditor-General aware of this?
(2) Is he authorized to audit these monies?

(3) Is this known to the parliamentary select committee on public accounts, and of its chairman, Mr Henne van der Walt?

(4) What is the extent of the funds involved?

(5) Can an indication be given for purposes they are used?

(6) Are the funds generated from Information's existing reserves — or are they coming from other quarters?

(7) If so, from where?

"The answers are:

(1) Yes — but not the nature or extent of operations.

(2) No — not legally as I interpret the situation.

(3) No.

(4) I will not disclose this.

(5) No. That would destroy the very need for secrecy. The Cabinet committee is fully informed.

(6) I will not answer this question.

"Whatever the role that Thor Communicators played in our work, and I know the Sunday Times and the Sunday Express write about the company this week, my own personal connections have been above board.

"I did not act as an agent to assist Thor in obtaining its flats in Cape Town and have sworn statements by the people concerned to prove this.

Dr Rhodie also confirmed that the company, Thor Communicators, had played a role in the department's work, but he insisted that his own personal connections had been above board.

THE following is the text of Dr Rhodie's statement: "The government has advised me that a secret document, the property of the Auditor-General, has been leaked by word of mouth or by photocopy to the Sunday Express and other parties.

"This document is nine months old. The responsibility for the document's safekeeping was

that, since the funds were secret and the method of procurement secret, the Official Secrets Act applied.

"The Auditor-General in April 1977 began an audit of my secret operations. I objected to this and also to the open manner in which the audit was conducted, with scant regard to secrecy.

"In more than one letter the Auditor-General was warned that secret funds and projects were involved. The Auditor-General claimed the funds were not secret.

Since I inherited some of his secret projects and even, from time to time, informed him of progress and of new secret

"To anyone not cognisant with the full extent the nature of secret operations, the method of operations, methods of payments, and the bookkeeping would indeed appear to be unacceptable.

"Since I worked under direct government instructions to take all steps necessary to protect secrecy of operations I gave instructions, with approval at Cabinet level, to destroy certain records of completed operations.

"These were not records of the department's normal operations none of which has been touched.

"In fact secret files and reports were kept completely secret.

"My visit to the Seychelles is a classic case I was instructed to fly to the Seychelles in a private jet ostensibly as part of a holiday party. President Mancham insisted on this cover. The government paid for the cost of fuel and operations.

"I met with President Mancham, one of several meetings, but the subject of our talks will remain secret.

"The government paid for my hotel and other expenses for two days and for that of Mr Les de Villiers, but not for my wife or any other member of the party.

"The payment was not made from the Department of Information's open account and in this respect our initial statements were correct. I have no hesitation in confirming that this was an official secret mission structured in a way approved by President Mancham and my minister.

"My subsequent action and statements were aimed at

Rhodie, Waldeck settle dispute

Own Correspondent

PRETORIA. — The threatening row between Dr Eschel Rhodie and his department's administrative chief, Mr J F (Koois) Waldeck, was resolved to their "mutual satisfaction" yesterday.

In a statement to Sapa yesterday afternoon after meeting Mr Waldeck, Dr Rhodie said:

"Reports in the press and other media concerning the position of Mr J F Waldeck and also alleged statements by Mr Waldeck to the press were discussed between us this afternoon and resolved to our mutual satisfaction.

"In this respect, I would draw your attention to the last paragraph of the Minister of Information's statement to Parliament that the officials concerned affected by re-organization, and the Public Service Commission confirmed it, had nothing to do with maladministration or incompetence."

CAPE TIMES

6-5-78

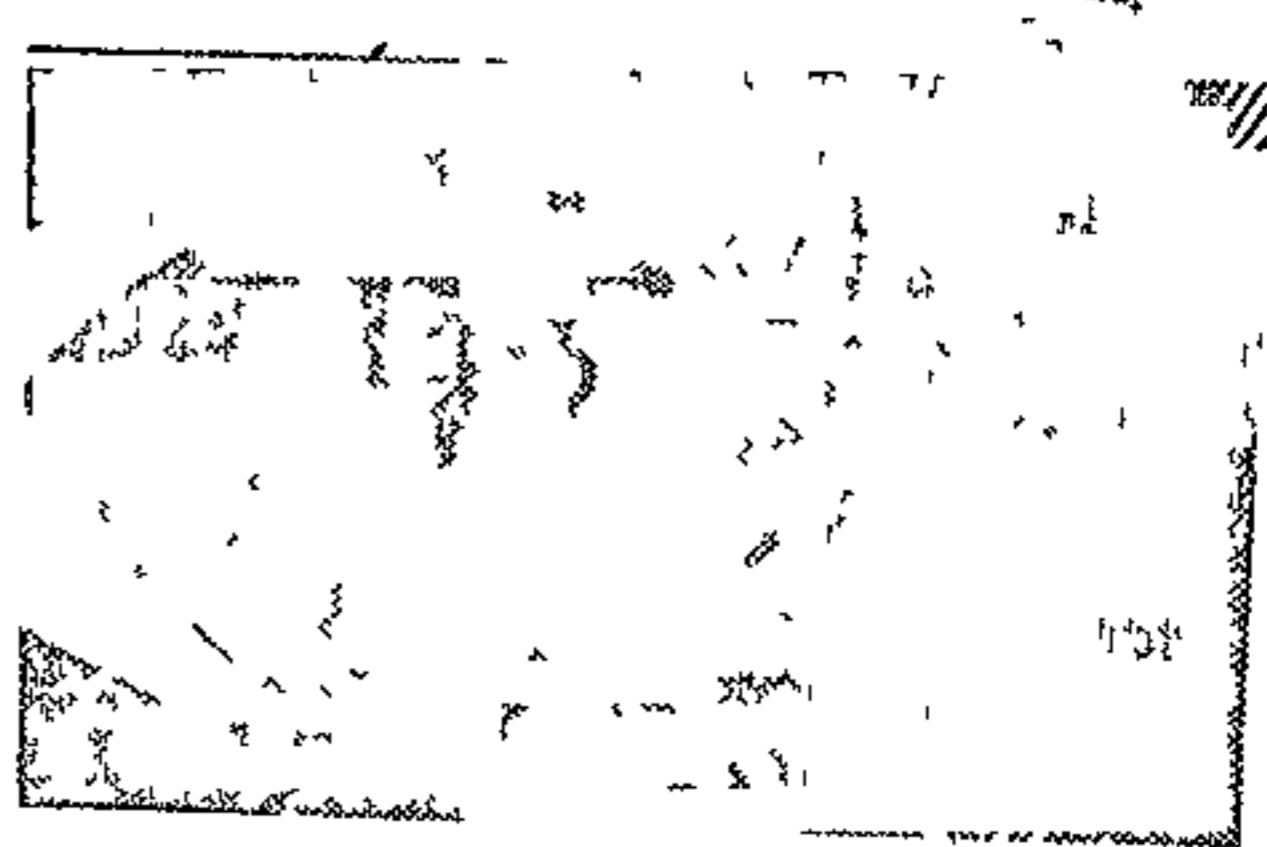
SECRET

FUNDS

GRAND

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Dr. Eschel Rhoodie

Meteoric rise — now the fall?

By Tos Wentzel,
Political Correspondent

IN a way the Department of Information debacle reflects 'the rise and fall of Eschel Rhoodie.'

Dr Rhoodie is still Secretary for Information, but there is little doubt that he

will leave this post or that it will be abolished.

The rise was meteoric. Dr Rhoodie was only 38 when he became secretary in the department in 1972. He had previously worked for the department, especially in America.

He then had a brief spell as managing director of the magazine *To the Point*.

Dr C P Mulder brought him in to the Department of Information over the heads of other senior men in the department.

He succeeded Mr F G Batrie, who is now the Auditor-General. It was the latest Auditor-General's report which put the skids under the department. It reported unauthorised expenditure and apparently

unnecessary trips overseas by two officials.

Dr Rhoodie's appointment caused bitter resentment in some Information Department circles. Some officials resigned and others asked to be transferred to other departments. Dr Mulder stuck to his man. He pushed his appointment through in the Cabinet.

The two men have close connections.

The two men have shares in a game farm near Acornhoek in the Transvaal. One of the other partners is Mr John McGoff, the right-wing American newspaper publisher. Dr Rhoodie did not only tread on toes in his own department

ONT →

RODIE SHOOK

It was not long before some of his officials were clashing with the Department of Foreign Affairs.

Information felt that Foreign Affairs was being too cautious and that a bolder, more aggressive approach should be adopted.

Dr Rhoodie had opinions on many matters, including the need to change South Africa's name to 'Free State'.

He was repugnant on this suggestion, by some Cabinet Ministers.



Week end Press

6-5-78

Information said today the Cabinet, not its officials, should answer now the questions that had been raised about the Department of Information.

Mr Basson said he is shocked and dismayed at the way the Cabinet 'leaves it to its officials to make declarations on matters which apparently had their root in Cabinet policy.'

He was commenting on the latest disclosures about the Department of Information by its secretary, Dr Eschel Rhoodie, including information about a secret fund to finance certain activities.

Inquiry

Mr Harry Schwarz, the Opposition spokesman on financial matters, said Dr Rhoodie's statement once again emphasised the real need for a full-scale inquiry into the department.

He also said the Minister of Information, Dr Mulder, should be brought to account on the matter.

Sensational disclosures about the Department of Information's secret operations are made in a statement issued by Dr Eschel Rhoodie.

violated for documents to reach the Press and said he would launch a police investigation into the leak.

Mr Barrie, speaking at his holiday home in Hermanus this afternoon, said the newspaper report of Dr Rhoodie's statement had been read to him by his wife on their way back from Cape Town, this morning.

'It would be very unwise for me to say anything at this time,' Mr Barrie said.

Mr Schwarz said Dr Rhoodie's statement has demonstrated beyond doubt the need for a major commission of inquiry.

The Prime Minister himself should intervene immediately and assume direct responsibility for the handling of the department's affairs pending the transfer of its external functions to the Department of Foreign Affairs.

He also had controversial views on South Africa's involvement in Rhodesia.

He was constantly in the news, having his views quoted on various subjects.

In political circles there was the criticism that he was acting as if he was an elected political representative, not a public servant.

Dr Rhoodie was all for the unorthodox approach. Glossy department reports recorded how it was continuing its crusade against South Africa's enemies — although the going was hard.

Now even a leading Nationalist newspaper has said that the department's credibility is in ruins. And Dr Mulder, the Minister in charge, has conceded that it cannot continue to operate in its present form.

It is to be restructured, probably to become an agency, with some of its functions going to the Department of Foreign Affairs.

Dr Rhoodie is going overseas with Dr Mulder after the end of the session of Parliament to meet the department's officials in Europe and America.

It is likely to be his last appearance in that rôle.

A secret

Dr Rhoodie discloses that his department, guided by a secret, three-man Cabinet committee, had for years undertaken 'sensitive and even highly secret operations to counter the propaganda war against South Africa.'

'I was authorised by the Government, in the presence of my two deputies and one other person, that counter-action was to be undertaken as if we were in a state of war and that no rules or regulations would apply,' Dr Rhoodie says.

Funds

Dr Rhoodie says 'The Auditor General's reference to the department using funds for private purposes including books, car rentals, telephones, radios, tickets for cable cars and tennis tournaments would have been correct were it not for the fact that these were used for secret operations and visitors from abroad.'

The Auditor General, Mr F G Barrie, refused to react today to a statement by Dr Rhoodie that the leak of a nine-month-old secret report he had prepared was a 'treacherous act.'

Dr Rhoodie said security measures and the Officials Secret Act must have been

Secret fund (259)

Continued from page 1

tell 90 percent of the secret successes of the department otherwise I will destroy them."

Dr Mulder said also that it was clear from the Prime Minister's own statement that he had acted as soon as he could have by appointing his own investigation and that there would be no cover up.

He said that up to date, none of the rumours concerning the department had been proved. The only things which had been proved were contained in the report of the select committee on public accounts.

This showed that the State had lost no money, there had been 'unauthorized' expenditure but said Dr Mulder this was a misleading phrase. This had been caused by over-enthusiasm on the part of officials.

He defended the covert operations of the department and said that when it came to the survival of South Africa 'no rules apply'.

He assured the House, however, that the department would always act in the highest traditions of the civil service and would do nothing immoral.

Dr Mulder said that he had approved the secret projects but had left their execution to his officials.

Following close questioning by the Opposition, Dr Mulder said that he had been informed by Dr Rhoadie that he intended to issue a statement at the weekend but had not been able to discuss the matter. He had been on a "farm line."

Cleared up

However, when pressed, he said that had he known what Dr Rhoadie intended to say he would not have approved.

Dealing with recent press disclosures on the department, Dr Mulder said that they had been based on a "preliminary" report by the Auditor-General in July last year. Many of the issues raised in it had been cleared up to the satisfaction of the Auditor-General and the Public Service Commission.

But, in spite of Dr Mulder's lengthy explanation, it was clear that senior Opposition spokesmen were not entirely satisfied and as Dr Zach de Beer, PFP MP for Parktown, said, the dispute remained one between Parliament and the Executive.

7/5/78

SUN Times

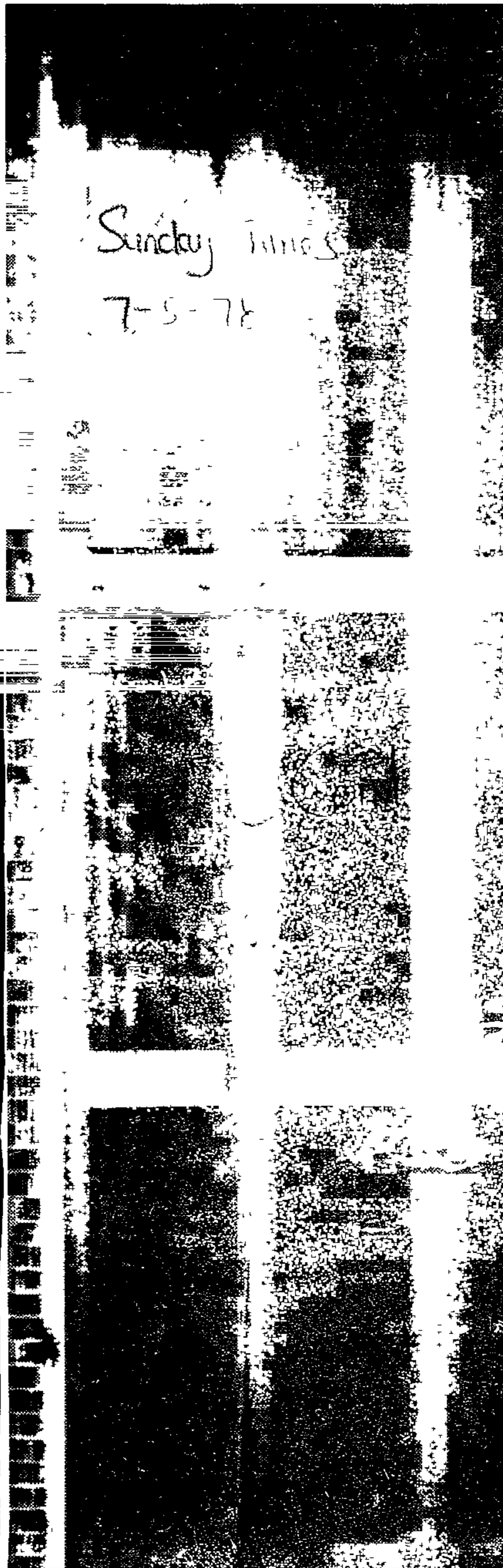
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FOR THE \$3m SWISS BANK

cont

INSIDE INFORMATION

Thor door



What happens inside? The company's business remains a mystery.

NEIL HOOPER, MARTIN WELZ
and TONY STIRLING

THOR Communicators — the Pretoria company which has close links with Dr Eschel Rhodie and the Department of Information — received a lump-sum payment of \$3-million from the Union Bank of Switzerland in October, 1976.

The Sunday Times learnt this week that at the beginning of 1976 the company opened an account with the Standard Bank in Pretoria. The initial deposit was R2 500.

According to instructions to the bank, the only people entitled to sign cheques on behalf of the company were Mr P. R. van Rooyen, SC, a Pretoria advocate, and the late Mr Oscar Hurwitz, a Pretoria architect who died last year.

Both were directors of Thor, along with Mr Andre Pieterse, the film magnate. All three men have been acknowledged to be close friends ("huisvriende") by Dr Rhodie.

The Thor account is handled only by top-level staff at the bank. The only significant movement of money through the account was in October, 1976, when the Union Bank of Switzerland transmitted \$3-million to it.

Reliable sources also disclosed that rent payments by tenants in the six luxury Cape Town flats owned by Thor Communications were "laundered" through several bank accounts before finally reaching Thor's Pretoria bank account.

'Laundered'

The sources said the money had to be "laundered" so "no one would know into which account it was finally paid".

Other points disclosed by a Sunday Times inquiry were:

- Mr J van Zyl Alberts, who heads the company that owns the Citizen and who is also a close associate of the Minister of Information, Dr Connie Mulder, and Dr Eschel Rhodie, owns a number of flats in the same block, Valhalla, on the Clifton beachfront. Thor's agent in Cape Town also collects the rents for Mr Van Zyl Alberts and pays them into a "company account".

- Thor bought its six Valhalla flats for a total of R225 500 in June, 1976. However, the agent handling the sale said this week that no one from Thor had inspected the flats before buying them for cash. The cheque was drawn on a Pretoria bank.

Two of the flats which Thor bought had earlier been inspected by Dr Eschel Rhodie. He had said he wished to buy them and the deal had progressed so far that plans had even been drawn up to combine them.

But, shortly after that, Dr Rhodie had suddenly changed his mind and Thor had bought both flats and four others in the same block.

Thor also has a discreetly hidden lounge-office in Pretoria, but its business has remained mysterious despite other evidence that it is closely linked with the Information Department.

Among the links that have come to light are these:

- Officials at Information Department headquarters in Pretoria refer to Thor's premises as "Rhodie's lounge". These are on the third floor of "Die Meent", a shopping centre in Pretoria partly owned by Mr Hurwitz.

- Dr Rhodie and his brother, Dr Deneys Rhodie, as well as his former deputy, Mr

SA facing its worst political upheaval

A POLITICAL storm unprecedented in South African history has broken out in the wake of Dr Eschel Rhoodie's sensational Press disclosure of secret Government operations and his bitter attack on the Auditor-General, Mr F. G. Barrie.

Dr Rhoodie virtually implied that the Auditor-General had been guilty of "treacherous acts" in allowing a secret report to be leaked to the Press.

Nationalist and Opposition MPs united in condemnation of Dr Rhoodie's action and called on the Prime Minister to intervene and appoint a judicial commission of inquiry into the Department of Information's activities.

Government politicians are particularly infuriated by Dr Rhoodie's attempt to involve the Cabinet in the Information storm.

His reference to a Cabinet "committee of three" which, he said, had authorised the Department's secret activities is believed by some sources to be a veiled reference to the Prime Minister, Mr Vorster, the Minister of Defence, Mr P. W. Botha, and the Minister of Information, Dr Mulder.

Politicians in both parties are demanding to know whether Dr Mulder — who is spending the weekend incommunicado — had authorised Dr Rhoodie's extraordinary statement.

They said it would be a "miracle" if Dr Mulder survived the row which had burst about his head.

Refused

Neither Mr Barrie nor his Minister, Senator Owen Horwood, would comment yesterday on Dr Rhoodie's attack.

Senator Horwood, Minister of Finance, refused to accept telephone calls yesterday. He said he would not comment "at this stage".

In Parliament last week he made it clear that he stood by his officials in their actions concerning the Department of Information. While Ministers kept

By FLEUR DE VILLIERS

their heads down yesterday members of the parliamentary select committee which has been investigating the Auditor-General's allegations of wasteful expenditure by Information were unanimous in their outright condemnation of Dr Rhoodie's action.

● Mr Hennie van der Walt, Nationalist chairman of the committee, said it was deplorable that Dr Rhoodie had referred to matters and evidence which was still before the committee.

Deplorable

Nobody was entitled to comment "and I don't see how a witness like Dr Rhoodie can do it. It will be for the Speaker to decide whether this is a breach of Parliament as it prejudices the committee's hearings".

The committee's activities were not over and he would investigate the whole matter to see what action should be taken, Mr Van der Walt said.

● Mr Barend du Plessis (NP Florida) another member of the select committee, said Dr Rhoodie's attack on a fellow public servant was a "deplorable act regardless of any circumstances which may or may not exist".

It was also "highly irregular" for Dr Rhoodie to "blurt things out to the Press" before the select committee had completed its work.

"This simply shows that the whole matter must now be examined at the highest level and with the greatest measure of responsibility".

Nationalist sources also

● To page 5



Dr Eschel Rhoodie ... he inspected the flats bought by Thor.

Cont

Comment

**Only the
PM can
end this
crisis**

THE Department of Information scandal has now reached such proportions that only the personal intervention of the Prime Minister can stop it from irreparably harming South Africa's national interests. As it is, Dr Eschel Rhoodie's sensational disclosures have already undermined the moral base of Government and seriously harmed the reputation for straight dealing on which South Africa has always prided itself and which hitherto has served us so well in the field of diplomacy.

Let it be said at the outset that we recognise that in the present-day world our country, like others, will find it necessary to engage in clandestine operations abroad. We go further, and acknowledge that, given the nature of the onslaught against the Republic, few would blame the Government if it did not always observe the Queensberry Rules.

However, the ineptitude of the Key-stone Cops operations which has now been revealed by Dr Rhoodie is surpassed only by the arrogance of the man who directed it. These matters must surely be left to the professionals and they are presumed to exist in the Department of Foreign Affairs and the Bureau for State Security.

In Dr Rhoodie we have a public servant who, with breathtaking effrontery, publicly admits to having circumvented the Auditor-General in a secret spending spree and to have flouted almost every service regulation.

What is more, he claims to have done so with the approval of at least a section of the Cabinet!

Extraordinary

In his extraordinary statement on Friday Dr Rhoodie barely stops short of accusing the nation's most senior public servant of treachery, he reveals that his Minister was inexcusably less than frank towards Parliament, and he himself appears almost contemptuous of the fact that a Parliamentary Select Committee has yet to report on the very matters he deals with.

The fate of Dr Rhoodie can, one trusts, be left in the hands of Mr Vorster and Mr Speaker.

It is the fate of his Minister which now interests us more.

This past week Dr Mulder has been energetically engaged in trying to cast the blame elsewhere. Two public servants, one apparently far removed from the scandal, have been bundled into retirement. In addition, the Minister's concern has been focused more on the source of information leaks than on the can of worms which these leaks have exposed.

Yet we have Dr Rhoodie's admission that a secret report by the Auditor-General, Mr Barrie, which has not hitherto been heard of, is nine months old.

Election

The Government knew about this nine months ago — before a general election — and did nothing about it?

The implications of this are staggering and demand explanation.

At least three steps now become imperative.

The Prime Minister must amputate and dissolve this poisoned limb of his administration lest he and the whole body of government and the public service are infected.

Then a judicial commission must investigate the whole messy business. This is the only action that will restore public confidence at home and credibility to our diplomacy abroad. Certainly no one will believe the South African Department of Information for the next 30 years.

Finally, Dr Mulder himself cannot escape culpability. No man who, knowingly or unknowingly, permits such conduct within a department can claim the right to hold public office. Most certainly, he cannot be regarded as a potential prime minister of a democratic state.

Dr Rhoodie says South Africa's enemies must be laughing their heads off at the way the Auditor-General and sections of the Press have destroyed his poor man's James Bond apparatus.

We prefer Mr Barrie's comment on the irregularities committed by Dr Rhoodie's spooks.

He said they were unique in civil service history.

The Editor

Cont

Sunday Times
7-5-78

Top information man has made secret tape-recordings on funds

BY MARTIN WELZ

A SENIOR member of the Department of Information has made extensive secret tape-recordings of conversations between the Rhoodie brothers and other senior officials concerning their use of secret funds in the Department over the past year.

The tapes have been deposited in a bank safety deposit box against possible

efforts to mislead those conducting inquiries into the affairs of the Department.

A close friend of the official who made the tapes told the Sunday Times that he believed the official had arranged for the release of

the recordings as well as certain documents in his possession to the Press should it appear that scapegoats were being chosen in an effort to cover up "strange doings" with vast sums of secret money that have flowed through the

Department in recent years.

In a flurry of anxious activity in the Department when it became known that Dr. Deneys Rhoodie and Mr. Koos Waldeck were to be told by Dr. Eschel Rhoodie that they had just agreed to retire, officials queued at the Department's photostat machine or sneaked out to nearby copy-firms to make photostat copies of documents in their files to take home "as insurance".

When I arrived at the Department shortly before the official announcement, I was met in the entrance to Ad Astra Building by officials scurrying out with bulging briefcases.

"Have you heard? Have you heard about Waldeck?" they whispered as they passed me in the passage. Inside, an official told me, electric paper-shredding machines were humming, merely accentuating the atmosphere of quiet doom that has descended over the Department in recent weeks.

A number of officials also told the Sunday Times that they believed that Dr. Eschel Rhoodie, too, had recording bugs installed in his office which operate a tape-recorder installed in a lavatory next to his office. All his conversations with

● To page 2.



MR KOOS WALDECK

L. E. S. de Villiers, were all named by a tenant in the building as being among those who used the lounge, although "not recently".

● Mr Louis Luyt, the fertiliser millionaire, has disclosed that he met Dr Rhoodie in a cafe near Thor's lounge to pass on "sensitive international messages from African presidents". These meetings had been, in 1974 and 1975, he said

● Thor, using a jet borrowed from Mr Luyt, flew Dr Rhoodie, Mr De Villiers and a party of 10 to the Seychelles last year on what Dr Rhoodie has now called a "classic case" of the secret work done by his Department

● Thor was involved in the negotiations for the purchase last year of a R70 000 house in Bantry Bay, Cape Town, by Dr Eschel Rhoodie.

● When the Sunday Times asked a spokesman for Die Meent (Pty) Ltd whether

● To page 5.

INSIDE INFORMATION INSIDE INFORMATION INSIDE INFORMATION

Dr Rhoodie's empire behind the iron door

CONT

By MARTIN WELZ, MARTIN CREAMER and FLEUR DE VILLIERS

IN THE headquarters of the Department of Information in Ad Astra Buildings in Pretoria is a heavy metal security door that seals off the domain of the section known by the code name "Planning".

"Planning" administers a secret fund, — known as "G-Pos" or "Geheime Pos" — to wage undercover campaigns abroad in terms of the Department's strategy of "unconventional diplomacy".

It used to occupy a larger area, also sealed off by a heavy metal grille, but its territory has shrunk since the investigation of its activities started in April, 1977, by the Auditor-General, Mr F. G. Barrie. Now the security door guards principally the office of the special accountant, Mr Braam Fourie, who operates the secret fund.

By its nature, the "Planning" section was shrouded in secrecy, but it was secrecy taken to extraordinary lengths. Unlike the Bureau for State Security and other secret Government operations, "Planning" was hidden even from Parliament.

Only a small number of officials have had free access to the area behind the metal doors. They were the Secretary for Information, Dr Eschel Rhoodie, his brother, Dr Deneys Rhoodie; Mr Braam

How it all began

Hard-sell team breaks up

Political Correspondent
SHOCK waves are still pulsing through the Department of Information in Pretoria after the surprise resignation of one of its top officials. Deputy Secretary Mr L. E. S. de Villiers.

The resignation has broken up the powerful triumvirate — the Secretary for Information, Dr

and spearheaded the Department's new hard-sell policy.

Mr De Villiers was a jet age shock trooper who flitted from capital to capital abroad to sell South Africa's case. He travelled tirelessly and extensively, particularly in North America.

He is credited with pulling off the Department's

right wing newspaper publisher, Mr John McGoff.

It was Mr McGoff's close political connections with former President Gerald Ford — both are from Michigan — which enabled the Minister of Information, Dr Connie Mulder, to meet the then Vice-President Ford.

Mr McGoff formed close ties in South Africa. He

sed Panax company — in South Africa to set up printing works for the various homeland governments.

Later Mr McGoff, Dr Mulder and the Rhoodie brothers became joint owners of a North-Eastern Transvaal game farm.

The hard-sell policy was widely acclaimed as highly effective, and almost as

Sunday Times, September 25, 1977

Rhodie and the Minister of Information, Dr Connie Mulder, took time off to attend the Olympic Games during a trip to Canada.

Travel bookings for their covert operations were made not through normal Government channels, but through Vacations Unlimited, a travel agency occupying offices next to the entrance to Ad Astra Buildings. Over a period of about five years, Vacations Unlimited was paid more than R200 000 by the Department of Information.

Mr Barrie's audit turned up what seemed to him to be serious irregularities in the Department. There was evidence that Government funds were used by "Planning" to make private purchases. Money was spent on books, car rentals and for such tourist pleasures as cable-car excursions and tennis tournaments.

Dr Eschel Rhoodie tried to prevent Mr Barrie from looking into these expenditures, claiming that they were protected by the Official Secrets Act. Mr Barrie disputed this and continued his investigation.

He also took the extraordinary step of drawing up a special, secret report, which, according to good sources, caused consternation at high levels of the Government. It is even said to have precipitated last year's general election in order to secure the Government's position in case a scandal developed.

There was no overt sign that the Bureau for State Security was also investigating — until this week — when it was disclosed that its head, General Hendrik van den Bergh, one of Mr Vorster's most trusted associates, met Dr Mulder and the Rhoodie brothers.

However, it is known that as long ago as last November a special auditor from BOSS had taken up an office within the Department of Information.

When Mr Barrie's audit began, officials made light of it. Mr De Villiers told the Sunday Times it was routine. Asked specifically if the auditors had come up with problems, he said the problems were "just routine, like those found in any audit".

Dr Eschel Rhoodie was also asked about the audit and he told the Sunday Times: "There is a continuous audit at the Department, as is the case with all Government Departments." He added that two auditors from the Auditor-General's office were attached to his Department full-time.

Nevertheless, the Auditor-General reported to a select committee of

Denys Rhoodie to resign?

Sunday Times Reporter
PERSISTENT rumours in Pretoria that Dr Denys Rhoodie, Deputy Secretary for Information, will resign shortly, were met with a "no comment" from Dr Rhoodie yesterday.

"As for my personal intentions, they remain my personal intentions," he said.

Dr Rhoodie is presently holidaying on the Natal south coast.

Rumours that he may quit his post — possibly to pursue an academic career — have surfaced several times in recent weeks.

Sunday Times, December 25, 1977

Parliament that.

- The Department had made unauthorised expenditures of R273 580
- That a publisher had falsified a letter in order to enable the Department to make a payment to him before it was due.
- That two top officials (Dr Deneys Rhoodie and Mr D.

G. Grobler) had made trips abroad which were wasteful and badly planned. In one case, it appeared that they flew to Los Angeles to assess the work of a typist.

These and other aspects of the Department of Information's work are the subject of a continuing investigation by the parliamentary select committee.

The reply

Dr Eschel Rhodie, the Secretary for Information, issued a lengthy statement on Friday night dealing with the disclosures about his Department's secret activities. It said, in part:

Cont

*Sunday Times
7-5-78*

"The Government has advised me that a secret document, the property of the Auditor-General, has been leaked by word of mouth or by photocopy to the Sunday Express and other parties.

"This document is nine months old. The responsibility for the document's safekeeping was that of the Auditor-General, my predecessor, and it is obvious that it could not have been kept locked up in a safe or dealt with as officially prescribed, and the Department of Information subscribes to the opinion that leaving highly classified State documents unsecured implies a contravention, not only of certain sections of the Official Secrets Act, but also of the "minimum standards" already laid down in 1966 in the guidelines for security measures for the protection of State secrets.

"I will on Monday formally request a police investigation. I wish to state that the Department of Information has, for years, been asked by the Government to undertake sensitive and even highly secret operations as counter-action to the propaganda war being waged against South Africa.

"Money was secretly used for this purpose even before my appointment and I inherited from my predecessor at least two major secret operations.

"After my appointment in 1972 counter-action to the propaganda war was vastly stepped up by me.

"It was overseen by a secret, though unofficial, three-man Cabinet committee from which I received approval for secret projects and to whom detailed verbal, and written reports were made annually and often every six months.

"A secret fund was provided to the department but I do not intend, now or ever, to say how much and in what way it reached me

abroad.

"In his report the Auditor-General referred to "irregularities" and described them as unique in civil service history. This is correct, only in the sense that the country has never yet been fighting an equally unprecedented, no-holds-barred propaganda war against its enemies in which normal rules and regulations can be applied.

"To anyone not cognizant with the full extent the nature of secret operations, the method of operations, methods of payments, and the bookkeeping would indeed appear to be unacceptable.

"Since I worked under direct Government instructions to take all steps necessary to protect secrecy of operations I gave instructions, with approval at Cabinet level, to destroy certain records of completed operations.

"These were not records of the department's normal operations none of which has been touched.

"In fact secret files and reports were kept completely secret.

"My visit to the Seychelles is a classic case I was instructed to fly to the Seychelles in a private jet ostensibly as part of a holiday party President Mancham insisted on this cover.

The Government paid for the cost of fuel and operations

"I met with President Mancham, one of several meetings, but the subject of our talks will remain secret

"The Government paid for my hotel and other expenses for two days and for that of Mr Les de Villiers but not for my wife or any other member of the party.

"The payment was not made from the Department of Information's

claims this has all been repaid. There is a vast difference between an error and a misdeed.

The Auditor-General's reference to the department using funds for private purposes including books, car rentals, telephones, radios, tickets for cable cars and tennis tournaments would have been correct were it not for the fact that these were used for secret operations and visitors from abroad.

"It is totally untrue to insinuate that these purchases were for private use Records were kept for all such purposes.

"I was authorised by the Government, in the presence of my two deputies and one other person, that counter-action was to be undertaken as if we were in a state of war and that no rules or regulations would apply."

"A report to be published by the Sunday Express that I had commissioned work on two books after my appointment as secretary, namely, 'SA Mosaic' and 'Visual History' for which I paid personally, is untrue.

"Visual History' was proposed as a project to my predecessor and accepted by him. I did not initiate 'SA Mosaic' It was offered to us.

"The Auditor-General also criticised what he termed 'excessive payments' made to typists of the Department of Information These were not typists but special administrative assistants working with the most secret operations and the payments were allowances applicable to the posts they occupied.

"Subsequently the Pub-

"In his report the Auditor-General referred to six trips by Dr D O Rhodie and Mr D G Grobler as wasteful and badly planned. Details of these trips also appear in the report leaked to the Sunday Express.

"The Auditor-General was told in writing that the officials did not travel solely for personnel matters but principally for secret projects. Dr D O Rhodie's trips were in fact paid from secret funds

"The Auditor-General did not refer to this and this led to the absurd story in the Press that two officials flew all the way to Los Angeles to assess a typist when in fact they went to the USA (including Los Angeles and Atlanta) for a series of closed meetings with opinion formers from many states in the USA." Dr Rhodie also stated and answered questions which he said the Sunday Express and other newspapers had or would ask about the department's secret fund.

These were:

- Is the Auditor-General aware of this? — Yes, but not the nature or extent of operations.
- Is he authorised to audit these monies? — No, not legally as I interpret the situation.
- Is this known to the Parliamentary Select Committee on Public Accounts and to its chairman, Mr Hennie van der Walt? — No.
- What is the extent of the funds involved? — I will not disclose this
- Can an indication be given for what purposes they are used? — No. That would destroy the very need for secrecy. The Cabinet Committee is fully informed.
- Are the funds generated

was a top-secret fund and that no one would have access to its implementation, not even the Auditor-General.

"It was also made clear to me that, since the funds were secret and the method of procurement secret, the Official Secrets Act applied.

"The Auditor-General in April 1977 began an audit of my secret operations. I objected to this and also to the open manner in which the audit was conducted, with scant regard to secrecy.

"In more than one letter the Auditor-General was warned that secret funds and projects were involved. The Auditor-General claimed the funds were not secret. Since I inherited some of his secret projects and even, from time to time, informed him of progress and of new secret projects, I could never and will never accept his argument.

"I refused to provide him and his two assistants with details of our operations and the Minister of Information supported me in this.

"The Auditor-General never showed me or discussed his secret report with me, otherwise the report would have looked substantially differently.

"In fact, Wednesday, May 3, was the first time I ever laid eyes on this report.

"I have now come into possession of a report prepared by the Sunday Express for publication this coming Sunday. It is based almost word for word on the Auditor-General's unsubstantiated and speculative nine months' old report.

"This contains information which, if the truth is not told, would be libellous in the extreme and that would not be the newspaper's fault — unless it had all the facts and still preferred to publish its story the way it has been read to me now.

"For this reason I will now deal with some specific matters raised in the Auditor-General's report and likely to be repeated by the Sunday Express and Sunday Times.

"The Auditor-General's report leaked to the Press did not distinguish between secret and open funds, thereby creating the wrong impression — nor did he distinguish between the open and secret financing of travel

open account and in this respect our initial statements were correct. I have no hesitation in confirming that this was an official secret mission structured in a way approved by President Mancham and my Minister.

"My subsequent action and statements were aimed at protecting a secret operation. I said at the time the trip did not cost the Department of Information anything, which is true — it was paid from Government funds not appearing on the books of the Department of Information.

"References to some trips by wives of officials are correct, but each trip was approved by the Minister simply because members of the team who handled the secret projects, of which there are dozens, were absent from home for inordinate periods and worked abnormally long working hours, performing tasks which would normally be entrusted to two or more officials.

"The Sunday Express will say Dr D O Rhodie at times had advanced payments as high as R10 000. Normally this would be irregular, but it was used as authorised to compensate persons here and abroad involved in secret projects — and most decidedly not irregular in terms of the authorised secret practices.

"The simple fact is that we kept the minimum on paper and the minimum of records which is standard procedure in secret operations.

"The department has a special auditor who has been checking all secret operations accounts and all expenditure under this fund has been fully and properly accounted for.

"He has reported that there have been no malpractices or corruption and where monies were due to the State for erroneous or unacceptable

The Department has, for years, been asked to undertake sensitive operations

Sunday Times 7-5-78

lic Service Commission and the Treasury approved these allowances as a security measure. The people involved worked abnormal hours, had to maintain utmost secrecy, and turnover of staff in this field was to be avoided at all costs.

"The Auditor-General's complaint that officials stayed at expensive hotels abroad and in South Africa is a simple matter of staying at the same level as your own guests and contacts in secret operations.

"References in the Auditor-General's report that trips were arranged overseas to coincide with tennis tournaments is not valid since the Minister must (and did) approve all visits as well as the timing and period of absence.

"The Sunday Express report that one visit cost the State R10 000 is absurd because the money was paid out to other people and agencies and receipts and records were kept in my safe.

"Much has been made of the travel agency used by the department for many visits abroad.

"Two other companies were also used. The fact is that the agencies were used not only for officials but for other South Africans going abroad, or people abroad coming to South Africa, all connected with secret operations, who flatly refused to go by official channels.

"All payments to Vacations Unlimited were from secret funds and it was here that the auditors got payment for open and closed visits mixed up.

"Reference in the report to six visits by Mrs C Rhodie in 1967/77 is not only wrong but loses sight of the fact that when the Minister is accompanied by his wife the Secretary's wife travels along.

from Information's existing reserves — or are they coming from other quarters? — I will not answer this question.

● If so from where? — (Dr Rhodie's text gave no reply to this question)

His text continued: "Whatever the role that Thor Communicators played in our work, and I know the Sunday Times and the Sunday Express write about the company this week, my own personal connections have been above board.

"I did not act as an agent to assist Thor in obtaining its flats in Cape Town and have sworn statements by the people concerned to prove this.

"Furthermore my house in Bantry Bay was paid for from my own resources and was handled from beginning to end by a Pretoria firm of attorneys who will vouch for this.

"The treacherous act of leaking a secret report to the Press, particularly a report which should never have been prepared in this way or kept secret from me, and other leaks to the Press had indeed seriously and negatively affected all operations of the department both open and secret.

"South Africa's enemies must be laughing their heads off at the way the Auditor-General and sections of our Press have destroyed an apparatus which, unknown to the public, has in secret achieved incredible success — simply because we fought the way our enemies did.

"In the circumstances I can now only hope that the Public Service Commission's recommendation for the structuring of a new apparatus will be completed speedily.

"I will make absolutely no further comment on this matter until my department's vote has been discussed in Parliament."

Fourie, Mr Charles Moolenaar, senior controller, and Mr Gerbie Grobler, the Deputy Secretary, who has replaced Mr L. E. S. de Villiers.

Mr De Villiers himself was in operational control of "Planning" until he resigned to join the New York public relations firm — and chief recipient of Department of Information funds in the United States — Sydney Baron and Co.

Recalled from New Zealand

For six months before Mr De Villiers left to join Baron's, Mr Len Haasbroek, information director in New Zealand, was recalled to join "Planning". He too, has left the Department to join Mr De Villiers at the New York firm.

Mr Frank Land, who was seconded for nearly two years to help run the Government's anti-inflation campaign, was also at one time employed in "Planning".

Officials who worked from time to time in "Planning" did so under strict security and were paid special monthly allowances in addition to their normal salaries.

According to Sunday Times sources, both Rhodie brothers and Mr De Villiers were paid such additional allowances. The allowances are said to have ranged from R50 a month for a typist/secretary to R150 a month for senior officials.

Problems arose regarding some of the payments Departmental sources told the Sunday Times that Mr De Villiers had to repay \$25 000 and Dr Deneys Rhodie \$17 000 when it was discovered that they had been overpaid.

While such sums may seem startling for public servants, the amounts of money that passed through the hands of officials in "Planning" were often large. Dr Deneys Rhodie at one stage drew advance expenses of R10 000. The officials travelled extensively and lived in some of the world's best hotels in order to keep up with their overseas contacts.

Often their wives went with them. On one occasion an official went to watch the Wimbledon tennis championships during a visit to London. Dr Eschel

INFORMATION

BOMBSHELL

— HERE IT IS

A Sunday Express investigation



by KITT KATZIN



● Dr Eschel Rhodie in defiant mood when approached during a tennis match in Pretoria this week.

Picture by DANIE COETZER

Minister misinformed House

Eschel destroyed vouchers

Deneys and the mystery plane left

THE Minister of Information, Dr Connie Mulder, misinformed Parliament about the nature of two trips made to the Seychelles by his Department Secretary Dr Eschel Rhodie, and others, in 1976 and 1977.

Answering questions in the House of Assembly last month, Dr Mulder said the trips had been holiday visits and were not official.

The Department of Information did not reimburse Dr Rhodie or his Deputy at the time, Mr Les de Villiers, who was present on both trips.

Yet this week, in an astonishing statement to the Press, which confirmed Sunday Express information, Dr Rhodie said he was instructed to fly to the Seychelles.

The State, he said, paid for the fuel and operating costs. The party flew in Mr Louis Luyt's private jet. It also paid for his hotel and other expenses for two days out of "Government funds".

Dr Rhodie's astonishing disclosures came as part of an attempt to forestall a

● To Page 2

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Express reports led to officials' retirement

ARTLING new facts about Department of Information activities presented to a shocked Dr Mulder by the Sunday Express in Cape Town last week, led directly to the Minister's decision this week to retire two top officials prematurely.

They are the Deputy Secretary of Information, Dr Deneys Rhoodie, and the department's chief of administration, Mr J F Waldeck.

The Sunday Express disclosures — published today after being

held back for one week at Dr Mulder's request — deal mainly with findings of widespread irregularities in the department.

The irregularities feature in a secret report by the Auditor-General, Mr F G Barrie, the immediate former Secretary for the Department of Information. It was submitted to the Government on July 29, 1977

"Irregularities of this dimension," said Mr Barrie, "have probably never taken place before in the existence of the Civil Ser-

vice in South Africa."

After the Sunday Express disclosed some of the contents of the report to Dr Mulder last Friday a decision was taken to act immediately. He tolled the death knell for the Department of Information in Parliament on Wednesday when he announced that Dr Deneys Rhoodie and Mr Waldeck would go.

Their premature retirement was part of a reorganisation following an interim report by the Public Service Commission

But unimpeachable Government sources in Cape Town told me this week it was the startling Sunday Express revelations that had split the issue wide open.

Dr Mulder regarded the Barrie report — which deals with findings of widespread irregularities in the department — as "the last straw"

Dr Mulder said he was not aware of the existence of the report, and launched an immediate investigation. The Auditor-

General was called in, and the probe carried on through the weekend.

Dr Eschel Rhoodie, Secretary for Information, and his brother Deneys, flew to Cape Town on Tuesday for talks with Dr Mulder. Later that day General Hendrik van den Bergh, Head of the Bureau for State Security, arrived unexpectedly in Cape Town for discussions with Dr Mulder and the Rhoodies.

Mr Barrie declined to comment on the secret report

Secrecy bid over tickets

TWO attempts were made to hide the fact that tickets were bought by the Department of Information for a woman to travel abroad at State expense.

This is just one of the shock findings of the Auditor-General, Mr Gerald Barrie, who conducted an extensive audit of the secret fund operations of the Department of Information

Mr Barrie says R3 857 was paid into Dr Deneys Rhoodie's bank account on February 28, 1977 — at his request

The money was for, travelling abroad, by himself

... amount, says Mr Barrie, was drawn out of secret funds on March 1, 1977, and used to pay for the Pretoria travel agency paid R210 000 by the Department of Information over five years, for travel accommodation services in contravention of Government policy.

Two air tickets, says Mr Barrie, were issued by Vacations Unlimited

One went to Dr Deneys Rhoodie (R1 939,90), to fly to New York via Zurich and the other to Mrs Z Rhoodie to fly to New York (R1 917,10). Total, R3 857.

Mr Barrie then records evidence he uncovered of a second attempt to conceal the name of a person in the name of an overseas air ticket was issued.

He says two tickets costing R3 668,20 were issued for a visit to London, intended to coincide with the visit of Dr Eschel Rhoodie said

THE

INFORMATION

FILE

Compiled by KITT KATZIN



Mr Gerald Barrie, Auditor-General

in his statement to daily papers on Friday this reference by Mr Barrie was not valid since the Minister, Dr Mulder, must (and did) approve all visits, as well as the timing and period

The purpose of the London visit aside, Mr Barrie discovered the original vouchers for the tickets — again handled by Vacations Unlimited — clearly showed one ticket was issued to Mrs Z Rhoodie.

But the reference to Mrs Rhoodie — on the Information Department's copy of the voucher in support of payment, for R3 668,20 — was obliterated.

This was interpreted by the Auditor-General as a falsification (Dr Mulder was appar-

ently puzzled by this finding. I understand that as far as Dr Mulder knew Dr Deneys Rhoodie had been authorised to undertake the trip to London, which was official, and was entitled to have someone with him.

Dr Mulder could therefore not understand why it had been necessary to obliterate details of the one ticket.)

Dr Rhoodie's London visit covered June 21 to July 7, and he attended Wimbledon

According to Mr Barrie Dr Rhoodie spent:

- £ 532 on accommodation
- £ 25 on taxis
- £ 50 on reciprocals

He also claimed 1 050 dollars subsistence at 50 dollars a day for 21 days

His total bill topped R10 808 and R11 151,81 was paid to him from secret funds on April 27, 1976

(Dr Mulder was satisfied with this expenditure. I understand the Minister immediately investigated after this matter was brought to his attention by the Sunday Express. Satisfactory explanations were given to the Auditor-General, Mr Barrie, this week.)

On Friday Dr Eschel Rhoodie said expenditure of R10 000 would normally be irregular, but in this case the money was used as authorised to compensate people here and abroad involved in secret projects.

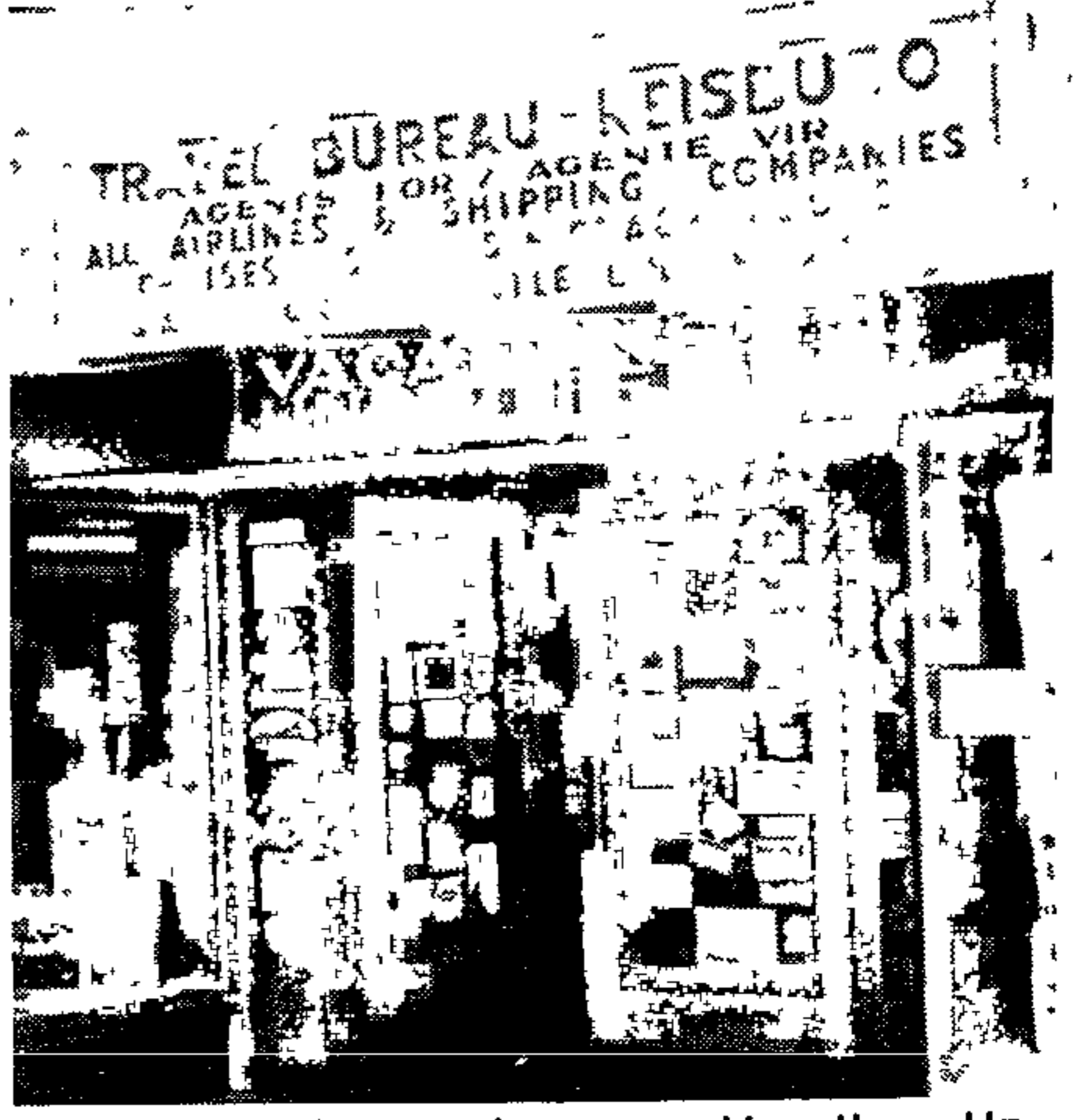
Mr Barrie then handles the visit Dr Deneys Rhoodie made to the Malá Mala Game Reserve, saying he flew to the resort with his two children on August 12, 1976, and obtained free accommodation.

The State paid R224,81 for travel costs with Comair.

Mr Barrie comments: "This was at the expense of the Kruger National Park. It is strongly recommended that officials should only make use of facilities at the KNP in which the State has an interest"

(I understand the purpose of this visit again had the Minister's approval. Dr Rhoodie was entertaining a foreign guest who had brought his two children to South Africa. Dr Rhoodie was merely reciprocating.)

On the question of wives accompanying senior Government officials on overseas trips at State expense, he lists six trips undertaken by Mrs Katie Rhoodie, wife of Dr Eschel Rhoodie, which he says took place, as far as can be established, with secret funds.



The Pretoria travel agency, Vacations Unlimited, through which Information Department trips were booked.

Official B' is likely big boss

First director of the restructured State Information Agency is expected to be Mr D.G. Grobler, known as "Official B" in a report to Parliament on the department's external operations, flew on six trips in six months last year to "evaluate" the work of Government officials working abroad.

Mr Grobler, present chief of the department's external operations, flew on six trips in six months last year to "evaluate" the work of Government officials working abroad.

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Mr Grobler, present chief of the department's external operations, flew on six trips in six months last year to "evaluate" the work of Government officials working abroad.

He was appointed chief of the department's external operations on December 1, 1977 — six months after the trips.

Informed sources told me in Cape Town this week they expected Mr Grobler to get the job of director — less senior than the original post of Secretary — of the new State Information Agency.

Mr Grobler holds the fourth most senior post in the department's head office in Pretoria — behind the Secretary, Dr Eschel Rhoodie, who is on his way out, and Dr Deneys Rhoodie, Deputy Secretary, and Mr J F Waldeck, head of administration, who were both retired prematurely this week.

Mr Grobler is said to have excellent relations with departmental staff at home and abroad.

No law to back secret Dept. money

NO LEGISLATION has ever been passed by Parliament authorising the Department of Information to administer a secret fund.

This means a Government department has spent taxpayers' money without the knowledge and sanction of Parliament — and unknown even to the Auditor-General, the country's highest-ranking civil servant, or to the Parliamentary Select Committee investigating unauthorised expenditure

This is the incredible boast of Information Secretary Dr Eschel Rhoodie, who launched a bitter attack on the Auditor General, Mr Gerald Barrie, for persisting with an audit of the department's secret operations.

Dr Rhoodie says to divulge the contents of Mr Barrie's report on his audit — "a highly classified State Secret" — could lead to very serious consequences

Yet it is Dr Rhoodie who has done precisely that —

THE
INFORMATION
FILE
Compiled by KITT KATZIN

Mr Barrie says in his report

"There has been doubt for some considerable time now about whether funds at the disposal of the Department of Information have been spent in an advantageous and effective manner

"The officials of the Auditor-General's Department were not aware of the fact that the Department of Information had control over secret funds"

Towards the end of 1976, he said, a series of inquiries were directed at the Department of Information in connection with payments — apparently from the secret fund — that were made without proper consideration for Tender Board regulations, Treasury instructions, or Public Service regulations

"My investigation so

lic Service Commission Personnel Code

The fact that the fund was administered without the approval and knowledge of Parliament has shocked opposition MPs

No legislation has ever been passed authorising the Department of Information to administer a secret fund

No appropriations of money have formally been passed by Parliament

There is no evidence of such a fund in either the Auditor-General's reports to Parliament or in the Parliamentary estimates

In fact only three departments are formally empowered by law to maintain secret funds

They are Defence, Foreign Affairs, and the Bureau for State Security, which falls under the Prime Minister's Department

In the case of the Department of Information's fund — Dr Rhoodie refuses to say how it was created or how the monies reached him — opposition MPs are bound to support the view that it should and must be

AN investigation by the Sunday Express has disclosed that two books bought by the Department of Information were commissioned by Dr Eschel Rhoodie when he was a senior editor of the magazine To The Point

Dr Rhoodie personally commissioned work on the books from a journalist who was then employed as a sub-editor on To The Point

He paid the writer for her work with two personal cheques, the second payment being made after his appointment as Secretary for Information

The books, published in several editions, eventually cost more than R500 000

The author, Mrs Joy Kuhn, has recovered copies of the two pay-slips she used to pay Dr Rhoodie's cheques into her bank account and identified them to the Sunday Express

The books involved were ● "South African Mosaic" — an expensive, full-colour, hardcover book which, in a poorly translated German edition of nearly 10 000 copies, was destroyed as an embarrassment to South Africa

● "South Africa: A Visual History" — a luxuriously-produced hardcover book consisting mostly of colour pictures and captions which was distributed in a number of editions from 1972. About 130 of the 200 pictures used were supplied free by the Department of Information, the SA Digest, and other Government publications

About 30 000 copies of the first edition were bought by the Department of Information at R7,50 each. Later the price was raised to R10 each

Two weeks ago, when asked about the books, Dr Rhoodie was reported to have said "I do not know whom they used as editor or contributors

"Department of Information purchases of 'Visual History' were approved by my predecessor"

Yesterday a published statement by Dr Rhoodie contained an apparent rejection of Mrs Kuhn's account of his commissioning of her work on the two books

The relevant section of Dr Rhoodie's prepared statement reads

"A report to be published by the Sunday Express, that I had commissioned work on two books after my appointment as Secretary, namely 'SA Mosaic' and 'Visual History', for which I paid personally, is untrue

"Visual History" was proposed as a project to my predecessor and accepted by him. I did not initiate 'SA Mosaic'. It was offered to us

Mrs Kuhn's account of her transactions with Dr Rhoodie says, of course,



● Mrs Joy Kuhn... "mysterious author of book"

Mystery of that mystery author is cleared up

By DEREK TAYLOR

that they took place while Dr Rhoodie was still a senior editor of To The Point — not after he became Secretary for the Department of Information

When the Sunday Express traced Mrs Kuhn a fortnight ago she identified her work on the two books

"I don't know what all the fuss is about," said Mrs Kuhn, "but if there is a mysterious author of these books it must be me"

Mrs Kuhn said she joined To The Point's sub-editing section in August 1972, when Dr Eschel Rhoodie was assistant editor

"He was very pleasant to me and, after I had been there for a month or so, asked if I would be able to do some spare-time work on a proposed book about South Africa"

Mrs Kuhn was shown a copy of the English edition of "South African Mosaic", which she identified as the first work she did for Dr Rhoodie

"Dr Rhoodie paid me R100," said Mrs Kuhn.

Asked if payment was made to her by To The Point, Mrs Kuhn said Dr Rhoodie paid her with a personal cheque

"He was pleased with my work on the book and later asked me to do another

spare-time job," she said

"From the rough copy I gave me to work on this book was to be titled 'South Africa: A Visual History' and I was promised R100

"Then, shortly afterwards, Dr Rhoodie left to become Secretary for the Department of Information

"I finished the work and delivered it, but wasn't paid for some time

"Eventually I telephoned Dr Rhoodie at the Department of Information

"Dr Rhoodie was very nice about it and sent me another personal cheque for R80. Although this was less than the agreed fee, I didn't want to make a fuss about it," she said.

Mrs Kuhn left To The Point soon afterwards, early in 1973, and had no connection with subsequent editions of "South Africa: A Visual History"

This week the Sunday Express approached Dr Rhoodie and requested him to read Mrs Kuhn's account, and, if he wished, to comment on the apparent contradictions over the authorship and commissioning of the two books

Dr Rhoodie, who had just finished a game of tennis, said "If you're not off to work, shall call the police. And you take a picture of me. I shall sue you"

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Rhodie in nuwe storm

Maandag 7/5/78

NUWE storms word die week verwag om die kop van Inligting se omstrede Sekretaris, dr. Eschel Rhodie. In sy verbysterende verklaring van die naweek maak hy bekend dat hy geheime leggers vernietig het, hy weerspreek wat namens sy Minister in die Parlement gesê is, doen 'n skerp aanval op die Ouditeur-generaal, dreig met 'n polisie-ondersoek na lekkasies, en in sy antwoord op die verwagte onthullings van die naweek maak hy self veel ingrypende dinge bekend.



DIE foto, wat dr. Eschel Rhodie waarskynlik nog meer probleme gaan gee as die onthullings oor sy departement. So het die Sunday Express hom die week afgeneem op die tennisbaan.

Terwyl min. Hendrik Schoeman op 7 April namens min. Mulder in die Parlement gesê het dr. Rhodie en sy indertydse adjunk, mnr. Les de Villiers, is nie vergoed vir 'n reis ten opsigte van die onderbreking van hul vakansiebesoek aan die Seychelle nie omdat die samesprekinge wat hulle met pres. Mancham gevoer het, net informeel was, sê dr. Rhodie nou glad anders.

„Ek het geen huiwering nie om te bevestig, dat dit 'n amptelike, geheime sending was waarvan die reelings deur pres. Mancham en my minister goedgekeur was.”

Hy sê: „Ek het opdrag gekry om in 'n private straalvliegtuig na die Seychelle te vlieg, waarskynlik as deel van 'n vakansiegeselskap Prs.

Mancham het aangedring dat ons onder hierdie dekmantel kom. Die Regering het vir die brandstof en die operasie betaal. Die Regering het my hotelkoste vir twee dae betaal.

Lees ook Rondom die Rhodies op bls. 6 en 7.

asook dié van mnr. Les de Villiers, maar nie dié van my vrou of ander lede van die geselskap nie.

Hy sê dan: „Ons aanvanklike verklarings in die verband was korrek, want „die betalings is nie uit die Departement van Inligting se ope rekening gedoen nie.”

In verband met die geheime operasies waarmee Inligting

* VERVOLG OP BL. 10 *

Rhodie in nuwe storm

* VERVOLG VAN BL. EEN *

die laaste ruk besig was, onthul dr. Rhodie dat die Regering reeds in die tyd van sy voorganger, die huidige Ouditeur-generaal, mnr. Gerald Barrie, Inligting versoek het om „sensitiewe en hoogs geheime operasies” te onderneem as teenvoeter vir die verskerpte propagandaveldtog teen Suid-Afrika en dat geld in die geheim daarvoor beskikbaar gestel is.

Hy sê hy het inderdaad minstens twee sulke geheime operasies van sy voorganger geërf, en later aan hom verslag gedoen oor vordering daarmee.

Dr. Rhodie sê hy het die geheime operasies met die jare aansienlik uitgebrei. Alles is goedgekeur deur 'n geheime dog nie-amptelike kabinetskomitee van drie aan wie hy van tyd tot tyd of skriftelik of mondeling verslag gedoen het.

verklaring dat hy met goed keuring op kabinetsvlak — opdrag gegee het om sekere dokumentasie van afgehandelde operasies” te vernietig. Dit is geheime leggers wat in geheel apart gehou is van dokumentasie van die departement se normale operasies. „My besoek aan die Seychelles is 'n klassieke voorbeeld daarvan.”

Dr. Rhodie sê voorts dat hy van plan is om môre 'n polisieondersoek aan te vra oor lekkasies uit die kantoor van die Ouditeur-generaal. In gister se verklaring voer hy aan dat die nuwe onthullings byna woordeliks klop met die Ouditeur-generaal se „onbevestigde en spekulatiewe verslag” van nege maande gelede. As die Ouditeur-generaal daardie verslag met hom bespreek het, sou dit in belangrike opsigte nou anders gelyk het, voer dr. Rhodie aan, want daar is nie onderskei tussen geheime en open-

in geheime operasies”.)

* Buitelandse reis wat gereel is om saam te val met tennistoernooie (soos Wimbledon)

„In elke geval moes (en het) die Minister sowel die besoek as die tyd en tydperk goedgekeur.”

Oorsee

Een van die dinge waarvoor dr. Rhodie in die naweek se verklaring nie antwoord nie, is beweringe in die Sunday Express dat twee pogings aangewend is om die feit te verberg dat die Departement van Inligting kaartjies vir 'n vrou gekoop het om op staats-onkoste oorsee te gaan.

Die Ouditeur-generaal sê R3 857 is in Februarie 1977 in dr. Denys Rhodie se rekening betaal, op dr. Rhodie se versoek. Die bedrag is uit geheime fondse getrek en op 1 Maart 1977 betaal aan Vacations Unlimited, die Pre-

CONT

Volgehou

Hy sê dis duidelik aan hom gestel dat die fonds vir hierdie werk geheim was en dat niemand, nie eens die Ouditeur-generaal, daartoe toegang sou hê nie. Geen reëls of regulasies-sou van toepassing wees nie.

Toe die Ouditeur-generaal in April 1977 'n oudit van die rekening begin, het dr. Rhodie daarteen geobjekteer en ook „teen die ope wyse waarop die oudit gedoen is, met weinig respek vir geheimhouding”.

Hy het geweier om die Ouditeur-generaal en sy twee assistente besonderhede te gee oor die geheime operasies — „en die Minister van Inligting het my daarin gesteun.”

Die Barrie... (partially obscured)

PORT gister ingewin het, is dit 'n bepaling van die Skat-kis- en Oudit-Wet dat net die Minister van Finansies in voorleg met die Ouditeur-generaal kan besluit tot watter mate 'n oudit uitgevoer moet word.

'n Rekening kan van gedetailleerde oudit uitgesluit word, as dit raadsaam voorkom met die oog op die vertroulike aard van die rekening.

Onthulling

Die Minister van Finansies, Owen Horwood, het in geen stadium van die huidige ondersoek ingegryp om 'n oudit te probeer voorkom nie.

In 'n verdere skok-onthulling vertel dr. Rhodie, in sy

bare fondse nie.

RAPPORT het vasgestel die Kommissaris van Polisie sal net optree op versoek van die Ouditeur-generaal self.

Nie korrupsie

Die departement se interne ouditeur wat alle rekenings van geheime operasies nagaan het, het intussen geen blyke gevind van wanpraktike of korrupsie nie, sê hy.

„Waar gelde aan die staat verskuldig was of eise nie toegestaan is nie, is dit terugbetaal. Daar is 'n groot verskil tussen 'n fout en 'n misdaad,” sê dr. Rhodie.

Die Ouditeur-generaal se gewraakte verslag verwys na „ongerymdhede” wat hy as uniek in die 68 jaar van SA se staatsdiens bestempel.

Die Barrie... (partially obscured)

radio's, kaartjies vir kabelkarretjies en tennistoernooie.

(Dit was vir geheime operasies in Suid-Afrika en in die buiteland, beweer dr. Rhodie.)

* Uitspattige uitbetalings aan tiksters.

(Hulle was nie gewone tiksters nie, maar spesiale administratiewe assistente wat met die hoogs geheime operasies gewerk het. Hulle moes abnormale ure werk, en die uiterste vertroulikheid handhaaf. Die Staatsdienskommissie en die Tesourie het agterna hierdie uitbetalings gemagtig.)

* Verblyf van amptenare by duur hotels.

(Dis bloot 'n kwessie van tuis gaan op dieselfde vlak as jou eie gaste en kontakte)

toriasie reisagentskap wat heelwat geheime reise vir Inligting gehanteer het.

Die reisagent het twee kaartjies uitgereik een vir dr. Rhodie om via Zürich na New York te vlieg en die ander aan mev. Z. Rhodie om na New York te vlieg, altesaam vir R3 857.

Die Ouditeur-generaal het 'n dergelike ongerymdheid gevind in verband met die kaartjie wat aan mev. Z. Rhodie uitgereik is vir 'n besoek aan Londen saam met dr. Rhodie (dit was by geleentheid van die Wimbledonse tennistoernooi). Op die kaartjie wat uitgereik is, staan mev. Rhodie se naam duidelik, maar in Inligting se strokie vir uitbetaling vir R3 688, 20 is mev. Rhodie se naam uitgewis.



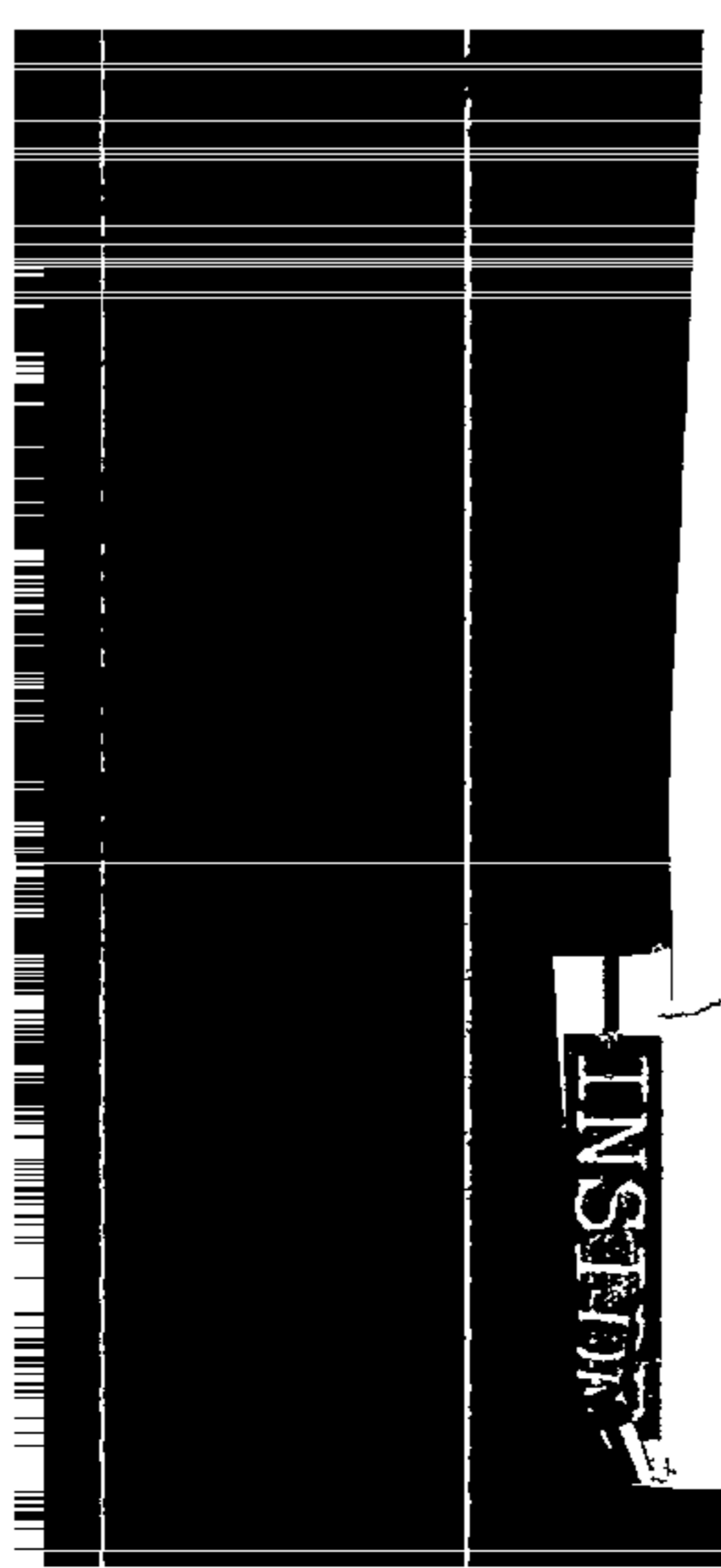
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**INSIDE
INFORMATION**

SWISS BANKS



INSIDE

SA facing its worst political upheaval

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A POLITICAL storm unprecedented in South African history has broken out in the wake of Dr Eschel Rhoodie's sensational Press disclosure of secret Government operations and his bitter attack on the Auditor-General, Mr F. G. Barrie.

Dr Rhoodie virtually implied that the Auditor-General had been guilty of "treacherous acts" in allowing a secret report to be leaked to the Press.

Nationalist and Opposition MPs united in condemnation of Dr Rhoodie's action and called on the Prime Minister to intervene and appoint a judicial commission of inquiry into the Department of Information's activities.

Government politicians are particularly infuriated by Dr Rhoodie's attempt to involve the Cabinet in the Information storm.

His reference to a Cabinet "committee of three" which, he said, had authorised the Department's secret activities is believed by some sources to be a veiled reference to the Prime Minister, Mr Vorster, the Minister of Defence, Mr P. W. Botha, and the Minister of Information, Dr Mulder.

Politicians in both parties are demanding to know whether Dr Mulder — who is spending the weekend incommunicado — had authorised Dr Rhoodie's extraordinary statement.

They said it would be a "miracle" if Dr Mulder survived the row which had burst about his head.

Refused

Neither Mr Barrie, nor his Minister, Senator Owen Horwood, would comment yesterday on Dr Rhoodie's attack.

Senator Horwood, Minister of Finance, refused to accept telephone calls yesterday. He said he would not comment "at this stage".

In Parliament last week he made it clear that he stood by his officials in their actions concerning the Department of Information. While Ministers kept

By FLEUR
DEVILLIERS

their heads down yesterday members of the parliamentary select committee which has been investigating the Auditor-General's allegations of wasteful expenditure by Information were unanimous in their outright condemnation of Dr Rhoodie's action.

● Mr Hennie van der Walt, Nationalist chairman of the committee, said it was deplorable that Dr Rhoodie had referred to matters and evidence which was still before the committee.

Deplorable

Nobody was entitled to comment "and I don't see how a witness like Dr Rhoodie can do it. It will be for the Speaker to decide whether this is a breach of Parliament as it prejudices the committee's hearings".

The committee's activities were not over and he would investigate the whole matter to see what action should be taken, Mr Van der Walt said.

● Mr Barend du Plessis (NP Florida) another member of the select committee, said Dr Rhoodie's attack on a fellow public servant was a "deplorable act regardless of any circumstances which may or may not exist".

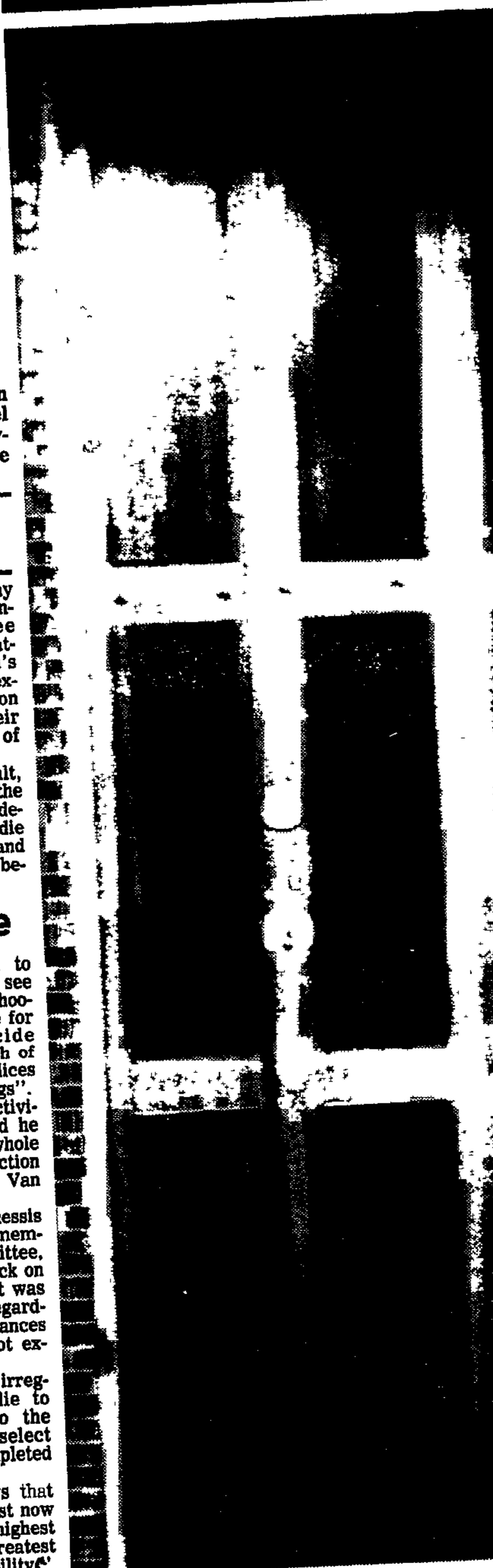
It was also "highly irregular" for Dr Rhoodie to "blurt things out to the Press" before the select committee had completed its work.

"This simply shows that the whole matter must now be examined at the highest level and with the greatest measure of responsibility."

Nationalist sources also

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Thor door



What happens inside? The company's business remains a mystery.

By NIC VAN OUDTSHOORN,
NEIL HOOPER, MARTIN WELZ
and TONY STIRLING

THOR Communicators — the Pretoria company which has close links with Dr Eschel Rhoodie and the Department of Information — received a lump-sum payment of \$3-million from the Union Bank of Switzerland in October, 1976.

The Sunday Times learnt this week that at the beginning of 1976 the company opened an account with the Standard Bank in Pretoria. The initial deposit was R2 500.

According to instructions to the bank, the only people entitled to sign cheques on behalf of the company were Mr P. R. van Rooyen, SC, a Pretoria advocate, and the late Mr Oscar Hurwitz, a Pretoria architect who died last year.

Both were directors of Thor, along with Mr Andre Pieterse, the film magnate. All three men have been acknowledged to be close friends ("huisvriende") by Dr Rhoodie.

The Thor account is handled only by top-level staff at the bank. The only significant movement of money through the account was in October, 1976, when the Union Bank of Switzerland transmitted \$3-million to it.

Reliable sources also disclosed that rent payments by tenants in the six luxury Cape Town flats owned by Thor Communicators were "laundered" through several bank accounts before finally reaching Thor's Pretoria bank account.

'Laundered'

The sources said the money had to be "laundered" so "no one would know into which account it was finally paid".

Other points disclosed by a Sunday Times inquiry were:

● Mr J. van Zyl Alberts, who heads the company that owns the Citizen and who is also a close associate of the Minister of Information, Dr Connie Mulder, and Dr Eschel Rhoodie, owns a number of flats in the same block, Valhalla, on the Clifton beachfront. Thor's agent in Cape Town also collects the rents for Mr Van Zyl Alberts and pays them into a "company account".

● Thor bought its six Valhalla flats for a total of R225 500 in June, 1976. However, the agent handling the sale said this week that no one from Thor had inspected the flats before buying them for cash. The cheque was drawn on a Pretoria bank.

Two of the flats which Thor bought had earlier been inspected by Dr Eschel Rhoodie. He had said he wished to buy them and the deal had progressed so far that plans had even been drawn up to combine them.

But, shortly after that, Dr Rhoodie had suddenly changed his mind and Thor had bought both flats and four others in the same block.

Thor also has a discreetly hidden lounge-office in Pretoria, but its business has remained mysterious despite other evidence that it is closely linked with the Information Department.

Among the links that have come to light are these.

● Officials at Information Department headquarters in Pretoria refer to Thor's premises as "Rhoodie's lounge". These are on the third floor of "Die Meent", a shopping centre in Pretoria partly owned by Mr Hurwitz.

● Dr Rhoodie and his brother, Dr Deneys Rhoodie, as well as his former deputy, Mr

Top information man has made secret tape-recordings on funds

BY MARTIN WELZ

A SENIOR member of the Department of Information has made extensive secret tape-recordings of conversations between the Rhoodie brothers and other senior officials concerning their use of secret funds in the Department over the past year.

The tapes have been deposited in a bank safety deposit box against possible

efforts to mislead those conducting inquiries into the affairs of the Department.

A close friend of the official who made the tapes told the Sunday Times that he believed the official had arranged for the release of

the recordings as well as certain documents in his possession to the Press should it appear that scapegoats were being chosen in an effort to cover up "strange doings" with vast sums of secret money that have flowed through the

Department in recent years.

In a flurry of anxious activity in the Department when it became known that Dr Deneys Rhoodie and Mr Koos Waldeck were to be told by Dr Eschel Rhoodie that they had just agreed to retire, officials queued at the Department's photostat machine or sneaked out to nearby copy-firms to make photostat copies of documents in their files to take home "as insurance".

When I arrived at the Department shortly before the official announcement, I was met in the entrance to Ad Astra Building by officials scurrying out with bulging briefcases.

"Have you heard? Have you heard about Waldeck?" they whispered as they passed me in the passage.

Inside, an official told me, electric paper-shredding machines were humming, merely accentuating the atmosphere of quiet doom that has descended over the Department in recent weeks.

A number of officials also told the Sunday Times that they believed that Dr Eschel Rhoodie, too, had recording bugs installed in his office which operate a tape-recorder installed in a lavatory next to his office. All his conversations with

● To page 2.



MR KOOS WALDECK



Dr Eschel Rhoodie ... he inspected the flats bought by Thor.

L. Et. S. de Villiers, were all named by a tenant in the building as being among those who used the lounge, although "not recently".

● Mr Louis Luyt, the fertiliser millionaire, has disclosed that he met Dr Rhoodie in a cafe near Thor's lounge to pass on "sensitive international messages from African presidents". These meetings had been in 1974 and 1975, he said.

● Thor, using a jet borrowed from Mr Luyt, flew Dr Rhoodie, Mr De Villiers and a party of 10 to the Seychelles last year on what Dr Rhoodie has now called a "classic case" of the secret work done by his Department.

● Thor was involved in the negotiations for the purchase last year of a R70 000 house in Bantry Bay, Cape Town, by Dr Eschel Rhoodie.

● When the Sunday Times asked a spokesman for Die Meent (Pty) Ltd whether

● To page 5.

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Rhodie affair may be terminal for Connie

THE NATIONALIST Government has been in power for 30 years. Today it boasts a majority that makes absurd mathematics of the democratic equation. It is also old, stale, sick at heart — and riven with discontent.

The Department of Information debacle — the rise and fall of the house of Rhodie — is a symptom of that sickness, of the insolence of lengthy office which persuades men that if they do not like the rules they can bend or break them at will.

But it is more than a symptom. The future of the National Party itself could depend on how — and, more critically, whether — it is treated.

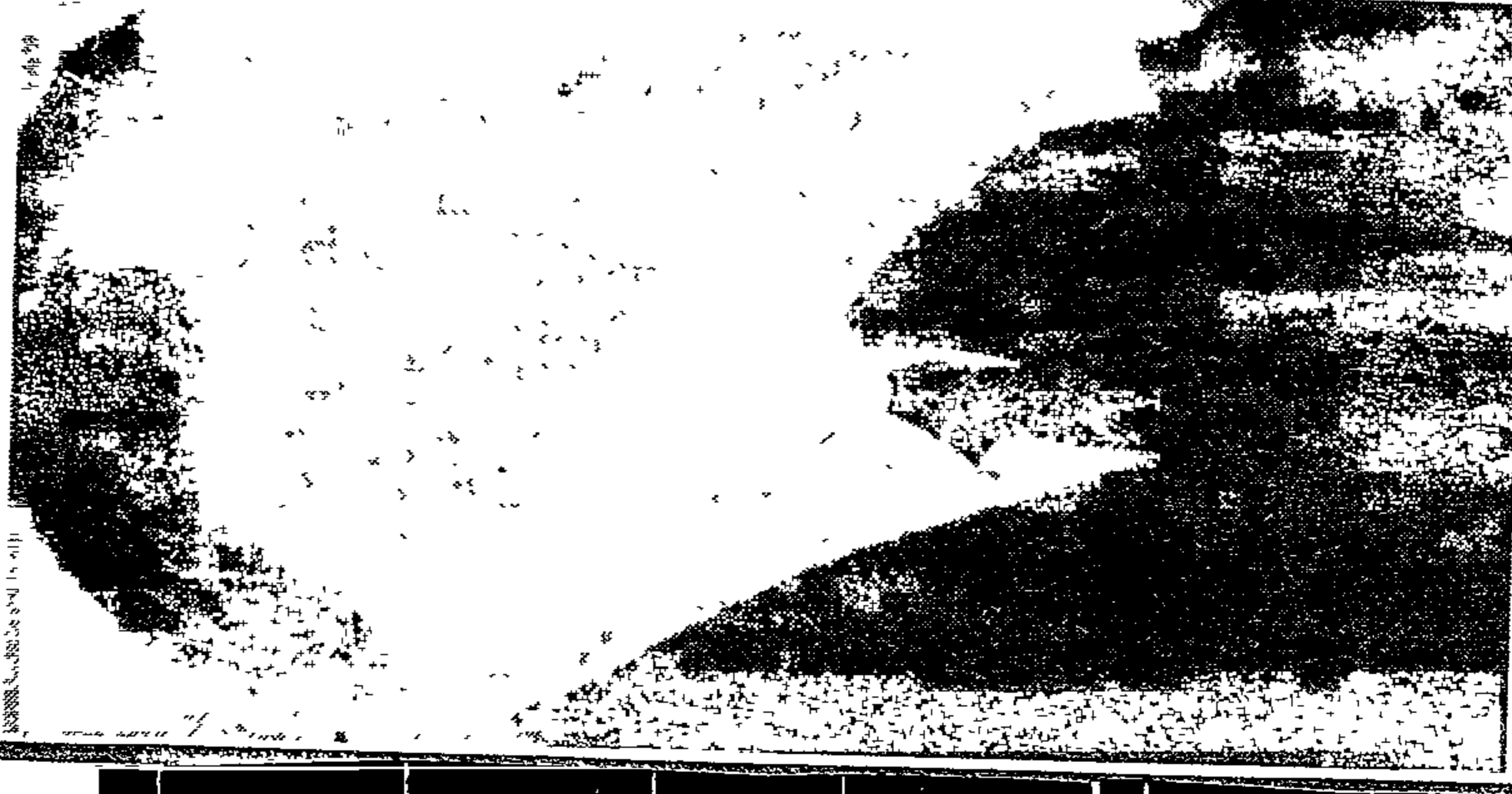
In recent years the Department of Information has been carefully crafted into a platform to help Dr Connie Mulder reach for the prize he and his followers have coveted most: Party leadership and the Premiership of South Africa.

This week the platform collapsed. Dr Mulder is back on the ground, fighting, many Nationalists believe, not only for his future ambitions but for his political life.

For Dr Mulder and his Transvaal disciples it could not have come at a worse time. Mr Vorster cannot go on for ever, and speculation is rife in Nationalist circles that he will choose the end of his 18th year as Prime Minister — October, 1979 — either to bow out of public life or move to higher office as the first Executive State President.

The longed-for prize, once tantalisingly close, is today almost out of Dr Mulder's reach and obscured by the dust of collapsing reputations.

It is a situation which calls for desperate remedies. In many Nationalist circles today the chief occupation is the sharpening of knives. "You have no idea of the tension," a party loyalist says wearily, and adds that



Dr Connie Mulder, who may be fighting for his political life.

the coming battle will be no respecter of persons — no matter how high their office.

In Cabinet and caucus men join and abandon partners in an intricate formation dance as they choose their allies for the final confrontation. Preliminary skirmishes have already taken place.

Recently members of the Mulder faction fired the opening shots when the rumour was spread that Mr Pik Botha — seen by many as the white hope of the to unseat Dr Mulder as Transvaal leader.

It was hotly denied by the Botha men, who argued — reasonably — that the Foreign Minister had been far too busy with South West Africa to concern himself with party politicking. But if Dr Mulder has his do-or-die adherents, he also has a large and growing number of opponents. Many have been traditionally hostile to him and his ideas. Others are deeply disturbed by the damage of the Information debacle.

Meanwhile, on the sidelines, other politicians, faithful to their future, play their own quiet game of winners and losers. It is not an easy sport in the National Party of today, where simple arithmetic dictates that there are just not enough jobs, front benches, Deputy Ministerships or caucus committees to share out among 135 men, many of whom could be condemned to the back

benches for the rest of their political lives. It is a situation which breeds frustration, divisiveness and an eagle eye for the potential winner in the coming race for the Premiership.

The party was recently drastically divided on the question of acceptance of the Western settlement plan for South West Africa. The battle in the lobbies and, it is believed, in the Cabinet raged for weeks.

Some opponents also undoubtedly saw defeat of the plan as a handy way of clipping Mr Pik Botha's spreading wings.

They lost — but other issues have since arisen which reveal the depth of party fractiousness and division. And, once again, the lines of allegiance change and blur.

The deep and unbridgeable division is between those who believe that future policy should be based on the "nation" concept and those who cling to the belief that race is the issue.

To those who wholeheartedly accept the former — the idea that South Africa is inhabited by different nations which must be brought to equality, if in different political systems — the outcome is logical and self-evident. All discriminatory legislation must go.

For the old-style apologists, who know that separate development was predicated on race, this is unthinkable.

And so the battle lines are drawn — round personalities, personal ambitions and issues.

In the struggle, the Information debacle could be decisive as men try to ensure that the fall of the Rhodies does not also signal the collapse of their own hopes.



Mr Pik Botha — Nat attempts to clip his wings have failed.

Citizen tells it like it was

By IVOR WILKINS

THE Citizen newspaper last week published an extraordinary report giving an official denial of a Sunday Times story before it had been published.

The curious sequence of events began when the Sunday Times was told that mysterious payments — believed to amount to many thousands of rands — had been made in various foreign countries since 1975 for secret projects of the Department of Information.

The Sunday Times was told that a procedure which required officials of the Department to make secret payments to anonymous persons without the usual documentation was introduced at a conference of senior South African Information officials in Paris in 1976.

They were told that an official would, from time to time, receive a personal instruction letter in the diplomatic bag which would inform the official that a certain person, referred to only by a code name, would tele-

phone, give a password and arrange a rendezvous.

The official would then have to approach the embassy — the Department of Foreign Affairs is the financial agent overseas for all Government Departments — giving the accountant only the amount required, an authorisation number and a so-called "G" number. "G" stood for "Geheime rekening" (secret account).

No invoice or further explanation was required. The embassy would then hand over a cheque made out in the official's own name. This was to be deposited in his personal bank account.

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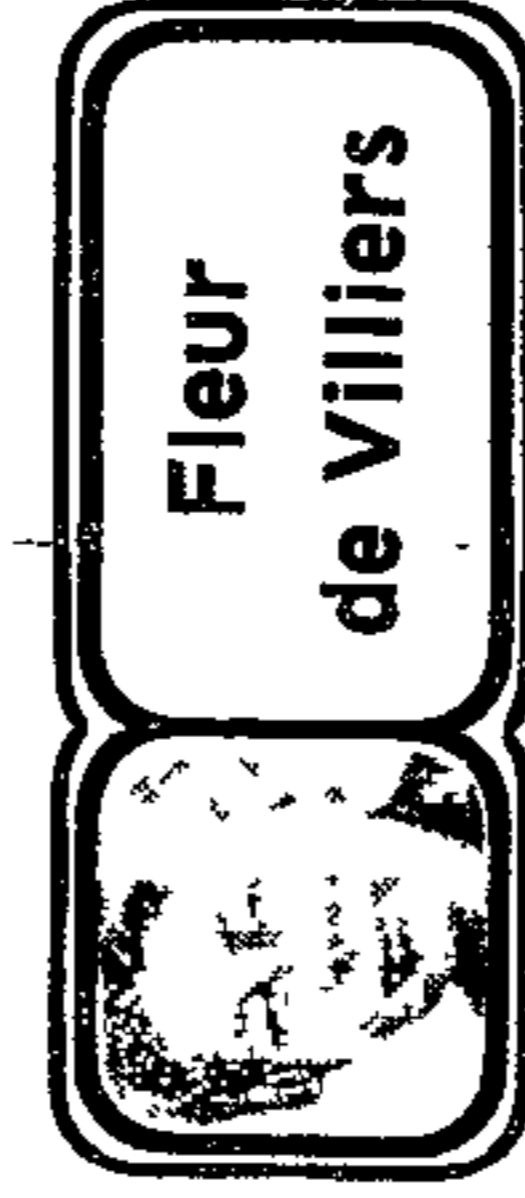
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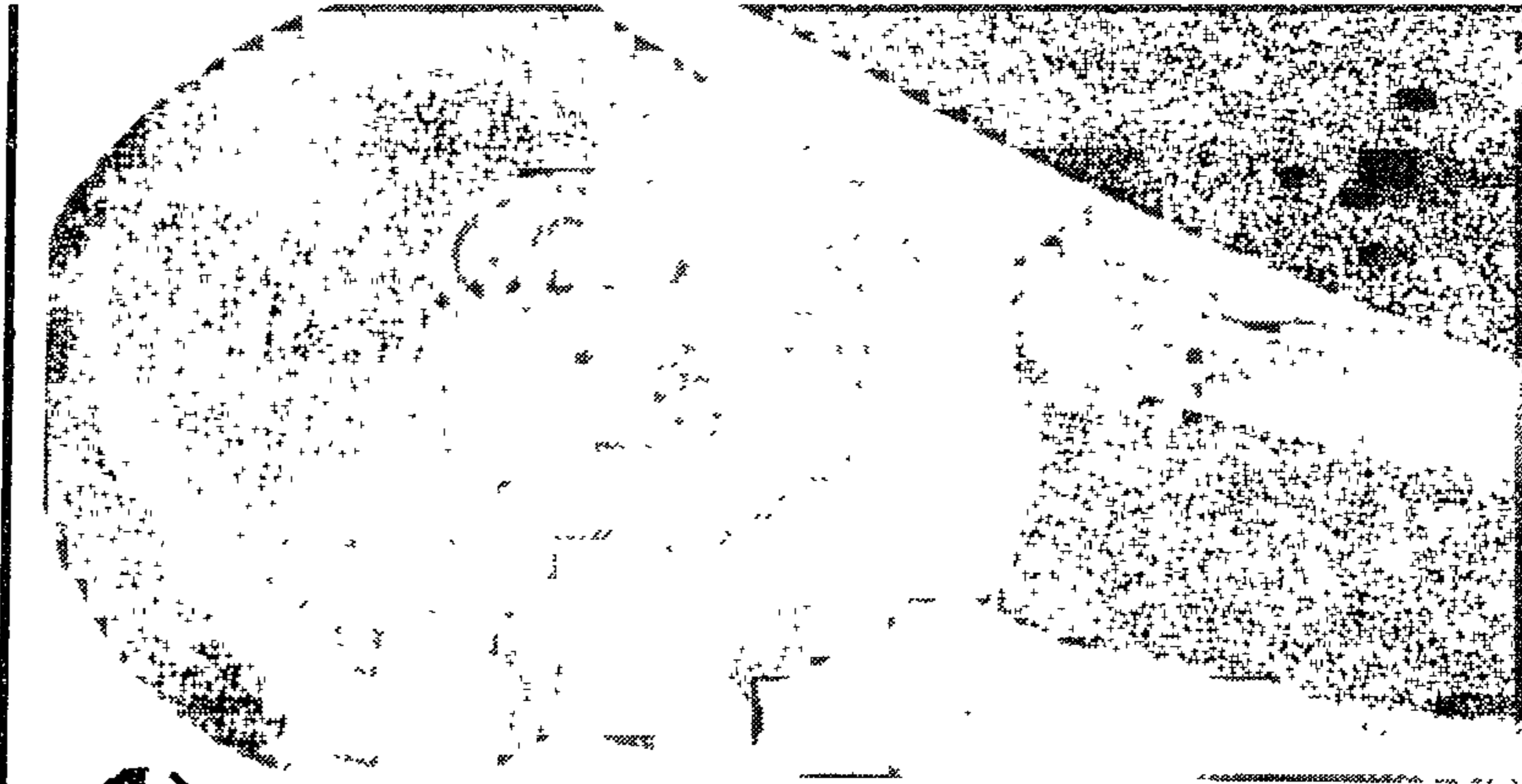
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Information paid 'incredible price'

By David Barstford
LONDON

THE Spanish printing firm which produced "Stepping Into the Future" — the controversial propaganda book ordered by the Department of Information — claimed this week that its contract for the book had been worth only about R75 000.

According to evidence before a parliamentary select committee that investigated the affair, the Department paid the South African publisher, Mr Chris van Rensburg, R320 000 for the book.

Mr Paul Smith, European sales manager of Novograph, one of Spain's biggest printing firms, this week told the Sunday Times that he esklimated the book could have cost the South African publishers no more than R90 000 to produce.

This figure would include typesetting and filming costs. He said his firm's R75 000 from the deal had included shipping costs.

When I told Mr Smith the Department had paid R320 000 for "Stepping Into the Future", he reacted with astonishment.

"Good God," he said. "He (Mr Van Rensburg)

Spanish printer says R320 000 book should have cost R90 000

could have put the whole thing together for R90 000 with no trouble at all. It's incredible."

Mr Harry Schwarz, MP, has asked questions in the House about the deal, including why the Department was permitted to spend foreign currency as it wished, and what steps were being taken about disclosures to a select committee that the Department had disobeyed Tender Board regulations by failing to give preference to South African firms for the contracts.

Mr Smith disclosed that Christelke Ullgewers, a Roodenort company which specialises in publishing Bibles, had acted as third party in the deal. He said Novograph had both invoiced and been paid by Christelke Ullgewers.

In a telephone interview from his home in Madrid, Mr Smith, who negotiated the deal for Novograph, explained that his firm had done a great deal of work in the early 1970's for Christelke Ullgewers.

In 1974 Novograph was asked by Christelke Ullgewers to handle "Stepping Into the Future". Mr Smith said it was only after the deal had been agreed that he was told that Mr Van Rensburg was behind it.

The contract was carried out normally, said Mr Smith. The printing was done by Novograph itself. Binding was handled by a subsidiary, Roner. Scheduled

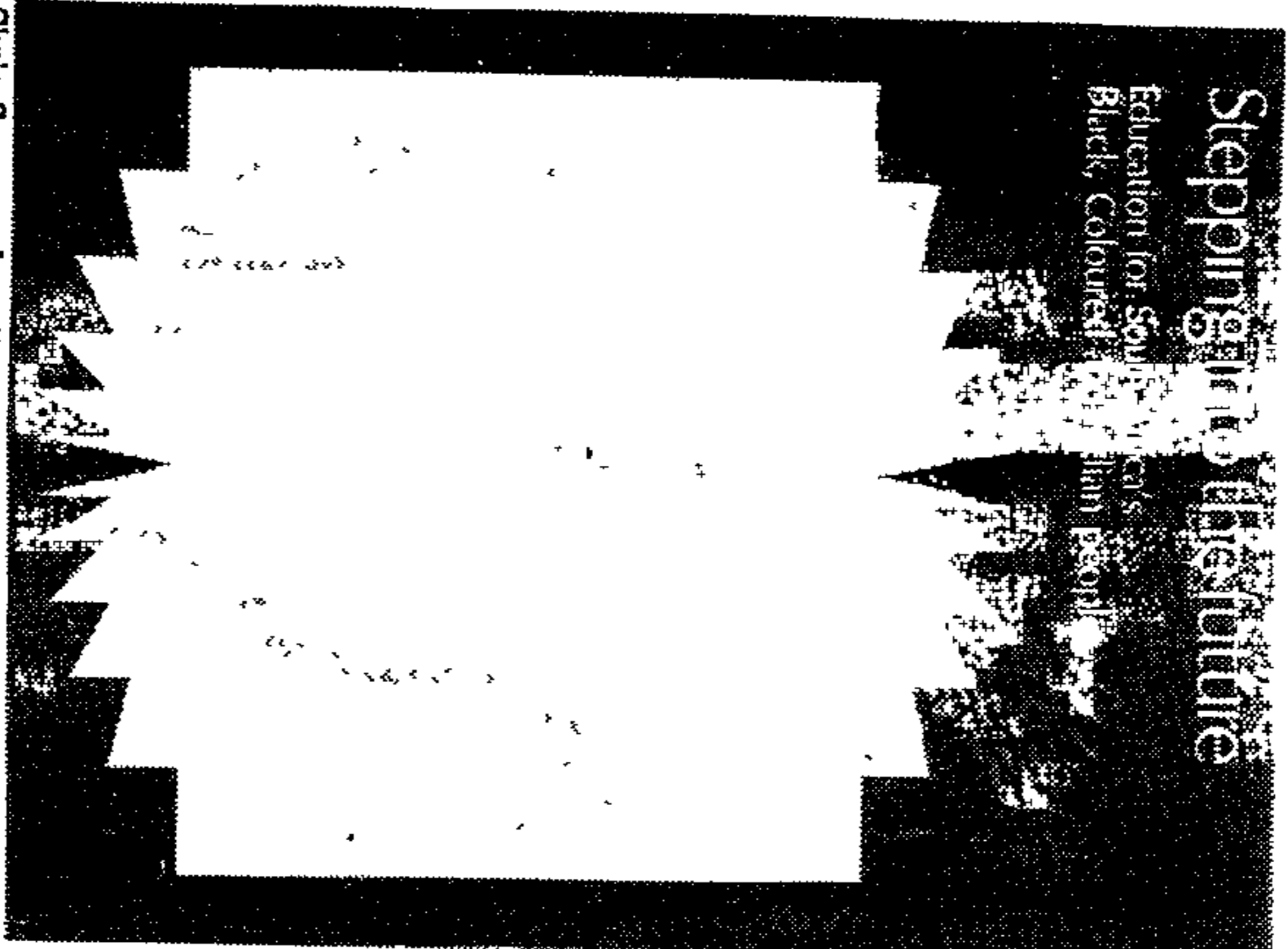
uses were met, although there were delays from South Africa in producing the foreign-language texts.

He said there were two urgent shipments to South Africa, one delivered to Mr Van Rensburg's firm, Erduta, and the other to the Department of Information in Pretoria. Subsequently a shipment went to East London. "I don't know how they were handled from there," he said.

The remainder were shipped to South African embassies abroad. Payment was received after the job had been completed — there was no question of advance payments.

Explaining the costing, Mr Smith said the Novograph contract had included printing, binding and shipping. Erduta had been responsible for typesetting and filming.

To Novograph the contract was worth exactly 6.59-million pesetas (just



Stepping Into the Future
Education for South Africa
Black, Coloured

The connections between Thor and Information

• From Page 1

Thor hired offices in the building, he replied: "You mean Eschel Rhoadle's company?" He declined to give his name but said he was in charge of the office at the time.

Employed at Thor's office last year was Miss Margery Torr, former personal secretary to Dr Eschel Rhoadle and a contributor to books published on behalf of the Department of Information.

Mr Van Rooyen turned up in Washington last year in the company of Mr Donald de Kleifer, the Information Department's controversial registered agent in the American capital.

Dr Rhoadle named Mr Hurwitz as the man who spotted the Bantay Bay house for him and secured it on his behalf. How he did this remains, so far, unexplained since Mr Hurwitz was already very ill and did not go to Cape Town at all last year.

On April 9 — when the purchase of the Bantay Bay house was disclosed — the Sunday Times carried an interview with Dr Rhoadle in which he was asked about his relationship with Thor Communications.

He said he did not know what the company did, although the directors were all friends of long standing. Dr Rhoadle said that at no time had Thor Communications, its directors or shareholders done any business with the Department

of Information, although they may have had dealings with other Government Departments.

Mr Piet Liebenberg, chairman and managing director of Finansbank, said Die Meent was jointly owned by Bruyn, of De Bruyn's Shoe Stores, and the estate of Mr Hurwitz.

He said he was unable to state whether the rental for the offices was being paid by the estate of Mr Hurwitz or by a third party.

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SA facing its

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● From Page 1

told the Sunday Times yesterday that Dr Rhodie's statement had made the appointment of a judicial commission of inquiry by the Prime Minister absolutely necessary.

Dr Rhodie's attack on a fellow public servant had taken on the flavour of a vendetta and had destroyed all sympathy for Dr Rhodie, who was attempting to hold a "trial by newspaper" of the Auditor-General.

"He has not only ignored every rule inside his Department, but he is now transgressing every rule of good taste and good conduct," a Nationalist MP said.

Facts

The select committee had not been confronted by the Auditor-General with emotion, but with facts, which was why it had sat for so long.

"For Dr Rhodie to imply that Mr Barrie was waging a personal vendetta was ridiculous."

Nationalist sources also predicted that Dr Mulder, whose reputation had already been "irredeemably damaged" by the Information debacle, would not be able to survive Dr Rhodie's action or the second report of the select committee, due to appear at the end of the parliamentary session.

Call to PM

Meanwhile, Mr Harry Schwarz, a PFP member of the select committee, yesterday called on the Prime Minister to intervene directly.

"He must take over responsibility for the Department of Information pending reorganisation which must include the abolition of the Department and the urgent transfer of all its external services to the Department of Foreign Affairs."

The issue was now a matter of national security, Mr Schwarz said.

He demanded to know whether or not Dr Mulder had known and approved the contents of Dr Rhodie's statement before it was issued.

"At a critical time the Department's credibility and effectiveness lies shattered. With the risk of public disclosures, will sensitive contacts be possible in the future?"

Dr Mulder had been given the opportunity to put the matter right.

"We said to him 'act or go'. Now it is quite clear that he has to go," Mr Schwarz said.

He asked what the value was of answers given by Ministers in Parliament in the light of Dr Rhodie's disclosure that Dr Mulder had given misleading information in Parliament on the question of Dr Rhodie's trip to the Seychelles last year.

In his reply Dr Mulder had said that Dr Rhodie had gone on a holiday visit to the Seychelles and had used a standing invitation from the President of the Seychelles to visit him.

Claim

The Department of Information had not paid for the trip, Dr Mulder said. "The two officials submitted a claim for R239,56, being the subsistence allowance for the interruption of their vacation. The claims were not granted."

"Now," Mr Schwarz said yesterday, "we read that the Government paid the cost of fuel of a private jet, that the Government paid for his hotel and other expenses for two days and for those of Mr Les de Villiers. And Dr Rhodie goes on to say, 'I have no hesitation in confirming that this was an official secret mission.'"

There was, Mr Schwarz said, an urgent need for a general inquiry into the Department of Information which the PFP had de-

manded in the recent debate in Parliament.

"The validity of this request has been demonstrated beyond doubt. The more limited mandate of the Treasury and of the Public Service Commission is wholly inadequate."

"The Select Committee on Public Accounts has only a limited mandate to investigate the specific matters referred to in the Auditor-General's report."

"The public wants to know what is happening to its money, and what has happened with the activities of this Department."

Essential

"Therefore an all-party select committee of Parliament with full investigatory powers, or a commission of inquiry, is absolutely essential and should be appointed without delay."

Other questions asked by Mr Schwarz were:

● Why was the statement — if made at all — not made by the Minister, Dr Mulder?

● Had the statement not anticipated matters that would never have been published?

● It was alleged that the anticipated Sunday newspaper reports were defamatory. Why did Dr Rhodie not apply to a court for an interdict to prevent publication?

Sensitive

● If in fact sensitive information which could have damaged South Africa was contained in the reports, why was the Official Secrets Act not applied?

Some of the matters referred to in Dr Rhodie's statement were "still to his knowledge being investigated by the select committee. Nobody was therefore entitled to disclose evidence which has been given there, nor am I or other members of the committee entitled to publish or comment on them", Mr Schwarz said.

typesetting and filming for R15 000 at the very most," he said.

On these figures he estimated that the book should have cost Mr Van Rensburg R81 000 at the most to produce (including Novograph's payment for printing, binding and distributing 81 641 copies).

Paid for

"In pretty well all the cases we paid the delivery. There were one or two cases when we didn't — I don't know why."

"The books were sent just about everywhere. For instance, we sent books to the West Coast Representative, South African Press and Information Office, Los Angeles."

"We sent another batch to the Information Attache, South African Diplomatic Mission, Rhodesia."

"Most of the deliveries were to the attention of the Information Counsellor, South African Embassy, in — well, you name it — London, Paris, Rome, Bonn, Washington, Tel Aviv, etc. We paid all these deliveries."

Mr Smith said the mark-up — that is, the retail selling price — would normally be about three-and-a-half times the manufacturing price.

10 000 books

But this mark-up would include distribution costs, discounts to booksellers, the warehousing and financing of stocks (it could take a year and more to unload stocks, he pointed out), promotions and other overheads as well as the profit margin.

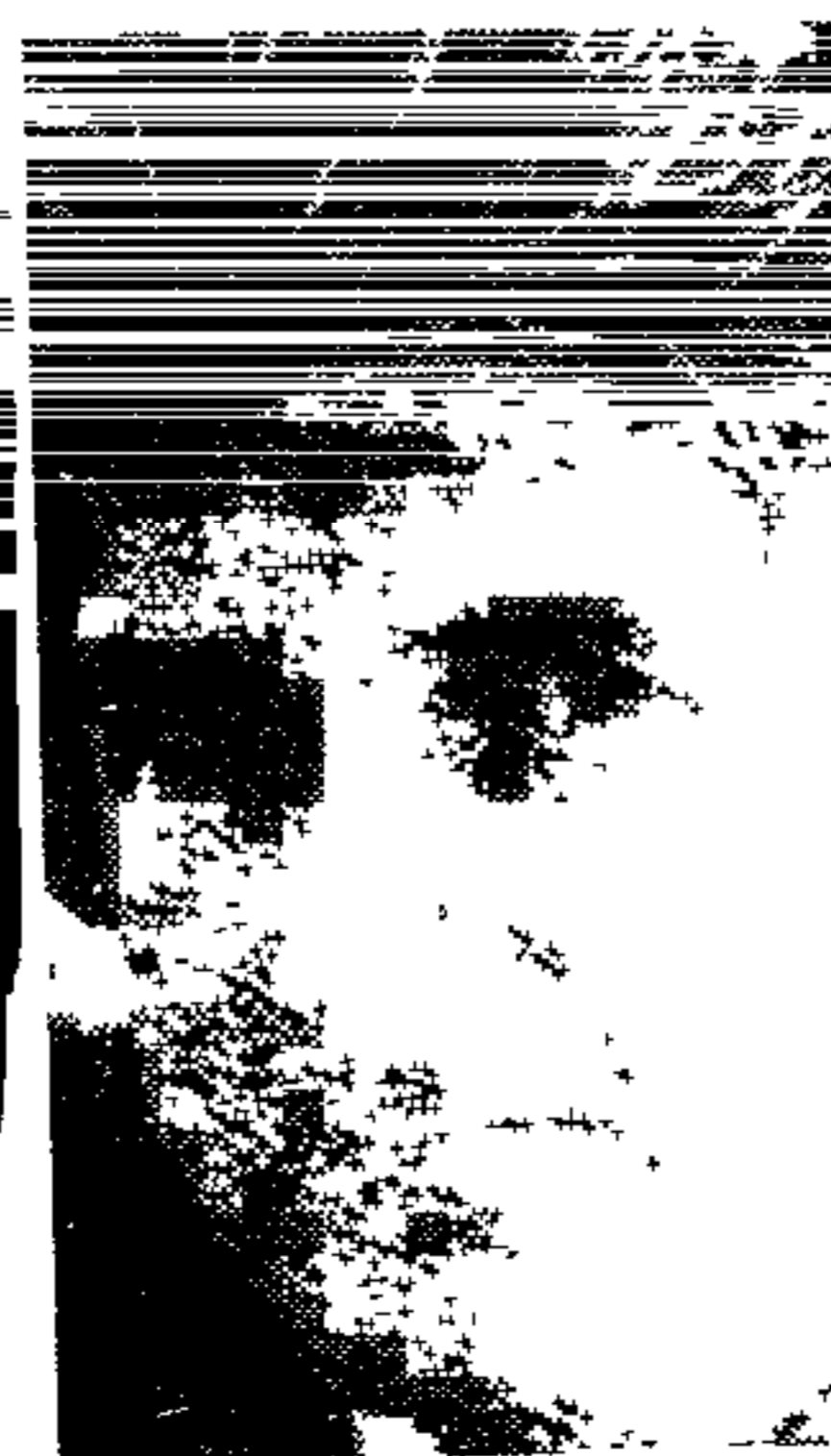
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"I never knew they were going to sell them. I thought they were giving them away free. I thought it was just being done as a promotion for South Africa — to make South Africa look better overseas."

In Johannesburg, Mr

Ex-Information man and wife split

By NEIL HOOPER



Mr 'LES' DE VILLIERS
Wife sees attorneys

MR L. E. S. DE VILLIERS — who was third in charge of the Department of Information until late last year — has left his wife for an American air hostess, Mrs Ruth Halter.

It is believed that Mr De Villiers met Mrs Halter during his regular visits to America on behalf of the Department of Information.

It was confirmed this week that his wife, Patsy, has approached attorneys to start divorce proceedings.

Mr De Villiers resigned from the Department of Information at the end of last year after being offered a salary "I could not refuse" by the American firm Sydney S. Baron and Company, which does liaison work in the United States on behalf of the South African Department of Information. It was intended that Mr De Villiers would

first work for the company in the United States, then return to South Africa to head the company's office in Southern Africa.

But he had difficulty obtaining a visa for the US, so first opened the Baron office in Johannesburg.

Later, when his visa was granted, he and his wife left for America, but shortly after their arrival she returned to South Africa.

Mr De Villiers was closely associated with the Secretary for Information, Dr Eschel Rhodie, and his brother, Dr Deneys Rhodie, also a senior member of the department.

With Mr De Villiers' resignation in 1969, and the announcement this week of Dr Deneys Rhodie's pending retirement, one member of the triumvirate, Dr Eschel Rhodie, remains.

INSIDE INFORMATION INSIDE INFORMATION INSIDE INFORMATION ...

Dr Rhoodie's empire behind the iron door

By MARTIN WELZ,
MARTIN CREAMER
and FLEUR DE
VILLIERS

IN THE headquarters of the Department of Information in Ad Astra Buildings in Pretoria is a heavy metal security door that seals off the domain of the section known by the code name "Planning"

"Planning" administers a secret fund — known as "G-Pos" or "Geheime Pos" — wage undercover campaigns abroad in terms of the Department's strategy of "unconventional diplomacy"

It used to occupy a larger area, also sealed off by a heavy metal grille, but its territory has shrunk since the investigation of its activities started in April, 1977, by the Auditor-General, Mr F. G. Barrie. Now the security door guards principally the office of the special accountant, Mr Braam Fourie, who operates the secret fund

By its nature, the "Planning" section was shrouded in secrecy, but it was secrecy taken to extraordinary lengths. Unlike the Bureau for State Security and other secret Government operations, "Planning" was hidden even from Parliament

Only a small number of officials have had free access to the area behind the metal doors. They were the secretary for Information, Dr Eschel Rhoodie; his brother, Dr Deneys Rhoodie; Mr Braam Fourie, Mr Charles Moore, controller; and Mr Gerbie Grobler, the Deputy

How
it
all
began

Hard-sell team breaks up

Political Correspondent
SHOCK waves are still pulsing through the Department of Information in Pretoria after the surprise resignation of one of its top officials, Deputy Secretary Mr L. E. S. de Villiers.

The resignation has broken up the powerful triumvirate — the Secretary for Information, Dr

and speaker of the Department's new hard-sell policy.

Mr De Villiers was a jet-age shock trooper who flitted from capital to capital abroad to sell South Africa's case. He travelled tirelessly and extensively particularly in North America.

He is credited with pulling off the Department's

right-wing newspaper publisher, Mr John McGoff.

It was Mr McGoff's close political connections with former President Gerald Ford — both are from Michigan — which enabled the Minister of Information Dr Connie Mulder, to meet the then Vice-President Ford.

Mr McGoff formed close ties in South Africa. He

and Panax company — in South Africa to set up printing works for the various homeland governments.

Later Mr McGoff, Dr Mulder and the Rhoodie brothers became joint owners of a North-Eastern Transvaal game farm.

The hard-sell policy was widely acclaimed as highly effective, and almost as

Sunday Times, September 25, 1977

Rhodie and the Minister of Information, Dr Connie Mulder, took time off to attend the Olympic Games during a trip to Canada.

Travel bookings for their covert operations were made not through normal Government channels, but through Vacations Unlimited, a travel agency occupying offices next to the entrance to Ad Astra Buildings. Over a period of about five years, Vacations Unlimited was paid more than R200 000 by the Department of Information.

Mr Barrie's audit turned up what seemed to him to be serious irregularities in the Department. There was evidence that Government funds were used by "Planning" to make private purchases. Money was spent on books, car rentals and for such tourist pleasures as cable-car excursions and tennis tournaments.

Dr Eschel Rhoodie tried to prevent Mr Barrie from looking into these expenditures, claiming that they were protected by the Official Secrets Act. Mr Barrie disputed this and continued his investigation.

He also took the extraordinary step of drawing up a special, secret report, which, according to good sources, caused consternation at high levels of the Government. It is even said to have precipitated last year's general election in order to secure the Government's position in case a scandal developed.

There was no overt sign that the Bureau for State Security was also investigating — until this week — when it was disclosed that its head, General Hendrik van den Bergh, one of Mr Vorster's most trusted associates, met Dr Mulder and the Rhoodie brothers.

However, it is known that as long ago as last November a special auditor from BOSS had taken up an office within the Department of Information.

When Mr Barrie's audit began, officials made light of it. Mr De Villiers told the Sunday Times it was routine. Asked specifically if the auditors had come up with problems, he said the problems were "just routine, like those found in any audit"

Dr Eschel Rhoodie was also asked about the audit and he told the Sunday Times: "There is a continuous audit at the Department, as is the case with all Government Departments." He added that two auditors from the Auditor-General's office were attached to his Department full-time. Nevertheless, the Auditor-General reported to a select committee of

Denys Rhoodie to resign?

Sunday Times Reporter

PERSISTENT rumours in Pretoria that Dr Deneys Rhoodie, Deputy Secretary for Information, will resign shortly, were met with a "no comment" from Dr Rhoodie yesterday.

"As for my personal intentions, they remain my personal intentions," he said.

Dr Rhoodie is presently holidaying on the Natal south coast.

Rumours that he may quit his post — possibly to pursue an academic career — have surfaced several times in recent weeks.

Sunday Times, December 25, 1977

Parliament that:

●The Department had made unauthorised expenditures of R273 580.

●That a publisher had falsified a letter in order to enable the Department to make a payment to him before it was due.

●That two top officials (Dr Deneys Rhoodie and Mr D.

G. Grobler) had made trips abroad which were wasteful and badly planned. In one case, it appeared that they flew to Los Angeles to assess the work of a typist.

These and other aspects of the Department of Information's work are the subject of a continuing investigation by the parliamentary select committee.

Secretary, who has replaced Mr L. E. S. de Villiers. Mr De Villiers himself was in operational control of "Planning" until he resigned to join the New York public relations firm — and chief recipient of Department of Information funds in the United States — Sydney Baron and Co.

Recalled from New Zealand

For six months before Mr De Villiers left to join Baron's, Mr Len Haasbroek, information director in New Zealand, was recalled to join "Planning". He too, has left the Department to join Mr De Villiers at the New York firm.

Mr Frank Land, who was seconded for nearly two years to help run the Government's anti-inflation campaign, was also at one time employed in "Planning".

Officials who worked from time to time in "Planning" did so under strict security and were paid special monthly allowances in addition to their normal salaries.

According to Sunday Times sources, both Rhodie brothers and Mr De Villiers were paid such additional allowances. The allowances are said to have ranged from R50 a month for a typist/secretary to R150 a month for senior officials.

Problems arose regarding some of the payments. Departmental sources told the Sunday Times that Mr De Villiers had to repay \$25 000 and Dr Deneys Rhodie \$17 000 when it was discovered that they had been overpaid.

While such sums may seem startling for public servants, the amounts of money that passed through the hands of officials in "Planning" were often large. Dr Deneys Rhodie at one stage drew advance expenses of R10 000. The officials travelled extensively and lived in some of the world's best hotels in order to keep up with their overseas contacts.

Often their wives went with them. On one occasion an official went to watch the Wimbledon tennis championships during a visit to London. Dr Eschel

Sunday Times

7-5-78

Information paid 'incredible price'

By David Beresford
LONDON

Spanish printer says R320 000 book should have cost R90 000

THE Spanish printing firm which produced "Stepping Into the Future" — the controversial propaganda book ordered by the Department of Information — claimed this week that its contract for the book had been worth only about R75 000.

According to evidence before a parliamentary select committee that investigated the affair, the Department paid the South African publisher, Mr Chris van Rensburg, R320 000 for the book.

Mr Paul Smith, European sales manager of Novograp, one of Spain's biggest printing firms, this week told the Sunday Times that he estimated the book could have cost the South African publishers no more than R80 000 to produce.

This figure would include typesetting and filming costs. He said his firm's 75 000 from the deal had included shipping costs.

When I told Mr Smith the department had paid R320 000 for "Stepping Into the Future", he reacted with astonishment.

"Good God," he said. He (Mr Van Rensburg)

could have put the whole thing together for R90 000 with no trouble at all. It's incredible."

Mr Harry Schwarz, MP, has asked questions in the House about the deal, including why the Department was permitted to spend foreign currency as it wished, and what steps were being taken about disclosure to a select committee that the Department had disobeyed Tender Board regulations by failing to give preference to South African firms for the contracts.

Mr Smith disclosed that Christelke Uifgewers, a Roodepoort company which specialises in publishing titles, had acted as third party in the deal. He said Novograp had both invoiced and been paid by Christelke Uifgewers.

In a telephone interview from his home in Madrid, Mr Smith, who negotiated the deal for Novograp, explained that his firm had done a great deal of work in the early 1970's for Christelke Uifgewers.

In 1974 Novograp was asked by Christelke Uifgewers to handle "Stepping Into the Future". Mr Smith said it was only after the deal had been agreed that he was told that Mr Van Rensburg was behind it.

The contract was carried out normally, said Mr Smith. The printing was done by Novograp itself. Binding was handled by a subsidiary, Roner Sched-

ules were met, although there were delays from South Africa in producing the foreign-language texts.

He said there were two urgent shipments to South Africa, one delivered to Mr Van Rensburg's firm, Erdita, and the other to the Department of Information in Pretoria. Subsequently a shipment went to East London. "I don't know how they were handled from there," he said.

The remainder were shipped to South African embassies abroad. Payment was received after the job had been completed — there was no question of advance payments.

Explaining the costing, Mr Smith said the Novograp contract had included printing, binding and shipping. Erdita had been responsible for typesetting and filming.

To Novograp the contract was worth exactly 6 1/2p.



Chris Swanepoel, a director of Christelke Uifgewers, told Martin Creamer that his company had indeed arranged for the printing of "Stepping Into the Future" at the request of Mr Van Rensburg, but that it had taken a knock on the deal because of devaluation.

The connections between Thor and Information

From Page 1

Thor hired offices in the building, he replied: "You mean Eschele Rhoadie's company?" He declined to give his name but said he was in charge of the office at the time.

Employed at Thor's office last year was Miss Margery Torr, former personal secretary to Dr Eschele Rhoadie and a contributor to books published on behalf of the Department of Information.

Mr Van Rooyen turned up in Washington last year in the company of Mr Donald de Kieffer, the Information Department's controversial registered agent in the American capital.

Dr Rhoadie named Mr Hurwitz as the man who spotted the Bantay Bay house for him and secured it on his behalf. How he did this remains, so far, unexplained since Mr Hurwitz was already very ill and did not go to Cape Town at all last year.

On April 9 — when the purchase of the Bantay Bay house was disclosed — the Sunday Times carried an interview with Dr Rhoadie in which he was asked about his relationship with Thor Communications.

He said he did not know what the company did, although the directors were all friends of long standing. Dr Rhoadie said that at no time had Thor Communications, its directors or shareholders done any business with the Department

of Information, although they may have had dealings with other Government Departments.

Mr Piet Liebenberg, chairman and managing director of Finansbank, said Die Meent was jointly owned by Finansbank, Dr Chris de Bruyn, of De Bruyn's Shoe Stores, and the estate of Mr Hurwitz.

He said he was unable to state whether the rental for the offices was being paid by the estate of Mr Hurwitz or by a third party.

The secretary of Estate Management (Pty) Ltd, which acts as agents for Die Meent, declined to give any information about the tenants.

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SA facing its

Sunday Times 7-5-74

biggest storm

● From Page 1

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In Johannesburg, M.

Sunday EXPRESS

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NOW RHOODIE AND MULDER MUST GO

THE secrets of the Department of Information that have now been laid bare will shock many South Africans. Never in the history of the public service in this country has a public servant displayed so arrogant a disregard of the system under which he nominally operates. And the fact that he claims to have done so with the blessing of his own Minister of Information heightens the shock.

At the heart of the matter is not so much whether the department should conduct secret diplomacy — but how these secret operations ought to be controlled.

It is surely axiomatic that any Government department that wants to act secretly must be subjected to more and better checks on its actions, not fewer. If it wants to be free to disregard the normal rules of the Public Service it must submit to even more rigorous inspection behind the scenes.

That is one reason why Dr Eschel Rhoodie's impulsive statement to the Press this week is so alarming. It confirms what this newspaper has known all along: that the Department of Information is spending money from secret funds without Parliament even knowing it is doing so — and without the Auditor-General being able to make proper checks on it.

Indeed, by Dr Rhoodie's own statement, the Auditor-General has been positively hindered from making checks. "I refused to provide him and his two assistants with details of our operations," he said, "and the Minister of Information supported me in this." This is quite contrary to a principle enunciated by the Minister of Finance in Parliament last month.

Talking of the control exercised on secret funds, Senator Horwood assured the House: "The three Acts which exist (providing for secret funds) work very well and I know of no problems and of no irregularities whatsoever. There is provision for proper audit and the provision in that regard is being carried out."

Did the Minister of Finance know when he said that that the Auditor-General, the country's official watchdog, was actually being locked out by the Secretary of a Government department which was secretly spending State money? Did he know that, in spite of being hampered, the Auditor-General had indeed uncovered large irregularities?

And if he did not know, who kept it from him? And why?

There are dozens of other questions that arise. Perhaps the most important is why the Minister of Information did not give Parliament all the facts when he answered a question in the House about Dr Rhoodie's trip to the Seychelles.

Dr Rhoodie's trip was a holiday, his talks were informal, and a claim for two days' expenses was disallowed, said the Minister. Yet Dr Rhoodie now says he was ordered to go there and his trip was "paid from Government funds".

Until now we have refrained from suggesting that the Secretary for Information — let alone the Minister — necessarily ought to resign. Now we believe that it is imperative that both go quickly. And it doesn't matter whether it is voluntarily or not.

I know no legal way for the money to be found, says Schwarz

SECRET FUND UNDER FIRE

Star 7/5/78
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CONT

THE DEPARTMENT of Information's "secret" fund, which Dr Eschel Rhoodie claims the Auditor-General Mr Gerald Barrie had no right to investigate may have been established illegally.

This emerged yesterday when the PFP member of the Select Committee on Public Accounts and Chief Opposition spokesman on finance, Mr Henry Schwarz, said he knew of "no law in terms of which the Department of Information had an open account and another account."

Following the disclosure of the secret fund operated by the Department

• A dozen ministers approached this weekend for comment on the affair all tried to distance themselves from the troubled affairs of the Information Department

• For the first time it is being suggested that Minister of Information Dr Connie Mulder is becoming a severe embarrassment to the Government in what amounts to the worst crisis of confidence in the Nationalist Government since it took office in 1948

By PETER MANN,
EUGENE HUGO
and BILL KRIGE

with the then president of the Seychelles, Dr James Mancham

Meanwhile, Mr Schwarz has called on the Prime Minister to intervene and take direct responsibility for the Department of Information pending its final disappearance.

This follows Friday's extraordinary disclosures by the beleaguered Secretary for Information, Dr Eschel Rhoodie, that he and his officials used secret funds to finance a series of undercover operations and his claims of government sanction for withholding details from the Auditor-General

Mr Schwarz was reacting to a claim by Dr Rhoodie that he could prove "with existing official documentation that the

28
fire 259

matter where it now stands."

Meanwhile the Auditor-General, Mr F. G. Barrie, today refused to react to allegations by Dr Rhoodie that the leak of a nine-month old secret report he had prepared was a "treacherous act".

Dr Eschel Rhoodie files destroyed

Secret fund under

Star 7/5/78

From Page 1

budget in Parliament on Tuesday

Referring to Dr Rhoodie's allegation that the information in the hands of certain newspapers could only have originated from the

department of the Auditor-General and to his statement that he would on Monday formally request a police investigation, Mr Schwarz said: "If this allegation is true then it is serious. If it is not true then it is even more serious. I do not believe Parliament can leave the

STAR 7-5-78

It is being suggested that Dr Rhodie's statement this weekend about the operation of his department has precipitated the very crisis Dr Mulder tried to head off by announcing the early retirement of two top officials on Wednesday.

But Dr Rhodie has now made it clear that Dr Mulder sanctioned many of the most unorthodox covert operations of the information department.

Among Dr Rhodie's disclosures were, that his recent trip to the Seychelles on board a private jet belonging to millionaire Mr Louis Luyt was part of a secret operation and that the costs were largely borne by the Government.

This flatly contradicts a reply to questions in parliament by Mr Japie Basson (PFP) in which Dr Mulder stated that the visit was unofficial and that total expense claims amounting to R239,56 were not granted as the discussions were of an informal nature.

Dr Rhodie held talks

Auditor General in fact had no locus standi as far as the auditing of secret funds was concerned.

At the same time senior Cabinet sources disclosed that the Information Department secret fund operated without the knowledge of certain ministers and probably without the knowledge of South African Ambassadors abroad.

These sources expressed utter amazement at Dr Rhodie's claim that his department destroyed files on the disposal of secret funds with ministerial sanction.

Mr Schwarz also wanted to know if the statement was released on the authority of the Minister and if Dr Mulder was aware of its contents. He promised that the host of issues it raised and the extraordinary role of an official acting independently of Parliament as now being claimed by Dr Rhodie would be probed during the debate on the information

Continued Page 3

Roeringe om die Rhodias Inligting se mannede kom en gaan nog

'N REUSE-PERSONEELVERSKUIWING waarin 21 amptenare van die Departement van Inligting nuwe poste in die buiteland kry of na Suid-Afrika teruggebring word, het pas begin. Dit gaan voort ondanks sprake van 'n ingrypende rekonstruering van die Inligtingsdiens.

Die verskuiwing, seker een van die omvattendste in jare, geskied ondanks 'n staatsversoek dat die verskuiwing van oorsese personeel beperk moet word om koste te bespaar — en die nuus dat die Departement van Inligting in sy huidige vorm gaan verdwyn.

Sommige van die amptenare wat die lang tog na die buiteland aanpak, is juniors. Hulle is reeds besig om te pak.

„Totdat daar 'n ander struktuur is, gaan die departement normaal voort met sy werksaamhede. Daar is lankal vir die verskuiwings begroot en dis goedgekeur. Die verskuiwings gaan dus normaalweg voort,” het mnr. J. Delport, senior Inligtingman en persskakel, die RAPPORT gesê. Sewe van die amptenare

die departement dus nie in sy huidige vorm sal kan voortbestaan nie.

Die Staatsdienskommissie is dus gelas om die algehele rekonstruering van die departement te ondersoek en sy funksies te evalueer.

Amptenare wat oorsee vertrek, doen gewoonlik tussen drie en ses jaar diens in die buiteland. As die poste van die vertrekkende span deur die komende rekonstruering geraak word, sal hulle waarskynlik net so teruggebring moet word Suid-Afrika toe.

Volgens 'n amptenaar kan die verhuiskoste van 'n senior amptenaar, en sy gesin

meer as R10 000 beloop.

Intussen is daar die naweek dringende bespiegelings oor die verwagte gedaantewisseling wat Inligting nou sal ondergaan. Dis moontlik dat mnr. Mulder Dinsdag in sy begrotingspos daarvan 'n aanduiding sal gee.

Vroeere gerugte dat die Inligtingsdiens ingeskakel kan word by Buitelandse Sake skep ontsteltenis in Inligtingskringe, wat verstaanbaar is in die lig van die spanning wat daar geruime tyd tussen die departemente is.

In Washington het mnr. Carl Noffke, inligtingshoof in Amerika, aan Hennie Pre-

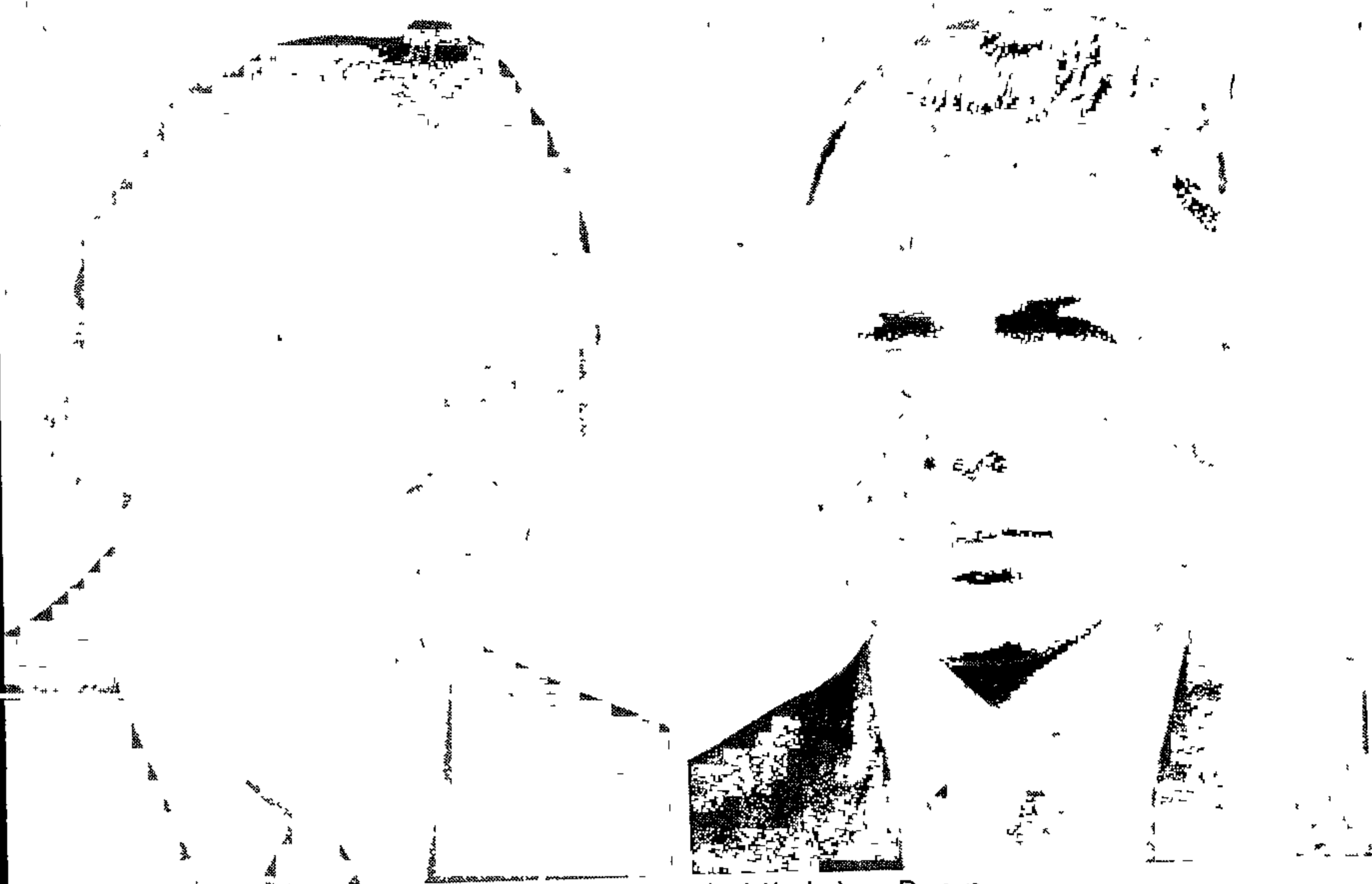
torius gesê die twee departemente verteenwoordig „verskillende aksente en benaderinge” in buitelandse aksies. Hy glo die aksentverskille is noodsaaklik indien die twee departemente hul werk doel-

treffend wil doen. Daar is sterker aanduidinge dat Inligting vorentoe 'n onafhanklike staatsinstansie sal word en nie meer aan 'n aparte departement opgedra sal wees nie.

wat terugkom Suid-Afrika toe, het aan die einde gekom van hul buitelandse diensteryn 'n Mens kan hulle tog nie vir ewig in die buiteland hou nie, sê hy. En die verskuiwing is ook nie so groot as in ag geneem word dat die departement negentien kantore in die buiteland het nie.

„Ek voorsien geen probleme met die afhandeling van die verskuiwings nie.”

Vandeesweek het dr. Connie Mulder, Minister van Inligting, in die Parlement aangekondig dat die huidige veldtog van verdagmakery dit vir die departement uiters moeilik maak om sy werksaamhede op die huidige grondslag voort te sit en dat



DIE Rhodie-broers, Eschel (links) en Denys

Mulder staan sterk wyl dit om hom bulder

Van Ons Politieke Beriggewer

HOE raak die woelinge rondom die Departement van Inligting die politieke statuur van dr. Connie Mulder? Hy is immers die man wat in die Parlement verantwoording moet doen. Die Opposisie en hul koerante eis sy kop.

In Nasionale kringe word nie juis gereken dat dr. Mulder ná die Inligtingsdebat die week in die Volksraad alte veel letsels sal oorhou nie

Daar is nou selfs simpatie met hom, soos met min. Jimmy Kruger ten tyde van die Biko-voorval. Oorreaksie aan Opposisie-kant het die soort uitwerking op NP-denke, word gesê

Stories dat dr. Mulder se leierskap in Transvaal moontlik geraak kan word, word as bog afgemaak

Daar word bespiegel dat mnr. Vorster lank voor die tyd bewus was van die storm wat vanjaar om Inligting sou losbars. Met sy Kabinetskommeling het hy dr. Mulder se adjunk, mnr. Louis le Grange, by Inligting weggeneem en hom nie vervang nie. Was dit die oogmerk om mnr. Le Grange die onaangenaamhede van die laaste tyd te spaar? word gevra

Inligting het ook nie 'n nuwe minister gekry nie, al het dr. Mulder mnr. M. C. Botha se belangrike en veeleisende pos by hom oorgeneem

Daar word gereken dat dit onregverdig sou wees as 'n nuwe Minister van Inligting die woelinge moes hanteer.

Die verwagting is dat dr. Mulder losgemaak sal word van 'n gerekonstrueerde Departement van Inligting. Intussen is daar vrae hoe Inligting se

ratte vorentoe inmekaar sal steek. Die Tesourie en die Staatsdiens-kommissie stel ondersoek in en 'n aanbeveling word binnekort verwag

In die Volksraad is twee gedagterigtings. Die een skool sê dat Inligting se buitelandse vleuel by die Departement van Buitelandse Sake ingeskakel moet word

Die ander sê Inligting moet sy eie Minister behou en outonoom en buite die gewone staatsdiensregulasies fungeer, bv. aanwending van geld na gelang van die omstandighede, maar met eie interne ouditering van die bestedinge

Die mense sê dat elke groot sake-onderneeming geld het (die sg. „Chairman's Vote”) wat onortodoks aangewend kan word

As Inligting 'n soort agentskap word, moet dit nog die mag hê om op te tree, en onder sy eie Minister. Dit sal geen oplossing wees om Inligting te degradeer nie, word gesê

Dis 'n ope vraag of Buitelandse Sake daarin belang stel om nou Inligting se buitelandse manne by hom in te skakel. Beter koördinerings, bv. dat Inligting se personeel Buitelandse Sake as adviesbron kan gebruik en hom in al sy aksies ken, sou baie van die wrywing uitkakel wat in sekere lande tussen die twee departemente bestaan, word gesê

Die Inligting Bedreiging

DR. ESCHEL RHOODIE, wat dié week moes hoor dat sy Departement gaan verdwyn, was oor sy hele ses jaar by Inligting 'n omstrede „nuwe besem” wat bly vee het. In die proses is talle erg gegrief. Sy dinamiek en werklus het andere geïmponeer.

Die eerste harde woorde na sy kant was by sy aanstelling in 1972, toe die Staatsdienskommissie sê Jy is te jonk vir die pos. Jy het nie genoeg onderwinding van die Departement van Inligting se administratiewe en finansiële sake nie.

Met sy intrapslag as Sekretaris van Inligting het dr. Rhoadie gewaarsku dat hy grootskeppse veranderinge binne die Departement gaan aanbring om dit meer mededingend te maak met die inligtingsdienste van ander lande.

En, het hy kort na sy aanstelling in September 1972 gewaarsku, hy is bevrees die

tone van die amptenary gaan in die proses gekneus word

Twee stelle senior tone was in daardie stadium reeds gekneus dié van die destydse Adjunk-sekretaris, mnr P. W. Weideman, en mnr. F. G. Barrie, die man in wie se plek dr. Rhoadie aangestel is en wat vandag as Ouditeur-generaal aan die spits staan van die ondersoek na die finansiële en administratiewe bedrywighede van die Departement van Inligting.

Feitlik al wat staatsamptenaar is, insluitende die Staatsdienskommissie, was ontstoke omdat dr. Rhoadie van buite af oor die hoof van mnr Weideman aangestel is. Dr. Rhoadie, 'n oud-inligtingsman wat om in Canberra, Washington en New York

diens gedoen het, was by sy aanstelling assistent-redakteur van die nuustydskrif To The Point.

Een man het end-uit geveg vir die aanstelling van dr. Rhoadie dr. Connie Mulder, wat as Minister van Inligting in dr. Rhoadie al die dryfkrag en talente gesien het wat nodig sou wees om die departementshervorminge aan te bring wat hy vroer daardie jaar in die Parlement aangekondig het

Mnr Weideman het later afgetree by die Departement en toe op kontrak-basis by die gaste-afdeling van die Departement gewerk. Hy was die eerste slagoffer van die nuwe bedeling.

Dr Rhoadie en mnr Barrie het om gebots oor die intreepraatjie wat dr. Rhoadie vir sy amptenare gegee het. Dr. Rhoadie het gesê hy is ontevrede oor die werk wat voorheen gedoen is en dat amptenare wat nie voortaan wil werk nie, maar moet trap. Die breuk tussen die twee is nooit herstel nie.

Die gebrom onder die senior inligtingsmanne het toegeneem toe o.a. mnr. Chris van der Walt oor die koppe van almal aangestel word as Inligtingsdirekteur in Londen. Hy was 'n redaksielid van To The Point en „het nie eens by hoofkantoor diens gedoen nie,” het een van die ontevredenes destyds gesê

„Reels wat ingestel is om amptenare te beskerm, beskerm ook die luses en onproduktiewes,” het dr. Rhoadie in dieselfde tydperk gesê

die se manier van doen

Maar dr Rhoadie, met sy oog heelyd op 'n beter en meer doeltreffende Departement van Inligting, het bly tone trap.

Nog 'n buite-aanstelling wat die Inligtingsgeledere geruk het, was dié van mnr Carl Noffke, van Perskor, voorheen redakteur van Die Transvaler. Hy is uit die bloute aangestel as die man wat die Departement se oorhoofse leiding in Amerika sou waarneem.

Mnr Hennie Bekker, die man wat vir die pos in aanmerking gekom het, is net so Nederland toe verplaas

'n Kettingreaksie van verskuuwings, aanstellings en verplasinge het ook in die Inligtingskantore in Europa en elders voorgekom

En in Pretoria wys dr Rhoadie sy eie twee regterhande aan sy broer, Denys, as Hoofdirekteur van Inligting, en mnr Les de Villiers, as Hoofdirekteur van Beplanning. Daaroor was daar ook 'n gebrom

'n Gebrom het ook uit ander oorde begin kom. Wat soek die senior Inligtingsmanne so voortdurend in die buiteland? Met wie praat hulle? Hoekom reis hul vroue so dikwels saam met hulle? Hoekom gebruik hulle sulke spoggerige motors wanneer hulle op ampsbesoeke in die buiteland aankom? Hoekom onthaal hulle so swierig terwyl ander Staatsdepartemente moet bespaar?

Spanning het tussen die Departement van Inligting en die Departement van Buitelandse Sake begin toeneem. Inligting is besig om op die terrein van Buitelandse Sake te oortree, is gesê

Rhoadie in 1972 al in 'n onderhoud aan RAPPORT uitgespel

Daar is, het hy destyds gesê, so 'n weerstand teen amptelike voorligting dat 80 persent van die Amerikaners nie eens hulle eie inligtingsdiens glo nie

Jy moet ander metodes gebruik, metodes wat radikaal van voorligting op amptelike vlak verskil. In die proses gebruik jy private burgers van jou eie land, private uitgewers, front-organisasies.

„In Amerika word verskillende uitgewersmaatskappye feitlik gedra deur die fondse van die Amerikaanse CIA. Een van die grootste uitgewers van boeke oor Afrika — Frederick Praeger — word gedra deur bestellings van die Amerikaanse regering.”

Niemand weet waar hy aan of af is in die propaganda-oorlog nie. Suid-Afrika sou eenvoudig dom wees as hy nie ook sy metodes aanpas nie

„Nie dat ons aan subversie sal raak nie. Maar daar's genoeg ander metodes waarmee ons agter die skerms kan optree, en ons bereik sukses daarmee. Maar jy gaan niemand kry wat met jou daaroor kan praat nie.”

Vandag is hy in die moelikhed oor ongemagtigde uitgawes van R400 000 wat sy departement aangegaan het. Daarvan is R238 560 voornamlik betaal aan die uitgewer Cines van Rensburg.

Daar was Parlementêre kritiek oor onoordeelkundige reise, en dr. Denys Rhoadie en mnr. Walthé Waldeck, administratiewe hoof, is aangesom vroer af te tree.

En die nuwe Departement waarvan soveel verwag is, gaan in sy huidige vorm verdwyn

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Dit was die tydperk van aanstel van jongmanne oor die koppe van ander bevorder, van mense verplaas en nuwe bloedinbring. Senioriteit was geen waarborg meer vir 'n rustige aftrede nie. Onsekerheid en bitterheid het onder sommige amptenare begin kop uitsteek. Dit was die begin van die geskinder en die praatjies oor dr Rhoo-

In New York is die skakelmaatskappy Sydney Barron aangestel om inligtingsvoorbrand in Amerika te doen. Koste in die tweede jaar R565 000. In Washington word mnr Donald de Kieffer teen 'n vet betaling aangestel om wandelgangwerk onder Amerikaanse politici te doen.

Wat hy met al hierdie onortodokse optredes en verskuivings wou bereik, het dr

* Die jongste aanleiding tot kopskuddende kommentaar en ontnugtering onder die Inligtingsamptenare is juis die afdanking van mnr. Waldeck.

Sy naam word nêrens genoem nie, hy was nooit betrokke by die besluite wat aanleiding gegee het tot die Departement se Parlementêre probleem nie, word gesê.

DR. KOOT VORSTER ONTHOU DIE RHOODIE-SEUNTJES VAN DIE HUIS LANGS ROELANDSTRAAT SE TRONK IN KAAPSTAD NOG GOED. DENYS, ESCHEL EN NIC, DIE SEUNS VAN DIE HOOFBEWAARDER, WAS IN SY SONDAGSKOOLKLAS.

DR. KOOT VORSTER onthou die Rhodie-seuntjies van die huis langs Roelandstraat se tronk in Kaapstad nog goed. Denys, Eschel en Nic, die seuns van die hoofbewaarder, was in sy Sondagskoolklas.

Flukse mannetjies, goeie huis, goeie sportmanne, mooi opgegroe — „net jammer van Nic se liberale uitkyke later . . .” Dat koerantstorms nou oor hul koppe woed, is eintlik vir hom tragies.

Toe dr Koot middel sestigerjare New York aandoen, het Eschel, wat toe Inligting se man daar was, hom gevra om sy kind te doop.

So gesels dr. Koot Vorster oor die broers Rhodie, seuns van sy oorlede vriend en oud-gemeentelid van sy Tafelberg-gemeente.

Dr. Koot laat sy naam genoem word. Ander — oudskoolmaats aan die Hoerskool Jan van Riebeeck en oud-studentemaats by Ikeys en Tukies — wil liever anoniem bly.

Hulle onthou Denys en Eschel as besonder knap sportmanne — rugbyspelers, atlete, tennisspelers, geweldig mededingend van aard. Baie onthou Eschel in sy wit tennisklere, ander weer vir Denys die atleet. Eschel het later vir Noord-Transvaal-rugby gespeel. Praat hulle van broer Nic, noem hulle hom die „eintlike slimmetjie”.

Kleintyd was kol. Jan Rhodie se filosofie dat sy seuns in plaas van cowboy-boeke meer as een koerant — Afrikaans en Engels — moet lees. Beskaafde mense

lees so, het hy geglo.

Drie van die broers het doktorsgrade verwerf en die vierde — kleinboet Johannes — goel vandag in Johannesburg as beplanningsnavorsers met toegepaste wiskunde.

Die drie susters is vandag onderskeidelik prokureursvrou, doktersvrou en vrou van 'n geregsdienaer.

As gevangenisman moes kol en mev. Rhodie en hul spannetjie van sewe baie verhuis — tot drie keer per jaar.

In die proses is dr. Denys in Port Elizabeth gebore, en dr. Nic, hoogleraar in sosiologie by Tuks, in Bloemfontein. Dr. Eschel se geboortedorp is Caledon.

Die drie oudste seuns het almal aan die Hoerskool Jan van Riebeeck in Kaapstad gematrikuleer.

As BA-student by Ikeys word Denys Die Burger se sportkorrespondent, en na sy studie word hy deur die koerant in diens geneem. Een van sy mede-beginners vertel dat hy 'n omgesukkelde jongman was — een wat sommer die groter stories wou gaan doen.

Denys verwerf sy doktorsgraad in die geskiedenis met 'n proefskrif oor die Urtlanders se aksie teen die ou Zuid-Afrikaanse Republiek.

Jonger boet Eschel verwerf sy doktorsgraad in kriminologie aan die Universiteit van Pretoria. Ook hy word joernalis — eers by die Weermagtydskrif Kommando en later by die Vaderland in Johannesburg.

Albei trou „goed” en albei sluit hulle later by die Departement van Inligting aan.

Dr. Eschel is in die beginjare van sy loopbaan hoofsaaklik in die buiteland. Dis wêreldstad op wêreldstad, en dis glo in Den Haag waar hy en dr. Connie Mukder, Minister van Inligting sedert 1972, mekaar leer ken het.

Dr. Eschel kom terug Suid-Afrika toe en word bestuurder en hoofredakteur van 'n tydskrif met Nederlandse kapitaal, To The Point. Toe mnr. F. G. Barrie, wat van 1966 tot 1972 Sekretaris van Inligting was, aangestel word as die nuwe Ouditeur-generaal, volg dr. Eschel hom op. In staatsdienskring is daar 'n gemor. Wat van Piet Nel, wat van Henne Momberg? word gevra.

Dr. Eschel stel sy ouer broers, Denys, in pos nommer twee aan, weer oor „koppe”. Denys word Adjunk-sekretaris en Hoofdirekteur van Inligting.

Toe kom mnr. Barrie se verslag uit die kantoor van die Ouditeurgeneraal, die ondersoek van die Gekose Komitee op Openbare Rekening, 'n parlementêre debat, 'n kommissie van ondersoek na die sake van Inligting, dr. Denys en die doeane, dr. Denys en mnr. Waldeck wat vroeg at tree, die moontlikheid van algehele herstrukturering van Inligting.

Maar oor een ding is almal dit eens: Die Rhodies van Roelandstraat weet nie van gaan lê nie. Hulle is daarvoor van kleins af te mededingend ingestel.

Rapport

7-5-78

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THE RHOODIE DOSSIER

Barrie has acted correctly, says Schwarz

Tribune Reporter

THE Auditor-General, Mr Gerald Barrie, had acted strictly in accordance with the law when reporting on irregularities in the accounts of the Department of Information, Mr Harry Schwarz, PFP spokesman on finance, said yesterday.

Mr Schwarz was defining the functions of the Auditor-General after allegations by the Secretary for Information, Dr Eschel Rhoodie, that the Auditor-General's department had been guilty of treachery in leaking information to the Press.

"The function of the Auditor-General is to scrutinise the accounts of the various state departments; to report on any irregularities which are contained in these accounts; to report upon any lack of financial control or any inefficiency; and to ensure that funds which are voted by Parliament are spent in accordance with the directions of Parliament and the legislation that is applicable," Mr Schwarz said.

strictly in accordance with the law, with the directions of Parliament and with the directions of the Select Committee on Public Accounts. "I think the nature of the allegations are so serious there has to be a select committee appointed by Parliament in order to investigate the allegations. If the allegations are true, they are serious. If they are not true, they are even more serious.

Farm link between foreign pressmen and Rhoodie clan

By DICK USHER

Lowveld farm retreat owned jointly by members of the Rhoodie clan and several other top businessmen, is also linked with a massive international publishing network.

Six shares in the farm are held by South Africans and three others are held by Americans, two of whom have addresses in the Cayman Islands — a noted tax haven.

He is associated through interlinking interests with Mr Hubert Jussens, a director of African International Publishing and SA Today.

DOUGUMENT LEAK WAS VAN AGENT OF TREACHERY?

Money from a secret fund was used and no rules and regulations applied. This "unprecedented, no holds barred propaganda war" was overseen by a secret and unofficial three-man Cabinet committee.

Dr Rhoodie claimed the report — completed nine months ago but only shown to him on Wednesday — was unsubstantiated and speculative.

overseas trips because those connected with secret operations refused to use official channels. He said a trip to the Seychelles to see President Manham was a classic case of an official secret mission.

Nobody — not even the Auditor-General — had access to the implementation of the fund and some secret files and reports were destroyed on his instruction.

He denied some of the secret practices which were standard procedure. He said that to anyone who was not aware of the full extent and nature of the report — completed nine months ago but only shown to him on Wednesday — was unsubstantiated and speculative.

It was true that wives had accompanied officials on trips but this was because the team handling secret projects was away from home for month-long periods and they worked abnormally long hours.

Dr Rhoodie criticised a secret report by the Auditor-General which was recently leaked to the Press.

He claimed that with the support of the Minister of Information he refused to give details of these operations to the Auditor-General.

He said the Auditor-General's report should never have been kept secret from him and the leaking of it to the Press was a treacherous act.

THOR Communicators (Pty) Ltd, the mysterious public relations company that they Information Secretary Dr Eschel Rhoodie to the Seychelles last year and which was involved in acquiring a luxury Bantary Bay house for him, is financed by the department's secret fund, according to the Sunday Express today.

When the newspaper published the original Rhoadie said he did not know what Thor did although all three directors — Mr Hurwitz, Mr Retief

Mr Pieterse is also a director of Thor Communicators, the group which at one time expressed an interest in buying Mr Louis Levy's private jet

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Thor is financed by a secret fund, says report

The Sunday Times claims today that the company received a lump payment of 3-million dollars from the Union Bank of Switzerland in October, 1976, five months after the company was formed.

It also discloses that when the company started it lodged a deposit of R2 500 with the Standard Bank, Pretoria, and that payments by tenants in the six luxury Cape Town flats owned by Thor were channelled through the company bank accounts before reaching Thor's Pretoria bank account.

Thor bought its six Valhalla flats for R225 500 in June, 1976, the month the company was incorporated.

Last year Dr Rhoodie bought a R70 000 house in Bantary Bay after he said it had been spotted for him by a Thor director, Mr Oscar Hurwitz, who knew he was keen on a bank accounts before reaching Thor's Pretoria bank account.

According to the Sunday Times, Mr Hurwitz, who died last year, was seriously ill most of last year and did not visit Cape Town.

When the newspaper published the original Rhoadie said he did not know what Thor did although all three directors — Mr Hurwitz, Mr Retief

Rapport said today the only man who could have ordered the Auditor-General, Mr Gerald Barrie, to keep his nose out of the Department of Information's "highly secret operations" is the Minister of Finance, Senator Owen Horwood — and he did not do so at any stage.

This was the legal view in answer to the public attack that the Secretary for Information, Dr Eschel Rhoodie, had made.

He said the Auditor-General's report should never have been kept secret from him and the leaking of it to the Press was a treacherous act. It had "seriously and negatively" affected all open and secret operations of his department. An incredibly successful paratris had been

Dr Rhodie fought an aggressive but losing battle against the weight of international opinion, in a situation in which — because of the economic squeeze — the country's legitimate diplomats had to cut back their expenses overseas by 25 percent

Diplomats complained that the Information Department was "preaching to the converted" in foreign countries, making little progress beyond the conservative fringe and invading their special preserve of sensitive diplomacy

But their main complaints apply to specific blunders.

Among them:

- The 1975 letter from Dr Mulder to President Ford containing a warning that the Russians were involved in a build-up of arms and equipment at Nacala on the Mozambique coast

- The letter was described in Washington as a "disaster" in back door diplomacy. The charge was made on the basis that the Cabinet Minister of a small country such as South Africa simply does not write directly to the President of the United States from a protocol point of view, that sensitive information is not passed in this way and that such action is handled through proper diplomatic channels

- Dr Mulder's 1976 offer of Simonstown to the Americans when it became apparent that Britain was about to end its long-standing agreement with South Africa over the use of the naval port

Incensed

Made during a visit to the United States, the offer was regarded as having invaded the preserve of Defence Minister P. W. Botha, who was reportedly incensed at the time

- Dr Mulder's 1977 statement that South Africa would consider closer relations with the Red Chinese if the West continued to pressure the country. The statement was greeted with disbelief at the United Nations and brought an angry retort from the Chinese who said they would have nothing to do with South Africa

- Dr Mulder's labelling of Hodding Carter as a

conscience, had been given a subsidised tour of South Africa in January 1975.

Crane took the floor to speak against the resolution and in the course of his remarks introduced into the debate the critical fact sheet drafted by DeKeiffer. He did not identify the source of that part of his speech

Taking the floor after Crane, was Congressman John Dent, an old friend of DeKeiffer who has had regular campaign contributions from DeKeiffer. Dent, too, had travelled to South Africa the previous year on a privately subsidised trip that DeKeiffer helped arrange

DeKeiffer had also given Dent a copy of his pro-South African fact sheet.

The Information Department, alerted only 12 hours earlier, had turned out 200 copies of a handsomely-printed brochure on the Transkei.

Capitol

That year Dr Rhodie had also made a trip to Washington during which he addressed Capitol Hill aides and put in a strong plea for recognition of the Transkei.

The resolution, which needed a two-third vote for approval, failed by 23 votes. Of 11 house members who had visited South Africa on subsidised trips over the previous twelve months, 10 voted against it.

Such is the nature of Dr Rhodie's "back-door" campaign. There have been successes but there have also been many faux pas which have angered legitimate diplomats and, in their view, made their tasks more difficult.

Cur films shown 5 000 times

NEW YORK. About 5 000 times last year, TV stations and cinemas throughout the United States used documentaries provided by the South African Information Department here

The documentaries are promoted and distributed by Association Films

The bill for the service in the past year was "roughly" 60 000 dollars, according to Mr Roger Cohaney, a account executive for the firm.

It distributes similar "government" films — as

... and ensure the entire South African Embassy staff were treated as *persona non grata* on Capitol Hill.

Espionage

Following complaints, the US Justice Department was said to be investigating the possibility of espionage charges against DeKeiffer and the Congressmen made it clear that DeKeiffer would subsequently have great difficulty in lobbying successfully on Capitol Hill.

Yet in January this year the Information Department once again contracted De Keiffer to work for them under the new aegis of De Keiffer associates

The full extent of the Department's unorthodoxy was disclosed two weeks ago when Dr Rhodie's letter to the Treasury motivating funds for the Transkei independence was published in the Select Committee on Public Accounts report.

Dr Rhodie made it clear in the letter that the Department was prepared to bribe foreign journalists for good publicity. And his Minister, Dr Mulder, backed him up by saying that South Africa was not the only country involved and that it should not be expected that South Africa should stick to the Queensberry Rules.

This admission drew shocked reaction from journalists throughout the world and it was suggested that the statements would have a devastating effect on the Information Department's image abroad.

The Foreign Affairs Department has over the years become increasingly antagonistic towards the Information Department with individual officials

once important portfolio

All that now remains is the prospect of further disclosures, the almost inevitable retrenchment of officials, the ending of contracts with the Barons and the De Keiffers and the restructuring of the Department into a kind of Central Office of Information (British) or International Communication Agency (American)

The agency is not expected to have Government department status and will probably function along the lines of the South African Tourist Corporation with its director considerably junior to the secretary of Foreign Affairs, Mr Brand Fourie.

The agency will not conduct or perform any diplomatic activity and most of its officers abroad will be rationalised within the structure of foreign embassies.

But as Dr Mulder watches his many-tiered organisation disintegrate he faces his toughest personal challenge.

His quandary has been: How can he divorce himself from a man (Dr Eschel Roodie) with whom his own political fortunes have been inextricably linked.

It is the manner in which this divorce is handled that will undoubtedly settle the future of the man who has become the central figure in the most serious crisis of conscience in Nationalist administration since 1948.

The test will come on Tuesday when Dr Mulder stands up to reply to the debate on the Information vote and faces the many questions that will have to be answered.

By Cheetah Haysom

opposed to tourism films — for Israel, West Germany and France

The South African account was one of the smaller government accounts, Mr Cohaney said.

The Information Department was billed each month according to the number of times the documentaries were seen and the size of the audience

The same billing system was used for all 600 countries and businesses that

were clients, Mr Cohaney said.

Mr Cohaney said that the South African Information Department bill had been trimmed by about 40 percent in the past two years

The head of the Information Department, Mr Johan Adler, had cut the documentaries on the file by almost half

Mr Cohaney said there was now greater emphasis on "message" films

The documentaries were used about 5 000 times a year in various parts of the country, he said.

Sunday Tribune 7-5-78

wee Kongreslede, een senator en minstens tien hoofde van groot Amerikaanse korporasies woon binne 2 km van sy huis. Sy naaste buurman is Amerika se eerste ruimtman, nou politikus — sen. John Glenn — en die hoofde van nuusmedia is bok klipgooi van hom af.

Hy is heeltemal deel van daardie gemeenskap van die dorpie Potomac en die groot huise op die klein plases daaromheen.

Maar „my lewenstandaard in Amerika is hoegenaamd nie hoër as toe ek in Suid-Afrika was nie. As ek in Suid-Afrika as redakteur aangebly het, sou my basiese salaris vandag seker dubbel gewees

ton, New York, Chicago en Los Angeles. Die plan is so opgestel dat „multiteite nie na ons onthale genooi word nie“. Goie kontak is gemaak op belangrike vlakke soos die universiteite, nuusmedia, vakbonde en politieke leiers.

Om terug te kom na ampse huise elke amptenaar se huisvesting is ooreenkomstig sy amp. In Washington is drie ampswonings met bediendes wat deur die staat onderhou word — dié van die ambassadeur, die ministerwoordiger by die Internasionale Monetêre Fonds.

Hy self het met die intrekslag uit eie sak 5 000 dollar bestee aan gordyne, gordyn-

die Amerikaanse sinas e toon.

„Die nuwe aanvallende houding van Amerikaanse sakeondernemings teen groepe wat hul handel met Suid-Afrika wil belemmer, is hiervan 'n goeie voorbeeld. Dit het nie sommer uit die lug geval nie,“ sê mnr. Noffke.

* Carl Noffke is soos 'n sakeman wat jaarliks R2 miljoen bestee om sy produk te verkoop aan mense van wie byna honderd persent nie daarvan hou nie. Sy prestiese verkooptegete, as sy omsat en sy dividende, as daar die slag is nou ja, dis moeilik om dit uit te spel.

So glo mnr. Carl Noffke, 48, voormalige redakteur van Die Transvaler wat die afge-

„'N GROOT deel van ons inligtingswerk in die buiteland kom uit die aard van die saak nooit in die kalkdig nie, maar as ons 'n lys van die prestasies van die afgelope vyf jaar aan die SA publiek kon voorlê, sal daar dadelik aandrang wees om nog twee monumente op te rig by die vele wat Suid-Afrika reeds het — een vir dr. Connie Mulder en een vir dr. Eschel Rhoodie.“

Van HENNIE PRETORIUS

WASHINGTON.

lope drie jaar hoof van Inligting in Amerika is en, na hy ver wag, binnekort die nuwe titel kry van Direkteur van Inligting in Amerika.

Dié storm wat nou om Inligting gons, herinner hom by tye aan Watergate, sê hy, maar hy klim in met wat die Hollanders sal noem fighting talk. Hy sê die knap jong amptenare van die departement was in die bestek van 'n paar jaar verantwoordelik vir feitlik 'n revolusie in die pogings om Suid-Afrika aan die buiteland te verkoop.

En hy verdedig met vuur sy manne teen verwyte van „groot lewe“, wat geruime tyd veral uit kringe van die Departement van Buitelandse Sake gehoor word.

Die uitgangspunt is dat die departement sy werk doeltreffend moet kan doen, beklemtoon hy. „As daar van my ver wag word om sakehoofde en politieke leiers aan huis te onthaal, kan ek dit tog nie in 'n eenslaapkamerwoningstel doen nie,“ sê hy.

Hy leef nie in weelde soos beweerd word nie. Hy woon wel op 'n groter stuk grond buite die stadswyke van Washington, maar die huis kos goedkoper as baie huise in die stad. Hy het dit spesifiek gekies sodat hy naweke sy kontakwerk kan voortsit — die gemiddelde inligtingsman in die buiteland kan nie sy werk behoorlik doen as hy nie minstens twee uur per dag buitentyds insit nie.

het wat ek nou verdien. Boonop het ek daar 'n ampsmotor met bestuurder gehad.“

As dit die Regering ernstig is om mense met sy ervaring in diens te neem om Suid-Afrika se saak in die buiteland te stel, moet hy hulle betaal, sê mnr. Noffke. Anders sal daar net voortgeploeter word.

Daar moet ook gedink word aan die eise wat sulke poste aan amptenare se vrouens stel. Sy vrou, soos dié van ander senior amptenare, het geweldige onthaalverplichtinge, en dit terwyl sy hul vierslaapkamer huis sonder bediende moet behartig.

„Dit is nie aangenaam om twee amptelike onthale per week tuis te gee nie. Dis verpligtinge wat hoe eise stel aan amptenare en hul vroue.“



MNR. CARL NOFFKE

Gepraat van onthale: Inligting se mense onthaal volgens 'n vaste plan wat hy self uitgewerk het, sê mnr. Noffke. Hy hou toesig oor elkeen van sy 15 top-manne in Washing-

kappe en matte, en hy moes die hele huis self meubileer (dié staat betaal nou 1 500 dollar per maand vir sy huis)

Ondanks die praatjies oor Inligting se groot manier van doen in die buiteland is daar geen verskil in die leefwyse van die amptenare van die verskillende departemente nie, sê mnr. Noffke. Al die amptenare kan byvoorbeeld dieselfde eise instel ten opsigte van onthaal — 'n maksimum van 10 dollar per kop vir 'n skemerkekie en 38 dollar die kop vir 'n aansit-ete tuis.

„Uit die aard van die saak verteenwoordig elke amptenaar Suid-Afrika.“

Oor die sukses van Inligting se aksie in Amerika twyfel hy g'n oomblik nie. Dit is 'n geweldige opdrag, die VSA se bevolking is byna net soveel as die totale bevolking van al die Europese Gemeenskapslande. Daar is in die VSA net een inligtingsman vir elke 15 miljoen.

Dis in die lig hiervan onmoontlik om jou aandag aan die massas te gee. Dis nodig dat die departement ook die dienste het van die bekwaamste skakeldeskundiges en mense wat bedrewe is in politieke ooredingswerk.

SA se inligtingsaksie in Amerika kos die belastingbetaler nou kort by die R2 miljoen per jaar. Daarvan word 650 000 dollar per jaar betaal aan die skakelmaatskappy Sydney S. Barron in New York en 200 000 dollar aan die lobby-man Don de Kieffer en vennote in Washington.

Die resultate van die gesamentlike pogings is bv. die positiewe artikels in koerante en tydskrifte, positiewe aksie van politici, van akademici en think tanks van sake-lui wat al hoe meer begrip vir

DIE hoof van die Departement van Inligting in Amerika, mnr. Carl Noffke, se „landgoed“ sowat 30 km van Washington se middestad. Dis in die pragtige omgewing van die dorpie Potomac 'n Huis en erf daar rond kos gemiddeld 'n kwartmiljoen dollar. Die huis kos die staat 1 500 dollar per maand. Mnr. Noffke se naaste buurman is Amerika se eerste ruimtman en nou politikus, senator John Glenn.

Noffke praat oor „groot lewe“ in buiteland

7/5/78

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Rhodie affair 'boiling over'

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Parliamentary Correspondent

CAPE TOWN — The controversy in the Department of Information is threatening to "overflow" into the portfolios of several senior Cabinet ministers — including those of the Prime Minister, Mr. Vorster, and the Minister of Defence, Mr. P. W. Botha.

This new development is the direct consequence of the Secretary for Information, Dr. Eschel Rhodie, saying that he had at his disposal a "secret fund" of which neither Parliament nor the Select Committee on Public Accounts was aware.

Parliament is the only body which has the power to allocate money to finance Government operations, secret or otherwise.

It was established yesterday that the only department with sufficient secret finances to have bankrolled the Department of Information's controversial undercover exploits were those of Mr. Vorster and Mr. Botha.

Other departments with secret monies at their disposal include Foreign Affairs and Plural Relations.

But the amounts granted them were reported to be far too small for the purposes of Dr. Rhodie.

Secret

Last year Parliament granted Mr. Vorster more than R12-million to spend on the Security Services Special Account, the account from which the Bureau for State Security is financed.

It had also approved large, but undisclosed amounts, to be spent, for secret strategic purposes by the Minister of Defence.

The Opposition's chief spokesman on information matters, Mr. Japie Basson maintains Dr. Rhodie and his officials cannot be held culpable on their own.

The most revealing part of the debacle is the runaway role of the responsible Cabinet members.

Mr. Basson said it is evident that Dr. Eschel Rhodie and his senior assistants were used as agents by the Government and instructed by them to under-

★ TURN TO PAGE 2

take certain work of a secret nature

Mr. Basson charged the Government with leaving officials to carry the burden of explanation.

In an interview yesterday Dr. Rhodie said he would be flying to Cape Town today to discuss matters with his minister, Dr. Connie Mulder.

At the weekend it was disclosed that Thor, the public relations company which has conducted certain business on Dr. Rhodie's behalf and which Dr. Rhodie admits has acted as a front for the Department of Information, received R2 900 000 from the Union Bank of Switzerland in October 1976.

The money was the only major deposit to be made in the Pretoria banking account of Thor and it is widely believed that this money was used for internal propaganda, and certain publishing ventures.

Last night the Auditor-General, Mr. Gerald Barrie, refused to comment on developments including Dr. Rhodie's attack on him personally.

Dr. Rhodie said Mr. Barrie had destroyed a Government funded secret operation under the Department of Information.

He also charged that the Auditor-General's office may have breached the Official Secrets Act.

He said "I am not a civil servant. I am appointed by the State President and my responsibility is to report to Parliament."

It is expected that the Speaker of the House of Assembly, Mr. Jannie Loots, will deal with Dr. Rhodie's disclosures which were described yesterday by the chairman of the Parliamentary Select Committee on Public Accounts Mr. Henrie van der Walt, as deplorable.

Dr. Mulder tomorrow will face severe questioning on why he misinformed Parliament about the Government's connection with two trips made to the Seychelles by Dr. Rhodie.

Meanwhile, though Nationalist supporters of Dr. Mulder are rallying around their man once tipped as South Africa's next Prime Minister, the minister himself is understood to be reconsidering his position in politics.

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Mulder will face

Opposition charges in Parliament

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By MARTIN SCHNEIDER
Political Editor

THE Minister of Information, Dr Corne Mulder, faces Opposition charges that he misinformed Parliament on at least two occasions over Dr Eschel Rhoodie's Seychelles Islands visit.

He will also be questioned on conflicting statements by Dr Rhoodie Secretary for the Department of Information in official explanations of the controversial trip.

Mr Japie Bas on (PEP Bezuidenhout), the official spokesman on Information matters said last night he would question the Minister during the Information vote in the House of Assembly on Tuesday.

The crucial test is whether or not Dr Rhoodie's most recent explanation of the trip is correct.

If he is correct, an analysis of the conflicting statements shows that Dr Mulder at first did not mention the trip in Parliament, then possibly misinformed the House about the nature of the visit.

Dr Mulder said the trip was a holiday visit which cost the department nothing.

Dr Rhoodie has said the trip was an "official secret visit" partly paid for by Government money. But in his earlier statements he said the trip could be

no stretch of the imagination be called a planned official visit. He has also said the trip cost the Department of Information R300.

Following is a history of the conflicting statements.

⊙ In January last year, Dr Rhoodie and 10 friends went to the Seychelles Islands. The trip was not reported in newspapers.

⊙ In March this year, Dr Mulder was asked in Parliament to detail countries visited by Dr Rhoodie in his official capacity during 1977. The Minister listed European countries and the United States, but made no mention of the Seychelles.

⊙ On April 2, The Sunday Express published the first account of the Seychelles trip, describing in great detail that it had been a lavish R678 a day holiday.

The Express also reported that Dr Rhoodie and his former Deputy Secretary, Mr Les de Vilhiers, who was also on the trip, had met the Seychelles President and Prime Minister during their holiday.

The Seychelles President Mr James Mancham, was quoted as saying the discussions involved landing rights for SA Airways. ⊙ Later that day, the Opposition argued that the discussions made the trip at least partly official and

charged that Dr Mulder may have misinformed Parliament by not mentioning the visit when detailing the countries Dr Rhoodie had visited in his official capacity in 1977.

But an angry Dr Rhoodie insisted the trip had been private and that the Minister had been correct in not mentioning it.

Describing the Sunday Express report as a "gross invasion of privacy," Dr Rhoodie said in his official statement "The visit can be no stretch of the imagination be considered a planned official visit."

However he confirmed he and Mr De Vilhiers had met the Seychelles officials, and added that for the two days of the talks they had claimed hotel expenditure and a subsistence allowance at the prescribed rates laid down by the department.

⊙ On April 3, Mr De Vilhiers said he regarded part of the controversial trip as "official."

Referring to the two days of talks, he said "If I didn't claim for that part of the trip, obviously it would not have been official, therefore it was official."

⊙ On April 4, Dr Rhoodie was quoted in The Citizen as saying "In fact, the entire visit cost the Department of Information about R300." The Rand Daily Mail then established that Dr Rhoodie had not challenged the accuracy

of the statement attributed to him.

⊙ On April 7, Dr Mulder, replying to questions by the Opposition, told Parliament Dr Rhoodie's claim for two days' expenses on the trip had been disallowed.

This was because the talks on the island were unofficial, Dr Mulder explained.

⊙ Responding to Dr Mulder's statement, Dr Rhoodie said "All I can say is that I submitted a claim that happened 16 months ago and during that time I have put in a hundred or more claims, some of which have been accepted and others turned down. I can't possibly remember all the details."

⊙ On Friday night last week, Dr Rhoodie issued a very long statement, which ran to 125 cm in the "Mail".

In it, Dr Rhoodie said "I have no hesitation in confirming that this was an official secret mission structured in a way approved by President Mancham and my Minister."

But Dr Rhoodie still defended the original statements by Dr Mulder and himself.

The Government, he said, had paid for his hotel and other expenses for two days.

"The payment was not made from the Department of Information's open account and in this respect our initial statements were correct," he said.

"My subsequent action and statements were aimed at protecting a secret operation. I said at the time the trip did not cost the Department of Information anything, which is true — it was paid from Government funds not appearing on the books of the Department of Information."

⊙ However, Dr Rhoodie had already told The Citizen "In fact the entire visit cost the Department of Information about R360."

And in his Friday night statement he strongly implied that secret funds which paid for the Seychelles trip did fall under the Department of Information.

He said that when the Auditor General examined his department's books "lines of expenditure under secret and open funds crossed."

Dr Rhoodie also said "A secret fund was also provided to the department."

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Rhodie probe may hit Cabinet

8/5/78
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By HUGH MURRAY
 Political Correspondent

CAPE TOWN
THE ASTONISHING controversy in the Department of Information is threatening to "overflow" into the portfolios of several senior Cabinet Ministers — including those of the Prime Minister, Mr Vorster, and the Minister of Defence, Mr P W Botha.

This new development — revealed to the Rand Daily Mail yesterday — is the direct consequence of shock disclosures by the Secretary for Information, Dr Eschel Rhodie, that he had at his disposal a "secret fund" of which neither Parliament nor the Select Committee on Public Accounts was aware.

Parliament is the only body which has the right to allocate money to finance Government operations, secret or otherwise.

It was established yesterday that the only Departments with sufficient secret finances to have bankrolled the Department of Information's controversial undercover exploits were those of Mr Vorster and Mr Botha.

Other Department with secret monies at their disposal include Foreign Affairs and Plural Relations but the amounts granted them were reported to be "far too small" for the purposes of Dr Rhodie.

Last year Parliament granted Mr Vorster more than R12-million to spend on the "Security Services Special Account" — the account from which the Bureau of State Security is financed.

It has also approved large but undisclosed amounts to be spent for secret strategic purposes by the Minister of Defence.

In the wake of Dr Rhodie's further claim that he has acted with the permission of a Cabinet committee — and that three Ministers were involved —

it is being speculated that the row will escalate and include these members of the Cabinet

The Opposition's chief spokesman on Information matters, Mr Japie Basson, PFP MP for Bezuidenhout, maintains Dr Rhodie and his officials cannot be held culpable on their own. "The most revealing part of the debacle surrounding the Department of Information is their unaway role of the responsible Cabinet members," Mr Basson said. "It is evident that Dr Eschel Rhodie and his senior assistants were used as agents by the Government and instructed by them to undertake certain work of a secret nature. The funds were also entrusted to them by the Government

"Now that an embarrassing situation has arisen and some of the activities have become public, one would expect the Government and the Minister of Information to take the public into their confidence and defend their officials."

Mr Basson said, however, that the Government preferred to remain quiet and leave their officials to "carry the burden of explanation and defence."

In an interview yesterday Dr Rhodie said he would be flying to Cape Town today to discuss matters with his Minister, Dr Connie Mulder.

Last night the Auditor-General, Mr Gerald Barrie, refused to comment on developments — including Dr Rhodie's slating attack on him personally.

Dr Rhodie's claim that he had access to secret funds, as well as his accusations against Mr Barrie, are expected to result in the widening of the Select Committee's investigation into the Department of Information.

Meanwhile, the Minister is understood to be reconsidering his position in politics. Those close to him know he is extremely depressed.

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How UCT shocked th

Vorster, ministers may be drawn into row

CT.
8/5/78
(259)

By TOM COPELAND
Political Correspondent

SEVERAL senior Cabinet ministers, including the Prime Minister, Mr Vorster, might be drawn into the mounting political storm over the Department of Information's alleged secret fund and covert operations.

In the wake of Friday's disclosures by the Secretary for Information, Dr Eschel Rhodie, the government will be forced to take action against a backdrop of intense Nationalist criticism of Dr Rhodie's unilateral press statement and serious misgivings about his department's apparent undercover role.

Dr Rhodie claimed that his department had been provided with a secret fund for clandestine missions with the approval of a three-man Cabinet committee, and without the knowledge of Parliament or the select committee on public accounts.

He also launched an unprecedented attack on the Auditor-General, Mr Gerald Barrie, linking him with the "treacherous act" of leaking a secret report on the department.

Nationalist politicians are said to be infuriated by Dr Rhodie's disclosures, and particularly by his implication of the Cabinet in his department's secret activities.

They also believe that his statement, made during the select committee's uncompleted hearings on the department, might be contempt of Parliament.

Dr Rhodie's insistence that he had the full backing of the Minister of Information, Dr Connie Mulder, and his claim that the secret fund was approved by a three-man Cabinet committee, has widened the controversy to the point where it threatens to escalate into possibly the



Mr Gerald Barrie . . . his report sparked furore — see page 2

INSIDE

- Over to the Prime Minister — page 10
- Full reports — pages 2 and 3.

worst crisis of confidence in the National Party since 1948.

It was established yesterday that the only departments with sufficient secret money to have financed the Department of Information's undercover exploits were those of the Prime Minister and the Minister of Defence.

This has led to speculation that the Cabinet committee referred to by Dr Rhodie might have included Mr Vorster and the Minister of Defence, Mr P W Botha.

Parliament is the only body which has the power to allocate money to finance

government operations, secret or otherwise, and yesterday the chief Opposition finance spokesman, Mr Harry Schwarz (PF), said he knew of no law in terms of which the Information Department had "an open account and another account."

Tomorrow, Dr Mulder is to face questions in Parliament during the debate on the information vote. One of the key points he will be asked to explain is why, if such a secret fund existed, he did not at any stage inform Parliament about it.

He will also be asked to explain the contradictions between Dr Rhodie's statement concerning a recent visit to the Seychelles and his own replies in Parliament last month.

Yesterday, the pro-government Sunday newspaper, Rapport, highlighted the fact that if Dr Rhodie's statement is correct, then Dr Mulder misinformed Parliament about the trip.

In his statement, Dr Rhodie said the trip was part of a secret mission, approved by Dr Mulder, and that the cost was largely borne by the government.

But when Dr Mulder was asked on April 7 by Mr Japie Basson (PF) whether officials of his department had paid an official visit to the Seychelles last year, he said: "No. During a holiday the Secretary for Information and the chief director (planning)

Continued on page 2



Matie drum-majorettes high-kick their way around the New Year start of the thrilling inter-varsity between UCT and Stellenbosch inter-varsity fans have described the match, narrowly won by UCT, as the cleanest and most exciting in years. Gate figures were down on a popular battle between the two universities nevertheless drew

7 000 SA troops in attack — S

JOHANNESBURG. — Mirage jets used bombs to attack Angola before the South African troops stormed in on Radio Luanda, while Swapo issued a statement saying 7 000 South Africans were involved in the attack.

Radio Luanda claimed that South African troops were still occupying strongpoints inside Angola along the southern frontier near the Ruacana and Calueque water and power projects.

Radio Luanda said Mirages began bombing at 7 40am on May 4, and then 500 paratroopers were dropped on the Cassinga target zone from C130 transport aircraft 10 minutes later.

The communique also revealed that South African reconnaissance aircraft flew over Benguela, Lobito and Porto Alesandro on Angola's Atlantic coast.

In the attack on Cassinga South African troops encircled a camp, holding 3 000 Namibian refugees who were guarded by their own militia.

In this phase of the attack, the radio claimed, 500 people were killed and 264 were

wounded, about 140 were still on the critical list.

The South African operation continued, the communique said, till 10am when MPLA troops were given orders to advance to Cassinga. Sixteen soldiers were killed and 64 wounded, said the communique.

The other front in the Calueque district near the SWA-Angola border opened up at 6am when 40 armoured cars crossed the border at three different places.

There was no MPLA defence because their forces were stationed 30 km from the border to avert border clashes.

At 9am there was a clash between South African and Angolan forces — mostly border guards and not regular soldiers. Angolan casualties were 100 dead and 100 wounded, the radio claimed. South African Mirages also

+++THE RHOODIE AFFAIR+++THE RHOODIE AFFAIR+++

Six bikers killed as rally violence exploded

JOHANNESBURG. — At least six motorcyclists were killed and scores injured during the weekend Rhino Rally at Nelspruit erupted into violence.

The motorcyclists were killed doing stunts or in drunk chases through the town and at Nelspruit showgrounds, the venue of the rally.

A rider and his pillion-passenger were

killed driving at speed along a mountain path.

Two others died racing over a railway line and crashing into a barrier. None of the names of the dead had been released last night.

Police used teargas to disperse the drunk bikers, most of them armed, when they started smashing buildings at the

showgrounds and raced along the town's main street and pavement. At the showground drunk riders chased round the arena, knocking over one another. Several were injured.

Several bikers drove naked through the town and tents in the showground. Police closed two bars at the showgrounds.

The bikers, who normally hold their

annual rally at Nelspruit, were led by the Mayor of Nelspruit, Mr Folscher, when they arrived in the town for this year's rally. Nelspruit stayed in the town for the riders and crashed through the main street.

No provision for secret fund money

Political Correspondent

MONEY for the Department of Information's secret fund — its existence was disclosed by the Secretary for Information, Dr Eschel Rhoadie, on Friday night — may have been channelled from the secret services special account of the Prime Minister or from the special account of the Department of Defence.

No provision has been made in any budget for a secret services fund in the Information Department, but in last year's estimates R12 086 000 was transferred from the Treasury to the secret services account in the Prime Minister's department.

The estimates for 1977/78 also made provision for R510 000 for military intelligence in the Department of Defence, and for R230 000 for unspecified expenditure in the special account of the Department of Foreign Affairs.

Parliament also approved large but undisclosed amounts to be spent for secret strategic purposes by the Minister of Defence.

The Bureau for State Security is financed by the secret services account of the Prime Minister's department, but neither this account, nor the Defence special account are scrutinized by the Auditor-General.

In his statement on Friday, Dr Rhoadie said: "A secret fund was provided to the department but I do not intend, now or ever, to say how much and in what way it reached me."

The Secret Services Account Bill, before Parliament this session, consolidates most of the secret service funds to the Treasury. In this year's estimates an amount of R34 426 000 is earmarked to finance secret services undertaken by state departments.

Barrie's report sparked furore

Political Correspondent

THE FURORE surrounding the Department of Information and its mysterious secret fund was sparked by one man — the country's top public watchdog, the Auditor-General, Mr Gerald Barrie.

It was Mr Barrie, who, in April last year, started an audit of the department's financial affairs which brought to light allegations of unauthorized and wasteful expenditure.

And it was his subsequent dramatic "secret report" which lifted the veil on the unorthodox covert operations of the department admitted to on Friday by the Secretary for Information, Dr Eschel Rhoadie.

Dr Rhoadie claimed that it had been clearly stated that the fund was "top secret" and that no one would have access to its implementation, not even the Auditor-General.

Rhoadie had vouchers 'destroyed'

Political Correspondent

VOUCHERS for the Department of Information's financial year 1973/74 and 1974/75 were destroyed on the instructions of the Secretary for Information, Dr Eschel Rhoadie, the Sunday Express reported yesterday.

The newspaper also revealed that the Pretoria company, Thor Computers, was financed out of the department's secret funds.

The Sunday Express yesterday published extracts from a secret report by the Auditor-General, Mr Gerald Barrie. It had agreed to withhold publication for one week of the report at the request of the Minister of Information, Dr Connie Mulder.

It was this report which led directly to the extraordinary statement by Dr Rhoadie on Friday night, in which he admitted the existence of a secret fund provided to his department with the approval of a three-man Cabinet committee for unspecified undercover work abroad.

Yesterday, the Sunday Express reported as follows: The Minister of Information, Dr Connie Mulder, misinformed Parliament about the nature of two trips made to the Seychelles by his Department Secretary, Dr

Barrie. He is empowered to transmit directly to Parliament his report on any government department, if the minister concerned does not do so within seven days on receipt of the report.

Only the Minister of Finance may, after consultation with the Auditor-General, determine to what extent an audit shall be carried out of an account of "a confidential nature".

But according to the Nationalist Sunday newspaper, Rapport, the Minister of Finance, Senator Owen Horwood, had at no stage of the present investigation intervened to prevent an audit.

So not only does Mr Barrie check that the expenditure of public money has been authorized by Parliament and the proper procedure followed by departmental officials, but if he believes that public money is being uneconomically or inefficiently spent, he is expected to report the matter to Parliament.

In a recent interview, Mr Barrie made this statement: "Today it is generally accepted that an independent auditor-general is a vital link in any democratic system of government. Parliament decides what taxes must be paid and how the taxpayer's money will be spent, but it is Parliament's most senior official, the Auditor-General, who checks that its orders have been properly carried out."

Mr Barrie, who preceded Dr Rhoadie as Secretary for Information before his appointment as Auditor-General in September, 1972, was due to retire on March 31 this year.

He was requested to remain in office till the end of June by Senator Horwood, who said it would have been "inopportune" to have a change of occupant in this office while Parliament was in session.

Storm mounts

Continued from page 1

utilized a standing invitation from the President of the Seychelles to visit him.

Mr Basson also asked the minister whether his department paid any costs in connection with the visit. Again, Dr Mulder replied "No."

Rapport also revealed that the Minister of Finance, Senator Owen Horwood, at no stage in the present investigations intervened to prevent the Auditor-General's audit of the department.

The Minister of Finance is the only person empowered to act, in consultation with the Auditor-General, to determine the extent of an audit of an account of a confidential nature.

The newspaper also reported that it established that the Commissioner of Police would act in regard to the alleged "leak" of the Auditor-General's secret report only on the request of the Auditor-General himself.

In his statement on Friday, Dr Rhoadie said he would today formally request a police investigation into the "leak" of the Auditor-General's secret report to the Sunday Express.

The Sunday Tribune reported yesterday that a dozen Cabinet ministers approached for comment on the controversy all tried to distance themselves from the affairs of the department.

It also said senior Cabinet sources had disclosed that the secret fund operated without the knowledge of certain ministers, and "probably" without the

Parliament as claimed by Dr Rhoadie would be probed during the debate starting tomorrow.

Last night, the Auditor-General, Mr Barrie, declined to comment on Dr Rhoadie's attack on him or on any of the other developments involving the department.

Mulder told: Accept blame

Political Staff

THE Minister of Information, Dr Connie Mulder, should stop evading responsibility over the state of affairs in his department the Official Opposition's chief information spokesman, Mr Jan Basson, said last night.

"Dr Mulder should accept the blame for what happens in his department. I do not believe that the Secretary for Information, Dr Eschel Rhoadie, should bear the brunt of criticism."

Mr Basson said the Opposition would demand in the Informant Voice debate — due to start tomorrow — that Dr Mulder's minister should squarely accept the responsibility for what happened in the department.

Ministerial responsibility, said, was a cornerstone of democratic parliamentary systems. It was a vital principle which should be strictly adhered to.

Till now, said Mr Basson, Mulder had been almost aloof to the happenings in the Department of Information, and he was a judge instead of a directly involved.

Mr Basson said he was shocked and dismayed at the way the Cabinet left it to its officials to make declarations on matters which "apparently had their roots in Cabinet policy."

Another Nationalist member of the committee, Mr Brend du Plessis, said Dr Rhoadie's attack on a fellow public servant was "a deplorable act regardless of any circumstances which may or may not exist."

It was also highly irregular for Dr Rhoadie to "blurt things out to the press" before the select committee had completed its work, he said.

Meanwhile, Dr Rhoadie's claim that he had access to secret funds as well as his accusations against Mr Barrie could result in a widening of the select committee's investigation.

He will almost certainly be closely examined on why he did not disclose the existence of a

newsman — Rhoadie

LONDON — A categorical denial that South Africa Department of Information offered or paid foreign journalists from any country to write favourable stories about the Republic was issued yesterday by the Secretary for Information, Dr Eschel Rhoadie.

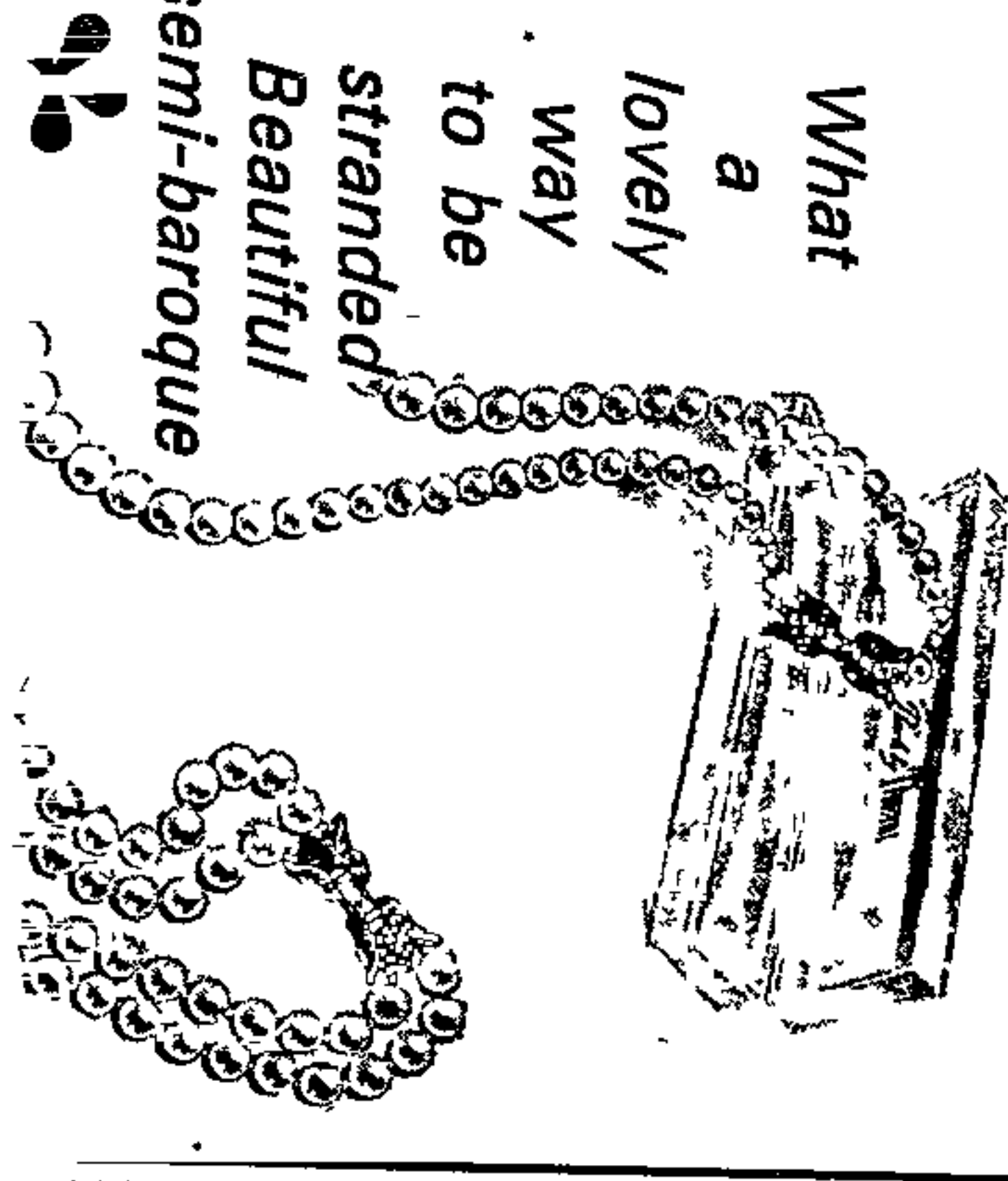
In a letter to the Sunday Express in London, Dr Rhoadie said reports to this effect in several South African "Opposition" newspapers were untrue.

The secretary was called by the newspaper last week by name, any British journalists

Mothers' Day Special!

GROUND FLOOR

What a lovely way to be stranded Beautiful semi-baroque



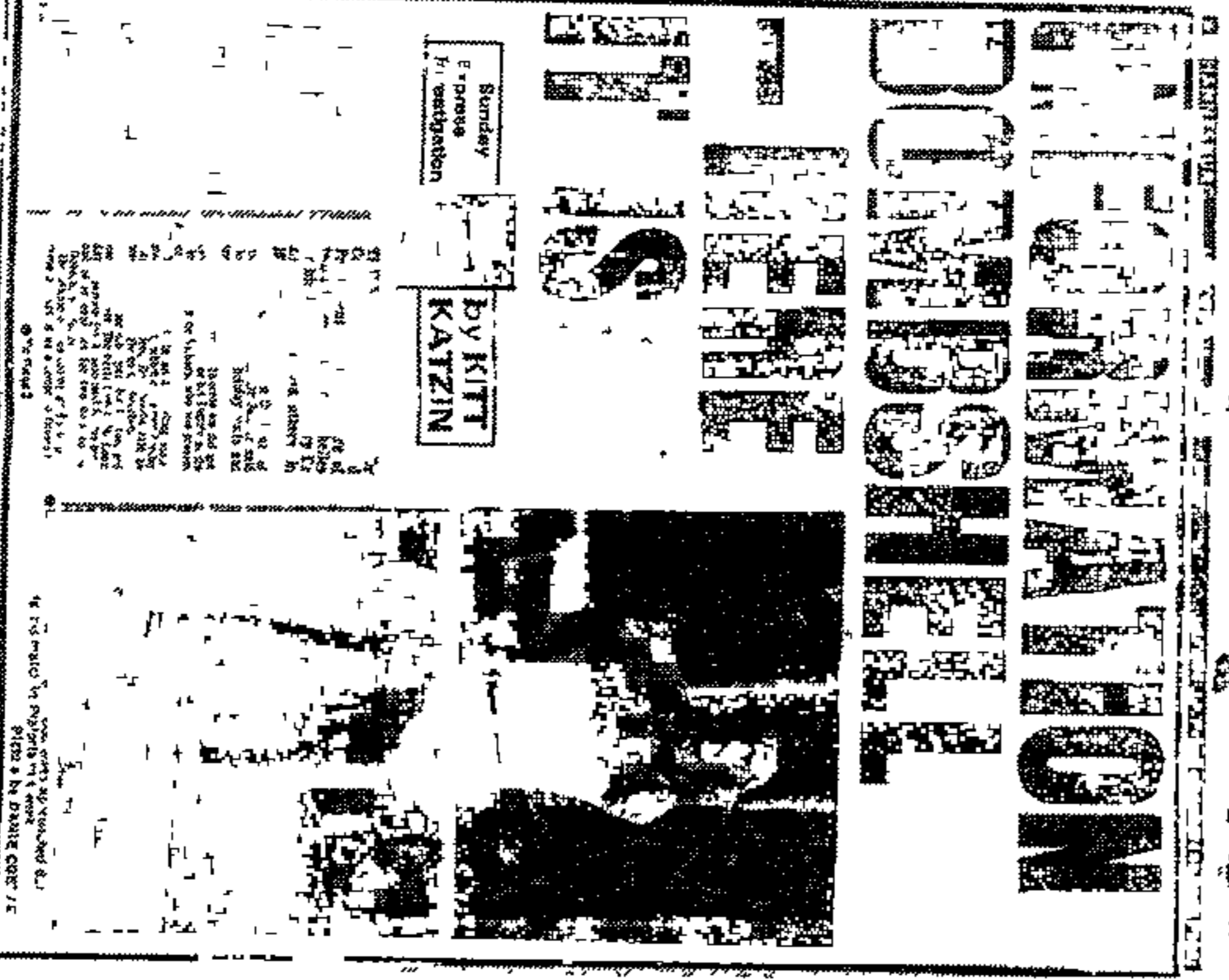
CONFIDENTIAL

SECRET

CONFIDENTIAL

by KITT KATZIN

MASSIVE HOLIDAY DISCOUNTS MAKE IT SO EASY TO FOLLOW THE SUN



Yesterday's Sunday Express

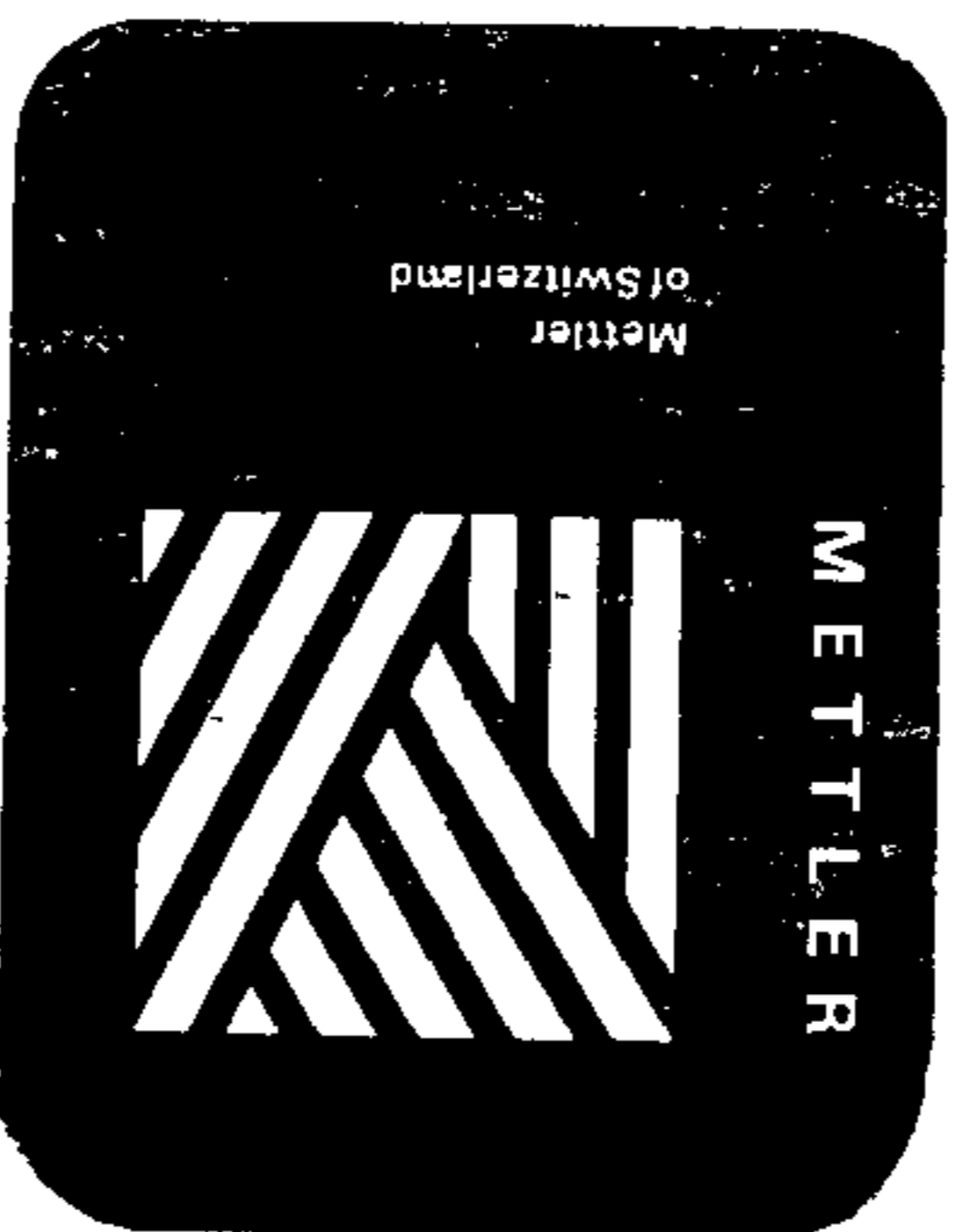
CONFIDENTIAL, who admitted Dr Rhoadie was confident — it is not certain

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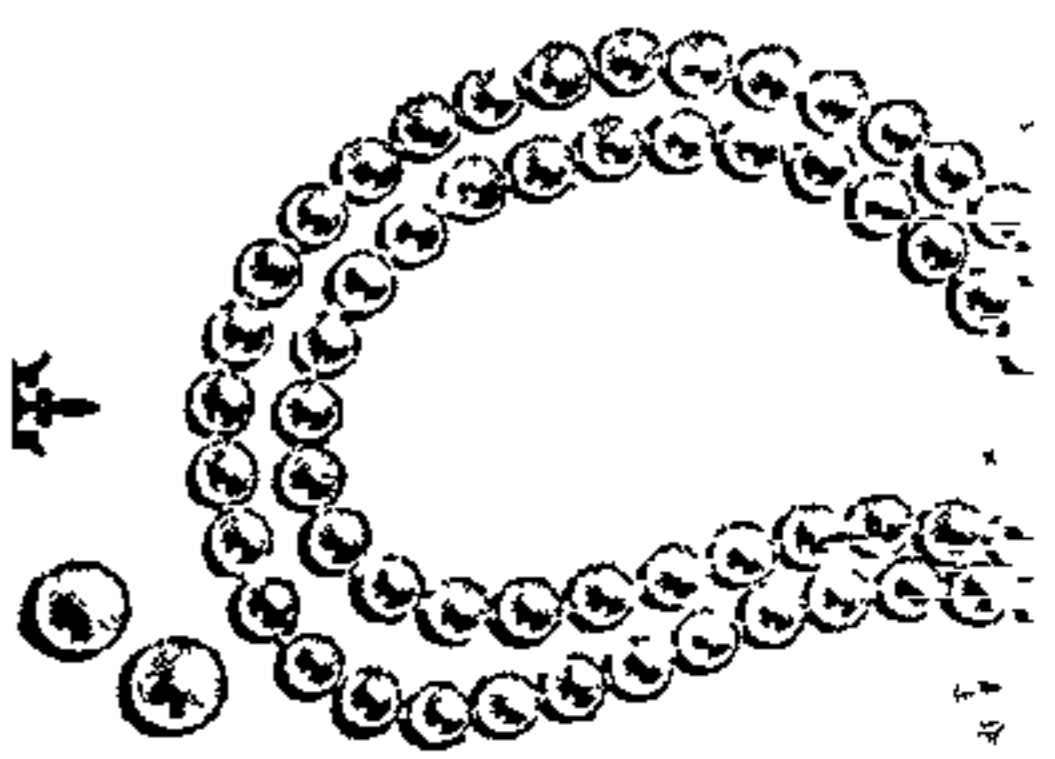
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1976 and 1977. Answering questions in the House of Assembly last month, Dr Mulder said the trips had been holiday visits and were not official.

The Department of Information did not reimburse Dr Rhoadie or his deputy at the time, Mr Las de Villiers, who was present on both trips.

Yet this week, in an astonishing statement to the press, which confirmed Sunday Express information, Dr Rhoadie said he was instructed to fly to the Seychelles.

The State, he said, paid for the fuel and operating costs. The party flew in Mr Louis Luyt's private jet. It also paid for his hotel and other expenses for two days out of "government funds".

Dr Rhoadie's astonishing... He also says... The Pretoria mystery company which the Sunday Express linked four weeks ago with the department, is financed out of the department's secret funds.

Dr Derys Rhoadie, Deputy Secretary and Dr Eschel Rhoadie's younger brother, was given advance payments of R10 000, and sometimes as much as R14 000, for trips abroad.

He discovered that in the case of the Rhoadie brothers and Mr A Fourie, the Department's... This authorization is required in terms of the Public Service Personnel Code.

Although Mr Barre's report... sent - I understand that he was satisfied with its contents when he submitted it.

Bid to conceal trip evidence - audit

Political Correspondent THE Sunday Express reported yesterday that two attempts were made to hide the fact that tickets were bought by the Department of Information for a woman to travel abroad at State expense.

Quoting from an "extensive audit" conducted by the Auditor-General, Mr F G Barre, of the secret fund operations of the department, the newspaper says R3 857 was paid into Dr Denys Rhoadie's bank account on February 28, 1977 - at Dr Rhoadie's request. The money was for travelling abroad by himself and a guest.

The amount, says Mr Barre, was drawn out of secret funds on March 1, 1977 and paid to Vacations Unlimited, the Pretoria travel agency paid R210 000 by the Department of Information over five years for travel and accommodation services in connection of established Government policy.

Two air tickets, says Mr Barre, were issued by Vacations Unlimited. One went to Dr Denys Rhoadie (R1 939,90) to fly to New York via Zurich and the other to Mrs Z Rhoadie to fly to New York (R1 917,10). Total R3 857.

Mr Barre then records evidence he uncovered of a second attempt to conceal the name of a person in whose name an overseas air ticket was issued.

He says two tickets costing R3 668,20 were issued for a visit to London, intended to coincide with Wimbledon.

Dr Eschel Rhoadie said in his statement to daily papers on Friday this reference by Mr Barre was not valid since the Minister, Dr Mulder, must (and did) approve all visits, as well as the timing and period.

The purpose of the London visit aside, Mr Barre discovered the original vouchers for the tickets - again handled by Vacations Unlimited - clearly showed one ticket was issued to Mrs Z Rhoadie.

But the reference to Mrs Rhoadie - on the Information Department's copy of the voucher in support of payment for R3 668,20 - was obliterated.

This was interpreted by the Auditor-General as a falsification (Dr Mulder was apparently puzzled by this finding. I understand that as far as Dr Mulder knew Dr Derys Rhoadie had been authorized to undertake the trip to London, which was official, and was entitled to have someone with him. Dr Mulder could therefore not understand why it had been necessary to obliterate details of the one ticket.)

Dr Rhoadie's London visit covered June 21 to July 7, and he attended Wimbledon.

According to Mr Barre, Dr Rhoadie spent ● E532 on accommodation ● E25 on taxis ● E50 on receipts.

He also claimed 1 050 dollars subsistence at 50 dollars a day for 21 days.

His total bill topped R10 888 and R11 151,81 was paid to him from secret funds on April 27, 1976.

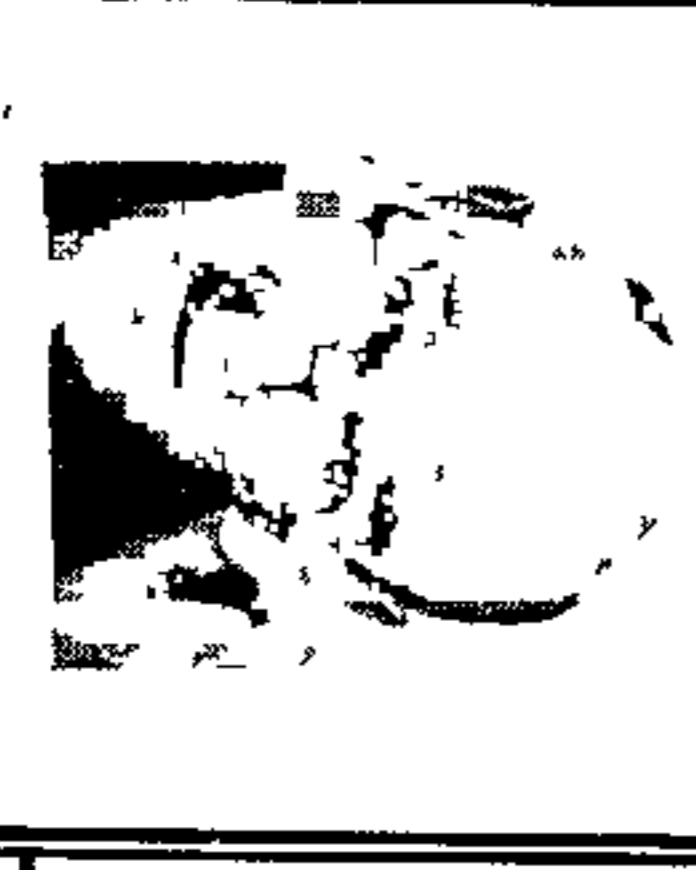
Dr Mulder was satisfied with this expenditure. I understand that this matter was brought to his attention by the Sunday Express Saturday explanations were given to the Auditor-General, Mr Barre, this week.

On Friday Dr Eschel Rhoadie said expenditure of R10 000 would normally be irregular, but as authorized to compensate a doctor in support of payment for R3 668,20 - was obliterated.

The newspaper also reported that the Minister of Information, Dr Connie Mulder, had satisfied himself, according to sources in Cape Town, that no corruption had taken place in the Department of Information.

It said: Dr Mulder is prepared to go on record as saying "not a cent of State money was wasted", although he accepts that certain severe irregularities, as claimed by the Auditor-General, Mr Gerald Barre, did occur.

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Dayan off to meet Callaghan
TEL AVIV. - Israeli Foreign Minister, Mr Moshe Dayan, left yesterday for Britain for meetings with the British Prime Minister, Mr James Callaghan.

weather

CAPE PENINSULA and vicinity
Partly cloudy and cool but cloudy in the morning with local drizzle. Wind fresh south-westerly to south-easterly. The maximum temperature at D F Malan Airport will be between 16 and 18C (61 and 64,4 F).

Western Cape coastal belt. Partly cloudy and cool. Wind fresh southerly but south-westerly in the south at first. Coastal belt. St. Louis's Pass to Port Alfred. Wind fresh southerly but with showers clearing partially in the west. Wind fresh south-westerly becoming southerly in the West.

Namqualand and the south-west Cape interior. Fine and mild but cloudy and cold in the Robertson valley with drizzle at first.

Coastal belt, Plettenberg Bay to Port Alfred. Fair and mild. Wind fresh easterly to north-easterly.

Coastal belt, Port Alfred to Port St Johns. Partly cloudy and mild becoming fine tomorrow. Wind - moderate north-easterly becoming fresh tomorrow.

Prerora, Witwatersrand and the Eastern Highlands. Fine and mild to warm. Free State and Cape north of the Orange River. Fine to partly cloudy and cool. Drizzle over the northern areas. Transvaal. Fine and mild but warm over the north-eastern areas.

Natal. Partly cloudy and mild with

MONDAY TO FRIDAY SHAPS
Camera and optics in which the photographer takes part

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Tonight's TV in full

- 6:00: From the Book
- 6:04: Playhouse Story time for children
- 6:18: Black Beauty. Last episode in the dramatization of Anna Sewall's popular novel. A cottage is burnt down. Dr Gordon is suspected. The children prove that he was framed.
- 6:43: Looking In. David Hall-Green and Doranne Berry look at the odd things around us.
- 7:04: Pop Shop. Current pop hits.
- 7:18: Emergency One. Paramedics of Fire Station 51 deal with the victims of a suburban fire.
- 8:10: News
- 8:30: Weebering
- 8:35: Boccaccio. An opera by Franz von Suppe. The last in the current season in the Afrikaans service. A light-hearted caper about Boccaccio, poet and singer, who slays the girls in Florence. A fine cast of singers.
- 10:15: Sportfokus
- 10:45: Nuus
- 11:00: Cordenking: Pastor J du Plessis

Weekend TV

UNTIL SATV makes the tremendous interest shown by long-overdue changes to break viewers in the previous episode, it probably kept a little that can be said about its overall mediocrity that has not been repeated on numerous occasions, not only by critics but by letter writers to newspapers all over the Republic.

It was, once again, Sunday night's programme that provided the best viewing of the weekend. After a typical sit-back-and-relax documentary concerning the longest river in France, the Loire, and the magnificent half-hour that succeeded it with the Vienna Philharmonic's rendering of Mozart's Piano Concerto No. 23, there was even more to come.

I refer, of course, to what was unquestionably the highlight of the weekend - an episode in the Royal Heritage series. This time it concerned that great patron of the arts, King Charles I. After the

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Own Correspondent
JOHANNESBURG — The Minister of Information, Dr Connie Mulder, faces opposition charges that he misinformed Parliament on at least two occasions over Dr Eschel Rhoodie's Seychelles islands visit.

And he will also be questioned on conflicting statements by Dr Rhoodie, Secretary for the department, in official explanations of the controversial trip

Mr Japie Basson, PFP MP for Bezuidenhout and official spokesman on information matters, said last night he would question the minister during the Information Vote in the House of Assembly tomorrow

The crucial test is whether Dr Rhoodie's latest explanation of the trip is correct

If Dr Rhoodie is correct, an analysis of the conflicting statements shows that Dr Mulder at first did not mention the trip in Parliament, then possibly misinformed the House about the nature of the visit

Dr Mulder said the trip was a holiday visit which cost the department nothing.

Dr Rhoodie has said the trip was an official secret visit partly paid for by government money. But in his earlier statements he said the trip could by no stretch of the imagination be called a planned official visit. He has also said the trip cost the Department of Information R300

Following is a history of the conflicting statements.

● In January last year, Dr Rhoodie and 10 friends went to the Seychelles. The trip was not reported in newspapers. In March this year, Dr Mulder was asked in Parliament to detail countries visited by Dr Rhoodie in his official capacity in 1977. The minister listed European countries and the United States, but made no mention of the Seychelles.

● On April 2, the Sunday Express published the first

Seychelles visit: Mulder to face opposition charges

CT. 8/5/78
(259)

account of the Seychelles trip, describing in great detail that it was a lavish R678-a-day holiday

The Express reported that Dr Rhoodie and his former deputy secretary, Mr Les de Villiers, who was also on the trip, met the Seychelles president and prime minister during their holiday

The Seychelles Prime Minister, then Mr James Mancham, was quoted as saying the discussions involved landing rights for SA Airways

Later that day the opposition argued that the discussions made the trip at least partly official and charged that Dr Mulder may have misled Parliament by not mentioning the visit when detailing the countries Dr Rhoodie visited in his official capacity in 1977

But an angry Dr Rhoodie insisted the trip was private and that the minister was correct in not mentioning it.

Describing the Sunday Express report as a gross invasion of privacy, Dr Rhoodie said in his official statement that the visit could by no stretch of the

imagination be considered a planned official visit.

However, he confirmed that he and Mr De Villiers met the Seychelles officials and added that for the two days of the talks they had claimed hotel expenditure and a subsistence allowance at the prescribed rates laid down by the department.

● On April 3, Mr De Villiers said he regarded part of the controversial trip as official

Referring to the two days of talks he said "If I didn't claim for that part of the trip, obviously it would not have been official, therefore it was official"

● On April 4, Dr Rhoodie was quoted as saying in the Citizen newspaper "In fact the entire visit cost the Department of Information about R300." The Rand Daily Mail then established that Dr Rhoodie had not challenged the accuracy of the statement attributed to him

● On April 7 Dr Mulder replying to questions by the opposition told Parliament Dr Rhoodie's claim for two days expenses on the trip had been disallowed. This

was because the talks on the island were unofficial, Dr Mulder explained

Responding to Dr Mulder's statement, Dr Rhoodie said "All I can say is that I submitted a claim. It happened 16 months ago and during that time I have put in a hundred or more claims, some of which have been accepted and others turned down. I can't possibly remember all the details"

● Then last Friday night Dr Rhoodie issued what must surely be the longest statement ever made by a government official

He said "I have no hesitation in confirming that this was an official secret mission structured in a way approved by President Mancham and my minister."

But Dr Rhoodie still defended the original statements by Dr Mulder and himself. The government he said paid for his hotel and other expenses for two days

"The payment was not made from the Department of Information's open account and in this respect our initial statements were correct. My subsequent action and statements were aimed at protecting a secret operation. I said at the time the trip did not cost the Department of Information anything, which is true, it was paid from government funds not appearing on the books of the Department of Information."

the facts

Dr Rhoodie: A controversial figure

By GRAHAM FERREIRA

DR ESCHEL RHOODIE has, since his appointment to the post of Secretary for Information, been one of the most controversial figures in the public service for many years

The controversy started with his appointment to the post in August 1972.

He was appointed contrary to the recommendation of the Public Service Commission. The commission recommended Mr P W Weideman, who was deputy secretary, but Dr Rhoodie was appointed from outside the public service

After matriculating at Jan van Riebeeck High School in Cape Town, Dr Rhoodie joined the staff of Commando, the Defence Force publication, in Pretoria till 1954, when he was appointed to the editorial staff of the Vaderland.

He obtained a BA degree as an extra-mural student at the University of Pretoria, and later completed a Masters degree, and a PhD in sociology

In 1956 Dr Rhoodie joined the staff of the State Information Service. The same year he became information attaché at the South African High Commissioner's office in Canberra, Australia

In 1960 he was posted to Washington and then New York. He returned to South Africa in 1966, but the next year was posted to The Hague where he stayed till the end of 1971, when he returned to South Africa as a special adviser to Dr Hilgard Muller, then Minister of Foreign Affairs

A few months later Dr Rhoodie left the service for private enterprise and became managing director of the magazine To The Point. Nine months later he was appointed to the post of Secretary for Information after the appointment of the previous secretary, Mr F G Barrie, to the post of Auditor-General.

As Secretary for Information, Dr Rhoodie has often criticized people he considers to have placed South Africa in a bad light. His

Criticism has been fired at foreign diplomats, local and foreign news media, and even the South African Government, when he considered they had tarnished South Africa's image abroad

Dr Rhoodie is an enthusiastic writer, and is the author of several books, including The Paper Curtain, which deals with written propaganda against South Africa.

He is due to go overseas with Dr Mulder at the end of the parliamentary session to meet other officials of the department in Europe and the US, and it seems likely that it will be the last of his duties in his present position

Rhodie statement^{1915/78}

THE remarkable statement issued by Dr Eschel Rhodie, Secretary of Information, on Friday night, will naturally get attention at high government level. It seems unavoidable that a halt be called to this kind of statement.

Dr Rhodie has opened a number of new facets with a series of allegations and "exposures" in the stormy debate which is raging round his department. It is not possible to give an opinion on the correctness of his statements, but this after all is not the issue now.

In the process he uttered astounding things. In the Burger's opinion it was not advisable to touch on some of these in such a way, and others should not have been said in public. It is a statement that has caused more damage than good in the present climate.

His references to ministers we will leave at that — and so also the question as to how far he has

from the
259
Burger

given information that has a bearing on the investigation with which the Parliamentary Select Committee on Public Accounts is presently occupied.

What we find extremely disturbing, are the references to alleged secret activities in which his department indulged abroad on behalf of the government. To broadcast sensitive matters like these by way of public announcements, must of necessity be a serious shock to foreign institutions who were prepared to put their trust in South Africa.

The image of the Department of Information, which has already been so seriously damaged, will suffer further through this kind of conduct. If there are people who were prepared to co-operate with the department behind the scenes, they must, after all, be protected if the country is to retain their co-operation.

Any country indulges in secret activities, and this must be even more so in the case of South Africa. The work of other departments could also be handicapped if the fear should strike root, abroad, that these activities are broadcast here.

The great need at present is to prevent the credibility of South Africa's information service to wane even further. That is why we question the wisdom and the desirability of certain aspects of Dr Rhodie's statement.

It is a deplorable situation that South Africa should now be saddled with a problem like this. Whatever good work may have been done in the past, it is a fact that recent events have caused a situation in which the country at the moment has not the most effective machinery to state its case in answer to a world-wide onslaught.

That is why it is imperative that the investigation into the composition and functioning of the Department of Information should be completed with the greatest possible speed.

Information debate ⁽²⁵⁹⁾

(Continued from Page 1)
ever, things had gone wrong and it was now a sinking ship.

What he found astonishing was that the Minister and the Prime Minister had done nothing to save the Department, although they had for some considerable time known that things were going wrong.

What had happened to the department was symptomatic of what was happening to the country.

The country had never been in such a dangerous

position and its downfall was being sought.

It was against the background of the worsening international situation that the department was called on to play a stronger role and even to use extraordinary and unorthodox secret methods.

It was not, however, the pamphlets and films of the department which would improve things for South Africa but the positive actions of the Government.

Vorster, ministers may be drawn into

Cape Times
8/5/76

239

By TOM COPELAND

Political Correspondent

SEVERAL senior Cabinet ministers, including the Prime Minister Mr Vorster, might be drawn into the mounting political storm over the Department of Information's alleged secret fund and covert operations.

In the wake of Friday's disclosures by the Secretary for Information, Dr Eschel Rhoodie, the government will be forced to take action against a backdrop of intense Nationalist criticism of Dr Rhoodie's unilateral press statement and serious misgivings about his department's apparent undercover role.

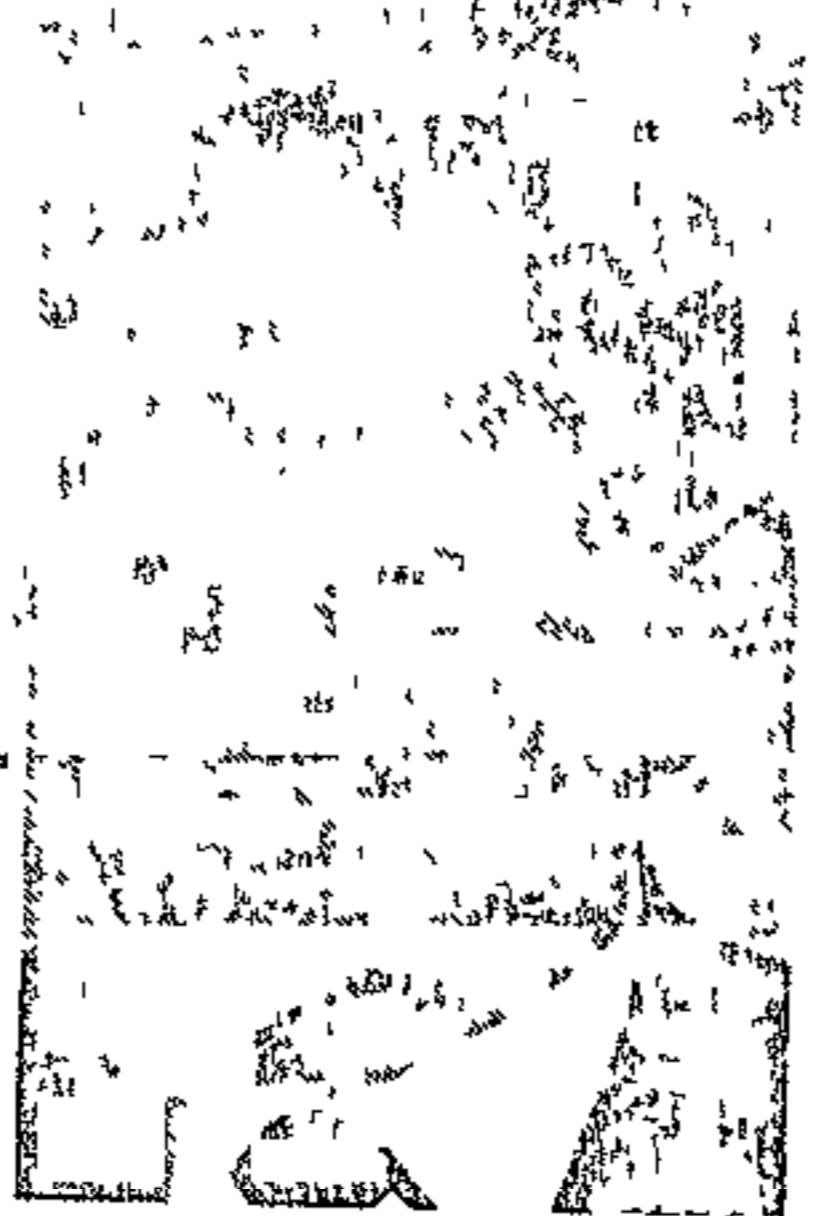
Dr Rhoodie claimed that his department had been provided with a secret fund for clandestine missions with the approval of a three-man Cabinet committee, and without the knowledge of Parliament or the select committee on public accounts.

He also launched an unprecedented attack on the Auditor-General, Mr Gerald Barrie, linking him with the "treacherous act" of leaking a secret report on the department.

Nationalist politicians are said to be infuriated by Dr Rhoodie's disclosures, and particularly by his implication of the Cabinet in his department's secret activities.

They also believe that his statement, made during the select committee's uncompleted hearings on the department, might be contempt of Parliament.

Dr Rhoodie's insistence that he had the full backing of the Minister of Information, Dr Connie Mulder, and his claim that the secret fund was approved by a three-man Cabinet committee, has widened the controversy to the point where it threatens to escalate into possibly the



Mr Gerald Barrie... his report sparked furore - see page 2

INSIDE

Over to the Prime Minister - page 10

Full reports - page 2 and 3.

worst crisis of confidence in the National Party since 1948

It was established yesterday that the only departments with sufficient secret money to have financed the Department of Information's undercover exploits were those of the Prime Minister and the Minister of Defence.

This has led to speculation that the Cabinet committee referred to by Dr Rhoodie might have included Mr Vorster and the Minister of Defence, Mr P. W. Botha.

Parliament is the only body which has the power to allocate money to finance

government operations or otherwise, and yesterday the chief Opposition spokesman, Mr Hans Schwarz (PFP), said he knew of no law in terms of the Information Department had "an open account and another account."

Tomorrow, Dr Mulder is to face questions in Parliament during the debate on the information vote. One of the points he will be asked to explain is why, if such a secret fund existed, he did not stage inform Parliament about it.

He will also be asked to explain the contradiction between Dr Rhoodie's statement concerning a report to the Seychelles and his replies in Parliament a month ago.

Yesterday, the government's Sunday paper, Rapport, highlighted the fact that if Dr Rhoodie's statement is correct, then Mulder misinformed Parliament about the trip.

In his statement, Rhoodie said the trip was of a secret mission, approved by Dr Mulder, and that the cost was largely borne by the government.

But when Dr Mulder was asked on April 7 by Mr Basson (PFP), when officials of his department paid an official visit to the Seychelles last year, he said: "No. During a holiday, the Secretary for Information and the chief director (planning)

Continued on page 2

Vouchers were destroyed — report

8-05-76

Mulder told: Don't evade responsibility

Political Staff

THE Minister of Information, Dr Connie Mulder, should stop evading responsibility over the state of affairs in his department, the Official Opposition's chief information spokesman, Mr Japie Basson, said last night.

"Dr Mulder should accept the blame for what happens in his department. I do not believe that the Secretary for Information, Dr Eschel Rhoodie, should bear the brunt of criticism."

Mr Basson said the Opposition would demand in the Information Vote debate — due to start tomorrow — that Dr Mulder as minister should squarely accept the responsibility for what had happened in the department.

Ministerial responsibility, he said, was a cornerstone of the democratic parliamentary system. It was a vital principle which should be strictly adhered to.

Till now, said Mr Basson, Dr Mulder had been almost aloof as to the happenings in the Department of Information, as if he was a judge instead of being directly involved.

Mr Basson said he was shocked and dismayed at the way the Cabinet left it to its officials to make declarations on matters which "apparently had their root in Cabinet policy."

We never paid pressmen — Rhoodie

LONDON — A categorical denial that South Africa's Department of Information ever offered or paid foreign journalists from any country to write favourable stories about the Republic was issued here yesterday by the Secretary for Information, Dr Eschel Rhoodie.

In a letter to the Sunday Express in London, Dr Rhoodie said reports to this effect in some South African "Opposition" newspapers were untrue.

The secretary was called upon by the newspaper last week to name any British journalists or newspapers paid by his department to write favourable reports.

Dr Rhoodie said a wide-ranging series of proposals, embracing several possibilities, to get publicity for Transkei at independence time in 1976 were made to the Treasury.

But no funds were approved for payments to foreign journalists. Official minutes of the publicity committee would show this had not been discussed. Added Department of Information financial records would show that no payments had been made, he said — Sapa

SATV has ignored the Rhoodie affair

Staff Reporter

IN SPITE OF front-page coverage by most of South Africa's daily and Sunday newspapers, the future over the Department of Information has not once been mentioned by SATV in their last three news broadcasts.

Most newspapers, including the official mouthpiece for the National Party in the Cape, the Burger, have given the scandal — especially the startling revelations by Dr Eschel Rhoodie on Friday — full and prominent coverage.

Secretary Express

Political Correspondent

VOUCHERS for the Department of Information's financial year 1973/74 and 1974/75 were destroyed on the instructions of the Secretary for Information, Dr Eschel Rhoodie, the Sunday Express reported yesterday.

The newspaper also revealed that the Pretoria company, Thor Communications, was financed out of the department's secret funds

The Sunday Express yesterday published extracts from a secret report by the Auditor-General, Mr Gerald Barrie. It had agreed to withhold publication for one week of the report at the request of the Minister of Information, Dr Connie Mulder.

It was this report which led directly to the extraordinary statement by Dr Rhoodie on Friday, night, in which he admitted the existence of a secret fund provided to his department with the approval of a three-man Cabinet committee for unspecified undercover work abroad.

Yesterday, the Sunday Express reported as follows.

The Minister of Information, Dr Connie Mulder, misinformed Parliament about the nature of two trips made to the Seychelles by his Department Secretary, Dr Eschel Rhoodie, and others, in 1976 and 1977.

Answering questions in the House of Assembly last month, Dr Mulder said the trips had been holiday visits and were not official.

The Department of Information did not reimburse Dr Rhoodie or his deputy at the time, Mr Les de Villiers, who was present on both trips.

Yet this week, in an astonishing statement to the press, which out confirmed Sunday Express information, Dr Rhoodie said he was instructed to fly to the Seychelles.

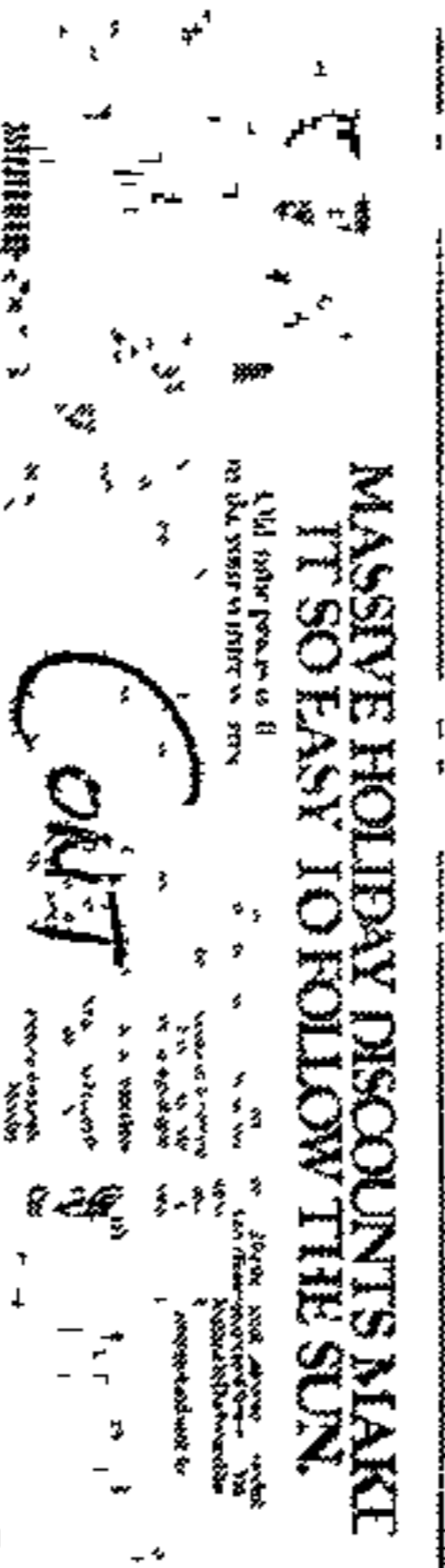
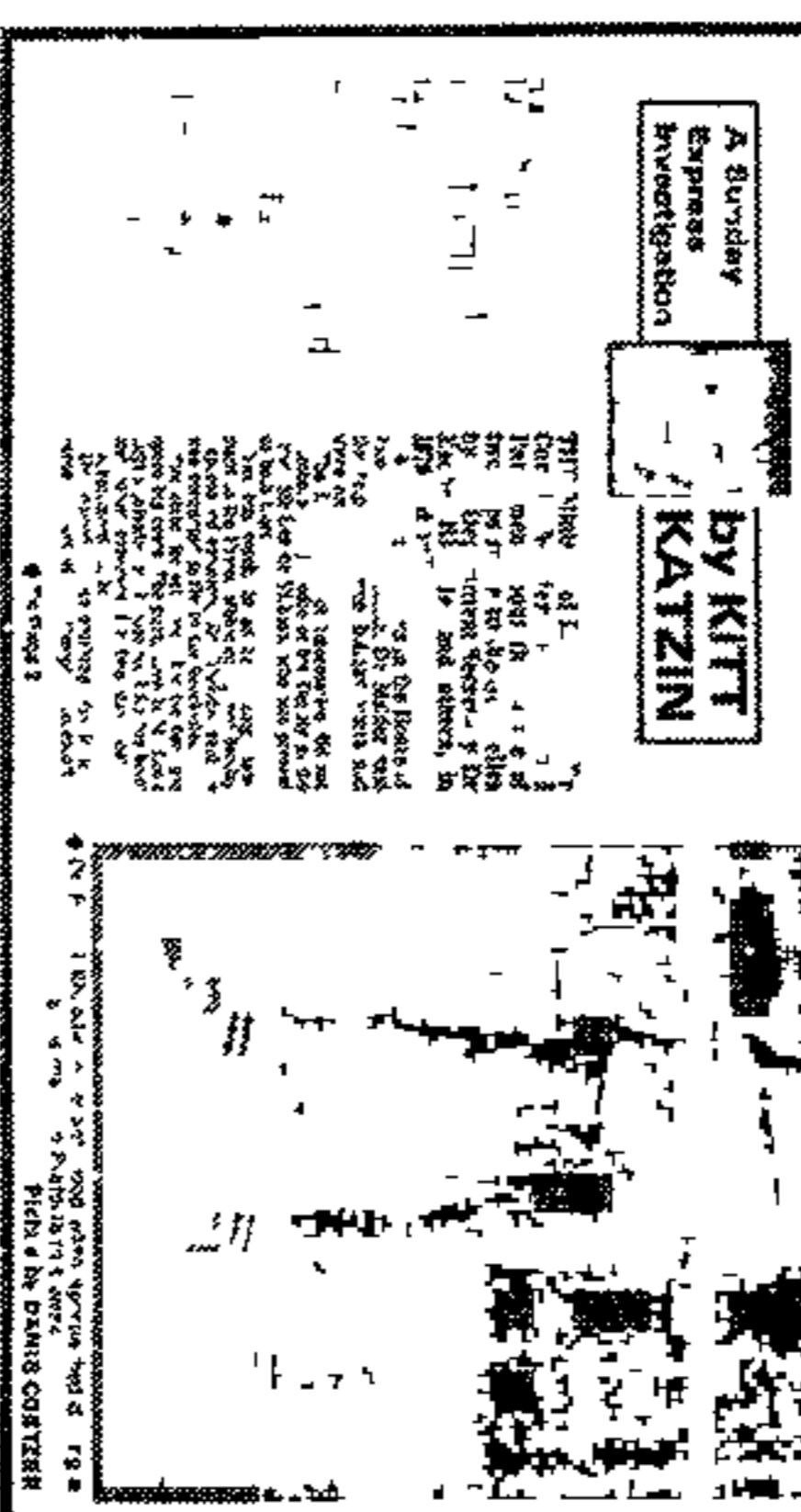
The State, he said, paid for the fuel and operating costs. The party flew in Mr Louis Luyt's private jet. It also paid for his hotel and other expenses for two days out of "government funds."

Dr Rhoodie's astonishing disclosures came as part of an attempt to forestall a Sunday Express expose this weekend.

Never in the history of the South African Civil Service has a top public servant admitted to such practices.

And his statement now makes it possible for the Sunday Express to publish even more details about its four-month investigation into the activities of the Department of Information.

Dr Rhoodie and others place a different construction on some of these facts. Their views appear on this page.



Yesterday's Sunday Express

accountant, who accompanied Dr Eschel Rhoodie on the 1976 Seychelles trip, "no details of overseas trips from the middle of 1973 were reflected in the records of the Department."

In his investigation the Auditor-General, who is the immediate former Secretary for Information, found a serious lack of proper planning in the Department and a lack of effective control of funds.

He calls for an independent investigation to establish — from officials — the full extent of the irregularities of which they (the officials) are themselves aware.

He could also find no evidence of written authorization by the Minister of Information, Dr Mulder, for trips abroad.

This authorization is required in terms of the Public Service Personnel Code.

Although Mr Barrie's report

matter with the Prime Minister, Mr Vorster, on Monday.

On some issues Dr Mulder's interpretations differ from those of Mr Barrie, in other cases the Minister has given Mr Barrie satisfactory explanations.

Some of the major issues

- Dr Rhoodie's two trips to the Seychelles — the Minister has told Mr Barrie that the trips were not "private" but secret and official.

- The destruction of financial documents by Dr Rhoodie — the Minister is aware of this action, and accepts it was done to protect secret projects.

- The extent of irregularities is the worst of its kind in the history of the Civil Service — the Minister has established that no corruption occurred and that not a cent of State funds was wasted.

- Falsification of air tickets — Dr Mulder was puzzled by this, but said the official involved had been authorized to go overseas at the time, and was entitled to be accompanied by a second person.

- Monies to be repaid to the State — on many occasions officials involved with secret missions refused to disclose documents to protect parties involved abroad. Often some offered to pay certain expenses out of their own pockets, and then claim from the department.

- The role of Thor Communications — no official comment.

- Advance payments of R10 000 — a full and satisfactory explanation has been given to Mr Barrie.

- No details for overseas trips reflected — reasons for this, Auditor-General fully briefed.

- A lack of proper planning and control over funds — denied.

- No authorization obtained from the Minister for trips abroad by officials — a question of interpretation. The Minister gave approval verbally, though not in writing.

Department of Information officials emphasized that Mr Barrie's report was merely a preliminary one, and not intended for public consumption.

Dr Mulder, I understand, investigated most of the Auditor-General's findings after they were conveyed to him by the Sunday Express last week.

He expressed deep concern at the time — and discussed the

GOODIE AFFAIR+++

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Barrie's report sparked furore

COPY TIMES 8-05-78

cont

Political Correspondent
THE FURORE surrounding the Department of Information and its mysterious secret fund was sparked by one man — the country's top public watchdog, the Auditor-General, Mr Gerald Barrie.

It was Mr Barrie, who, in April last year, started an audit of the department's financial affairs which brought to light allegations of unauthorized and wasteful expenditure.

And it was his subsequent dramatic 'secret report' which lifted the veil on the unorthodox covert operations of the department admitted to on Friday the Secretary for Information, Dr Michel Rhoadie.

Dr Rhoadie claimed that it had been clearly stated that the fund was 'top secret', and that no one would

have access to its implementation, not even the Auditor-General.

He said he had refused to provide the Auditor-General with details of the department's secret operations and had been supported in this by the Minister of Information, Dr Commie Mulder.

However, the Auditor-General is appointed by the State President and is responsible only to Parliament — not to the government of the day or the State.

In terms of the Exchequer and Audit Act, the State President may suspend the Auditor-General, but his suspension must be communicated to both Houses of Parliament within 14 days.

He is empowered to transmit directly to Parliament his report on any government department, if the

minister concerned does not do so within seven days on receipt of the report.

Only the Minister of Finance may, after consultation with the Auditor-General, determine to what extent an audit shall be carried out of an account of "a confidential nature".

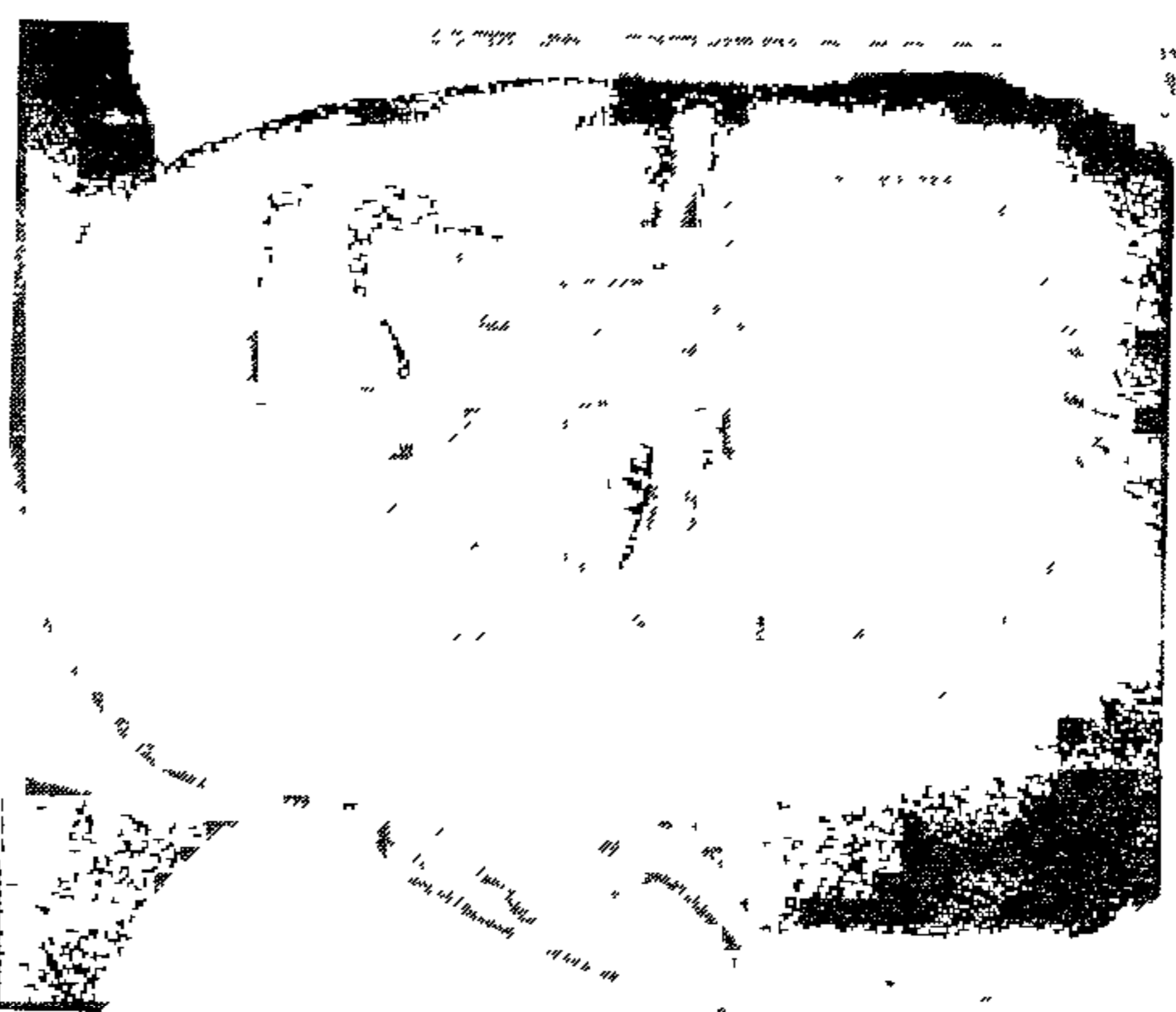
But according to the Nationalist Sunday newspaper, Rapport, the Minister of Finance, Senator Owen Horwood, had at no stage of the present investigation intervened to prevent an audit.

So not only does Mr Barrie check that the expenditure of public money has been authorized by Parliament and the proper procedure followed by departmental officials, but if he believes that public money is being uneconomically or inefficiently spent, he is expected to report the matter to Parliament.

In a recent interview, Mr Barrie made this statement: "Today it is generally accepted that an independent auditor-general is a vital link in any democratic system of government. Parliament decides what taxes must be paid and how the taxpayer's money will be spent, but it is Parliament's most senior official, the Auditor-General, who checks that its orders have been properly carried out."

Mr Barrie, who preceded Dr Rhoadie as Secretary for Information before his appointment as Auditor-General in September, 1972, was due to retire on March 31 this year.

He was requested to remain in office till the end of June by Senator Horwood, who said it would have been "inopportune" to have a change of occupant in this office while Parliament was in session.



Mr Gerald Barrie

No provision for secret fund money

Political Correspondent

MONEY for the Department of Information's secret fund — its existence was disclosed by the Secretary for Information, Dr Eschel Rhoodie, on Friday night — may have been channelled from the secret services special account of the Prime Minister or from the special account of the Department of Defence.

No provision has been made in any budget for a secret services fund in the Information Department, but in last year's estimates R12 086 000 was transferred from the Treasury to the secret services account in the Prime Minister's department.

The estimates for 1977/78 also made provision for R510 000 for military intelligence in the Department of Defence, and for R250 000 for unspecified expenditure in the special account of the Department of Foreign Affairs.

Parliament also approved large but undisclosed amounts to be spent for secret strategic purposes by the Minister of Defence.

The Bureau for State Security is financed by the secret services account of the Prime Minister's department, but neither this account, nor the Defence special account are scrutinized by the Auditor-General.

They are audited internally and the audits are not published.

In his statement on Friday, Dr Rhoodie said: "A secret fund was provided to the department but I do not intend, now or ever, to say how much and in what way it reached me."

The Secret Services Account Bill, before Parliament this session, consolidates most of the secret service funds to the Treasury. In this year's estimates an amount of R34 426 000 is earmarked to finance secret services undertaken by state departments.

In terms of the bill, the Minister of Finance may at the request of the minister concerned, transfer as much money as may be agreed upon between them to the Security Service Special Account, the Special Defence Account and the Foreign Affairs Special Account.

Storm mounts

Continued from page 1

utilized a standing invitation from the President of the Seychelles to visit him . . ."

Mr Basson also asked the minister whether his department paid any costs in connection with the visit. Again, Dr Mulder replied "No."

Rapport also revealed that the Minister of Finance, Senator Owen Horwood, at no stage in the present investigations intervened to prevent the Auditor-General's audit of the department.

The Minister of Finance is the only person empowered to act, in consultation with the Auditor-General, to determine the extent of an audit of an account of a confidential nature.

The newspaper also reported that it established that the Commissioner of Police would act in regard to the alleged "leak" of the Auditor-General's secret report only on the request of the Auditor-General himself.

In his statement on Friday, Dr Rhoodie said he would today formally request a police investigation into the "leak" of the Auditor-General's secret report to the Sunday Express.

The Sunday Tribune reported yesterday that a dozen Cabinet ministers approached for comment on the controversy all tried to distance themselves from the affairs of the department.

It also said senior Cabinet sources had disclosed that the secret fund operated without the knowledge of certain ministers, and probably without the knowledge of South Africa's ambassadors abroad.

Last night, the Auditor-General, Mr Barrie, declined to comment on Dr Rhoodie's attack on him or on any of the other developments involving the department.

However, Nationalist sources believe that the Speaker, Mr Jan Loots, may soon deal with Dr Rhoodie's statement.

The National Party chairman of the parliamentary select committee which has been investigating the Auditor-General's allegations of wasteful expenditure by the department, Mr Hennie van der Walt, said it was "deplorable" that Dr Rhoodie had referred to matters and evidence which were still before the committee.

Another Nationalist member of the committee, Mr Barend du Plessis, said Dr Rhoodie's attack on a fellow public servant was "a deplorable act regardless of any circumstances which may or may not exist."

Meanwhile, Dr Rhoodie's claim that he had access to secret funds as well as his accusations against Mr Barrie could result in a widening of the select committee's investigation.

He will almost certainly be closely examined on why he did not disclose the existence of a secret fund during the exhaustive first phase of the select committee's investigation.

However, Dr Rhoodie's disclosures have also had the effect of focusing attention on his immediate superior, Dr Mulder, and on other members of the Cabinet.

Cont

Bid to conceal trip evidence—report

Political Correspondent
THE Sunday Express reported yesterday that two attempts were made to hide the fact that tickets were bought by the Department of Information for a woman to travel abroad at State expense. Quoting from an "extensive audit" conducted by the Auditor-General, Mr F G Barrie, of the secret fund operations of the department, the newspaper says R3 857 was paid into Dr Denys Rhoodie's bank account on February 28, 1977 — at Dr Rhoodie's request. The money was for travelling abroad by himself and a guest.

The amount, says Mr Barrie, was drawn out of secret funds on March 1, 1977 and paid to Vacations Unlimited, the Pretoria travel agency paid R210 000 by the Department of Information over five years for travel and accommodation services in contravention of established Government policy.

Two air tickets, says Mr Barrie, were issued by Vacations Unlimited. One went to Dr Denys Rhoodie (R1 939,90) to fly to New York via Zurich and the other to Mrs Z Rhoodie to fly to New York (R1 917,10). Total R3 857.

Mr Barrie then records evidence he uncovered of a second attempt to conceal the name of a person in whose name an overseas air ticket was issued.

He says two tickets costing R3 668,20 were issued for a visit to London, intended to coincide with Wimbledon.

Dr Eschel Rhoodie said in his statement to daily papers on Friday this reference by Mr Barrie was not valid since the Minister, Dr Mulder, must (and did) approve all visits, as well as the timing and period.

The purpose of the London visit aside, Mr Barrie discovered the original vouchers for the tickets — again handled by Vacations Unlimited — clearly showed one ticket was issued to Mrs Z Rhoodie.

But the reference to Mrs Rhoodie — on the Information Department's copy of the voucher in support of payment for R3 668,20 — was obliterated.

This was interpreted by the Auditor-General as a falsification.

(Dr Mulder was apparently puzzled by this finding. I understand that as far as Dr Mulder knew Dr Denys Rhoodie had been authorized to undertake the trip to London, which was official, and was entitled to have someone with him. Dr Mulder could therefore not understand why it had been necessary to obliterate details of the one ticket.)

Dr Rhoodie's London visit covered June 21 to July 7, and he attended Wimbledon.

According to Mr Barrie, Dr Rhoodie spent

- £532 on accommodation
- £25 on taxis
- £50 on reciprocals

He also claimed 1 050 dollars subsistence at 50 dollars a day for 21 days.

His total bill topped R10 808 and R11 151,81 was paid to him from secret funds on April 27, 1976.

(Dr Mulder was satisfied with this expenditure. I understand the Minister immediately investigated after this matter was brought to his attention by the Sunday Express. Satisfactory explanations were given to the Auditor-General, Mr Barrie, this week.)

On Friday Dr Eschel Rhoodie said expenditure of R10 000 would normally be irregular, but in this case the money was used as authorized to compensate people here and abroad involved in secret projects.

Mr Barrie then handled the visit Dr Denys Rhoodie made to the Mala Mala Game Reserve, saying he flew to the resort with his two children on August 12, 1976, and obtained free accommodation.

The State paid R224,81 for travel costs with Comair.

Mr Barrie comments "This was at the expense of the Kruger National Park. It is strongly recommended that officials should only make use of facilities at the KNP in which the State has an interest."

(I understand the purpose of this visit again had the Minister's approval. Dr Rhoodie was entertaining a foreign guest who had brought his two children to South Africa. Dr Rhoodie was merely reciprocating.)

On the question of wives accompanying senior Government officials on overseas trips at State expense he lists six trips undertaken by Mrs Katie Rhoodie, wife of Dr Eschel Rhoodie, which he says took place, as far as can be established, with secret funds.

The trips, in 1976 and 1977, were to the Seychelles (twice) and Europe (four times).

(Dr Mulder, I understand, contests this claim by Mr Barrie and has pointed out that Mr Barrie, by saying that this was "as far as could be established", was obviously not himself sure.)

Dr Eschel Rhoodie says Mr Barrie's claim is wrong and loses sight of the fact that when a Minister is accompanied by his wife the Secretary's wife travels along.

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Waldeck denies secret activities

The Argus Correspondent
PRETORIA. — The
retiring administration
chief at the Department
of Information, Mr J F
Waldeck, today denied
any involvement in the
organisation's clande-
stine side.

Mr Waldeck, 59, also de-
nied, a Sunday news-
paper claim that he
had been recording his
conversations with
other information
officials.

This is ridiculous. I have
had nothing to do with
secret tapes or the
recording of meetings
concerning secret
funds, he said.

He was told last week
that after 41 years in
public service, he would
have to retire prema-
turely at the end of the
month. The announce-
ment was made in Par-
liament by the Minister
of Information, Dr C P
Mulder.

TAPES

Approached today at his
Pretoria office, Mr
Waldeck refused to
comment or discuss
departmental affairs.

Questioned specifically on
a report that he was
taping conversations
and that the tapes had
mysteriously disappear-
ed from his desk, he
said 'It strikes me
from the newspaper
reports that there are
two sides to the
department of
information — the
secret and the open

'My budget is approved
by Parliament and I run
the open side. I have
nothing to do with any
secret side.'

Mr Waldeck would not
comment further.

Own Correspondent

JOHANNESBURG — The Minister of Information, Dr Connie Mulder, faces opposition charges that he misinformed Parliament on at least two occasions over Dr Eschel Rhoodie's Seychelles islands visit.

And he will also be questioned on conflicting statements by Dr Rhoodie, Secretary for the department, in official explanations of the controversial trip.

Mr Japie Basson, PFP MP for Bezuidenhout and official spokesman on information matters, said last night he would question the minister during the Information Vote in the House of Assembly tomorrow.

The crucial test is whether Dr Rhoodie's latest explanation of the trip is correct.

If Dr Rhoodie is correct, an analysis of the conflicting statements shows that Dr Mulder at first did not mention the trip in Parliament, then possibly misinformed the House about the nature of the visit.

Dr Mulder said the trip was a holiday visit which cost the department nothing.

Dr Rhoodie has said the trip was an official secret visit partly paid for by government money. But in his earlier statements he said the trip could be no stretch of the imagination be called a planned official visit. He has also said the trip cost the Department of Information R300.

Following is a history of the conflicting statements.

● In January last year, Dr Rhoodie and 10 friends went to the Seychelles. The trip was not reported in newspapers. In March this year, Dr Mulder was asked in Parliament to detail countries visited by Dr Rhoodie in his official capacity in 1977. The minister listed European countries and the United States, but made no mention of the Seychelles.

● On April 2, the Sunday Express published the first

Seychelles visit: Mulder to face opposition charges

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account of the Seychelles trip, describing in great detail that it was a lavish R678-a-day holiday.

The Express reported that Dr Rhoodie and his former deputy secretary, Mr Les de Villiers, who was also on the trip, met the Seychelles president and prime minister during their holiday.

The Seychelles Prime Minister, then Mr James Mancham, was quoted as saying the discussions involved landing rights for SA Airways.

Later that day the opposition argued that the discussions made the trip at least partly official and charged that Dr Mulder may have misled Parliament by not mentioning the visit when detailing the countries Dr Rhoodie visited in his official capacity in 1977.

But an angry Dr Rhoodie insisted the trip was private and that the minister was correct in not mentioning it.

Describing the Sunday Express report as a gross invasion of privacy, Dr Rhoodie said in his official statement that the visit could be no stretch of the

imagination be considered a planned official visit.

However, he confirmed that he and Mr De Villiers met the Seychelles officials and added that for the two days of the talks they had claimed hotel expenditure and a subsistence allowance at the prescribed rates laid down by the department.

● On April 3, Mr De Villiers said he regarded part of the controversial trip as official.

Referring to the two days of talks he said "If I didn't claim for that part of the trip, obviously it would not have been official, therefore it was official."

● On April 4, Dr Rhoodie was quoted as saying in the Citizen newspaper "In fact the entire visit cost the Department of Information about R300." The Rand Daily Mail then established that Dr Rhoodie had not challenged the accuracy of the statement attributed to him.

● On April 7 Dr Mulder replying to questions by the opposition told Parliament Dr Rhoodie's claim for two days expenses on the trip had been disallowed. Thus

was because the talks on the island were unofficial, Dr Mulder explained.

Responding to Dr Mulder's statement, Dr Rhoodie said "All I can say is that I submitted a claim. It happened 16 months ago and during that time I have put in a hundred or more claims, some of which have been accepted and others turned down. I can't possibly remember all the details."

● Then last Friday night Dr Rhoodie issued what must surely be the longest statement ever made by a government official.

He said "I have no hesitation in confirming that this was an official secret mission structured in a way approved by President Mancham and my minister."

But Dr Rhoodie still defended the original statements by Dr Mulder and himself. The government he said paid for his hotel and other expenses for two days.

"The payment was not made from the Department of Information's open account and in this respect our initial statements were correct. My subsequent action and statements were aimed at protecting a secret operation. I said at the time the trip did not cost the Department of Information anything, which is true, it was paid from government funds not appearing on the books of the Department of Information."

Dr Rhodie: A controversial figure

By GRAHAM FERREIRA

DR ESCHEL RHODIE has, since his appointment to the post of Secretary for Information, been one of the most controversial figures in the public service for many years.

The controversy started with his appointment to the post in August 1972.

He was appointed contrary to the recommendation of the Public Service Commission. The commission recommended Mr P. W. Weideman, who was deputy secretary, but Dr Rhodie was appointed from outside the public service.

After matriculating at Jan van Riebeeck High School in Cape Town, Dr Rhodie joined the staff of Commando, the Defence Force publication, in Pretoria till 1954, when he was appointed to the editorial staff of the Vaderland.

He obtained a BA degree as an extra-mural student at the University of Pretoria, and later completed a Masters degree, and a PhD in sociology.

In 1956 Dr Rhodie joined the staff of the State Information Service. The same year he became information attaché at the South African High Commissioner's office in Canberra, Australia.

In 1960 he was posted to Washington and then New York. He returned to South Africa in 1966, but the next year was posted to The Hague where he stayed till the end of 1971, when he returned to South Africa as a special adviser to Dr Hilgard Muller, then Minister of Foreign Affairs.

A few months later Dr Rhodie left the service for private enterprise and became managing director of the magazine To The Point. Nine months later he was appointed to the post of Secretary for Information after the appointment of the previous secretary, Mr F. G. Barrie, to the post of Auditor-General.

As Secretary for Information, Dr Rhodie has often criticized people he considers to have placed South Africa in a bad light. His criticisms have been fired at foreign diplomats, local and foreign news media, and even the South African Government, when he considered they had tarnished South Africa's image abroad.

Dr Rhodie is an enthusiastic writer, and is the author of several books, including The Paper Curtain, which deals with written propaganda against South Africa.

He is due to go overseas with Dr Mulder at the end of the parliamentary session to meet other officials of the department in Europe and the US, and it seems likely that it will be the last of his duties in his present position.

IN THE elementary interests of good government Dr Mulder as the responsible Minister must use the parliamentary opportunity today to clear up the Department of Information mess. To do so requires him to deal with the facts, not with generalities and abstractions. Dr Rhoodie's views and answers are familiar enough from the unending contributions to newspapers, radio and television. For the purposes of today's debate his loyalty, sincerity, patriotism, good intentions and personal honesty can be taken as read (whatever is thought of his talents, competence, arrogance or sensitivity). On Dr Mulder's part there is no need to blame sinister plots and dark conspiracies, campaigns of suspicion-sowing or floods of unsavoury publicity. It was not rumour-mongering, insinuations and newspaper campaigns that resulted in the Auditor-General's findings, the report of the Public Accounts Committee, the abrupt retirement of two senior officials, the dismemberment of the department and the "phasing-out" of Dr Eschel Rhoodie.

This is a list of some of the obvious questions that must be frankly and unambiguously answered in today's debate if public confidence is to be restored in the fitness of the minister and the integrity of the government. The Prime Minister's statement last night, confirming the existence of a secret fund and assuring the public in general terms that all is well, in no way alters the need for specific answers to the following specific questions.

'Tracherous act?'

- (1) Does the minister agree with what the Nationalist newspaper, Rapport, described as the secretary's astonishing attack, his sharp personal attack, on the Auditor-General? Does he believe that it was a "tracherous act" to leak to the newspapers (that is, to the tax-paying public), the Auditor-General's observations on the way the taxpayers' money is being handled?
- (2) Or does he agree with the Auditor-General's finding that there has been an alarming degree of misapplication of state funds, that irregularities of this dimension have probably never before taken place in the existence of the civil service in South Africa?
- (3) Did he, as claimed, support the secretary in his refusal to supply details of expenditure to the Auditor-General?
- (4) Under what authority was this refusal pronounced? Where does anyone get the idea that the minister, the Prime Minister or the government can tell the Auditor-General what expenditures of public money he should or should not investigate? The Auditor-General is an officer of Parliament, not an employee of the government.
- (5) What were the nature of the secrets, so esoteric, so sensitive, that they had to be withheld from an officer of the standing and discretion of the Auditor-General and a Nationalist MP as senior, loyal, competent and responsible as the chairman of the Public Accounts Committee?
- (6) Just what is the statutory authority for the creation of the secret fund? On the assumption that only Parliament can vote the appropriation of funds, where does the money come from? What is the approximate scale of expenditure? (Newspapers have been talking of "vast sums" passing through the department in recent years). Who make up the "secret but unofficial" committee of three of the cabinet who approve the secret

The Cape Times

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Questions for the Minister

projects? Why "secret" committee? Why "unofficial"?

- (7) Are verbal and written reports, "made annually and often every six months", sufficient control over the spending of large sums? What independent staff did the secret and unofficial cabinet committee assign for the checking of vouchers, receipts, budgets and other safeguards for the handling of public money?
- (8) How fully did the minister and the cabinet trio know what was going on if "we kept the minimum of paper and the minimum of records, which is standard procedure in secret operations"? What records have been destroyed?
- (9) Who was the "special auditor" in the department who has been checking secret-operation accounts and expenditures, who has found that all expenditure has been fully and properly accounted for and who has reported that there were no malpractices or corruption? To whom did he report this satisfactory state of affairs?
- (10) Are there any other departments running secret funds without statutory authorization and claiming freedom from Treasury discipline and Auditor-General control?
- (11) The minister is even more directly involved where the secretary passes or returns the buck to him. These are indicated in assurances of ministerial approval for all trips abroad; in references to trips abroad by wives — "each trip is approved by the minister because members of the team who handle secret projects, of which there are dozens, were away for inordinate periods and worked abnormally long hours which normally would be entrusted to two or more officials", in the ministerial support of refusal to give details of secret expenditures to the Auditor-General, in Auditor-General references to trips overseas that coincided with tennis tournaments, references "that were of no value as the minister must (and did) approve of all visits as well as the time and period of absence" Does this ministerial approval, sometimes only verbal, constitute adequate parliamentary control?
- (12) Does the minister agree with the Auditor-General that "excessive" payments were made to special administrative assistants (the Auditor-General calls them typists)? Or does he agree with the secretary that these assistants were working with the most secret operations and that the payments were allowances applicable to the posts they occupied in view of the abnormal work and conditions?
- (13) Are these payments similar to or the same as the allowances of from R50 a month for a typist/secretary to R150 for senior officials? Were the Rhoodie brothers paid these allowances? What were the substantial amounts that had to be repaid by senior officials and why?
- (14) What funds were used for things like books, car rentals, telephones, radios, cable-cars and tennis tournaments that the secretary said were used for secret operations abroad and for visitors from abroad? The secretary has emphasized that it is totally untrue to insinuate that these purchases were for private use.
- (15) The minister's categorical statement that there has been no corruption is welcome but on what does he base his confidence in the light of destroyed records, a policy of "minimum paper and minimum of records" and general evidence of undisciplined financial control? What are the minister's views on such findings by the Auditor-General as the unauthorized spending of R273 560, the falsifying of a letter by a publisher and evidence that six official trips by Dr Deneys Rhoodie and an official were "wasteful and badly planned".
- (16) It seems that six trips undertaken by Mrs Katie Rhoodie (twice to the Seychelles, four times to Europe) in 1976 and 1977 were, as far as could be established by the Auditor-General, defrayed from secret funds. Does the minister corroborate the secretary's reply that the Auditor-General loses sight of the fact that when a minister is accompanied by his wife "the secretary's wife travels along".
- (17) The Auditor-General finds attempts to hide the fact on two occasions that air tickets were bought by the department for a wife to travel at State expense. The secretary states that this criticism is not valid as the minister must (and did) approve of all visits. What is the explanation of the obliteration of a reference to Mrs Rhoodie on a departmental copy of a voucher, an obliteration described by the Auditor-General as a falsification? Why, if Dr Deneys Rhoodie was entitled to take someone with him, was it necessary to obliterate the details on the ticket?
- (18) What is the reliability of a report that it was normal procedure for the department to arrange from head office special clearance with "somebody at the airport" for senior officials returning from overseas? Has this anything to do with an apparent attempt by Dr Deneys Rhoodie at Jan Smuts Airport to avoid declaring handbags, shoes, books and gramophone records to the value of R580?
- (19) Is the style and scale of departmental travels typically represented by the R11 151,81 that was paid for a 21-day trip to London by Dr Deneys Rhoodie?
- (20) What are the facts of the Seychelles expedition, something of a test case as the secretary calls it "a classical case of secret operations"? On April 7 the minister formally said to Parliament "No", it wasn't an official visit and "No", his department had not paid any costs. The secretary on Saturday said "Yes", it was an official visit as he was instructed to fly to the Seychelles on a secret mission and "Yes", the government had paid the aircraft's fuel and operating costs and some of his hotel expenses. But, adds the secretary, the payment was not from the department's open account, it was paid for by government funds not appearing on the books of the department. Is this technicality sufficient explanation of what could be regarded as a misleading statement to Parliament on a formal occasion?
- (21) The activities of a number of companies are relevant, concerns like Thor Communicators (Pty) Ltd., Vacations Unlimited and Erudita Publishers that have or had financial and other associations with the department. Who are the directors and

shareholders of these firms, what is the sum of the business they have done with the department or the government? The secretary has said that whatever part Thor Communicators played in the work of the department, his personal connections with the concern were above board. Thor seems to be the agency that flew the Rhoodies and their party to the Seychelles. Is it financed from public money via secret funds as the Auditor-General seems to think?

(22) Is Vacations Unlimited (said to have received R200 000 from the department in fees over five years) the same as the travel agency that the secretary says was used for many visits abroad as "all connected with secret operations flatly refused to go by official channels"? If so, was this R200 000 from secret funds, as the secretary seems to imply, and what is meant by auditors getting "open" and "closed" visits mixed up? Erudita is the firm connected with one Chris van Rensburg who apparently wrote a false letter to the department to expedite payment for a publishing venture. Is there any substance in a Sunday Times report that the R320 000 spent on a publishing venture in Spain could have been done for something like R90 000?

(23) How does Mr Louis Luyt, a fertilizer millionaire and a former newspaper proprietor, come into the act? He is said to have provided the jet aircraft in which the Rhoodie party made their private/secret-fund trip to the Seychelles, "acted virtually as a courier" in international relations; and "communicated sensitive international messages from African presidents" to the secretary's office.

(24) In a "work programme" submitted to the Treasury in support of a request for authority to spend R1 500 000 on an information campaign, why was one item, among some dozens of practical statements, of academic significance only? This item was a description of one of four available methods for ensuring the publication of "guaranteed articles", an enterprise for which an amount of R300 000 was asked. The item referred to the "purchase" of the services of a journalist who supplies "ostensibly independent material for his newspaper while we pay him for his favourable opinion". What is the minister's assessment of the damage that has been done by this inept remark?

(25) What are the errors to which the secretary refers when he says that there is a vast difference between an error and a misdeed?

(26) The suggestion seems to be that the present department will be replaced by some sort of agency "less restricted by government control and operating outside the normal framework of the civil service". What sort of control does the minister contemplate for this new arrangement if what has gone on in the present department of information has been in spite of the Auditor-General and the Treasury breathing down the department's neck?

(27) If the present state of South Africa's reputation represents the result of what the secretary calls an apparatus which "unknown to the public has in secret achieved incredible success", what would have been the state of the South African reputation had the secretary's efforts been a failure?

(28) And what, in the minister's opinion, is the degree of incompetence, irresponsibility and capacity for damage in a department of state that would require the resignation of the responsible minister or his dismissal by the Prime Minister?

Rhodie's version of A-G's role

THE Secretary for Information, Dr Eschel Rhodie, last week gave his version of the role of the Auditor-General in the investigations into his department, particularly over the audit of secret funds.

His statement on this aspect contradicts the statement issued at midnight by the Prime Minister, Mr Vorster.

Dr Rhodie said "A secret fund was provided to the department but I do not intend, now or ever, to say how much and in what way it reached me."

"I was authorized by the government, in the presence of my two deputies and one other person that counteraction was to be undertaken as if we were in a state of war, and that no rules or regulations would apply."

"It was furthermore clearly stated that this was a top-secret

fund and that no one would have access to its implementation, not even the Auditor-General.

"It was also made clear to me that, since the funds were secret and method of procurement secret, the Official Secrets Act applied."

"The Auditor General in April 1977 began an audit of my secret operations. I objected to this and also to the open manner in which the audit was conducted, with scant regard to secrecy."

"In more than one letter the Auditor-General was warned that the secret propaganda projects were involved. The Auditor-General claimed the funds were not secret. Since I inherited some of his secret projects and even, from time to time, informed him of progress and of new secret projects, I could never and will never accept his argument

"I refused to provide him and his two assistants with details of our operations and the Minister of Information supported me in this."

"Without wishing to go into detail I can prove with existing official documentation that the Auditor-General in fact had no locus standi as far as auditing of the secret funds were concerned."

"He nevertheless continued and in the process lines of

expenditure under secret and open funds crossed.

The Auditor-General never showed me, or discussed in secret report with me otherwise the report would have looked substantially different," Dr Rhodie said.

Later in his statement, Dr Rhodie said the news was not asked, or would ask "Is the Auditor General aware of the (secret fund)?"

"Yes but not the nature or extent of operations."

Another question was "Is he authorized to audit these monies?" His reply was, "No — not legally as I interpret the question."

A third question was "Is this known to the parliamentary select committee on public accounts and its chairman, Mr Henning van der Walt?" His reply was "No."

BOER
RAW

Continued from page 1
restructured with a complete
all the conditions of the
including the fact that the
must be hidden.

Mr Vause Raw said the Prime Minister's silence, which the controversy was allowed to escalate to the point where South Africa's international credibility had been destroyed showed that "his intervention on the eve of the information vote is nothing but a PR device to rescue his own crown prince (Dr Mulder)."

"He has placed his party and his Cabinet loyalty before the interests of South Africa."

"My charge is that, knowing the damage the government's inaction and delay was doing to South Africa, he remained silent only when things reached a crisis that could no longer be avoided. He used his own status and public standing to try to defuse the issue with an appeal to emotional patriotism."

"His timing is also a disgrace. The 200th anniversary of the Parliament here was put to one side as a result of his actions."

Mr Vause Raw

Dr Connie Mulder

Mr Japie Basson

Dr Eschel Rhodie

Cont

CAPE Times 9-05-87

Mr Japie Basson

of hand."

Dr Eschele Rhoodie

Police requested to investigate leak

THE Secretary for Information, Dr Eschele Rhoodie, yesterday formally requested a police investigation into the leakage of documents from the office of the Auditor-General, the Department of Information announced.

It is understood that the request was made in writing to police headquarters in Pretoria before Dr Rhoodie flew to Cape Town for the budget committee stage debate of the information vote in Parliament today.

A formal complaint was lodged this (yesterday) morning by the Secretary for Information, Dr I. M. Rhoodie, with the South

African Police in connection with documents that were leaked from the office of the Auditor-General," a departmental statement said.

A spokesman declined further comment.

The documents concerned are believed to have been the basis of reports on Department of Information activities published

on Sunday by the Sunday Express. Dr Rhoodie said in a statement on Friday night that he would request the investigation into the leakage, and stated subsequently he did not believe the Auditor-General, Mr Gerald Barrie, was personally responsible for the information reaching news papers — 5/11.

Secret funds:

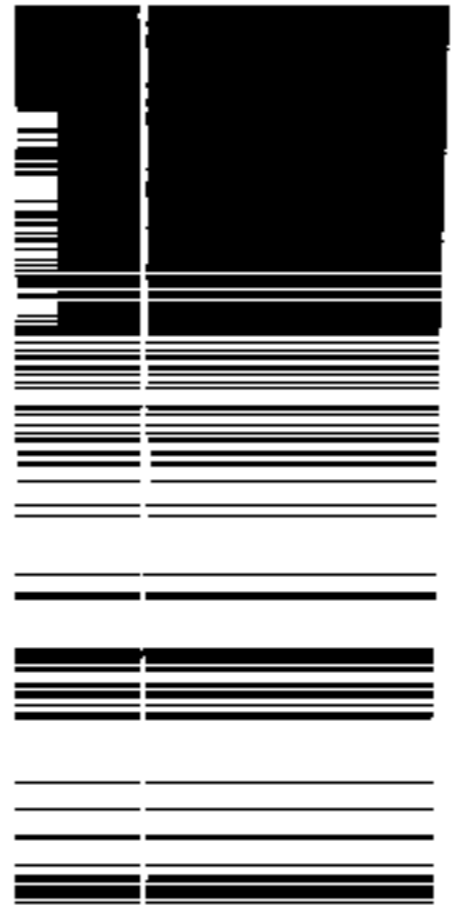
PVI accepts

Cape Times 2/5/78

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cont

responsibility



Political Correspondent

THE PRIME MINISTER, Mr Vorster, confirmed last night that secret funds had been allocated to the Department of Information since 1972.

Vorster: Full text

MR VORSTER'S statement in full:

Aware of the total onslaught being planned against South Africa, the government decided in 1972 to allocate funds to the Department of Information to assist it in a delicate and unconventional way in combating the total onslaught.

It would have foiled the whole objective to have allocated funds direct to the department's budget and thus it was decided to canalize funds allocated for combating the psychological and propaganda onslaught against the Republic of South Africa through other departments which could use it for this purpose if they had the apparatus and trained personnel at their disposal.

The purpose was to withstand the subversion of the country's good image and stability.

It can therefore not be said that this was unauthorized funds and I accept full responsibility for the way in which funds were allocated because it was my judgment that it was in the highest interests of South Africa.

Since 1972, certificates have been issued that the funds made available in this way had been spent and used orderly for the intended purpose.

In the second half of 1977 the Auditor-General told me that he was concerned at supposed irregularities which resulted from the non-adherence to regulations and instructions by the Department of Information. At the same time many stories and rumours about the

Continued on page 2

This was to assist it "in a delicate and unconventional way" in combating what he described as "the total onslaught" planned against South Africa.

Breaking the silence for the first time on the controversy surrounding the department, Mr Vorster said he accepted full responsibility for the way in which the funds were allocated, but denied that they were unauthorized.

He disclosed that funds were channelled to the department through other departments and said it would have "foiled the whole objective" to have allocated the funds direct to the Department of Information's budget.

Mr Vorster also disclosed that in the second half of last year, the Auditor-General informed him that he was concerned at "supposed irregularities which resulted from the non-adherence to regulations and instructions by the Department of Information".

He told the Auditor-General that nothing less was required from him as an official of Parliament than to do the necessary investigation in the normal way, and to report to Parliament "irrespective of who was involved or what the consequences may be".

The investigation was still continuing and he gave the assurance that if there should be any indication that funds had been used by anybody for personal gain, the information would be conveyed to the Attorney-General for further investigation and "steps as he may deem fit".

Effectiveness destroyed

Mr Vorster said it had become clear that the effectiveness of the department "and its head", after many reports and statements, had been destroyed, causing incalculable damage to the country.

He said the government could be trusted to handle the issue meticulously, and added: "I therefore trust that the matter will now be left in the hands of the appropriate authorities to make the necessary reparations".

The Prime Minister's midnight statement came on the eve of today's crucial debate on the Information Vote of Dr Connie Mulder, during which the government is expected to face opposition condemnation for allocating secret funds to the department without the knowledge of Parliament.

The existence of the secret fund was disclosed by the Secretary for Information, Dr Eschel Rhodie, on Friday night.

He said the fund had been provided to his department with the approval of a three-man Cabinet committee for undercover operations abroad.

Dr Rhodie also said he had refused to provide the Auditor-General and his two assistants with details of the operations, and "the Minister of Information supported me in this".

However, in his statement last night, Mr Vorster said he had personally told the Auditor-General to "do the necessary investigation in the normal way as was proper and to report to Parliament . . ."

The Prime Minister also made no mention of the three-man Cabinet committee to which Dr Rhodie referred, although it seems clear from his statement that the ministers of the departments which channelled funds to the Information Department were aware of their purpose.

Yesterday, the Minister of Defence Mr P W Botha — believed to be one of the departments involved — said he had no knowledge of the Cabinet committee.

Cape Times

9-05-78

Basson: New questions are raised

Political Correspondent

BOTH major opposition parties have said that the Prime Minister's statement on the Department of Information has not resolved the controversy.

Mr Japie Basson, official Opposition chief spokesman, said the statement created further lack of clarity and raised new questions.

Mr Vause Raw, leader of the New Republic Party, charged Mr Vorster with "appealing to emotional patriotism" when things had reached crisis point in the department.

Mr Basson said the statement by the Prime Minister, following those by the Minister of Information and the one by the Secretary for Information, had solved nothing.

"What is clear is that the Prime Minister does not absolve the Minister of Information and his department from the overall manner in which the affairs of the department were conducted.

"We expect that his undertaking that the department will be totally

Continued on page 2

'James Bond-style group hopped for miracles'

Information ^(cont) Image Vital error — Basson

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MR JAPJE BASSON —
accusations of irregu-
lar use of funds



The Argus Political Correspondent

THE Government had committed a vital mistake by trying to create a flashy James Bond-style apparatus within the Department of Information in the hope of achieving miracles overseas, Mr Japie Basson, MP, said today.

SEE PAGES 3 AND 8

Mr Basson, the Opposition's chief spokesman on information matters, was speaking at the start of a major debate on the Information Vote in the Assembly this afternoon.

He was speaking against the background of a controversy around the department which has raged for the past few weeks.

Mr Basson said this flashy apparatus had huge amounts of secret money which was supposed to create the hoped-for miracle overseas.

What was achieved by dressing up the Secretary for Information and his assistants like James Bond was to expose them to suspicion.

Wasted money

There were also accusations of bragging, waste of money, malpractices, and irregular application of funds.

This happened while political leaders were the architects of the whole debacle.

Mr Basson said that in one week there had been statements from the Minister, Dr C.P. Mulder, the Secretary for the Department and the Prime Minister, Mr B.J. Vorster.

They all differed from each other but they had one thing in common — a sordid search for scapegoats.

These statements bore witness of internal distrust, backstabbing and administrative chaos as had never been seen in the country.

'Remarkable'

The statement of the secretary, Dr Eschel Rhoodie, was the most remarkable of all.

His Minister must have been aware of it and must have given his permission for him to make the kind of statement that he did.

If the Secretary had not had the co-operation of the Minister on the matter, he should have been sacked the moment the statement appeared.

There had never been a case of this sort where an official was allowed to implicate Parliament where an investigation was in progress and to disclose matters affecting the Cabinet, its policies and its manner of work.

Unheard-of

There was also an unheard-of attack on the Auditor-General whose post was set up by Parliament and had the national and constitutional duty to scrutinise the work of every department and report the slightest trace of corruption and wrongful spending of money.

In his statement the Secretary had also disclosed that the Minister had misled the Assembly in respect of answers he had given to questions in the House.

Mr Basson made it clear the Opposition was not against the use of unorthodox methods in difficult circumstances.

For this reason, too, businessmen were willing to support a body like the SA Foundation.

In the case of the Department of Information, how-

(Continued on Page 3, col 3)

Cont



THE Deputy Secretary and Chief Director (Information), Dr. Deneys Rhodie (left) and his brother, the Secretary for Information, Dr. Eschel Rhodie, arrive at the Houses of Parliament today for a hearing of the select committee on public accounts.

RDM 015798

Rhodie goes to police 259

CAPE TOWN. — The Secretary for Information, Dr Eschel Rhodie, has formally requested a police investigation into the leakage of documents from the office of the Auditor-General, the Department of Information announced in Cape Town yesterday.

It is understood the request was made in writing to police headquarters

in Pretoria before Dr Rhodie flew to Cape Town for the budget committee stage debate on the Information Vote in Parliament today.

An information spokesman declined further comment.

The documents concerned are believed to have been the basis of reports on Department of Infor-

mation activities published on Sunday by the Sunday Express

Dr Rhodie said on Friday the Government had advised him that a secret document, the property of the Auditor-General, had been leaked and thus could not have been safeguarded as officially prescribed — Sapa

Investigators again quiz Rhoodie

ARGUS

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The Argus Political Correspondent

THE Secretary for Information, Dr Eschel Rhoodie, today again appeared before the select committee on public accounts to give further evidence on unauthorised spending by his department.

The committee has already issued one report on unauthorised spending by the department involving certain publications.

On the recommendation of the Nationalist majority on the committee the Treasury and the Public Service Commission have investigated the department.

The committee is still investigating overseas trips by two of the department's top officials.

The chairman of the select committee, Mr Henrie van der Walt, MP for Schweizer-Reneke, said he was anxious to complete the committee's investigation into the Department of Information's accounts at its meeting today.

The statement by the Prime Minister, Mr B J Vorster, that an investigation had been made into the use by the department of secret funds, did not affect the select committee's investigation.

SECRET FUNDS

'Our task is to go into the department's handling of its normal funds. The select committee's evidence will be at the disposal of the person looking into the question of the use of the secret funds,' said Mr van der Walt.

Mr van der Walt added that the committee still had to complete investigations into other departments.

Its report would nevertheless have to be tabled this session in time for it to be discussed during the third-reading debate on the budget.

The committee would not submit further interim reports, he said.

Vorster ordered own Info probe

ADM
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By HUGH MURRAY
Political Correspondent

THE ASSEMBLY
THE PRIME MINISTER, Mr Vorster, disclosed yesterday he had ordered his own investigation into the Department of Information — and at the same time said the secret probe by the Auditor-General had been authorised by him personally.

Making a dramatic entry into the debate raging about the department, Mr Vorster made it clear that he was backing the actions of the Auditor-General, Mr Gerald Barrie in spite of scathing attacks on him by the Secretary for Information, Dr Eschel Rhoodie.

In a statement at the weekend, Dr Rhoodie said he had objected to Mr Barrie's investigation and, "in more than one letter", warned him secret funds and projects were involved. He also alleged Mr Barrie was not entitled to audit these funds.

Dr Rhoodie also said he had refused to provide the Auditor-General and two assistants with information and the Minister of Information had supported him in this.

"Without wishing to go into detail, I can prove with existing official documentation that the Auditor-General had no *locus standi* as far as auditing of the secret funds was concerned," Dr Rhoodie added.

Mr Vorster, while admitting the Government had decided in 1972 to allocate secret funds to the Department of Information "to assist it in a delicate and unconventional way", stressed, however, that Mr Barrie was investigating with his blessing.

Among other vital facts, Mr Vorster revealed he:

- Accepted full responsibility for the way in which the secret funds were allocated.

- Would ensure any information indicating the funds were used by "anybody" for personal gain would be conveyed to the Attorney-General for "further steps".

- Believed the effectiveness of the department and its head had been destroyed.

In what has been interpreted as an unqualified rebuke of Dr Rhoodie, the Prime Minister said: "In the second half of 1977, the Auditor-General told me he was concerned at supposed irregularities which resulted from the non-adherence to regulations and instructions by the Department of Information.

I told the Auditor-General to do the necessary investigation and to report to Parliament irrespective of who was involved," Mr Vorster added.

Mr Vorster said he viewed it as irregular to take any steps before the Auditor-General had completed his investigation and had reported to the Select Committee on Public Accounts.

But with the knowledge and approval of the Minister of Information, Dr Connie Mulder, and the Auditor-General, he had appointed "another well-equipped person to investigate fully and decisively all alleged irregularities, allegations, stories and rumours as far as the misuse of funds was concerned.

The investigation is still continuing and if there should be any indication that funds had in fact been

used by anybody for personal gain, the information will be conveyed to the Attorney-General for further investigation and steps as he may deem fit," he said.

Sketching the origin of the secret fund, Mr Vorster said the Government had decided in 1972 to allocate funds to the Department of Information "to assist in combating the total onslaught" against South Africa.

It would have foiled the whole objective to have allocated funds direct to the Department's budget and thus it was decided to canalise them through other departments, Mr Vorster said.

"The purpose was to withstand the subversion of our country's good image and stability. It can, therefore, not be said that these were unauthorised funds and I accept full responsibility for the way in which the funds were allocated," the Prime Minister added.

The leader of the New Republic Party, Mr Vause Raw, described the Prime Minister's statement as "a desperate device to rescue his own Crown Prince".

Mr Raw said: "He has placed his party and his Cabinet loyalty before the interests of South Africa."

REGISTER . . . if necessary, a call to the
Attorney-General.

MULDER . . . he knows of the Prime Minister's
probe

RHOODIE . . . contacted by the Prime Minister last night

BARF

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INVESTIGATION

Cont

FOO, SAYS V OISEL

ORMANDE POLLOK

CAPE TOWN. — Mr. John Vorster, the Prime Minister, revealed last night that he had ordered his own investigation into the Department of Information and how it was spending its money — including secret funds.

Entering the information row publicly for the first time — on the eve of what is expected to be a stormy debate in Parliament today — Mr. Vorster also:

- o Disclosed that the department had been receiving secret funds since 1972;

- o Contradicted Information Secretary Dr Eschel Rhoodie's statement that the Auditor-General, Mr. Gerald Barric, had no right to audit the department's secret books;

- o Took full responsibility for the allocation of funds to the department and denied that they were unauthorised;

- o Warned that if the investigation which he had ordered — and which was still continuing — showed it was necessary, the Attorney-General would be called in; and

- o Said that the effectiveness of the Department of Information and its "head" had been destroyed and that the department would have to be restructured, which would take "a month or three."

Mr. Vorster said that the Government decided to allocate funds to the department in 1972 because of the "total onslaught" against South Africa and to help it combat it in a "delicate and unconventional way."

It would have foiled the whole objective if the money had been allocated direct to the department. It was decided to canalise funds allocated "for combating the psychological and propaganda onslaught" through other departments.

Purpose

"The purpose was to withstand the subversion of our country's good image and stability," said Mr. Vorster.

"It can therefore not be said that these were unauthorised funds and I accept full responsibility for the way in which funds were allocated because it was my judgement that it was in the highest interests of South Africa."

Since 1972 certificates had been issued that the funds made available in this way had been spent and used in an orderly way for the intended purpose.

However, late last year

P.M. ORDERS INQUIRY

◆ FROM PAGE 1

the Auditor-General had informed him that he was concerned about "supposed" irregularities which resulted from the "non-adherence to regulations and instructions by the Department of Information"

Mr Vorster then explained how he had advised Mr. Barrie that nothing less was required of him other than to carry out "the necessary investigation in the normal way as was proper and to report to Parliament irrespective of who was involved or what the consequences may be"

"The Auditor-General naturally concurred and carried out his task in the best tradition of his office," said Mr Vorster.

"I viewed it as irregular to take any steps before the Auditor-General had completed his investigation and had reported to the Select Committee on Public Accounts, but at the same time and with the knowledge and approval of Dr C. P. Mulder and the Auditor-General, I appointed another capable and well-equipped person to investigate fully and decisively all alleged irregularities, allegations, stories and rumours as far as the misuse of funds was concerned.

"The investigation is still continuing and if there should be any indication that funds have in fact been used by anybody for personal gain, the information will be conveyed to the Attorney-General for further in-

vestigation and steps as he may deem fit"

"Meanwhile, it has become clear that the effectiveness of the department and its head, after many reports and statements, has been destroyed, causing incalculable damage to the country and that in conjunction with the Public Service Commission and others concerned there will have to be an investigation as to a total restructuring of the department, as has already been announced

"This task can unfortunately not be completed immediately and it would probably take a month or three to finalise the matter.

"The Government can be trusted to handle the issue meticulously I therefore trust that the matter will now be left in the hands of the appropriate authorities to make the necessary reparations."

● Dr. Eschel Rhodie yesterday formally requested a police investigation into the leakage of documents from the office of the Auditor-General, the Department of Information announced yesterday.

Smith takes a seat

Political Reporter

PIETERMARITZBURG — More than five months after being elected as the MPC for Pietermaritzburg South, Mr. John Hylton Smith last night took his seat in the Natal Provincial Council here for the first time.

Another newcomer, Mr. Bernie Brecher, elected as the NP's MPC for Vryheid on April 26 took his seat as well.

Now Vorster raises even more questions

AS EEMS to be the pattern with the Information Department controversy, the Prime Minister's statement last night raises as many new questions as it answers.

Mr Vorster says the Government authorised the department's secret fund as long ago as 1972, and that he takes responsibility for the way the funds were allocated

Well, the question this raises is whether it was proper for him to do so. Surely if he wanted a secret fund for the Department of Information he should have passed legislation through Parliament providing for one

As things stand, Parliament has authorised such funds only for the Departments of Defence, Foreign Affairs, Police, Plural Relations and the Prime Minister's Department. Can these funds be channelled from one department to another without further reference to Parliament?

If this can be done, why was it necessary to bring the Secret

Services Bill before Parliament this year enabling all departments to have secret funds? But this Bill, it must be noted, is not yet law — and Dr Rhodie's fund has been in existence for six years.

So it looks as though today's big debate will have to include a further explanation by the Prime Minister of what authority he was acting under when he authorised the Rhodie fund which brings him right into the middle of the ballooning controversy

Another point Mr Vorster says he instructed the Auditor-General to undertake his investigation of the department's funds to check on rumours of irregularities.

Yet in his Friday night statement Dr Rhodie said it was made clear to him that the Auditor-General would not have access to the secret fund's implementation, and that he refused to provide the Auditor-General with details of their operations — with Dr Mulder's support.

Clash over Information secret fund

Code Times 10/5/78

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Cont

**Full report on the
debate — page 4**

Citizen mentioned in debate on funds

HOUSE OF ASSEMBLY. — A wide section of the public believed that certain newspapers, such as the Citizen, and other publications were secretly funded by government sources for party political purposes, Mr Japie Basson said yesterday.

Speaking on the Information vote in the Budget debate, Mr Basson (PFP Bezuidenhout) said the public could not be blamed for

being highly concerned.

"So far as the Department of Information is concerned, people have noticed that the same round of political connections and the same round of political business houses always tended to come out on the receiving end of the major material benefits which flowed from the activities of the Department of Information"

The public should be enlightened, he said. — Sapa

Political Correspondent

HOUSE OF ASSEMBLY. — Mr Harry Schwarz, chief Opposition spokesman on Finance, told the House of Assembly yesterday that it would be illegal to allocate secret funds to the Department of Information from the Prime Minister's budget unless Dr Eschel Rhoodie was a "Boss agent".

Mr Schwarz's keynote speech came near the end of the first day of the Information debate in Parliament yesterday. It clashed directly with a previous statement by the Prime Minister, Mr Vorster, that the allocation was not "unauthorized" and assertions by the Minister of Information, Dr Connie Mulder, and other Nationalist speakers that the secret fund was legitimate.

Earlier in the debate, which was repeatedly punctuated by interjections and calls to order, Dr Mulder repudiated Dr Rhoodie for his weekend disclosures of the secret fund and his attack on the Auditor-General, Mr Gerald Barrie.

In reply to Opposition demands for Dr Rhoodie's immediate dismissal and suggestions that he might be afraid to act, Dr Mulder said that there might be other considerations involved.

Mr Schwarz's charge that the transfer of funds to the Department of Information might be illegal followed an admission by Mr Vorster that he had not personally issued audit certificates to sanction the expenditure.

Earlier Mr Schwarz said that two of the three other ministers who controlled secret funds — Defence and Foreign Affairs — had indicated that they knew nothing about it. He had not been able to approach the Minister of Police, but said that there was only a small secret fund for that department.

Continues today

Mr Schwarz said that if the money had come from the Bureau for State Security fund, which fell under the Prime Minister, the money could not have been used unless the Prime Minister was prepared to say that Dr Rhoodie was a "Boss agent".

Other highlights during the nearly four-hour debate which will continue today, were.

• A reference by Mr Japie Basson, chief Opposition Information spokesman, to rumours that the Citizen newspaper was being secretly funded by the Department of Information.

Cape Times 10-5-78

Cont

- An implication by Dr Mulder that his top echelon officials would have to go, because their credibility had been destroyed.
 - Charges by Mr Vause Raw, leader of the New Republic Party, that the government had remained silent while damaging rumours, including some about money in Swiss bank accounts, had been allowed to continue to the detriment of the department.
 - Calls for explanations by the government on why documents had been destroyed.
 - No response by Dr Mulder to accusations by Mr Basson that he had misled Parliament in replies to questions.
 - Heated Opposition interjections such as "Remember Nixon" and "Rhodesgate".
 - A claim by Mr John Wiley, leader of the South African Party, that because of the continuing investigations into the Department of Information, the debate should have been delayed.
 - Dr Mulder's statement "I will answer every question and I will hide nothing," and
 - Dr Mulder's claim "My biggest problem is that I cannot
- Continued on page 2**

INFORMATION DEPARTMENT VOTE + INFORMATION DEPARTMENT VOTE + INFORMATION



The Secretary for Information, Dr Eschel Rhoodie and his brother, Dr Deneys Rhoodie, deputy Secretary for Information, leaving Parliament after yesterday's hearing of the select committee at which they gave evidence. The committee's investigations are continuing

Newscolour MONTY COOPER

Cape Times 10/5/78

'No self-respecting opposition can accept that'

HOUSE OF ASSEMBLY. — No self-respecting opposition could accept the explanation given by the Minister of Information, Dr Connie Mulder, for the position his department found itself in, Dr Zach de Beer (PFP Parktown) said today.

Dr De Beer said that, among other things, Dr Mulder had admitted he disapproved of the statement made by the secretary of his department, Dr Eschel Rhoodie, and would not have approved its release had he known the content.

In spite of this, the minister had not resigned, nor had he dismissed the secretary.

"No self-respecting opposition can accept that," Dr De Beer said.

What was also unacceptable was the fact that both the minister and the Prime Minister, Mr Vorster, suggested there was nothing wrong.

If this were the case why had they taken so long in saying so? Why had they delayed making clarifying statements until the position had deteriorated to that at present?

The dispute was not one between different political parties, but between Parliament and executive and should be seen as such, he said.

It's like Profumo case, says senator

Cape Times 10/5/78
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THE SENATE — Senator
Monty Crook (NRP) said
yesterday that his party was
calling for the resignation of the
Minister of Information, Dr
Connie Mulder, and the
suspension of the secretary.

He said Dr Mulder had misled
Parliament. He had been asked
questions about trips abroad and
had replied that the Seychelles
trip was excluded.

Dr Eschel Rhoodie, secretary
of the department, however, had
said that the minister knew about
the trip. Senator Crook said this
was a serious offence and could
be compared to the Profumo
case.

"If the democratic practice is
to be carried out, the Minister of
Information must resign,"
Senator Crook said.

Senator J F Dippenaar (NP)
said Senator Crook wanted to
discredit the minister, because he
feared Dr Mulder's plural policy
would succeed, which would
wreck opposition politics in South
Africa. Sapa

INFORMATION DEPARTMENT

Worrall defends PM's statement

Cape Times 10/5/78 (259)

HOUSE OF ASSEMBLY — Dr Dennis Worrall, (NP Cape Town Gardens), said yesterday it was in accordance with the parliamentary traditions that the Prime Minister, Mr Vorster, had issued a statement on the Department of Information on the eve of the Information debate.

Dr Worrall said the statement clarified the issues and was in the best public interest.

He found it disturbing that Mr Japie Basson (PFP Bezuidenhout) had attempted to turn the debate into one condemning government policy. He had attempted to argue in general terms.

Mr Basson had ignored the challenge the department had to meet.

The image the Department of Information tried to get across was that of a country blessed by providence with enormous mineral resources and a society which had been able to lift itself to the highest levels.

The chairman of NP's Information Group, Mr J B van Zyl (Sunnyside) said the reason for the vehement attacks on the department was that it had achieved great success in reaching opinion-formers overseas.

Mr Van Zyl said Mr Basson had criticized both the Prime Minister and the Minister of Information, Dr Connie Mulder, stating that they had not done anything about certain irregularities.

"If there is any evidence that necessitates action to be taken, the report will be referred to the Attorney-General immediately.

"What more can the Prime Minister and the minister do?"

Mr Badenhorst Durrant (NP Von Brandis) said a large section of the press had unquestionably conducted the most unscrupulous campaign to discredit the work of the

department abroad.

"The time will arise that steps will have to be taken to restrict racist journalism — racist journalism directed not at black but at white South Africa," Mr Durrant said.

Dr W D Kotze (NP Parys) said that with the proposed restructuring of the department, serious consideration should be given to creating a special Africa division.

Such a division's aim should be to concentrate on Russian



Dr Worrall

intimidation and aggression in southern Africa. It should be manned especially by blacks.

Mr G de Jong (NRP Maritzburg South) said the department today found itself on its deathbed.

Why was the minister clinging so much to this department? Was it to protect his own ego?

Was he jealous that his prestige was going to be lessened when the department was handed over to someone more competent, or was he desirous to get the Prime Minister's job at all costs? Mr De Jong asked.

Mr G P Terblanche (NP Bloemfontein North) said South Africa was the only loser in the PFP's campaign against the government.

Cape Times 10/15/78 (259)

SA betrayed in hour of need, says Schwarz

HOUSE OF ASSEMBLY. — South Africa had been betrayed in her hour of need by the downfall of her information service, Mr Harry Schwarz (PFP Yeoville) said yesterday.

Mr Schwarz called on the Prime Minister, Mr Vorster, to save the situation by explaining the happenings in the department.

He was pleased that Mr Vorster had intervened by issuing his statement of midnight on Monday night, but he had a further duty "to intervene and to tell us certain things".

"The Prime Minister is obliged to do it for South Africa at this time of her history."

One of the most damaging statements made to date in the controversy was the statement by Dr Eschel Rhoodie, Secretary for Information, to the press last Saturday.

"If this statement was not authorized by the Minister of Information (Dr Connie Mulder), then he must fire this man immediately."

"If it was made with the minister's authority then you (Dr Mulder) must go, and go but fast, from this Parliament."

It could not be tolerated that the Auditor General, who was the taxpayer's protector, could be accused of having given South Africa's enemies cause to laugh at the country through his findings concerning the affairs of the department.

"I believe that South Africa has been betrayed in her hour of need. I accept that the government has to have secret funds, but I also know that the Prime Minister will not allow this cloak of secrecy to be used to cover wrongdoings in any government department."

"The Prime Minister is entrusted with certain provisions, but I am not satisfied that those behind the scenes are playing the game with the Prime Minister as regards those provisions."

"The rules are being arrogantly ignored by officials in the department — those rules of the Tender Board and the Treasury that are there to protect the taxpayer."

Mr Schwarz said the most telling newspaper picture of the whole affair had been that carried by the Sunday Express, of Dr Eschel Rhoodie giving a "certain sign".

"But the question is, Was he giving the sign to the photographer or was he giving it to this Parliament?" — Sapa

Wiley wants leak explained

Cape Times
10/15/78
259

HOUSE OF ASSEMBLY — The debate on the Department of Information would remain inconclusive till the removal of highly-confidential documents from the Auditor-General's offices or safe had been satisfactorily explained, the leader of the South African Party, Mr John Wiley, said yesterday.

Mr Wiley said that as a lawyer who respected the rule of sub-judice and had a high regard for parliamentary procedure, it disturbed him that matters still being discussed by the select committee on public accounts had recently been debated in newspapers and had even been referred to in public by the Secretary for Information himself.

There should be an immediate return to confidentiality, and as a pre-requisite for effective and aggressive counter-action against South Africa's enemies, doubts about the department should be cleared up and the investigations into the activities of the department should be wound up as expeditiously as possible.

The virtual collapse of the department could not have come at a worse time, and it was necessary to restructure the department as soon as possible to restore it to an aggressive footing.

Mr Wiley said he and his SAP colleagues accepted the Prime Minister's statement, issued on Monday night, in view of the fact that it was a statement of intent. He saw the statement as a pledge to South Africans that the government would leave no stone unturned to reveal what was going on in the department. If he had any criticism, it was that the statement should have been issued sooner.

He then outlined the scope of the onslaught against South Africa from abroad, saying there has been a sustained campaign lately to discourage investment in the Republic, and that South Africa's enemies had moved from merely criticizing the country to taking action against the Republic — Sapa.

+ INFORMATION DEPARTMENT VOTE + INFORMATION DEPARTMENT VOTE + INFOR

Call for caretaker minister

Cape Times
10/5/78
25-9

HOUSE OF ASSEMBLY — The Prime Minister should appoint a caretaker Minister of Information in place of Dr Connie Mulder and shunt aside all the others involved in the collapse of the department, Mr Japie Basson said yesterday

Mr Basson (PFP Bezuidenhout) the chief Opposition spokesman on Information, said the department's credibility could not be restored either in South Africa or abroad

"We therefore believe that the Prime Minister should use the responsibility which he has accepted and shunt aside all those who are involved in the collapse of the department, including the minister, and appoint a caretaker

"People who had become part of the problem cannot be expected to help successfully with the solution

"Parliament will be in session for at least another month. The Prime Minister should take the opportunity to co-operate with Parliament and to appoint a committee of the House to look at the best ways of overcoming the problems which have arisen, and doing the job of reconstruction

"Only in this way, will confidence be restored here and abroad."

Mr Basson said it happened in the past that a Cabinet minister or deputy minister had destroyed himself and was forced to resign

Unpleasant search for scapegoats

"It is however the first time in history, that I know of, that an entire department stands destroyed with so many people involved"

Mr Basson said three statements had been issued about the matter in the past week

Firstly, there had been the statement of the political head of the department, the minister, Dr Mulder, then the statement of the administrative head, the Secretary for Information, Dr Eschele Rhodie, and finally that of the head of the government, the Prime Minister

While all three differed they had one thing in common — an unpleasant search for scapegoats

As early as 1972 the minister announced that his department was to adopt a more dynamic and unconventional approach in selling South Africa overseas

There had been no public criticism or criticism from within Parliament, and no objection to the use of unconventional methods

It was astonishing that neither the minister nor the Prime Minister had done anything to save the department when it must have become clear to them that things were going wrong

The Prime Minister had in the circumstances made the cardinal fault of thinking he could dress the secretary of the department and his assistants like James Bond

"and that a political James Bond, with a dashing apparatus and huge secret funds with which to work, could create a miracle overseas for the government"

This had, in fact, placed officials under suspicion, and created internal strife in the department, with accusations of treachery, malpractice and back-stabbing

Political leaders were the architects of the debacle. The statement issued by the secretary, Mr Rhodie, had been the most remarkable of all, Mr Basson said

"His minister must have been aware of it and must have given him permission to make the kind of statement he made, because if the secretary did not have the co-operation of the minister in the matter, he should have been sacked the moment the statement appeared

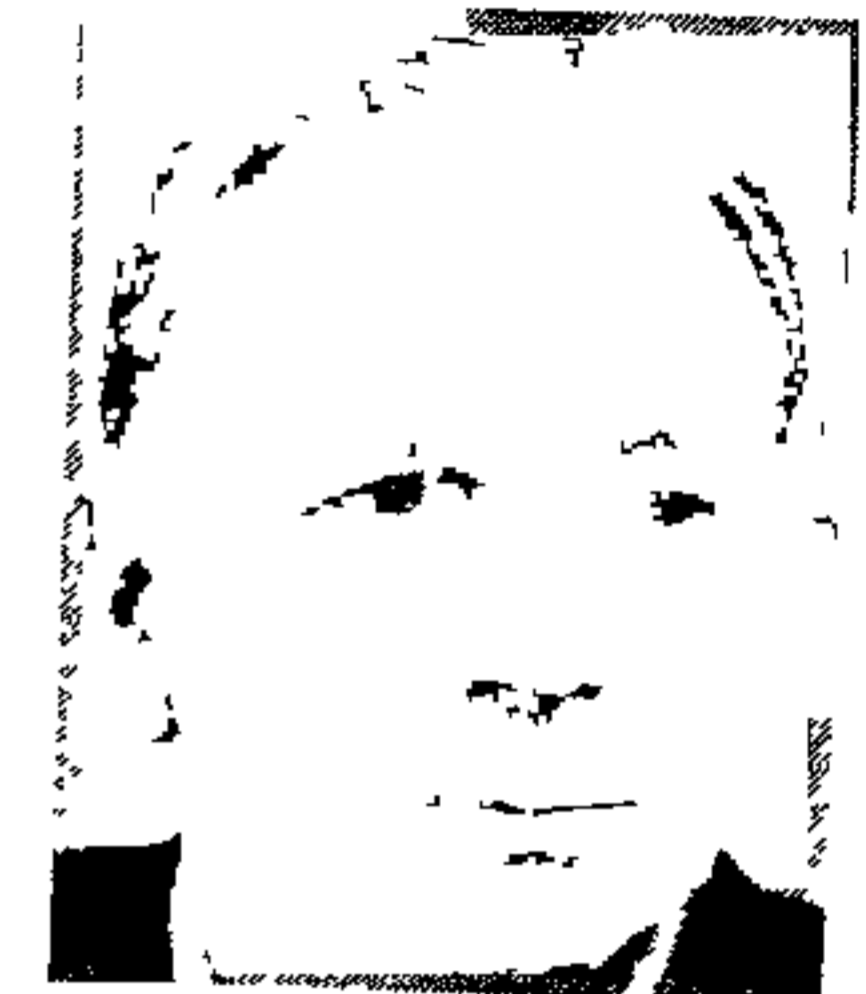
"There has never been a case of this sort, in which an official has been allowed to implicate Parliament, where investigations have been in progress to reveal matters affecting the Cabinet and its manner of work

"It was an unheard of attack on the office of the Auditor-General, who was set up by this Parliament and has the national constitutional duty to scrutinize the work of every department and to report the slightest trace of corruptions and wrongful spending of monies

"In his statement, the secretary also revealed that the minister had, in fact, misled Parliament in respect of the replies to questions he had given to this House

Mr Basson said the opposition would be prepared to withdraw questions which might not be in the interests of South Africa

"But what is completely unacceptable is that a minister gives replies in this House which are misleading," he said



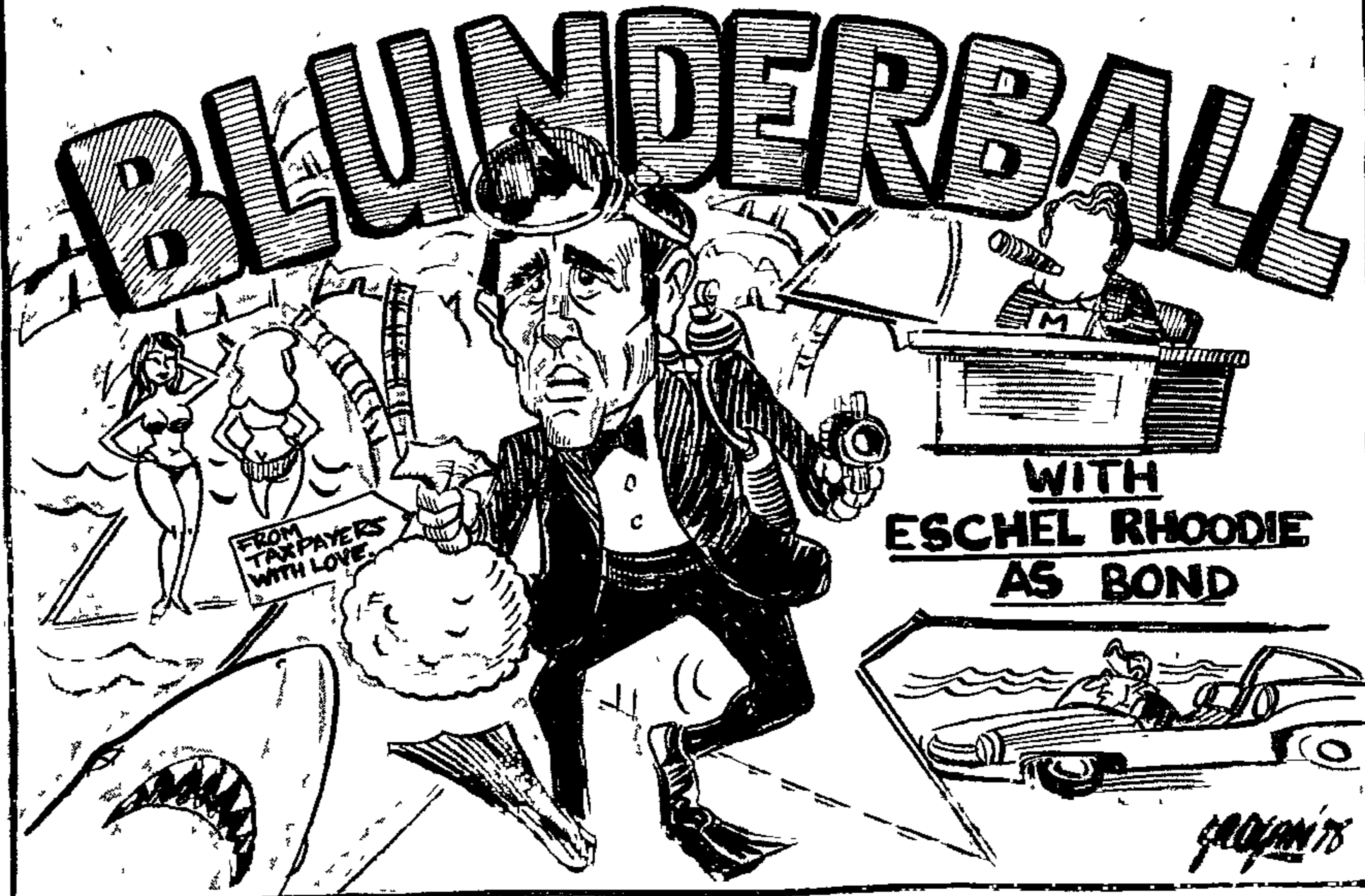
Mr Basson

Today's business committee stage,
HOUSE OF ASSEMBLY. — Appropriation Bill
Questions Resumption (Information vote) — Sapa

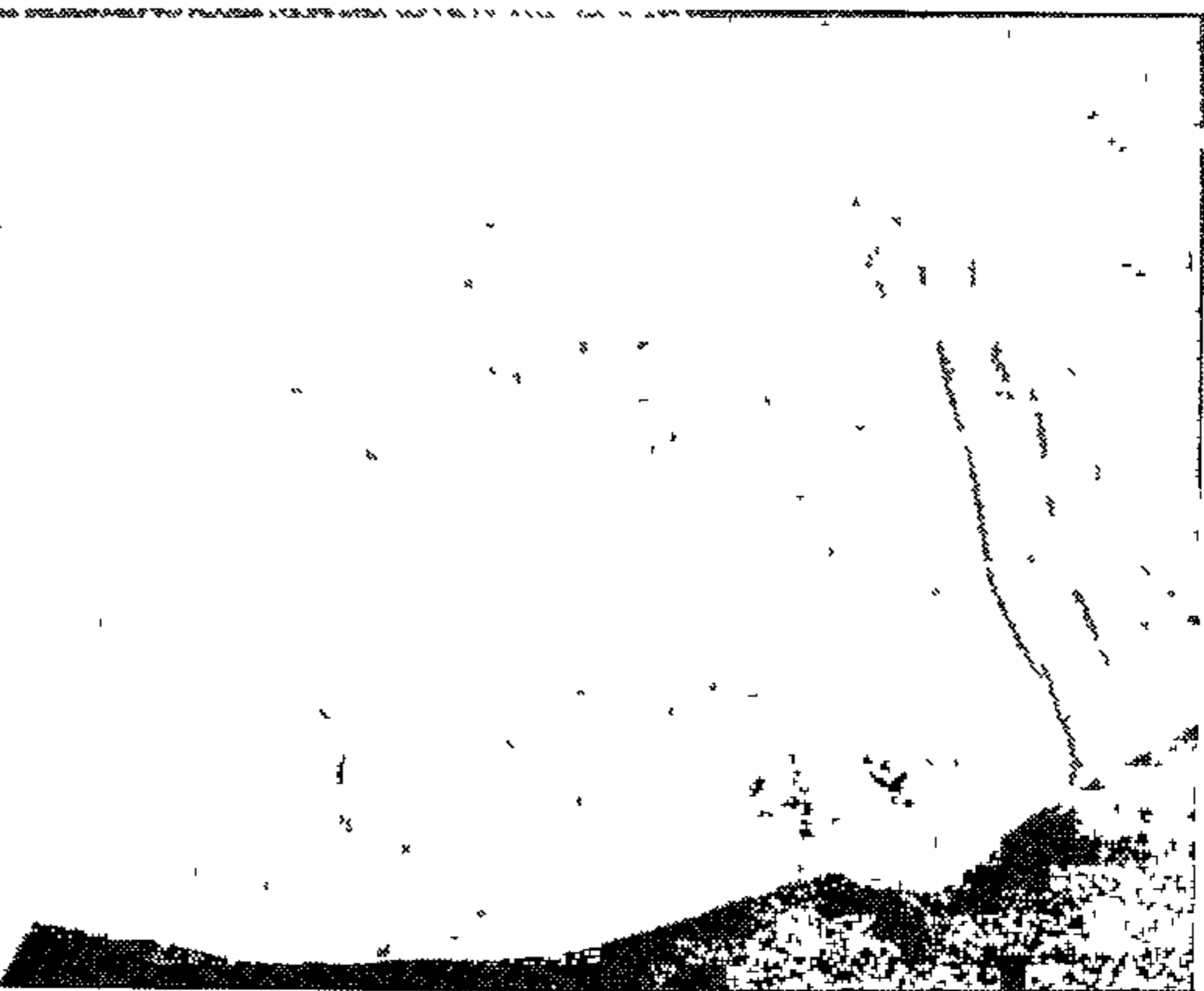
Cape Times 11/5/78

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NOW ON SA SCREENS - SUSPENSE, MYSTERY AND INTRIGUE
IN THE NEW ACTION-PACKED 007 THRILLER:



The Citizen



Mr Louis Luyt



Mr Vorster



Dr Connie Mulder



Mr F G Barrie



Mr Jan van Zyl Alberts

COMMUNICATION

Govt →

MARTIN SCHNEIDER: Political Editor

THE origins of the deepening crisis over the Department of Information and its links with the owners of The Citizen newspaper and the mystery company Thor Communicators can be traced as far back as 1972.

It was then that the government acting without the knowledge of Parliament located a secret fund for the use of the Department of Information.

According to the Prime Minister the purpose of the fund was to assist the department "in a delicate and unconventional way" to withstand the subversion of our country's "good name and stability".

Mr Vorster added he accepted full responsibility for the way in which the funds were allocated "because it was my judgement that this was in the highest interests

Indeed, at the time these relationships were being forged, there were rumours of Government slush funds, but when I put to Mr Luyt last week the proposition that The Citizen had been financed by Government funds, he replied, "Categorically no. Absolutely not."

A history of the known relationships provides a fascinating study.

Dr Rhoadie came into contact with Mr Louis Luyt at the end of 1974 and the beginning of 1975 Mr Luyt told me that during the Angolan war he used to communicate "sensitive international messages" from African Presidents" to Dr Rhoadie in a restaurant in De Meent Arcade in Central Pretoria. On one occasion, Mr Luyt said, they held their discussions in an office in the same building.

In January 1976, having failed to buy SAAN, Mr Luyt announced his plans to launch The Citizen. Publication started in September 1976.

Though Thor Com-

This office — in fact, a luxurious lounge — has since become known as the registered address of Thor Communicators, though Mr Luyt told me he was not aware of Thor's existence at that time.

In late 1975, when Mr Luyt made his abortive attempt to buy SA Associated Newspapers — owners of the Rand Daily Mail, — Mr van Zyl Alberts acted as the linkman, bringing the fertilizer magnate into contact with Mr McGoff and the German publisher, Mr Axel Springer, who were said to have had an interest in the take-over bid.

The offices continued to be nothing more than a luxurious lounge. There was no telephone listed in Thor's name.

But in October 1976, this strange company suddenly received a three million dol-

lar deposit from Union Bank since at least late 1974, it was only registered as a company in June 1976 and is reported to have had a bank deposit of only R2 500.

Its directors were the late Mr Oscar Hurwitz, a Pretoria financier, Mr Andre Pieterse, of Film Trust, and Mr Rethel van Rooyen, the advocate who represented the police at the Biko inquest.

Dr Rhoadie has, however, said that Thor played a role in "our work" — and clearly, he meant the Department's work.

He added however that his personal connections with Thor Communicators were "above board".

Dr Rhoadie made these statements when dealing with the controversial trip he took in Mr Luyt's jet to the Seychelles islands in January last year.

According to Mr Luyt in an

interview last week, he was interested in selling his BAC III jet for R4-million and the Seychelles trip was a "demonstration flight for Thor". Also on board was Mr Rethel van Rooyen, the Thor director.

By the middle of 1977, irregularities in the Department of Information's accounts were being alleged.

According to the Prime Minister, the Auditor-General, Mr Barrie, had reported to him "supposed irregularities which resulted from the non-adherence to regulations and instructions by the Department of Information. At the same time many stories and runrounds about the department circulated."

Mr Vorster did not detail the stories and runrounds, but gave unqualified support to the Department of Information.

Mr Barrie to continue his probe

Dr Rhoadie, however, objected to Mr Barrie's probe, saying the Auditor-General had no authority to inquire into accounts dealing with his secret funds allocated by the Government since 1972.

The Prime Minister not only backed Mr Barrie's inquiries, but called in a third, unnamed person, to investigate certain aspects of the department.

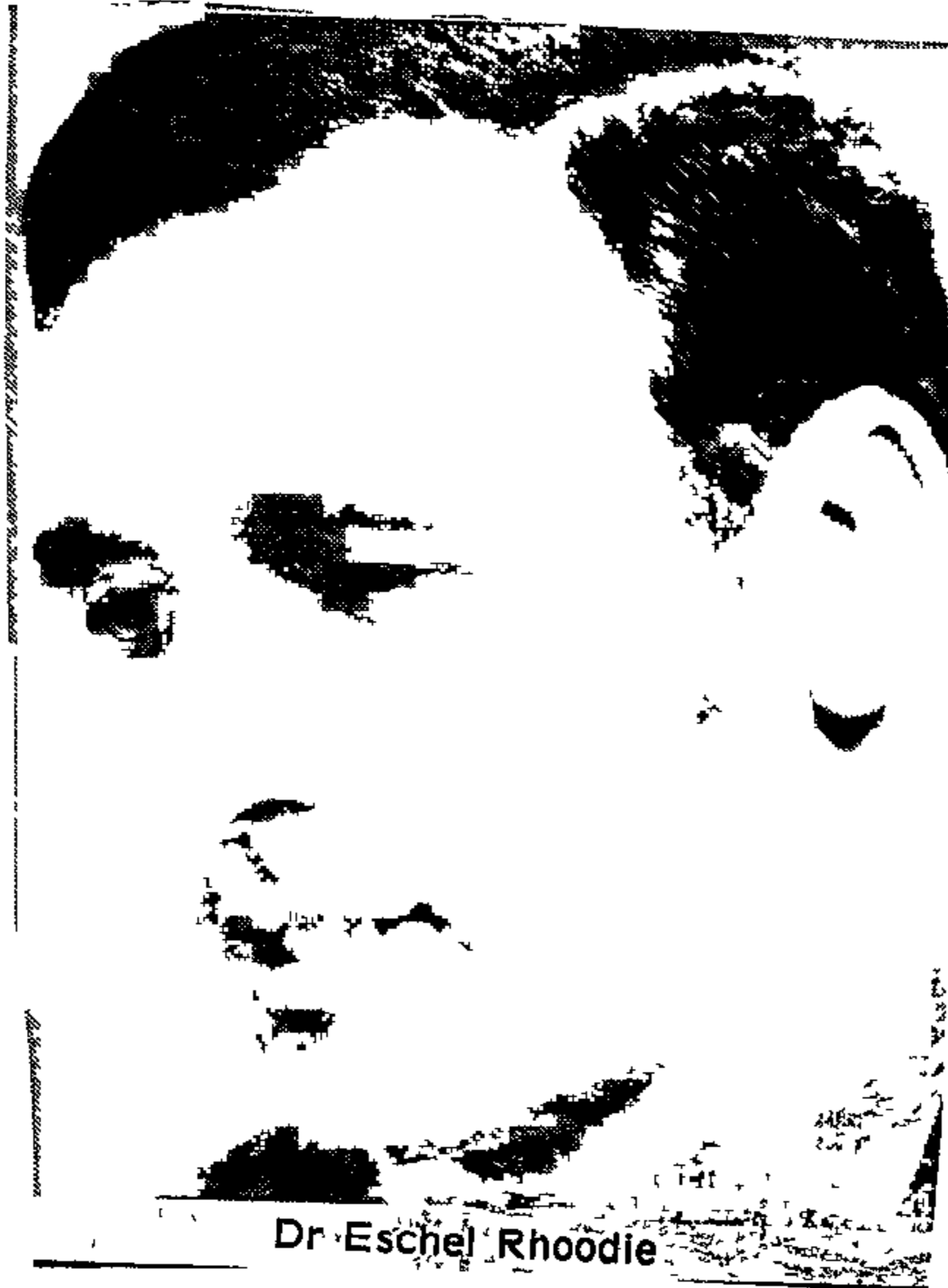
Then early this year, the relationship between Dr Rhoadie and Mr Luyt cooled dramatically. According to Mr Luyt, he has not seen Dr Rhoadie since the beginning of the year.

A row broke out between them in January after Mr Luyt had appeared on a British television show. Dr Rhoadie took the extraordinary step of writing to the Department of Information, The Citizen and Thor Communicators?

The identity of the newspaper's remaining local shareholders and financiers remains a mystery.

The question remains. What precisely was the relationship between the Department of Information, The Citizen and Thor Communicators?

10-05-78



Dr. Eschel Rhoodie

At issue is the decision by the Attorney-General, backed by Mr Vorster, to probe the way those funds have been used.

The allocation of the secret fund took place in the same year that the Minister of Information, Dr Connie Mulder, replaced Mr Gerald Barrie as secretary for the department.

With Mr Barrie promoted to Auditor-General Dr Mulder secured Cabinet approval for the appointment as secretary of Dr Eschel Rhoodie, against the recommendations of the Public Service Commission.

It was a giant leap for the ambitious Dr Rhoodie. He had only recently returned to the country from relatively junior foreign service postings and as an assistant editor of the news magazine, *To The Point*, was not even employed by the Department of Information at the time of his appointment.

Senior noses were bloodied in the process, but Dr Mulder had great faith in the young Dr Rhoodie.

He told Parliament Dr Rhoodie was "above all, an expert who knows his subject and has the necessary drive and dynamite to take his department to great heights."

Under Dr Rhoodie the department rapidly developed an aggressive approach to world condemnation of apartheid, attacking government critics for practising double standards in their own countries, and encouraging policy changes at home.

With his *To The Point* background, Dr Rhoodie had established certain relationships that became the subject of increasing speculation among politicians, journalists and businessmen.

To The Point was owned by African International Publishing Co (Pty) Ltd under Mr Jan van Zyl Alberts and Mr Hubert Jussen, who bought the pro-Government *Citizen* newspaper from fertilizer magnate Mr Louis Luyt early this year.

And soon enough Dr Connie Mulder, Minister of Information, found himself involved in these new relationships.

Forming a company called Reenberg (Edms) Bpk, the Minister bought the Hoedspruit leisure farm with Mr Alberts, Dr Rhoodie, his brother Deneyns — now prematurely retired as deputy Secretary for Information — Mr Les de Villiers, the former deputy secretary, and the American publisher, Mr John McGoff.

The nature of these relationships became more and more curious as more and more became known about them. Mr Japie Basson said in the House of Assembly yesterday, a wide section of the public believed *The Citizen* was financed by secret Government funds.

start 10/5/78 (259)

PM's job

'Take over Information yourself'

John Patten, Political Correspondent

Cape Town

A call was made to the Prime Minister, Mr Vorster today, to take personal charge of the Department of Information as the crisis over the department moves to its climax in the Assembly this afternoon.

The call came from Mr Harry Schwarz, one of the PFP leaders spearheading the Opposition attack on the Government's handling of South Africa's information services.

He is also a member of the select committee investigating reported irregularities in the department.

Mr Schwarz came with a two-pronged solution to the department's problem

- Relieve the present Minister, Dr Connie Mulder, of his portfolio by giving the department to the Prime Minister until investigations into restructuring are complete.

- Employ the present secretary for Information, Dr Eschel Rhoodie, on a contract basis in a new capacity, if his skills are all wanted

Mr Schwarz spoke as the official Opposition prepared itself for the second phase of its carefully planned onslaught on the handling of the ailing department.

Today there are pointers suggesting the PFP attack will concentrate on the clash of interests between the country's legislature (Parliament) and its executive, (the Government) arising out of the

It's time

use of secret funds from an undisclosed source, for which incomplete answers are being given to Parliament.

Illegal

The PFP information spokesman, Mr Japie Basson, has already indicated that the official Opposition will oppose Parliament voting any of the R15,8-million budgeted for the Department. This is because the Government has admitted that the department's effectiveness has been destroyed, and already steps are being taken to phase the department out.

A critical question still to be answered by Mr Vorster or Dr Mulder is the basis on which department staff was used in spending secret funds from another department.

Mr Schwarz suggested in the debate yesterday that under existing law, it was illegal for money voted for one department to be spent by another department.

- There is not likely to be any parliamentary action against Dr Rhoodie as a result of his statement last week.

In it Dr Rhoodie dealt with matters still being dealt with by the Select Committee on Public Accounts.

The chairman of the committee, Mr Hennie van der Walt, MP for Schweizer-Reneke, said earlier

To Page 3, Col 3

'Secret funds switch illegal'

RDM 10/5/78

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By HUGH MURRAY
Political Correspondent

HOUSE OF ASSEMBLY

THE transfer of secret funds from the Prime Minister's Budget to the Department of Information was illegal — unless the secretary, Dr Eschel Rhodie, was a BOSS agent, Mr Harry Schwarz said in Parliament yesterday.

Mr Schwarz, Chief Opposition Finance spokesman, levelled this serious charge at the end of a tense first day's debate on the portfolio of the Minister of Information, Dr Connie Mulder.

Mr Schwarz was speaking before the adjournment of a debate highlighted by dramatic claims and disclosures including:

- Dr Mulder's emphatic repudiation of Dr Rhodie's statement at the weekend attacking the Auditor-General and disclosing the existence of the secret fund;

- An Opposition suggestion that The Citizen newspaper and others could be financed by the Government;

- An inference that it was because Dr Mulder was "afraid" of Dr Rhodie that he did not sack him immediately;

- Dr Mulder's admission in response to this suggestion that there were "considerations" which may preclude his Secretary's immediate dismissal;

- An admission by the Minister that all of his officials attacked by the Press were now completely discredited and ineffective, and its implication that all those involved would have to go; and

- The Prime Minister's admission that he had not personally provided audit certificates covering his secret fund — though Mr Schwarz claimed this was required by law.

The afternoon's heated proceedings were attended by virtually every member of the Cabinet and the packed House erupted repeatedly amid interjections of "remember Nixon" and descriptions of the Information affair as "Rhodiegate".

There were also rumours, according to New Republic party leader, Mr Vause Raw, of "Swiss bank accounts".

The Prime Minister listened raptly to the most of the proceedings, interjecting only that he and his Ministers were not responsible for providing certificates guaranteeing secret funds had been appropriately spent.

This was the function of internal accountants in the various departments.

This statement was strongly contested by Mr Schwarz, who quoted from the statutes in respect of secret funds could only be provided by the Ministers involved and the Auditor-General jointly.

Mr Schwarz cited the Security Services Special Account — the Bureau of State Security's allocation — and the Act relating to it (No 81 of 1969).

He said the law provided specifically that "monies in the account should be used for sub-services of a confidential nature and such expenses connected with the services of the Bureau for State Security as the Prime Minister may from time to time conclude as being in the national interest".

He added: "It is only, sir, for matters connected with the Bureau of State Security there is no power in this to give money to the Department of Information".

"The only way it could possibly be argued that BOSS money could be used, would be if the Secretary of the Department was an agent of BOSS. And I don't believe the Minister says that's the position."

"Maybe that's the reason he (Dr Rhodie) can't be fired," Dr Alex Boraine (PFP (Pinelands)) interjected.

SPLASHDOWN

RDM 10/978

By Bob Connolly

259



Opposition concern at Transkei pact break

Cape Times
11/5/78

CAPE Times

11-05-78

Political Correspondent

TRANSKEI'S decision yesterday to break its non-aggression pact with South Africa has been met with concern by both major opposition parties and a warning that it could create a dangerous gap in South Africa's overall security situation.

The government declined to react till a letter confirming the decision had been received from Chief Kaiser Matanzima by the Prime Minister, Mr Vorster. The Minister of Foreign Affairs, Mr R F Botha, said last night that he had been told that the letter was on its way and that the government would react once it was received.

In Umtata yesterday, the Transkei Prime Minister, Chief Matanzima, announced that no South African military aircraft or naval vessels would be accorded peaceful overflight or allowed to take shelter in Transkei ports or airports. He regarded a decision by the South African Defence Force to cancel a course arranged for Transkei soldiers at Oudtshoorn on April 15 as "a slap in the face".

Not an empty gesture

The Transkei Government had therefore resolved to cancel the non-aggression agreements between the two governments from the date of the receipt of his letter by Mr Vorster.

The leader of the New Republic Party, Mr Vause Raw, said the denunciation by Transkei of the agreement could not be treated as an empty gesture aimed only at its own international recognition.

"In fact, the ending of the agreement creates a dangerous gap in South Africa's overall security situation because it opens the door for Transkei to call in any other power to patrol its territorial waters," he said. "Any violation by South Africa could then be held up in the United Nations as an act of aggression."

Mr Raw said he had warned repeatedly that in "cutting the umbilical cord" between the two countries and replacing it with tenuous agreements, "we were jeopardizing the lifelines of future co-operation and co-existence."

He said the time had come for South Africa to realize that its future depended on some form of constitutional links to bind the states of South Africa together in a common purpose.

Traditional friendship

The Progressive Federal Party spokesman on defence, Mr Harry Schwarz, said it was with regret that one noted the step taken by Transkei.

"One hopes that, in spite of this action, the traditional friendship between the inhabitants of Transkei and South Africa will continue, and that peaceful co-existence will remain part of the aspirations of the peoples of both countries," he said.

Mr Schwarz said one should bear in mind the desire of the Transkei Government to achieve international recognition, and "no doubt this aspiration must in part motivate this kind of action. While in no way forecasting any conflict arising from the decision, the development on all the borders of South Africa will have to be carefully watched from a defence point of view."

CONT

CAPE TIMES
11-05-78

Man set fire to woman's blankets

WORCESTER. — A farm labourer, Petrus Makaba, 40, was yesterday convicted on a charge of culpable homicide in the Circuit Supreme Court of the Cape, sitting at Worcester, for the death of a woman last year.

Sentence will be passed today

Makaba had appeared on a charge of murder

Evidence was that on August 27 last year near Bothashalt, Worcester, Makaba was outside his home when a woman entered his house. She was under the influence of liquor.

The court heard that the woman went into Makaba's house and slept. Makaba's wife later told him that his "other wife was in the house". Makaba then became "very angry" and went into the house.

He took paraffin from his oil lamp and poured it on the blankets covering the woman before setting them alight.

Makaba told the court that he had intended waking the woman and getting her out of his house. She had been the cause of persistent trouble between him and his wife, he said.

The court heard that the woman later ran out of the house. She was burning. Makaba and some others threw water and sand on her in an attempt to douse the fire. She died three days later.

Mr J. A. Farrell appeared for the State, Mr D. J. du Toit appeared pro Deo for Makaba, Mr Justice de Kock sat with two assessors, Mr L. F. Muller and Mr E. R. van Rooyen.

Major tried to bribe us, say accused

HERMANUS — Lawrence Mvula and Kidlas Bogwana told the Regional Court here yesterday that Major R. L. "Blackie" Swart of the security police tried to bribe them into becoming State witnesses.

Mr Mvula said Major Swart offered to double the amount if he agreed to implicate others.

Mr Mvula, 18, and Mr Bogwana, 18, appeared before Mr A. J. Burger on a charge of sabotage, alternatively arson. Both pleaded not guilty. The charge arises from a fire at the Fezeka High School, Guguletu, on September 22.

Cross-examined by Mr J. Vermaak, for the State, Mr Mvula denied he conspired with other students to set the school on fire, that he bought petrol or that he was at the school on



September 22. He repeated that the State witnesses were trying to implicate him because they wanted to save themselves.

Mr Burger said he wished to ask Mr Mvula how the State's third detained witness could have had such implicating evidence about him.

"In my opinion," Mr Mvula said, "he received this information from the police. They also asked me to be a State witness. Also, he probably wanted the money. If you become a State witness, you get R400."

Mr Burger: "Who said so?"

Mr Mvula: "Major Swart. He also said that if I implicated someone else I would get R800. But I refused."

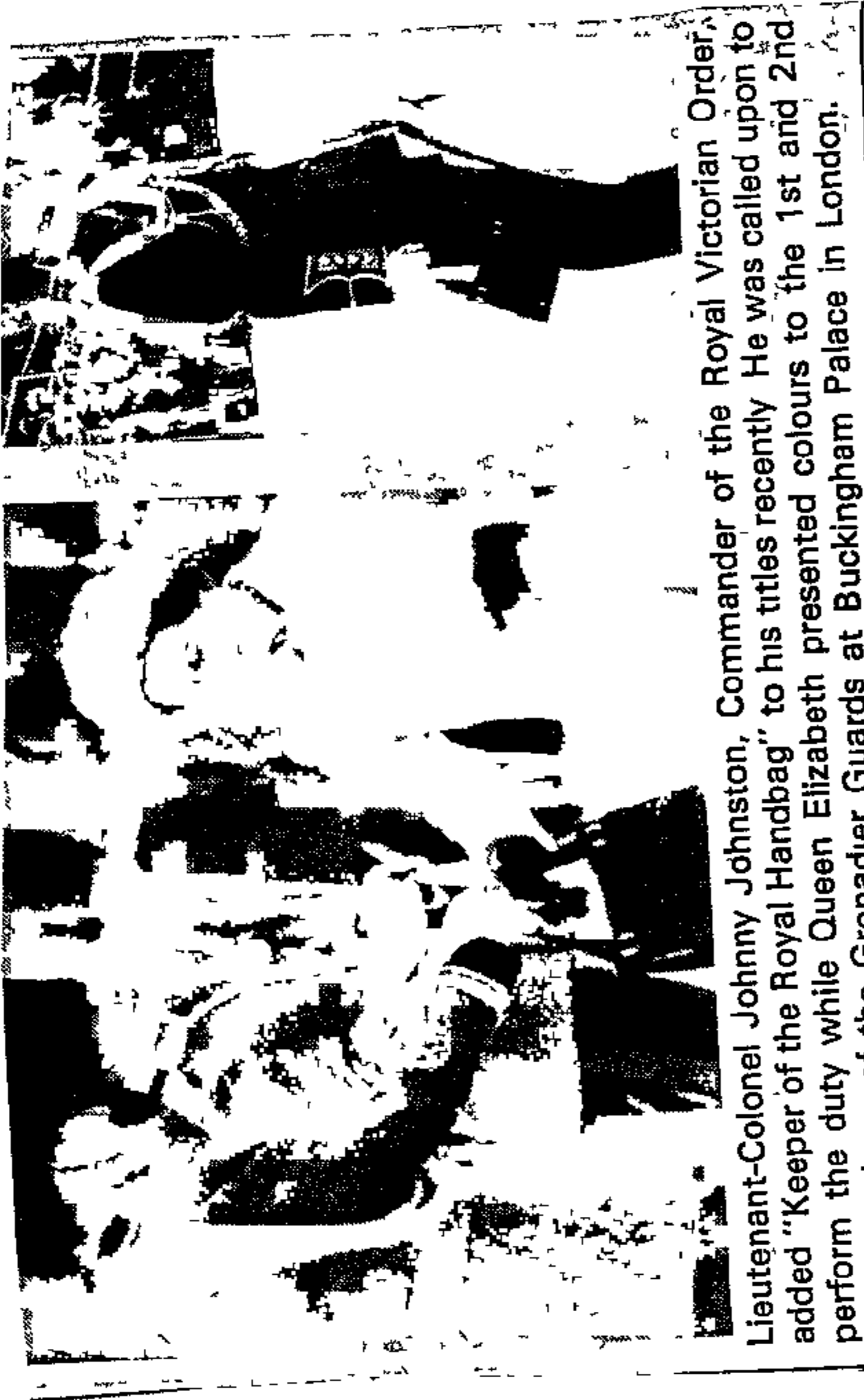
Mr Bogwana said he never attended a meeting, nor was he at the school on the night of the fire.

Asked by Mr A. H. Veldhuizen, for the defence, whether he was asked to be a State witness, Mr Bogwana said: "Major Swart asked me to be a State witness. I was to implicate Mvula and the State's first detained witness. He said he would tell me how to implicate them. He said I would get R200. Then he said he had asked me for long enough and so he would lay a charge against me. He never asked me again."

Mr Burger asked the prosecutor to have Major Swart present at today's proceedings.

Mr Veldhuizen is instructed by A. M. Omar and Company.

CONT



Lieutenant-Colonel Johnny Johnston, Commander of the Royal Victorian Order, added "Keeper of the Royal Handbag" to his titles recently. He was called upon to perform the duty while Queen Elizabeth presented colours to the 1st and 2nd Battalions of the Grenadier Guards at Buckingham Palace in London.

The Cape Times, Thursday, May 11, 1978 3

Into the roof, out of a toilet . . . prisoner is free

By STEPHEN WROTIESLEY
 A PRISONER escaped from the cells at the Magistrate's Court yesterday and then gave a police search party the slip when he clambered 200 m. inside the roof of the building to eventually emerge from a public toilet.
 The police later abandoned their search when it became clear he was no longer in the court building.

Shortly before his escape, Anthony Diedricks, 20, appeared in the Juvenile Court with a 16-year-old youth on a charge of assault with intent to do grievous bodily harm. Both pleaded not guilty to

the charge of assaulting Mr Ishgak Marten on May 1. The youth was released into the custody of his father but Diedricks was remanded in the cells adjacent to the Juvenile Court which is on the first floor of the building. He was put in a cell with four or five youths in the cell was an enclosed toilet. About 12.53pm Diedricks made his break to freedom. Standing on the top of the

toilet, he broke through the ceiling and clambered into the roof.

The other youths in the cell then gave the alarm and police were on the scene within seconds but Diedricks had gone.

While police started organizing a search party, Diedricks scrambled along the ceiling of the east wing of the court building.

The Cape Times

THURSDAY, MAY 11, 1978

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Not the end of the story

DR CONNIE MULDER'S reply to the debate on the Information vote yesterday was at times evasive, generally unenlightening on the critical questions surrounding the Rhodie controversy and wholly unsatisfactory as an essay in the exercise of ministerial responsibility to Parliament. On the fundamental question of the accountability of the Executive to the Legislature for the expenditure of public funds, secret or otherwise, Dr Mulder has failed the House and the country. Parliament still does not know where the money — presumably millions of rands — came from to finance the clandestine activities of Dr Mulder's department. The best that the minister could do yesterday was to refer the House to the Prime Minister's unsatisfactory statement on the eve of the debate which indicated an undisclosed sum was transferred from an existing secret fund to be used for undercover functions by Dr Rhodie

and his fellows. As the Opposition rightly argues, this was an infringement of the statutory requirement that money be spent strictly by the department concerned for the purpose for which it was allocated by Parliament. If this requirement falls away, what control has Parliament over public funds? What is then left of Parliamentary government?

A host of other questions remain unanswered which can stand over for analysis in these columns in due course. For the moment, it can be noticed that Dr Mulder refused outright to answer any questions whatsoever about Thor Communicators, the mystery company whose association with the Department of Information was revealed by the Secretary for Information himself. The select committee on public accounts has yet to submit its final reports to Parliament. This is not the end of the story. It is only the beginning.

Dr Mulder and Dr Rhodie

THE MINISTER of Information's failure summarily to dismiss the Secretary for Information after his scandalous public statement on Saturday robs Dr Mulder of any claim to sympathy in his present unenviable predicament. Here is a minister who has so little control of his department and of its permanent head that the latter is able to make public statements with impunity disclosing cabinet policy and the existence of a secret fund operated under the control of a three-man cabinet committee. And here is a minister standing by while his most senior official makes an unprecedented public attack on the Auditor-General, an official of Parliament in whose position is vested the financial probity of the entire administration. Dr Mulder tells us he would have prohibited the issuing of Dr Rhodie's statement had he known in advance of the contents. What kind of an excuse is that? What kind of control does this minister exercise over his department? Dr Mulder says he does not agree with Dr Rhodie's comments about the Auditor-General and he tells us that he has discussed the matter with Dr Rhodie. But he has not even rebuked Dr Rhodie's public and, as for

the Auditor-General from carrying out his statutory functions in respect of the Department of Information. In this attempt, Dr Rhodie tells us, he was supported by the Minister of Information. But the Auditor-General proceeded with his work in the normal manner, as the Prime Minister himself has told us, with the full agreement of Mr Vorster, who even went further and appointed his own additional investigator.

Dr Mulder, on the first day of the debate, declined to address himself in detail to the contents of Dr Rhodie's statement. But he cannot decline responsibility. The Prime Minister has accepted responsibility for the original decision to vest the Department of Information with clandestine funds and functions. But this does not free Dr Mulder of responsibility for the chaotic situation in his department and his failure to maintain proper control of the sayings and doings of his officials. The public attack by the Secretary for Information on the Auditor-General was a scandal without precedent in the public service in South Africa. Any suggestion of denigration or lack of respect for the office of Auditor-General, by the head of

a government department, calls into question this country's reputation for probity in public administration. Yet Dr Mulder declines to give Dr Rhodie the sack. And he shows no sign of accepting the doctrine of ministerial responsibility himself. It remains for the Prime Minister to ask Dr Mulder to resign

sacking him, Dr Mulder says there might be certain considerations involved, whatever that may mean, and declines to do so.

The Secretary for Information is an official who on his own admission has had the effrontery and arrogance to attempt — unsuccessfully — to prevent

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What is the link between Citizen, Thor, info dept?

Own Correspondent

JOHANNESBURG. — The origins of the deepening crisis over the Department of Information and its links with the owners of the Citizen newspaper and the mystery company, Thor Communicators, can be traced as far back as 1972.

It was then that the government, acting without the knowledge of Parliament, allocated a secret fund for the use of the Department of Information

According to the Prime Minister, the purpose of the fund was to assist the department in a delicate and unconventional way to withstand the subversion of South Africa's good image and stability.

Mr Vorster added that he accepted full responsibility for the way in which the funds were allocated because "it was my judgment that this was in the highest interests of South Africa"

At issue is the decision by the Auditor-General, backed by Mr Vorster, to probe the way those funds have been used

The allocation of the secret fund took place in the same year that the Minister of Information, Dr Connie Mulder, replaced Mr Gerald Barrie as secretary for the department.

With Mr Barrie promoted to Auditor-General, Dr Mulder secured Cabinet approval for the appointment as secretary of Dr Eschel Rhoodie against the recommendations of the Public Service Commission

It was a giant leap for the ambitious Dr Rhoodie. He had only recently returned to the country from relatively junior foreign service postings and as assistant editor of the news magazine, *To The Point*, and was not even employed by the Department of Information at the time of his appointment.

Senior noses were bloodied in the process, but Dr Mulder had great faith in the young Dr Rhoodie. He told Parliament Dr Rhoodie was above all an expert who knew his subject and had the necessary drive and dynamite to take his department to great heights

Under Dr Rhoodie, the department rapidly developed an aggressive approach to world condemnation of apartheid, attacked government critics for practising double standards in their own countries, and encouraged policy changes at home

With his *To The Point* background, Dr Rhoodie had established certain relationships that became the subject of increasing speculation among politicians, journalists and businessmen

To The Point was owned by African International Publishing Co (Pty) Ltd under Mr Jan van Zyl Alberts and Mr Hubert Jussen who bought the pro-government Citizen newspaper from the fertilizer magnate, Mr Louis Luyt early this year

Soon enough Dr Mulder found himself involved in these new relationships.

Forming a company called Reenberg (Edms) Bpk, the minister bought the Hoedspruit leisure farm with Mr Alberts, Dr Rhoodie, his brother Deneyns — now prematurely retired as Deputy-Secretary for Information, — Mr Les-tie Vilhers, the former deputy-secretary, and the American Mr John McGoff

not aware of Thor's existence at that time

● In late 1975, when Mr Luyt made his abortive attempt to buy South African Associated Newspapers, publishers of the Cape Times, Mr Van Zyl Alberts acted as the linkman bringing the fertilizer magnate into contact with Mr McGoff and the German publisher, Mr Axel Springer, who were said to have had an interest in the take-over bid

● In January 1976, having failed to buy Saa, Mr Luyt announced his plans to launch the Citizen Publication started in September, 1976

● Though Thor Communicators has had an office since at least late 1974 it was only registered as a company in June 1976 and is reported to have had a bank deposit of R2 500.

No telephone

Its directors were the late Mr Oscar Hurwitz, a Pretoria financier, Mr Andre Pieterse of Film Trust and Mr Retief van Rooyen, the advocate who represented the police at the Biko inquest.

The offices continued to be nothing more than a luxurious lounge. There was no telephone listed in Thor's name.

But in October 1976 this strange company suddenly received a three million dollar deposit from Union Bank in Switzerland. Where the money came from and to what purpose it was put remain key unanswered questions

● Dr Rhoodie has, however, said that Thor played a role in "our work" and clearly he meant the department work

He added that his personal connections with Thor Communicators were above board.

Dr Rhoodie made these statements when dealing with the controversial trip he took in Mr Luyt's jet to the Seychelles Islands in January last year

According to Mr Luyt in an interview last week he was interested in selling his BAC 111 jet for R4m and the Seychelles trip was a demonstration flight for Thor. Also on board was Mr Retief van Rooyen, the Thor director

● By the middle of 1977 irregularities in the Department of Information's accounts were being alleged

According to the Prime Minister, the Auditor-General, Mr Barrie, had reported to him supposed irregularities which resulted from the non-adherence to regulations and instructions by the Department of Information. At the same time many stories and rumours about the department circulated

No authority

Mr Vorster did not detail the stories and rumours but gave unqualified support to Mr Barrie to continue his probe

Dr Rhoodie objected to Mr Barrie's probe saying the Auditor-General had no authority to inquire into accounts dealing with his secret fund allocated by the government in 1972.

CONT

The nature of these relationships, however, not only backed Mr Barrie's inquiries but called in a third unnamed person to investigate certain aspects of the department.

The nature of these relationships, however, not only backed Mr Barrie's inquiries but called in a third unnamed person to investigate certain aspects of the department.

curiouser and curiouser as more and more became known about them. Mr Japie Basson said in the House of Assembly on Tuesday that a wide section of the public believed the Citizen was financed by secret government funds

Fascinating study

Indeed, at the time these relationships were being forged, there were rumours of government slush funds, but when I put to Mr Luyt last week the proposition that the Citizen had been financed by government funds, he replied "Categorically no. Absolutely not."

A history of the known relationships provides a fascinating study.

● Dr Rhodie came into close contact with Mr Louis Luyt at the end of 1974 and the beginning of 1975. Mr Luyt told me that during the Angolan war he used to communicate sensitive international messages from African presidents to Dr Rhodie in a restaurant at De Meent Arcade in central Pretoria. On one occasion, Mr Luyt said, they held their discussions in an office in the same building.

This office, in fact a luxurious lounge, has since become known as the registered address of Thor Communicators, though Mr Luyt told me he was

Mr Barrie's inquiries but called in a third unnamed person to investigate certain aspects of the department.

● Then, early this year, the relationship between Dr Rhodie and Mr Luyt cooled dramatically. According to Mr Luyt, he has not seen Dr Rhodie since the beginning of the year.

A row broke out between them in January after Mr Luyt had appeared on a British television show. Dr Rhodie took the extraordinary step of writing to a newspaper and distancing the Department of Information from Mr Luyt's action.

Mr Luyt then accused Dr Rhodie of being the know-all and be-all in South Africa. "This whole affair," said Mr Luyt, "has affected my work for South Africa. I will probably divert the funds I have spent on promoting South Africa abroad to activities at home."

● Within a month Mr Luyt had sold the Citizen to Mr Van Zyl Alberts and Mr Jussen.

The identity of the newspaper's remaining local shareholders and financiers remains a mystery.

The question remains "What precisely was the relationship between the Department of Information, the Citizen and Thor Communicators?"

Mulder silent on 'Thor'

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Dr Mulder repeatedly said he would answer all questions and that he had nothing to hide. Yet when it came to the crunch, he refused to answer questions about Thor Communicators

This is in the face of newspaper reports based on the Auditor-General's report of July last year that there are connections and Dr Rhoodie's pregnant statement about the company. Instead of putting an end to all the mystery, Dr Mulder's failure to reply has heightened the speculation," Mr Schwarz said.

Earlier, Mr Eglin had asked Dr Mulder to say whether it was true or not that the Citizen was assisted and sponsored by

Continued on page 2

Political Correspondent

HOUSE OF ASSEMBLY. — The Minister of Information, Dr Connie Mulder, yesterday refused to answer opposition questions of the department's links with the mysterious Pretoria company, Thor Communicators.

Concluding a two-day debate on the Information controversy, Dr Mulder also:

- Denied that he had misled Parliament about the trip to the Seychelles by the Secretary for Information, Dr Eschel Rhoodie, because the funds had not come from his department but from a secret fund;

- Said that he could not immediately dismiss Dr Rhoodie because he was needed to maintain contacts which had been established,

- Said that the Citizen newspaper was not funded by the Department of Information, but refused to answer questions about other companies, which the Leader of the Opposition, Mr Colin Eglin, said had a "strange interlocking relationship",

- Refused to say anything more in reply to questions by Harry Schwarz (PFP Yeoville) other than that the necessary ministerial audit certificates for the department's secret funds had been produced

Soon after the debate, Mr Eglin made it clear that he was not satisfied with Dr Mulder's explanations, called on him to resign and said that Dr Rhoodie should be dismissed

"I believe that Dr Mulder should resign and leave it to the Prime Minister to build a new department," he said.

"Dr Rhoodie should be dismissed"

Mr Vause Raw, leader of the New Republic Party, said after the debate that he too believed that Dr Mulder should resign. Dr Rhoodie, he said, should be "suspended"

The minister had failed to clear up a number of issues concerning the "grey world of so-called unauthodox activities" and he had failed to answer the charges that he had failed to control his department sufficiently, said Mr Raw

Speculation heightened

Mr Schwarz predicted that the controversy surrounding the department would continue in spite of Dr Mulder's replies in the House.

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Mulder silent

Continued from page 1

secret government funds. The Prime Minister and the minister, he said, owed it to the Citizen and the public to give a categorical answer to this question

Mr Eglin referred to "the strange interlocking relationship" between Panax, Xanap (SA), Afrimirror, SA Today, African International Publishing, To The Point, and the Citizen

The same people, he said, appeared in the top positions and the department also had "a strange relationship" with the former owner of the Citizen, Mr Louis Luyt, who had on Dr Mulder's admission acted virtually as a courier for the department

The South African Party leader, Mr John Wiley, after calling for a select committee or commission to investigate the "English language press monopoly" and its effect on the work of the Department of Information, also asked Dr Mulder to say whether the Citizen was financed by government funds "as alleged by liberals"

The Opposition's chief information spokesman, Mr Japie Basson MP for Bezuidenhout, said the biggest press monopoly in South Africa was controlled by the Afrikaans language press

All the Afrikaans language newspapers belonged to the National Party. The Nationalists should not practise double standards when it came to monopolies

Mr Schwarz quoted headlines from the Afrikaans press on the Rhodie affair. There had been just as much speculation as had appeared in the English language press

It was nonsense to single out the English language press and suggest it had conducted a vendetta against the Department of Information as had been claimed repeatedly by Nationalist members

In reply to Mr Basson, Dr Mulder said that Dr Rhodie's trip to the Seychelles had not been paid from departmental funds

The original question in Parliament had asked specifically if the department had paid for the trip and if it was official. Dr Mulder said that from the department's point of view it was not official and had been paid from secret funds

He explained that on a trip to Paris he had made contact with the then president of the Seychelles, Mr James Mancham, who said that a representative should be sent to the Seychelles later, under guise of a holiday visit. It therefore was unofficial

Dr Mulder also disclosed that the department had unofficial contact with "more than 10 African countries" at various levels with close co-operation with the Department of Foreign Affairs

He said also that he dismissed with "contempt" opposition suggestions that he could not dismiss Dr Rhodie because he had some "hold" over the minister

He could not be dismissed because he was needed to maintain certain contacts which had been built up

The Cape Times

FRIDAY, MAY 12, 1978

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The Minister's answers

ANSWERS to some of the questions with which it was hoped the Minister of Information would deal have been categorically refused, to others the answers have increased confusion; and some questions have been passed over. In general the public was asked as an exercise in simple faith to accept that all is well. The government can be trusted to handle the issue meticulously. Mr Vorster takes full responsibility. Matters can be left to the "appropriate authorities". An unknown auditor audits and is satisfied. A capable and well-equipped but unidentified person is investigating allegations, stories and rumours. Dr Mulder insists that there has been no corruption or misappropriation (a welcome assurance for a department that spends R15 million a year, plus unstated hundreds of thousands of rands, or millions of rands, from public money via secret funds) . . .

Nothing much is known about the secret fund — its creation, checking and control, under which parliamentary vote money was appropriated; how the funds were "channelled"; who make up the secret and unofficial cabinet trio (except that Mr P W Botha is not one of them); the "special auditor" in the department itself; the persons who since 1972 have been issuing certificates that have satisfied Mr Vorster. The public must be satisfied with the spending of unknown sums on unknown projects, audited by an unknown auditor, under the supervision of unidentified cabinet ministers. This is to replace objective parliamentary procedures with subjective confidence in the good faith, good intentions and capacity of politicians and officials. This approach raises other questions. While the procedure might be sufficient protection given the axiomatic honesty of all Nationalist politicians and of all officials serving under Nationalist supervision, what if there is a future non-Nationalist and possibly non-meticulous government? Will they inherit a parliamentary tradition of spending

cabinet policy has not been fully cleared up. He can regard himself as reprimanded but he is still in his job or a job. There has been no explicit answer to what seems to be the direct issue — if the statement was issued without ministerial approval the secretary should have been sacked; if Dr Mulder had given his approval, the minister should have been sacked. Nothing was said about whether there are other departments operating secret funds, channelled by secret processes, not specifically appropriated by Parliament, not subject to Treasury discipline or Auditor-General control.

Nothing was added to the sum of public knowledge about some mysterious companies that seem to have some mysterious associations with the Department. Something called Thor Communicatofs is typical. We have not been told just what it does, who runs it, what is the scale of the business (if any) that it does with the department or government, what sort of profit (if any) it makes on its operations and who gets these profits. There were suggestions that a number of other businesses or companies are at the receiving end of departmental patronage. But the Citizen newspaper and the To The Point journal are not funded by the Department, a form of words that presumably refers to public money in general, whether the technical term is departmental, governmental, secret, open, closed, clandestine or unorthodox. Mr Egin says he finds a strange interlocking relationship between the department and various commercial organizations. We are not told how Mr Louis Luyt comes into the act.

The Seychelles private/secret-fund expedition remains obscure. It seems that the trip was official (Rhodie) and unofficial (Mulder) and paid for by governmental funds (Rhodie) and not paid for by departmental funds (Mulder). Whether Parliament was or was not misled seems to depend on the semantics of the terms "departmental" and "governmental".

Judging from the published reports,

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CAPE TIMES

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untold millions with no other protection than promises that everyone is operating in the 'best interests' of the country, assurances that the top politician is satisfied, and the existence of reliable but unknown characters who are making reports?

The precise jurisdiction and authority of the Auditor-General is still in dispute. Dr Rhodie and Dr Mulder seem to have told him that he was excluded, that he had no locus standi, in secret matters. Mr Vorster seems to have instructed him to carry on in the normal way. The attitude to Dr Rhodie and his astonishing statement attacking the Auditor-General and discussing high

some questions were not replied to in detail. The Minister, for instance, did not define his attitude to or give his assessment of an inept form of words in an official document that could be (and has been) read as suggesting that South Africa believes in bribing foreign journalists for favourable reports

A new thought has been injected into the controversy — that the Official Secrets Act should be amended. The intention presumably is not to stop Dr Rhodie from making controversial statements but to shut up the newspapers and thus ensure that the public knows even less than it does now about who gets what from whom in the distribution of public money.

Mulder names Eschel Rhoodie's new deputy

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CAPE TOWN. — The Minister of Information, Dr Connie Mulder, yesterday announced that a senior official from the Department of Community Development would be seconded to the Department of Information as interim deputy to the secretary of the department, Dr Eschel Rhoodie.

The announcement follows the retirement at the end of the month of the deputy secretary, Dr Deneys Rhoodie, and the department's chief administrator, Mr J F Waldeck.

Dr Mulder said Mr A van Wyk Schoeman, the senior deputy secretary in the Department of Community Development, would be seconded to his department as an interim measure from May 24 to strengthen the department's administration.

"From this date Mr Schoeman will essentially act as the incumbent of the second highest post in the Department of Information — a capacity for which he is particularly qualified as, for the past four years, he has been accounting officer in his present department of the Community Development Fund and the National Housing Fund."

The Parliamentary Select Committee on Public Accounts reported earlier this session it was disturbed at the Information Department's poor internal control. — Sapa

Van Ons Politieke Berigter

AS Francis Gerald Barrie die slag snuf in die neus kry, is daar niemand wat hom kan stuit nie — geen staatsinstelling nie, geen minister nie, geen politieke party nie, geen regering nie. Hy het net een baas: die Parlement.

Mr. Barrie is die man wat wagbond speel oor die belastingbeta-ler, se geld en moet toesien dat elke sent volgens parlementêre voorskrifte bestee word. Dis hierdie opdrag wat daartoe geleë het dat die bedrywighede van die Departement van Inligging so kraend onder die soeklig gekom het.

Hy word aangestel deur die Staatspresident-in-Rade, wat beteken dat die Kabinet hom aanbeveel. Maar daarna is hy nie meer aan die Kabinet verantwoordig verskuldig nie. Mr. Barrie stel dit so: „Elke poging om die onafhanklikheid van optrede van die Ouditeur-generaal aan bande te lê, kom neer op 'n atakeking van die demokratiese stelsel.”

Genl. Smuts het hom in 1928 in die Volksraad so oor die amp van Ouditeur-generaal uitgelaat: „Hy is een van die hoogste amptenare van die hoogste gesag. Sy bruikbaarheid is heeltemal afhanklik van die vir onpartydigheid en vir billikheid teenoor die partye. Ouditeur-generaal beskerm Genl. Hertzog, die destydse Eerste Minister, het volkome met genl. Smuts se siening saamgestem. Hy het gesê: „Elkeen van ons voel dat as daar een beamppte is buite die regerlike mag van wie ons met alle reg kan en moet verwag dat hy stip judisieel 'n oordeel sal vel en stip onpartydig sal.

'n Vreese losse wagbond Oor publiek se geld G'n party of regering kan Barrie aan bande lê

In die Skatks- en Ouditwet van 1975 is daar twee artikels wat vandag weer 'n rondom die Inligging-woelinge gelees moet word. Art 42 gee die Ouditeur-generaal die reg om ondersoek in te stel of geld voordelig en doelmatig bestee is en ook om navraage doen. Art 47 lui dat dit sy plig is om aan die Parlement verslag te doen as 'n verklaarings- of ondoelmatig beste is. Ook moet hy enige ander aangeleentheid (s' openbare rekening) wat na sy beskouing in die openbare belang is, onder die aandag van die

Parlement bring. Die sleutelwoord is „moet” en nie „kan” nie. Die eis wat dus aan 'n Ouditeur-generaal gestel word is 'n eerslik menslik hoog. Mr. Barrie se „Menslik gesproke, is daar sekermin wat voldoen aan die hoe vereistes van 'n amp gestel word en ek moet aanvaar dat 'n ideaal deur voorgangers daargestel is wat, in die beste van jou vermoë nagestreef moet word. Onafhanklik in die sin dat 'n Ouditeur-generaal 'n onafhanklik aar iemandus nie, bring mee, dat hy 'n mate van eerlikheid, objektiwiteit en verantwoorde-

likheid moet nastreef. „Hy moet so geïsoleerd wees teen politieke druk dat hy vreese losse verslag oor sy bevindinge kan doen. „In sy verhouding met ander moet hy uiters versigtig wees om nie in 'n positie te beland wat moontlik in 'n latere stadium sy objektiwiteit van optrede kan aantast of raak nie. „Hy moet gereeld deur selfondersoek vasstel of sy optrede en oortuigings sodanig is dat hy onafhanklik en onpartydig sy taak kan uitvoer. „As hy hom deur gesonde verstand en sy gewete laat lei, sal hy sy taak seker redelik bevredigend kan uitvoer.”

Hierdie amptenaar, sé die Skatks- en Ouditwet, kan net die Staatspresident self afdank, en wel net op grond van wangedrag, ongeskiktheid of onvermoe om sy taak uit te voer.

Bremer-brood
'n Verdere bepaling lui daarby dat die skorsing van die Ouditeur-generaal en die rede daarvoor deur middel van 'n boodskap aan albei Huse van die Parlement meegedeel moet word binne veertien dae ná die skorsing. Albei Huse van die Parlement kan dan nog 'n versoekskrif aan die Staatspresident rig om hom in sy amp te herstel.

Nog 'n voorbeeld van die besonderheid van die amp, is dat die Ouditeur-generaal ook die reg het om 'n vraag aan die Parlement te stel en dat die Speaker self hom dan daarop antwoord. die optrede van 'n Ouditeur-generaal die geld Burger beskerm, kiedens al her- wys In Enges

MNR FRANCIS BARRIE die man wat wagbond speel oor die belastingbeta-ler se geld
brood hoegenaamd nie die groot ekstra koste regterdig nie. Dit was die einde van die Bremer-brood.
● Uit die voorafgaande spreke een ding duidelik. Dit is dat die status van die Ouditeur-generaal bo alle verdenking moet staan en dat hy nie kan bekostig om 'n greef rond te dra nie. Ook nie mnr Barrie, wat deur dr. Eschel Rhooodie as Sekretaris van Inligging opevolg is nie. Soos mnr Barrie self sé: „Daar moenie rigting nie. Dis me waar nie. Ek het net my werk gedoen. Om die waarheid te sê, daar was geen botsing tussen ons nie en geen breuk moes geheel word.

Mulder bars son from revealing secrets in thesis

DR PIETTER Mulder, son of the Minister of Information, was refused permission to include details of the Department's "unorthodox" methods in his doctoral thesis.

In an interview this week, Dr Mulder — whose doctorate was about state information departments — confirmed that he had come across references to unorthodox methods in his research. An official in the Department had told him of these practices.

"But I had to get permission to use that sort of information in the thesis," he said.

Dr Mulder, whose choice of subject matter has raised questions about whether he received favourable treatment and access to information that would have been denied other academics, said he had been careful to follow normal channels in his inquiries.

"I wrote a letter applying for permission to use the information, but it was refused. I asked my father as well,

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BY IVOR WILKINS

but he also refused

"In a way, I was a little disappointed I thought it was important and that without it the work was not really complete. Hopefully, it is something one can revisit later and examine, from a historical point of view, exactly what went on."

At the time of his investigations, said Dr Mulder, nobody wanted to tell him about the Department's unorthodox projects

The only references to unorthodox methods in the thesis are a quote from Dr Eschel Rhoadie, Secretary for Information, and a quote, taken from the Citizen, by his father to the effect that unconventional methods were used by the Department.

Dr Mulder said he had written in his doctorate that unorthodox methods were used by American and other information services, and that there were indications that the South Africans had followed suit.

The thesis, which was awarded a doctorate last month, does not make any reference to the use of secret funds.

"I did not know about secret funds at the time," said Dr Mulder.

He added that the timing of his doctorate could not have been worse — not because it contained any serious criticisms or allegations that could add to the burdens of the Department, but from an academic point of view. It was completed just before revelations about the Department's activities.

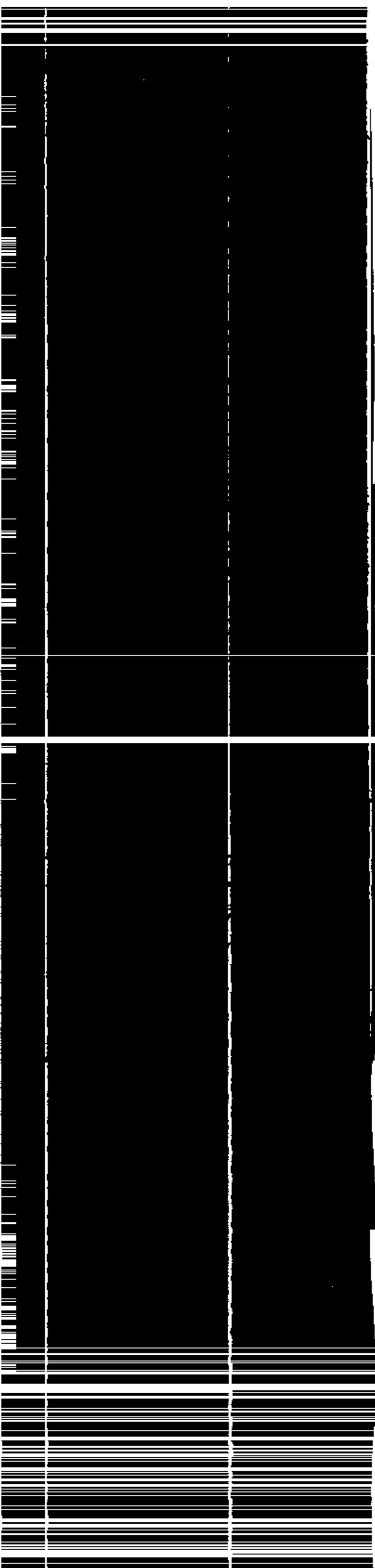
Dr Mulder said he was frustrated, but did not think there would be much sense in expanding the thesis. It had already been bound and to add fresh chapters would be costly.

"But I must say I could add some interesting stuff now," he said.

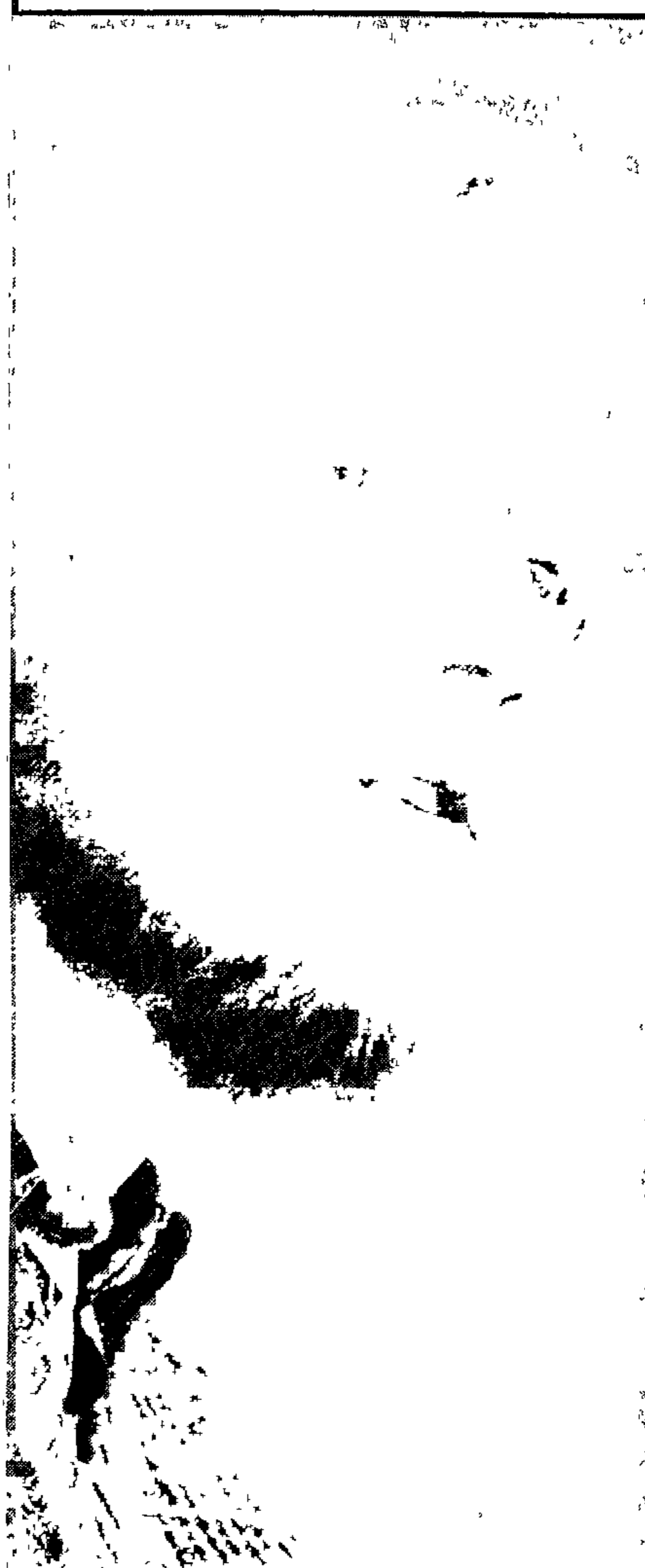
He pointed out that in his research he had learnt that this was not the first time that funds had been an issue in the Department of Information.

"In 1945, the Director of Information, Mr Angus Wilson, complained that Treasury regulations were making it difficult for him to function," said Dr Mulder. "He recommended that this situation be examined carefully. But when the war ended, and the National Party came to power, his recommendations were not followed up."

Dr Mulder is a lecturer in communications at the University of Potchefstroom.



INSIDE INFORMATION



Dr Pieter Mulder . . . frustrated.

HANDS OFF, MR KRUGER

Legal men say special measures in security cases are unnecessary

ANY legislation the Minister of Justice, Mr Jimmy Kruger, introduced to stop the legal system being "abused" would be harmful and would undermine the courts, MP and former judge Kowie Marais said yesterday.

Statements made by Mr Kruger in Parliament this week about legal counsel in security cases undermining the democratic legal system were exaggerated, Mr Marais said.

Mr Kruger had said he was referring to some lawyers and advocates who bragged about the possibilities of delaying their cases.

Other problems in security cases were demonstrations in and near courts, intimidation of witnesses, the frequent appearance of some advocates and attorneys in the proceedings if money

be briefed for further cases. They become specialists in the security laws."

Mr Oliver Hart, president of the Natal Law Society, said that if Mr Kruger had felt so strongly about the courts being undermined, he should have gone to the Bar Council or the law society concerned.

"If it was found that any attorney's conduct was unprofessional or unethical he would have to be disciplined. I know of no attorney who has been reported."

Mr Hart said that if the courts had found legal representatives acting unpro

"We operate under very strict rules in a court of law and any departure from this is followed by some sort of penalty," said Mr Marais. "But I think magistrates and judges are quite capable of keeping order in their own courts. They do not require special protection."

"It may be that the Government has legislation in mind. This is quite unnecessary and would be harmful because it would undermine the inherent discipline that operates in a court of law."

No need

"There is no need for special measures to be taken by the Department of Justice or by Parliament. And I dismiss what Mr Kruger said as being to a large extent exaggeration."

Another Progressive Federal Party MP, Mr Dave Dalling, justice spokesman for the opposition, said he feared Mr Kruger's statements — made in reply to the justice vote on Friday — could mean that a clamp-down on court procedures was planned.

"I see this as a prelude to the introduction of legislation next session," he said.

Mr John Malcomess, the New Republic Party's justice spokesman, said it was arrogant of Mr Kruger to suggest there was anything wrong with some advocates and attorneys defending many of these cases.

"If they get a reputation for defending accused in these cases then they will

professionally they would have reported them."

Complicated

The chairman of the General Council of the Bar of South Africa, Mr D J. Shaw, QC, said it was true that terrorism trials were long and drawn out. But this was because of complicated evidence and because they often concerned indefinite issues.

"If a trial is being unduly protracted the judge has the right to curtail examination and/or cross-examination of witnesses."

The reason some advocates and attorneys frequently appeared in security cases was they were the people who had most knowledge of these cases.

"You also get the situation where the same witnesses are produced in different trials. They may even relate to the same episodes."

When it came to attempts to curtail funds meant for the defence of accused people in security cases, Mr Shaw agreed the Government was entitled to ensure these funds were used for this purpose.

"But if funds are made available for the defence then I can see no basis on which it is proper to curtail their use for the defence."

Legislation would not be necessary to prevent the misuse of these funds, he said.

"Nothing whatever should be done to curtail the rights of accused persons before the courts to canvass their defence as fully as possible."

Eschel laat Parlement

14/5/78
wag 259

Deur Ons Politieke Beriggower
DR. ESCHEL RHOODIE, Sekretaris van Inligting,
sal nie Dinsdag voor die Gekose Komitee oor Open-
bare Rekeninge kan getuig nie omdat hy dan weer
oorsee sal wees. Die besoek word beskryf as een
in die „normale loop van sy werksaamhede”.

Dit het tot gevolg dat die
ondersoek na beweerde onge-
magtigde en onnodige oorsese
reise van twee amptenare van
die departement nou eers op
23 Mei afgehandel sal kan
word. Kort daarna sal die
verslag, wat na verwagting
weer vol plofstof sal wees,
in die Parlement ter tafel gelê
word.

Die tweede ondersoek wat
spruit uit die verslag van die
Ouditeur-generaal, mnr. F.
R. Barrie, het langer geduur
as wat verwag is. Dit word
as rede genoem waarom dr.
Rhodie nie Dinsdag teen-
woordig sal kan wees nie.
Hy het sy reis waarskynlik
lank vooraf beplan.

Intussen lyk dit onwaar-
skynlik dat mnr. Jan van Zyl
LV vir Sunnyside en lid van
die komitee, sy sin sal kry
om mnr. Colin Eglon voor
die komitee te daag om te
verduidelik waar hy aan
sekere inligting kom wat hy
die week in die Parlement
opgehaal het.

Mnr. Van Zyl is moreel
verbind om sy versoek formeel
aan die komitee te stel.

Wanneer die tweede verslag
van die gekose komitee ter
tafel gelê word, kan die Oppo-
sisie 'n debat daaroor aanvra.
Dit berus dan by die leier
van die raad, min. P. W.



DR. ESCHEL RHOODIE

Botha, of hy dit sal toestaan.
Indien nie, kan die Opposisie
noggans die verslag gedurende
die derde lesing van die
begroting bespreek. Die ver-
slag sal dan in alle waarskyn-
likheid gereed wees.

In die afgelope sitting is
daar al byna tien uur aan
die Departement van Inlig-
ting in die Volksraad afge-
staan

(259)

Sunday Times 14/5/78

INSIDE INFORMATION

Thor Co lease in Rhodie name

By MARTIN WELZ and TONY STIRLING
EVIDENCE of a direct link between the Secretary for Information, Dr Eschel Rhodie, and Thor Communicators, was obtained by the Sunday Times this week.

It is contained in a document which transferred the lease on Thor's super-secret, luxurious lounge-office in Pretoria into the name of Dr Rhodie himself.

The lease for Thor's mysterious premises in the Pretoria shopping centre known as Die Meent was signed by Mr Oscar Hurwitz, one of Thor's three directors, in his personal capacity — and then immediately transferred into Dr Rhodie's name.

On April 9, Dr Rhodie told the Sunday Times that he did not know what Thor did, although the directors were all friends of long standing. He also said that at no time had Thor, its directors or shareholders done any business with the Department of Information.

Since then, evidence of numerous links between Thor and the Department have emerged, but the Pretoria lease is the first evidence of a personal interest in the company by Dr Rhodie.

Recorded

Thor also owns and lets six flats in the Valhalla block on the Clifton beachfront in Cape Town, and it was involved in negotiations for the purchase of Dr Rhodie's R70 000 Bantry Bay house.

Dr Rhodie was not available for comment yesterday.

Mr Andre Pieterse, the film magnate, who is a second director of Thor, speaking from his Johannesburg office at Film Trust, said "I have no comment whatever on Thor Communicators."

Mr Pieterse was due to fly home this weekend to George, where he lives on the vast Fancourt estate formerly owned by the millionaire brain surgeon, Dr Rowland Krynauw.

However, the third director of Thor, Mr Retief van Rooyen, phoned the Editor of the Sunday Times yesterday to ask about the source of the newspaper's recent reports. Towards the end of the conversation, he said it was being tape-recorded.

He was told that the Sunday Times did not feel obliged to disclose its sources.

Peephole

Mr Hurwitz died last year of leukaemia only 16 days after his share in Thor was transferred out of his name without the knowledge of his closest family or his financial adviser who was helping him order his estate.

A close examination of Thor's office-lounge entrance this week disclosed that, in addition to a peephole in the door, there is a hidden camera lens directed at anybody at the door.

It is fitted into a hole in the mosaic on the wall and covered by a small wire screen about 2,5 m off the ground.

One description of the interior came from someone who visited the premises for a drink with Dr Rhodie.

● To Page 3

'No expense spared'

● From Page 1

after they met on an aircraft.

"The entrance was a luxuriously-appointed reception area with a low desk. A passage went off it leading to three doors, two to the left and one to the end of the passage. To the left was a well-equipped kitchen and a beautifully-furnished board room with a vast table and many chairs.

"At the end of the passage was a lounge. It had a number of plush couches and chairs and at one end a large desk and executive

chair.

"The room, which appeared to have no windows, was softly lit by low lamps on occasional tables. The wall behind the desk was covered by a dark drape and high bookshelves.

"On the other walls, richly-framed pictures were tastefully hung. My impression was that no expense had been spared."

A Pretoria business man gave a description which corresponded substantially "You can see at a glance that it is the best, expensive stuff," he said.

A shop assistant in the

same building who recognised Dr Rhodie, said he had called at the office-lounge "once or twice a week".

She said the visits continued for about a year until last January. He generally arrived about 4.30 pm and let himself into the premises.

The Sunday Times disclosed last week that Thor had received \$3-million from the Union Bank of Switzerland. It learnt this week that the company had a second bank account at the same bank but no further details were available.

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A lot of questions unanswered

MAJOR questions about the activities of the Department of Information remain unanswered after this week's stormy debate in Parliament

Nationalist and Opposition politicians remain puzzled by a key contradiction between the eve-of-the-debate statement by the Prime Minister, Mr Vorster, and replies given in Parliament by the Minister of Information, Dr Mulder

In Parliament, Dr Mulder said that Press reports of irregularities in the Department had been based on a preliminary report by the Auditor-General. Most of these had since been cleared up to the Auditor-General's satisfaction, he said.

If this was the case, MPs ask, why did Mr Vorster find it necessary to appoint his own special investigator into the Department the moment he received that "preliminary" report and why was

that investigation still under way?

Other unanswered questions are

● Why, if he was disturbed by the cloud of rumour and speculation surrounding the Department, did the Prime Minister wait nine months before revealing that he had launched his own investigation?

● Why did Dr Mulder adamantly refuse to deny a connection between the mysterious company, Thor, and the Department of Information?

● Why was he able to deny that Information funds were funnelled into the Citizen newspaper, but refused to clear the air by answering questions relating to other companies with alleged Information links, such as the African International Publishing

Company, Panax and Kanap?

● Why was Dr Eschel Rhoodie not dismissed for his attack on the Auditor-General, Mr Gerald Barrie — especially in the light of Mr Vorster's unequivocal support for Mr Barrie?

● Why did Dr Mulder not immediately dissociate himself from Dr Rhoodie's statement? Only when pressed to do so by the Opposition in the debate did he say he would not have authorised the statement had he known its contents.

● Why did Dr Mulder give conflicting statements to Parliament about the nature of Dr Rhoodie's visit to the Seychelles? In reply to a question earlier this session, Dr Mulder said that the visit was unofficial and that the Department had not borne the cost of the trip.

In Parliament this week, he conceded that it was a secret visit and that the Government had paid for it. He had not misled Parliament, he said, because the cost had been borne out of Government, not Information, funds. Opposition spokesmen this week said that it was one of the lamest explanations they had ever heard



Fleur de Villiers

sequences might be?"

● In his statement last Friday, Dr Rhoodie said that he had refused to provide the Auditor-General with details or assistance and that Mr Barrie had no local standing as far as the Department's secret funds were concerned. If Mr Vorster had signed the certificates, Dr Rhoodie was correct. Why, as appears from his statement, did Mr Vorster take a different view? Mr Vorster appears to have placed no limitation on the Auditor-General in the course of his duty

● If this was indeed the case and the Auditor-General had the Prime Minister's authority to conduct a full audit, why was it necessary for Mr Vorster to appoint his own special investigation?

● Was the extent of the Auditor-General's authority made clear to Dr Mulder and Dr Rhoodie? If it was, why was Dr Rhoodie able to say that Dr Mulder agreed with him that Mr Barrie had no local standing as far as the secret funds were concerned?

● Why, as he admitted, was the Minister of Information informed only verbally of the Auditor-General's preliminary report? If it was important enough for the Prime Minister to appoint a special investigation, surely Dr Mulder would have wanted to examine the report.

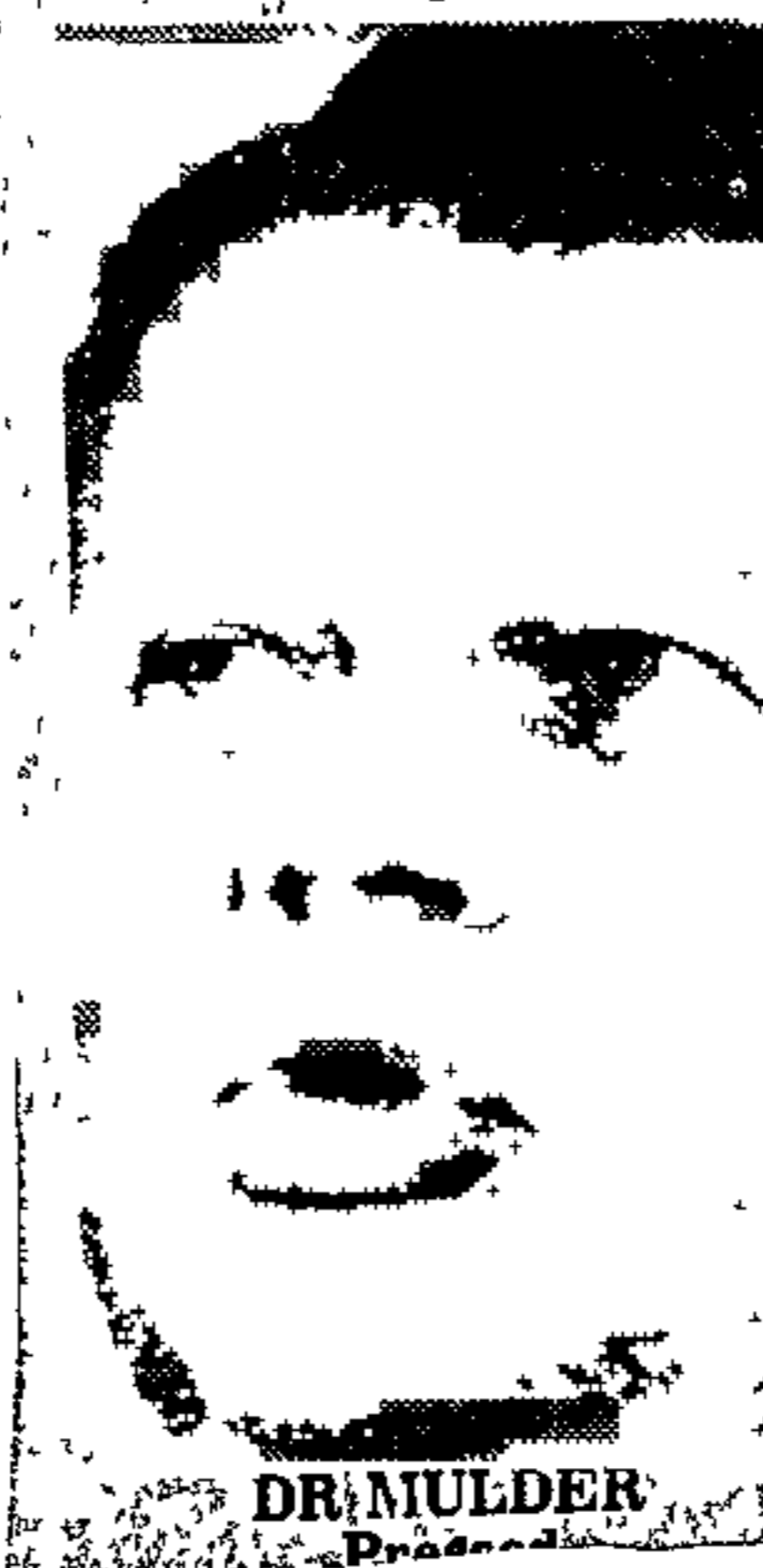
● Why was it necessary to have two reports — one by

Sunday Times

19-05-78



MR VORSTER
Investigation.



DR MULDER

● What is the position in connection with the certificates which released the secret funds from audit? On Tuesday in the debate Mr Vorster said he had not signed the certificates. On Wednesday he said he had. Dr Mulder, who appeared at a loss over the certificate issue on Tuesday, said the next day that he would not add anything to the Prime Minister's statement.

● If certificates were signed releasing the funds from an audit by the Auditor-General, why did the Prime Minister tell the Auditor-General that "nothing less was required from him as an official of Parliament than to do the necessary investigation in the normal way and to report to Parliament, irrespective of who was involved and what the con-

the Auditor-General to Parliament and one by the unnamed special investigator to the Prime Minister?

—Yesterday the Leader of the Opposition, Mr Colin Eglin, said that this question went to the heart of the issue.

The state of affairs revealed by the Prime Minister's statement and the debate was not simply a reflection on Information officials and their Minister, Mr Eglin said. It went to the essence of the functioning of Parliament and its relationship to an "arrogant and inefficient" executive. "The disclosures during the debate struck at the roots of the whole parliamentary system of government and the principle of the accountability of the executive to Parliament."

Political Correspondent

THE Rhodiegate debate exposed a startling array of inconsistencies and contradictions.

Parliament had been misinformed by a Minister, the Press by a civil servant who criticised the Auditor-General and issued statements about Cabinet decisions which should have been issued by a Minister.

Yet the responsible Minister, Dr Connie Mulder, emerged with his party political reputation more or less intact.

Some thoughtful Nationalists privately worry that, in uniting against the "Marxist onslaught" — the very thing they believe they are defending — Western values and standards of govern-

Rhodiegate — a startling array of inconsistencies

ment are slipping through their fingers.

Dr Eschel Rhodie has been portrayed as a modern Voortrekker making sorties into a hostile Africa to obtain concessions of various kinds.

His critics are those who begrudge him the ox wagon he travels in, and the trinkets he offers.

In giving his department a free hand there have inevitably been some casualties. The legislature's responsibility for authorising

funds to the executive seems to have been diminished in the case of the secret fund — Parliament does not know whether it voted the money, or where to.

The executive will become even less answerable to Parliament now that the Secret Services Account Act has been passed to let Parliament vote a lump sum into one fund.

Although the account is subject to the Auditor-General's scrutiny, he will not inform Parliament

which departments are receiving the funds.

Contradictions between the statements of Dr Rhodie, Dr Mulder, and the Prime Minister have not been cleared up. Allegations that The Citizen was financed by the Government evinced no horror in Government benches. Indeed, the denial was somewhat slow.

All these examples show the breakdown of the constitutional conventions which accompany our

system of government

Thirty years of government in any country is likely to entrench interest groups which may be unwilling to relinquish power, but as Government opposition is centred more and more outside Parliament, so Parliament — and the electorate — becomes less able to exert a corrective influence.

The mood of the electorate is more accommodating towards unorthodox methods in the face of the larger danger — world hostility. The tragedy is thus will be harder to fight the longer its criticisms are ignored.

The arrogance of power may not be radically tempered — people have lost the feeling that Government officials are answerable to taxpayers.

Mystery payment to US magazine denied by chief

A MYSTERY payment of over 4 000 US dollars, (R3 570) was made by the Department of Information to the Saturday Evening Post, whose chief executive officer has shares in The Citizen.

The payment first came to light when Dr Connie Mulder, Minister of Information, disclosed it to Parliament in a written answer to a question from Mr Harry Schwarz, MP.

But Mr Beurt Servaas, chairman of the board of the Saturday Evening Post, angrily denied the money had been paid to his publication.

When the Sunday Express phoned him in his Indianapolis office in the United States, he said "Whoever gave you this information is fabricating." He asked the Express to take down the following brief statement "and be sure to publish it without distortion."

"This magazine has never taken a penny to print anything."

When asked about the payment, Dr Mulder said although he could not recall this specific case, if it appeared in his answer to a question in Hansard it would be correct. And he added it would not have come from a secret fund,

**By JOHN MATISONN
Political Correspondent**

because then he would not have disclosed it in that answer.

He said it was standard practice to pay for certain articles to appear in some publications overseas.

After his heated reaction to the allegation that his publication had been paid, Mr Servaas was asked if he considered it standard practice to pay for articles to be used? He replied that his statement stood.

Dr Mulder's answer appeared in Hansard, March 31, 1978, column 507 of the questions and replies.

The question, number 256, column 480, was

- (1) What firms of (a) advertising agents, (b) publishers and (c) printers were employed by his department (ie of Information) during the period April 1, 1974 to date,
- (2) What amount was payable to each firm on each contract entered into during this period,
- (3) Whether any advance payments were made in respect of each contract, and if so, what advance payments

In the list of answers is included, in column 507

- (1) (b) Saturday Evening Post "The Afrikaner" (c) Saturday Evening Post
- (2) R3 571,73
- (3) None

Mr Servaas was asked by the Sunday Express if he could recall anything which appeared in the post which related to the Afrikaner.

"The only thing we've printed on the Afrikaner was a reprint of Mr (Piet) Cillie's article in the New York Times."

But for that article the Post had not received money — it had paid the New York Times for the reprint.

Mr Servaas said "I have made a modest investment, as an individual, in The Citizen. I think it has a future."

No advertisement with the Afrikaner as its theme was placed in the Post either, according to Mrs Jean Sauter, an executive at Post who is responsible for all advertising accounts.

But, she told the Sunday Express, the Department of Information had bought two advertisements in the Post, both last year, at a total cost of over 11 000 dollars (R9 570). One dealt with the theme of the intellectual dishonesty of South Africa's critics, while the other dealt with US-SA relations



● The Sunday Express publishes a picture of Dr Eschel Rhodie making a "defiant" two-finger gesture, Mrs Rhodie explains what her husband really meant — and suddenly everyone is talking about tennis body language. Including Alexander de Kok. See Pages 14,15.

Widespread praise for Express

SUNDAY Express disclosures about the Department of Information over the past seven weeks have attracted much Press attention and public support throughout South Africa and abroad.

The Editor of the Sunday Express, Mr Rex Gibson, was interviewed this week by the BBC. The Times of London last Monday carried a report saying the investigative reporting by the Sunday Express had been "mainly responsible for prising open the whole affair."

The Sunday Express was also mentioned frequently during the Parliamentary debate on the Department of Information vote this week.

The Minister of Information, Dr Connie Mulder, paid a tribute to the way in

Sunday Express Reporter

which the Sunday Express handled the investigation, saying "They held it over for a week at my request, and I think the newspaper acted responsibly."

Sunday Express assistant editor Kitt Katzin, who was responsible for breaking the story, was the subject of a profile in Oggendblad, whose columnist Aletta Greyling wrote

"His reports kept the Department of Information affair simmering. By Friday, people were saying they could hardly wait to

buy the next issue of the Sunday Express."

Newspapers throughout the country — English and Afrikaans — have quoted at length from Sunday Express articles. There have been several editorial tributes.

Mr Harvey Tyson, editor of The Star, wrote in his weekly column "The newspaper that really dug depth — and faced ugly pressure for doing — is the Sunday Express."

The Cape Times this week reproduced the front page of last week's edition of the Sunday Express, together with a long story summing up its reports.

Sunday Express

14-05-78

political commentator, Gerald Shaw, said "a number of startling reports have been published, notably in the Sunday Express, which has built up an enviable reputation for investigative journalism."

To The Point, the weekly news magazine, will next week publish a report on the investigations in which it compares the Sunday Express's role with that of the Washington Post in the Watergate scandal.

The Financial Mail, in a long article entitled "Blunderball", referred to Dr Rhodie's "extraordinary statement last weekend — apparently designed to preempt a Sunday Express expose" and in another context referred to the Secretary of Information as "Twofinger".

Last week's front-page photograph of Dr. Eschel Rhodie by Sunday Express photographer Danie Coetzer attracted almost as much attention as the reports. It was reproduced on the front page of the Afrikaans Sunday paper Rapport and in several other newspapers.

Among its admirers is Dr Rhodie himself, who asked a member of his staff to telephone Mr Coetzer with a request for a large colour print of it.

"Please be sure to send the account personally to Dr Rhodie at his home and not to the Department of Information or Thor Communicators," Mr Coetzer was told jokingly.

THROWING DUST IN OUR EYES

IN the Government's lexicon, anything that is not quite total disaster is automatically categorised as unmitigated triumph. By that kind of logic, Dr Connie Mulder's performance in the Information debate in Parliament this week was promptly hailed by his fellow-Nationalists on the green benches as almost a tour de force. It was nothing of the kind, of course.

And the visible relief of his political well-wishers in the House simply indicates that they believe he has been able to kick up enough dust to obscure the real issues. They are wrong on that count too. The public is not likely to be content for long with the many unanswered questions that still remain, because many of them go to the heart of our method of government. A glance at the list of questions we publish on this page shows how fundamental are some of them. We are dealing now with the disregarding of time-tested safeguards that have been built into our system to protect taxpayers' money and minimise any danger of official misuse.

How much public money has been secretly funnelled without the knowledge of Parliament to the Department of Information?

Why was the Auditor-General, the country's official watchdog, unaware it was happening — and why did a departmental secretary try to hulk him when he wanted to investigate further?

What possible reason can there be for not following the recognised practice of letting Parliament approve a lump sum for Information, if it was deemed necessary to give it a secret fund?

And so on.

Some of the "explanations" offered on peripheral matters were an affront to intelligence. And even the apparently unequivocal answers of the Minister have to be looked at twice since the Minister has displayed a flair for part-replies that leave the full truth obscured. The case of the unofficial-official secret trip to the Seychelles is a good example of that.

The Prime Minister himself became so worried about the affairs of the Department of Information that he ordered a special probe of his own. He should understand that the whole country shares that anxiety now. And this week's parliamentary debate has done little or nothing to alleviate it.

WATSON



THE ADVENTURES OF JAMES BROEDERBOND

By **KITT KATZIN**

MUCH was said in week's mammoth parliamentary debate on the partment of Information is all the more remarkable therefore, to note how questions remain answered.

- Here are some of the
- 1 How much secret has actually been channelled to the Department of Information?
 - 2 Parliament did not know it was going there — where did the money come from?
 - 3 Why was the Auditor-General not told about the partment's secret fund which was established in 1972 with the knowledge of the Prime Minister?
 - 4 Why was this done out of the consent of Parliament? It hardly seems likely that the Minister knew that Information received an unspecified amount of secret money would be damaged that department's effectiveness.
 - 5 Who are the members of the three-man Cabinet Committee which, according to Dr Rhoodie, authorises spending of the funds?
 - 6 Why were the Ministers of Information, Dr Mulder and his controversial Secretary, Dr Eschel Rhoadie, apparently not aware of Auditor-General's secret report on the activities of

Eschel's travels —

By **KITT KATZIN**

INFORMATION Secretary Dr Eschel Rhoadie could easily have blown his cover as a "holidaymaker" even before he flew to the Seychelles in 1977 on one of his "secret official missions".

And when he touched down on the island — to have talks with President Jimmy Mancham — his cover was just as precarious.

But, ironically, it was the dashing and controversial Secretary himself who finally uncovered his own undercover operation in an astonishing Press statement last weekend.

When the Sunday Express first reported Dr Rhoadie's business-and-pleasure venture to the Seychelles the Secretary immediately denied the business part.

"It was a private holiday trip," he declared, accusing the Sunday Express of making "a fundamental error".

□ □ □

But last week, in his Press statement, he contradicted himself — and his Minister, Dr Mulder — by saying it was an "official secret mission" paid for by Government funds, and undertaken with Dr Mulder's approval.

Dr Rhoadie and Dr Mulder — who said for the second time in Parliament this week that the trip was not official — are bound, however, to reach some accord at some stage about the purpose of the trip. In the meantime, this is how Dr Rhoadie risked his cover.

According to the Secretary, President Mancham insisted that Dr Rhoadie arrive on the island "ostensibly as part of a holiday party".

Entering into the spirit, Dr Rhoadie gathered up a

or how '007' blew his cover

might well be reported by local newspapers.

• Booked the four-man crew of Louis Luyt's jet into another hotel under the title of "air crew Rhoadie".

The party spent R4 140 — an average of R276 a head — on the island in five days from January 2-7, 1977. Dr Rhoadie's hotel bill for two days, plus other expenses like fuel and handling fees for the aircraft, were paid for by the Government, he says.

On a previous official secret mission to the Seychelles, in January 1976, Dr Rhoadie again flew in Louis Luyt's jet and was met at the Victoria Airport by Seychelles Government officials.

There are odd features about that trip too. The President insists he met Dr Rhoadie and his deputy, Mr L. E. S. de Villiers, for official talks.

Dr Rhoadie insists that he never saw President Mancham at all.

□ □ □

But that is often the way with undercover activities. Truth is often the first casualty. The second is accuracy.

Dr Rhoadie has still not explained satisfactorily why his early reaction to the Sunday Express disclosure of his Seychelles trip was that the 1977 trip had cost the Department only about R300, which was the amount claimed by himself and Mr De Villiers for the working part of the holiday.

Dr Mulder has not explained why he told Parliament this claim had actually been disallowed.

And neither party has yet explained why any claim on Information funds was made at all since expenses were met from secret funds anyway.



The lay man'

A NEW fad is sweeping South African tennis. Alexander de Kok, an anxious to serve, is able to bring you the interesting details. But first, apology.

Last weekend this paper made a dreadful take. It published a picture of the Secretary of Information, Dr Eschel Rhoadie, apparently what it coyly called "a quaint gesture" at our man.

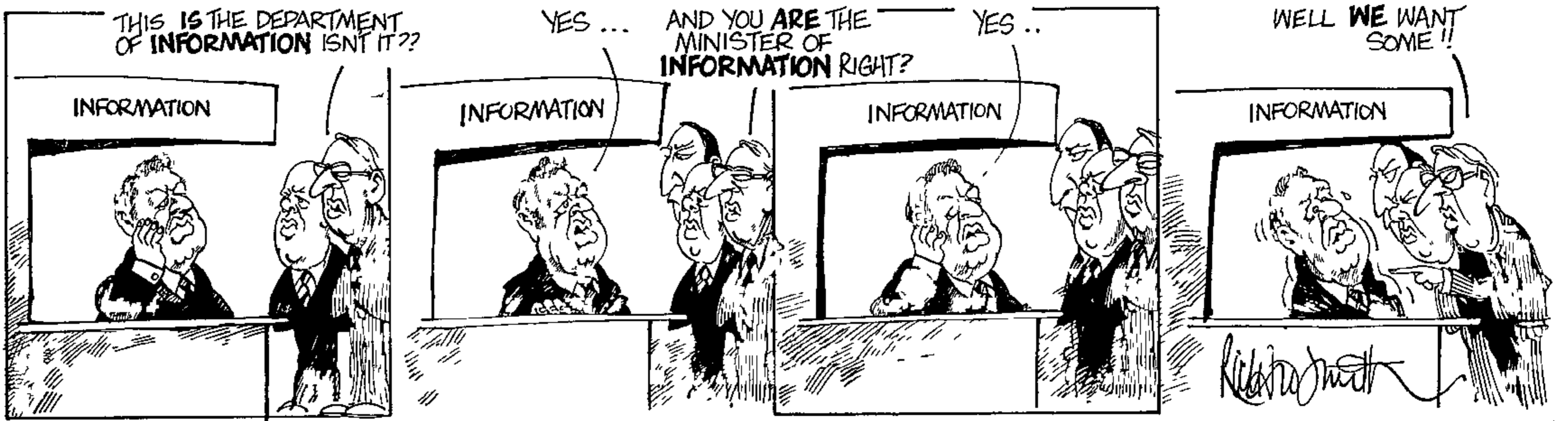
Actually, the cartoon writer, ignorant of comments on the tennis had carelessly failed to recognise the gesture anyway.

We don't believe in misleading advertising any more than you do!

If you see an advertisement in this newspaper which is obviously untrue, or which you feel is in bad taste, write to us. "We" are the Advertising Standards Authority. We will take action. Help us to protect you — because we don't believe in Misleading Advertising, any more than you do.



Advertising Standards Authority
P.O. Box 10537 Johannesburg 2000.



Just some of the questions that still need answering



• Dr Eschel Rhoodie

Information Department?
7 This secret report was signed on July 29, 1977. Even though its findings are reported to be only "preliminary", should they not have been reported to Parliament — or at least the Parliamentary Select Committee — before now?
8 How could it happen that Dr Rhoodie was able to block the efforts of the Auditor-General to check on department spending when

in fact the Auditor-General was acting with the knowledge and approval of the Prime Minister?
9 Did Dr Mulder also refuse to supply the Auditor-General with details or fail to order his secretary to cooperate? If so, what was his authority for doing so?
10 What was the nature of these secrets that a departmental secretary felt he was entitled to keep them from the most senior employee of the State and the man appointed by Parliament to act as the watchdog of the nation?
11 Why did documents have to be destroyed on the instructions of Dr Rhoodie? Why was it safe to keep them for a period of two years, but apparently not safe to keep them any longer?
12 What independent staff did the secret and unofficial Cabinet committee assign for the checking of vouchers, receipts, budgets, and

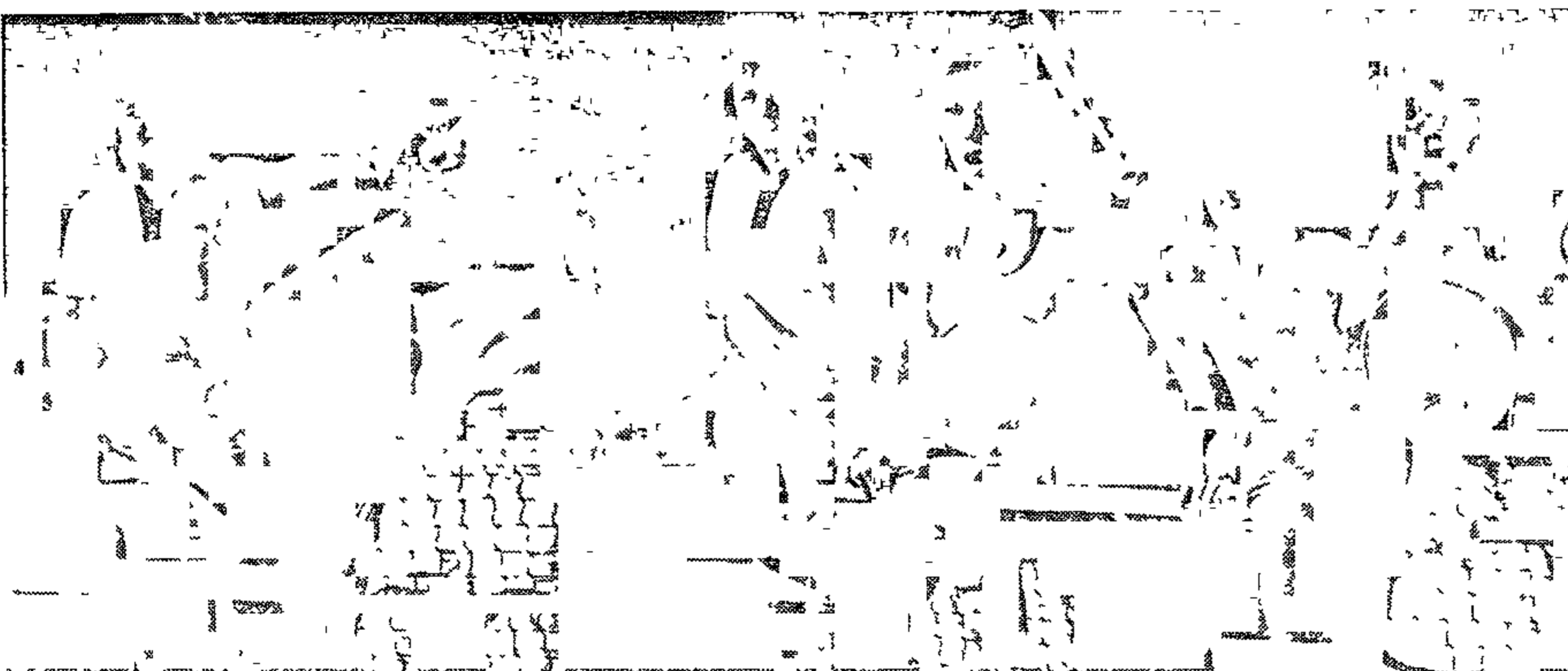


• Dr Connie Mulder

other safeguards for the handling of public money?
13 Will the Prime Minister make the findings of his personal investigation into the department available to the public?
14 Will the findings of the Auditor-General's second investigation, prompted by Mr Vorster, be made public?
15 Who is the other "well equipped person" appointed by the Prime Minister to

conduct an investigation into alleged irregularities?
16 What are the errors to which Dr Rhoodie refers when he says that there is a vast difference between an error and a misdeed?
17 Are there any other secret funds of which Parliament is not aware?
18 Why was Dr Rhoodie allowed to issue an unprecedented statement last Friday in which he launched a bitter attack on the Auditor-General? Did Dr Mulder do enough to subordinate himself to what his subordinate proposed to do?
19 Why was he allowed to disclose the full story of the department's secret fund — going well beyond the scope of the relevant article prepared by the Sunday Express, and discussed with the Minister?
20 In saying that there were "considerations" why he could not sack Dr Rhoodie, the Minister told one newspaper "You will see some-

thing one of these days." What exactly does he mean? What are the "good reasons" for keeping Dr Rhoodie on?
21 Dr Mulder said his Secretary's trips to the Seychelles — uncovered by the Sunday Express — were "private visits". Dr Rhoodie, in his remarkable Press statement last weekend, said they were "official Government trips". Was the Minister as frank as he could have been with Parliament the first time around? Or was he just playing with words?
22 According to Dr Rhoodie, President Mancham insisted on a "holiday party" cover for the Secretary so that his visit would be suitably disguised. Why then did Dr Rhoodie blow the whole thing — by causing a telex message to be sent off to the hotel saying that accommodation was "imperative" since he was to meet the President?
23 Why has there been no answer to the Auditor-General's finding that two attempts were allegedly made to hide the fact that tickets were bought by the Department of Information for a woman to travel abroad at State expense, and that certain details on the invoices were deliberately obliterated?
24 What is the link between the Department of Information and Thor Communications? Why did Dr Mulder refuse outright in Parliament to give details about this connection?
25 Why did Thor feature in some Information Department exercises? An account for R6 900 was submitted to the company in connection with Dr Rhoodie's 1977 trip to the Seychelles.
26 Why were some officials, like Dr Deneys Rhoodie, the deputy Secretary, allowed to have advance payments of R10 000, and sometimes R14 000, for trips abroad — drawn out of secret funds?
27 What is the Minister's answer to the Auditor-General's finding that the irregularities in the department of Information are probably the worst of their kind in the 68-year history of the Civil Service in South Africa?
28 Are other aspects dealt with in the Auditor-General's report of July 29, 1977, also being investigated by Dr Mulder?
• The Public Accounts Committee's second report, dealing mainly with wasteful trips abroad, is due to be tabled soon. Perhaps it will give Dr Mulder an opportunity to answer the above questions
Among others



• Here it is The latest in international body language for tennis. The finger signs don't seem to impress the young lady though and Eschel Rhoodie's "Two to come" was definitely a case of handfault

guide to tennis signs

what it was — a form of tennis signal.
Mrs Rhoodie elucidated this week. She said her husband was simply signalling to his opponent that his first service had tipped the net and that he had, therefore, two serves to come. Of course, of course.
Now that body-language and international signs have come to local tennis, it is important that there be no further confusion. And so here today is a guide to other South African tennis signals, as authorised by the Department of Information.
Inverted V (called the

Rhodie after its originator): Let service, two to come.
Churchill's V: Double fault, alternatively game, set and match.
Closed fist, with middle finger erect (called the Nastase after its originator): One to come.
Closed fist salute (as in Black Power). An ace, well served partner and/or opponent.
Simple clenched fist (as used in rugby and similar sports). In the interests of sportsmanship, would you care to reconsider that last "out" call you made?

Simple pointed finger (directed at umpire): This official has no locus standi as far as auditing my line calls is concerned.
Hands raised, palms forward: I have nothing to cover up. The simple fact is that we keep the minimum on paper and the minimum of records, which is standard practice as far as our club method of scoring is concerned.
Puglist pose (as used in boxing). Excuse me, sir, but I do not entirely agree with your call/decision/laughter.
Dropped racquet: That is the fourth easy shot you/I

have missed in a row and I am growing weary of this game.
Hands crossed over head (for use by registered umpires only). I suspect that you may disagree with me, but that shot was out.
Hands behind back. It was clearly stated that this is a team beer fund and no one has access to it, not even the club treasurer.
Hands outstretched, palm down: That tennis tactic has the approval of a secret, though unofficial, three-man club committee.
Public destruction of scoresheet: End of the match.

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Thor wants leaks explained — report

Cape Times
15/5/78

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Political Correspondent

FURTHER disclosures concerning the mystery Pretoria company, Thor Communicators, which is believed to have links with the Department of Information, were made by Sunday newspapers yesterday.

The Sunday Express, which referred to the company as a "front" for the department, reported yesterday that Thor had demanded an explanation of how details were leaked last week about a controversial R2,8 million payment deposited in the company's bank account in October 1976.

It said the money was deposited in the company's bank account one month after the Citizen newspaper was established, and that the Union Bank of Switzerland was involved in the transfer of the payment.

A director of Thor Communicators, Mr Retief van Rooyen, who travelled with the Secretary for Information, Dr Eschel Rhodie, to the Seychelles last year, was reported to have lodged a serious complaint with the bank and demanded an immediate inquiry. An investigation was launched by the bank in Johannesburg and Pretoria to trace the leak, the newspaper reported.

Interviewed by the Sunday Express, Mr Van Rooyen declined to give any information about the company's operations

However, he said "all the insinuations" made about Thor were absolutely false, and that there was no truth in the allegation that the company had a connection with the Citizen.

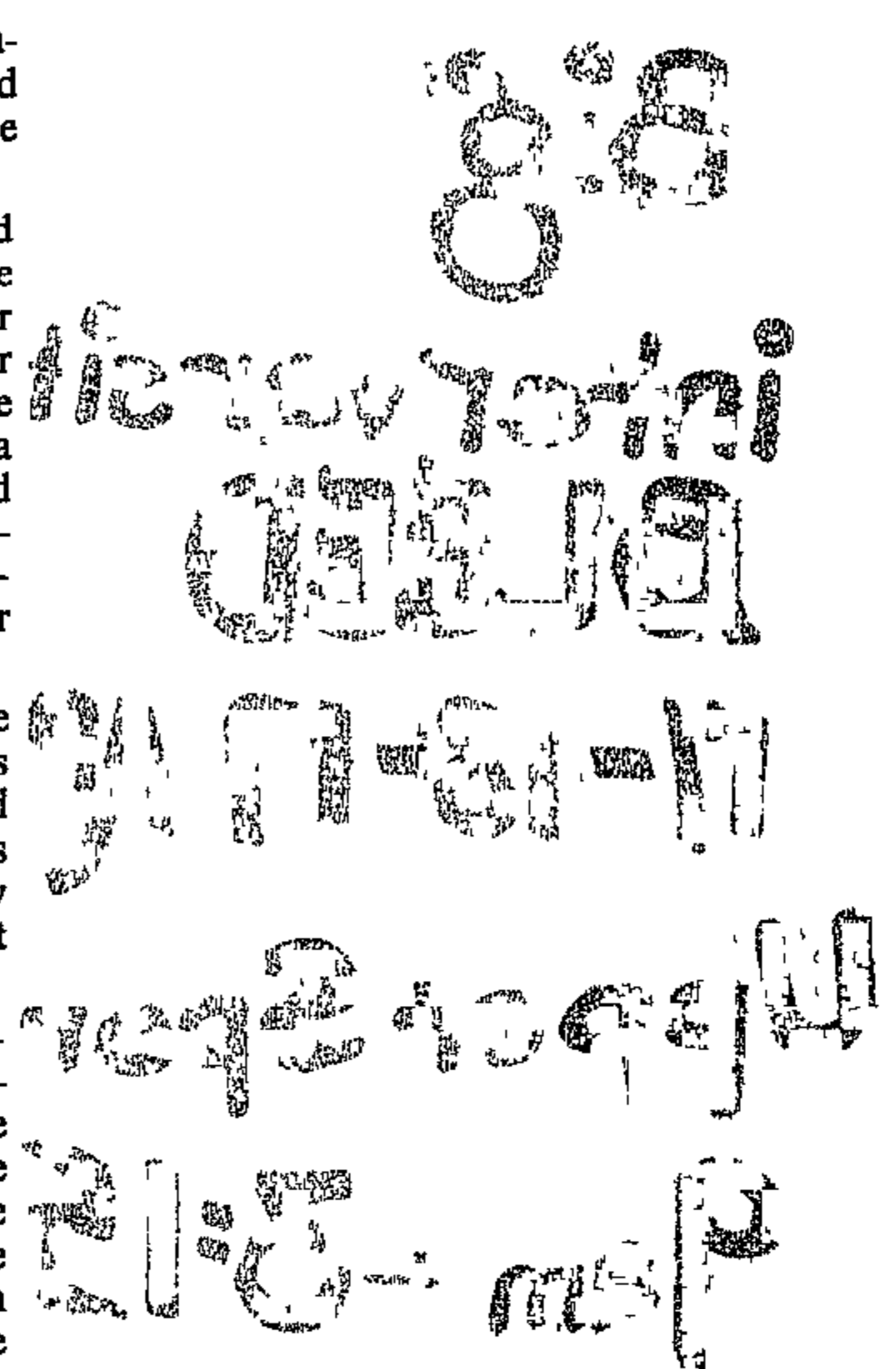
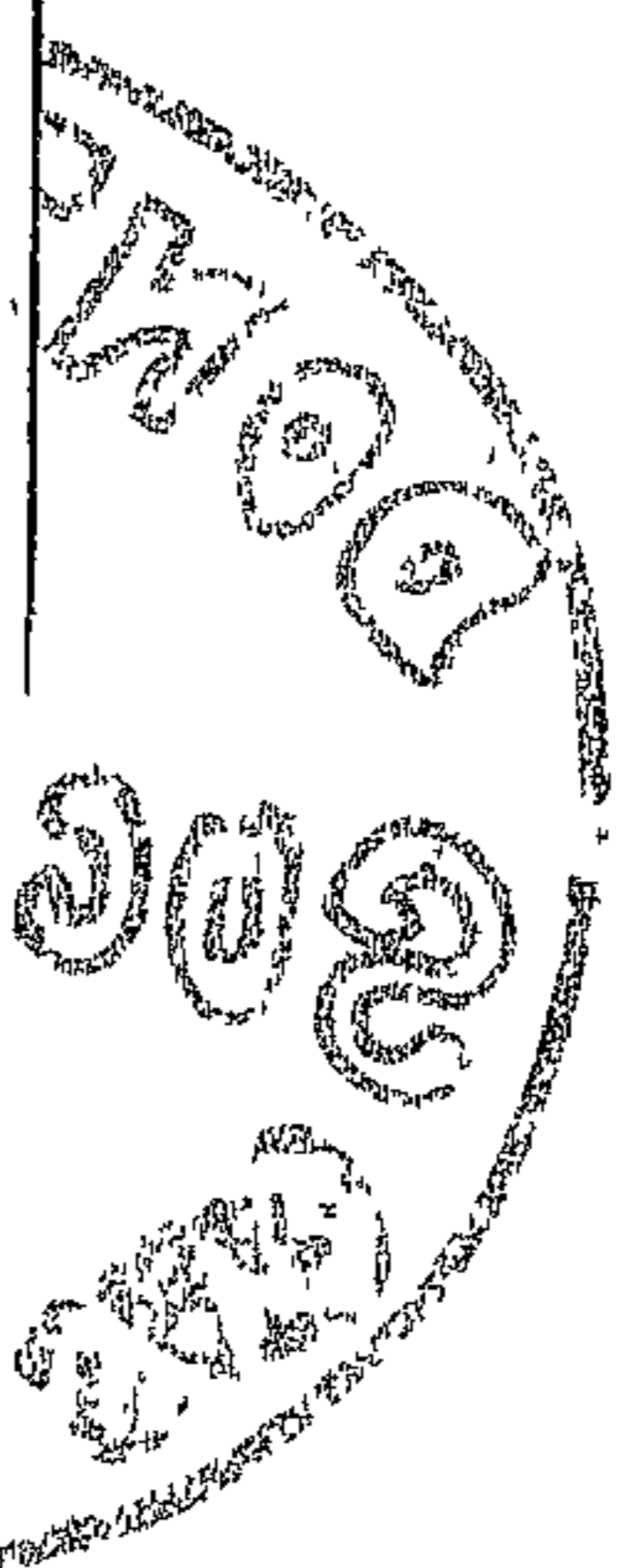
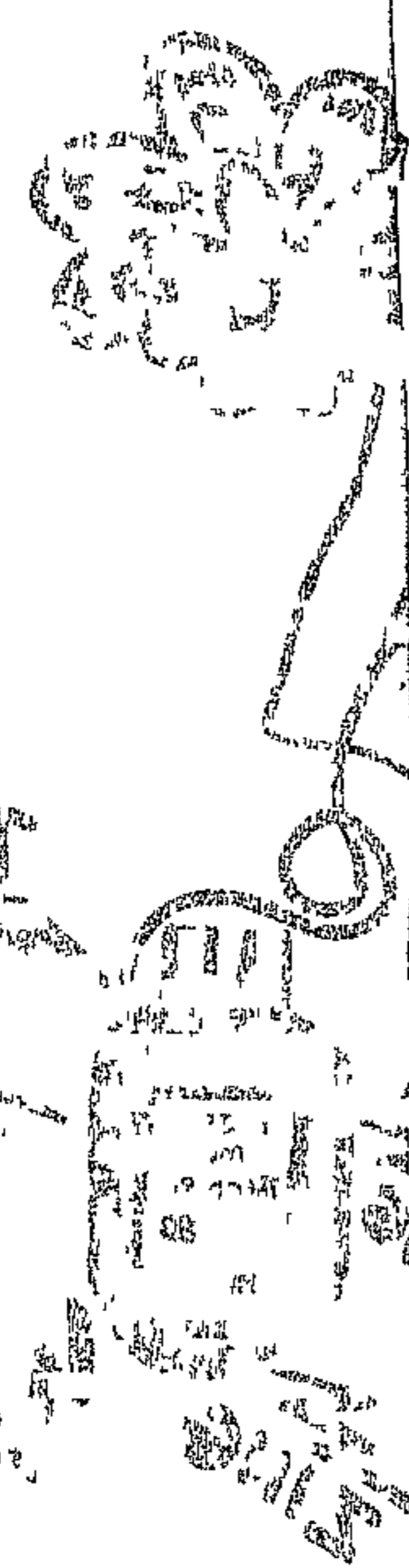
He said he took exception to reports to the effect that Thor was "laundering" money. "Thor Communicators is a private company and has nothing to do with the government," he said.

The Sunday Times reported that it had obtained evidence of a direct link between Dr Rhodie and Thor Communicators. It said the evidence was contained in a document which transferred the lease on Thor's "super-secret, luxurious lounge-office" in Pretoria into Dr Rhodie's name

• Dr Rhodie is to make another overseas trip this week to an undisclosed destination — a move which is expected to delay the inquiry of the parliamentary select committee on public accounts

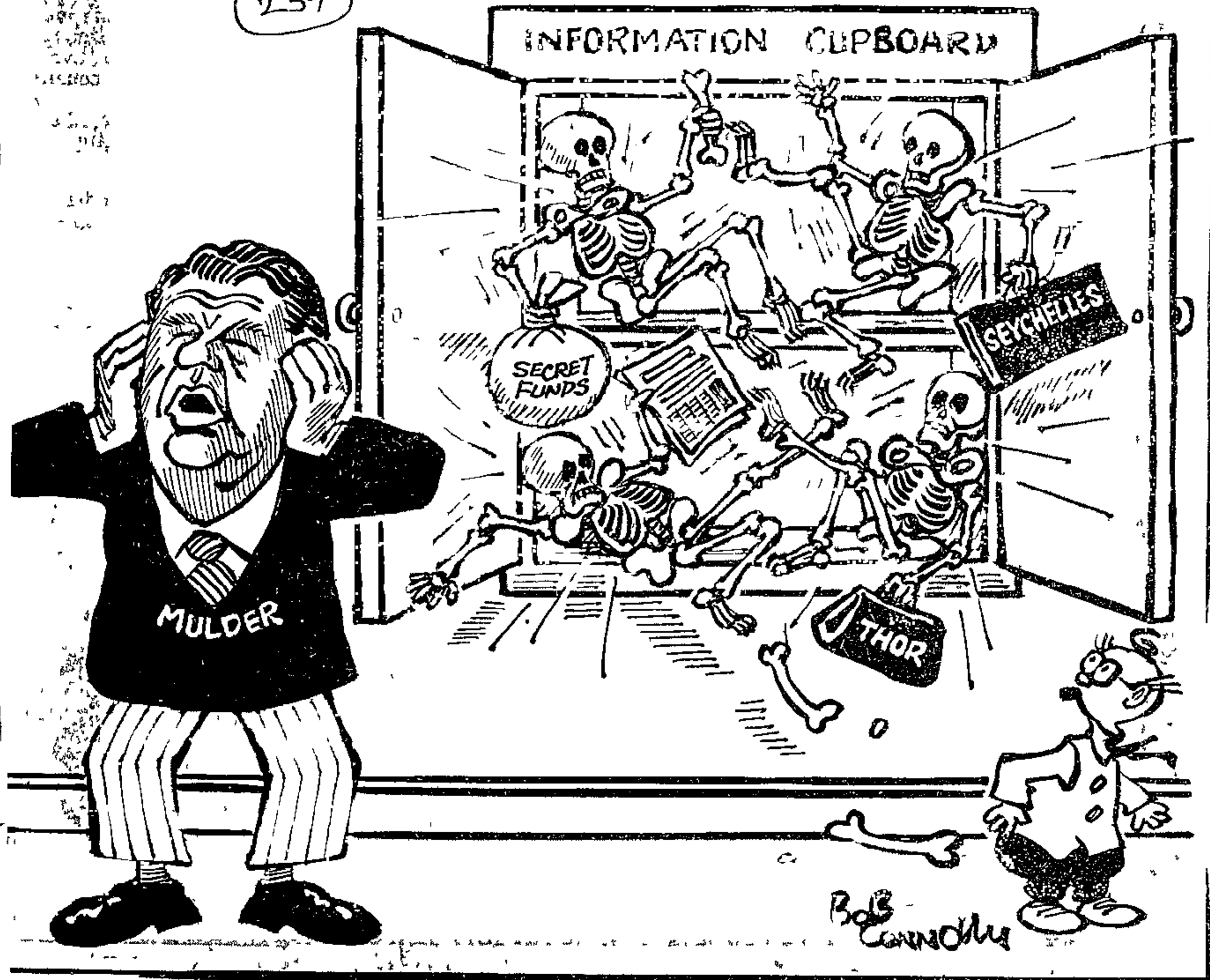
According to the pro-government Sunday newspaper, Rapport, Dr Rhodie was due to give evidence before the committee tomorrow, and his absence will mean the investigation cannot be completed before May 23.

The newspaper said the trip was described as a routine visit and was planned some time ago.



SKELETONS STILL RATTLE RDM 15/5/78 By Bob Connolly

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3 queries get same answer

CT. 16/5/78

(259)

Political Staff

HOUSE OF ASSEMBLY — Dr Connie Mulder, the Minister of Information, yesterday again refused to give details about firms who may or may not be co-operating with the department

He gave identical replies to three different written questions by the official opposition, concerning the mysterious company Thor Communicators, an auditing firm, Strydom, Boshoff and Partners, and Mr Heinz Behrens and/or the firm PRO International, Hamburg.

In reply to a question by the Opposition's chief information spokesman, Mr Japie Basson, about Thor, he replied. "Taking into consideration the onslaught conducted internationally on all fronts against South Africa, it is considered not to be in South Africa's interests to deny or confirm that the services of certain persons, firms, organizations or companies have been utilized or not, and whether or not funds have been paid to such instances"

Not prepared to answer

Last week in the stormy debate about the department, its controversial secretary, Dr Eschel Rhoodie, and the links, if any, of various companies with the department, Dr Mulder said he was not prepared to answer questions because he was not prepared to identify people.

Mr Basson had wanted to know if Thor had had any dealings with the department, what they had been, if any, and if any funds had been paid to the company.

Mr Derick de Villiers, PFP Constantia, asked if Strydom, Boshoff and Partners administered a trust account on behalf of the department.

He also asked that, if there was such a fund, what was its purpose, what amount was held in it, to whom had payments been made and how much, and whether Treasury approval had been obtained for the payments.

Dr Mulder gave exactly the same reply he gave Mr Basson.

Dr Zach de Beer, PFP Parktown, got the same answer when he asked if the department had employed the services of Mr Heinz Behrens, and or the firm PRO International of Hamburg.

He had also wanted to know if they had been used, since when, for what purpose, how much they had been paid and for what specific services.

Former Information man denies leaking secrets

Cape Times 17/5/78

(259)

Own Correspondent

JOHANNESBURG. — Mr Roland Hepers, the man named by a Johannesburg newspaper yesterday as the "Deep Throat" who leaked Department of Information secrets to the press, is taking legal advice.

He has described as outrageous the allegations made against him.

The term "Deep Throat" was used as a cover name for a source who gave two American reporters vital information during their investigation of the Watergate scandal. To this day the American "Deep Throat's" identity is a secret. It is derived from the title of a pornographic film.

After an interview with security police yesterday Mr Hepers said: "I have been accused of being South Africa's public enemy No. 1. When, in fact, I have scored a lot of successes for this country overseas."

"I am amazed at the blatant smear on me

as 'Deep Throat No. 1' in this newspaper's obvious attempt to blame someone for the disclosures."

Mr Hepers said that after the newspaper report appeared, he and his wife received threatening telephone calls at their home in Pretoria.

He has made a statement to the security police about visits from two reporters and alleged attempts to force him to "confess".

Mr Hepers, 42, was until January employed by the Department of Information. German-born, he became a naturalized citizen in 1969 and served as a senior information officer in Switzerland from 1965. He was also editor-in-chief of the European edition of the South African magazine Panorama.

He resigned from the department and is now employed by the Transvaal provincial hospitals.

Mrs Nixon in hospital

LONG BEACH, California — The former First Lady, Mrs Pat Nixon has been admitted to Long Beach Memorial Hospital for treatment of a lung infection.

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Answers with holes in them

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ON APRIL 7 Dr Connie Mulder told Parliament that Dr Eschel Rhoodie's visits to the President of the Seychelles last year was informal, and therefore his claim for two days' expenses had not been granted by the Department of Information.

On Wednesday — after Dr Rhoodie had issued a statement saying the Seychelles trip was "an official secret mission" and that the Government had indeed paid for two days' expenses — Dr Mulder denied that he had misled Parliament with his earlier reply. Because, he said, the payments had not come from the Department of Information's budget but from a secret fund.

That is, the secret fund made available to the Department of Information.

The Americans have a phrase for this kind of talk. They call it an "elliptical statement" — which means you would be well advised to look not only at what the man is saying, but also at what he is not saying.

And there is certainly a great deal that Dr Mulder did not say in this week's Information debate, leaving many questions hanging in the air and a thoroughly unsatisfactory situation all round.

One of the issues not satisfactorily dealt with was the question, asked by the Leader of the Opposition, of whether The Citizen newspaper is sponsored by secret Government funds

Dr Mulder replied. "The Department of Information owns no newspaper in South Africa and runs no

newspaper in South Africa." Presided by Mr Japie Basson, who has become watchful about elliptical statements, the Minister added: "The Department of Information and the Government do not give funds to The Citizen."

This statement is welcome. But, with that Seychelles answer in mind, we note that the Minister said nothing about secret funds. Why was there no equally categorical denial of indirect support through secret funds and/or front companies such as Thor Communicators?

The Citizen itself is in a frenzy over the questions being raised about its financing, and has tried to create a diversion with that hoary old argument that South African Associated Newspapers and the Argus company are controlled by Mr Harry Oppenheimer.

The point is that our shareholding is there for all to see — the names of companies, individuals, trusts and trustees have all been published. You may think them good or bad men; you may like or dislike the set-up; but there they are for you to see and judge for yourself.

The Citizen is keeping its shareholding secret. It has named four foreigners whom it says hold 25% of the shares, but it won't say who holds the 75%. It says they are South Africans, but refuses to disclose their identity.

If The Citizen doesn't like the suspicion this astonishing secrecy is giving rise to, it has one simple answer — Name them.

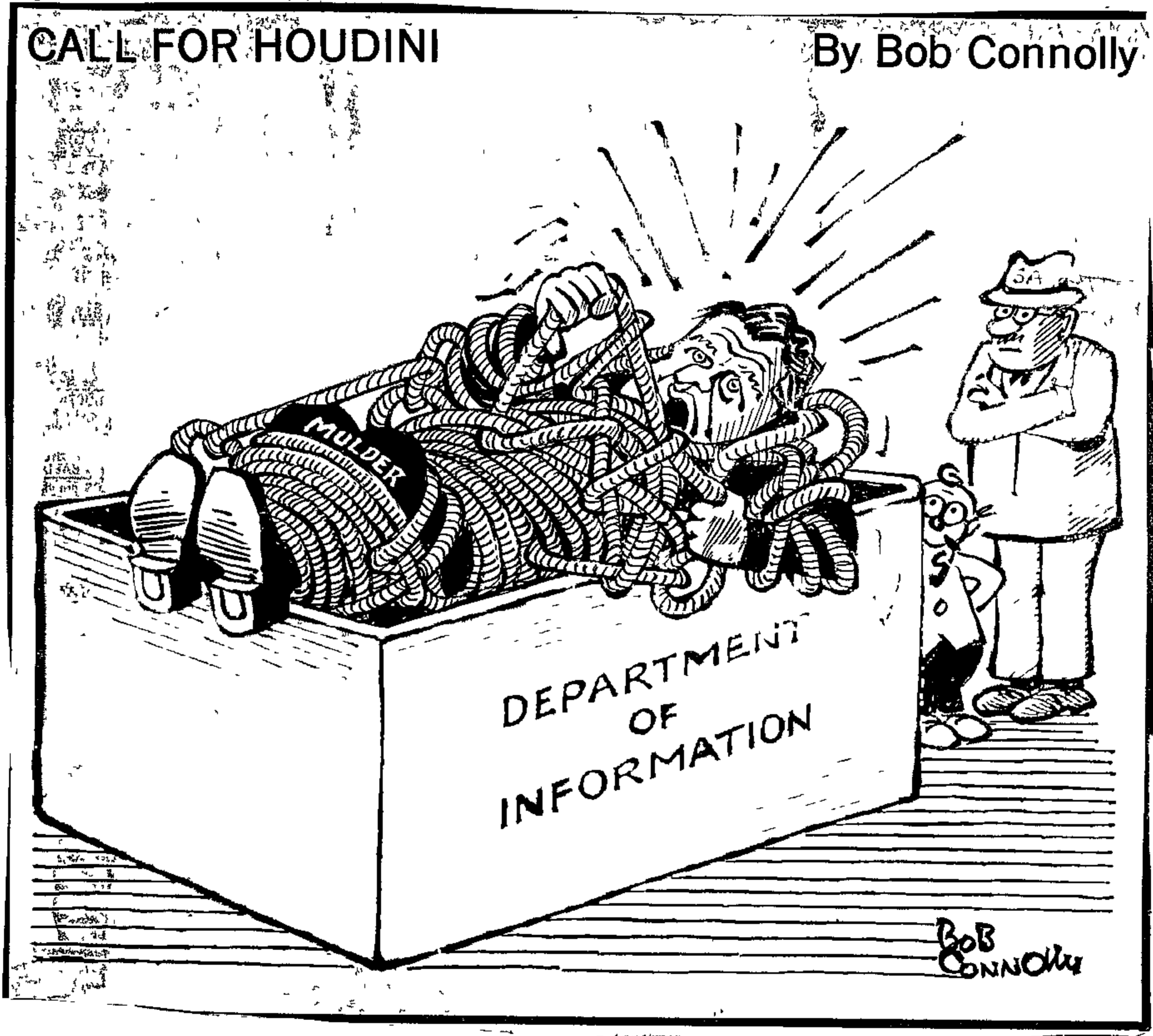
Rand Daily Mail

12-05-78

259

CALL FOR HOUDINI

By Bob Connolly



MYSTERY OF THE R243 000 THOR CASH

CONFIDENTIAL

AN AMOUNT of R243 000 cannot be accounted for in the books of Thor Communicators — the Pretoria company used as a "front" by the Department of Information.

The R243 000 is the difference between an original transaction of 3,5-million US dollars (R3 043 000) and a subsequent payment of R2 800 000 made by the Union Bank of Switzerland to Thor Communicators in October, 1976.

This revelation uncovered by the Sunday Express adds yet another chapter to the growing mystery surrounding Thor, whose activities the Minister of Information, Dr Mulder, refused to discuss in Parliament.

Two weeks ago the Sunday Express identified the company as a "front" for the Department of Information.

The Union Bank of Switzerland was involved in the transfer, deposited directly into Thor's account at the Standard Bank in Church Square, Pretoria. The source of the money is unknown.

The Sunday Express understands, however, that the transaction involved 3,5-million US dollars, not R2 800 000 as originally believed.

This means that R3 043 000 and not R2 800 000 should have been deposited in Thor's Pretoria account.

The balance — R243 000 — is unaccount-

ANOTHER EXPRESS EXCLUSIVE

**By Kitt Katzin
and Jean Le May**

ed for 19 months after the transaction.

The disparity between the two amounts has not been explained, and it is not known if the matter is being investigated.

The Reserve Bank, however, must have sanctioned the payment, but has refused to disclose whether it is investigating Thor Communicators.

If the unaccounted R243 000 has not been investigated after 19 months, the issue is likely to lead to another row in Parliament.

The Opposition's chief spokesman on finance, Mr Harry Schwarz, said yesterday he would call for an immediate investigation if the money came from Government funds, and called again on the Minister of Information, Dr Mulder, to give the facts.

Allegations of this kind, he said, only added to the mystery and secrecy surrounding Thor Communicators and the Department of Information. This was not in the interests of the country, the Government, or the department.

So many pieces of the jigsaw puzzle are being presented that the public must

• To Page 3

Johannesburg

21-05-78

R243 000 mystery

• From Page 1

He is totally baffled as to what the ultimate picture will be," Mr Schwarz said

If the claim that the money is unaccounted for is correct, said a Sunday Express source, then the Prime Minister would have no option but to investigate the matter immediately

The Prime Minister said last week he accepted "full responsibility" for the way secret funds had been allocated to the Department of Information.

He also said that in the second half of 1977, Mr Gerald Barrie, the Auditor-General, told him he was concerned at certain irregularities in the Department of Information resulting from non-adherence to regulations and instructions.

Mr Barrie had compiled a secret report about these irregularities, the contents of which were known to the Sunday Express.

The Prime Minister instructed Mr Barrie to continue with his investigation and to report to Parliament, irrespective of

who or what was involved

Mr Vorster said that, with the knowledge and approval of the Minister of Information and the Auditor-General, he had appointed "another well-equipped person" to investigate all irregularities, allegations, stories, and rumours about the misuse of funds

It is this "well-equipped person" — believed to be an auditor of a department linked with the Prime Minister's office — who should now, according to informed sources, investigate the R243 000 mystery

In another investigation this week into Thor Communicators, the Sunday Express can reveal that

The company's connection with the Department of Information — and certain other Government departments — has been officially severed,

One of Thor's two directors intended resigning last September because of personal reservations about some of the company's affairs,

259 21/5/78

Mystery pilots drop pamphlets

Information pamphlets

MYSTERY men who own light aircraft "volunteered" to bombard Black townships with pro-Government pamphlets, the Department of Information has revealed. Mr Vlok Delport, the department's Press relations officer, insists the volunteers were not paid.

"They were simply people who wanted to do something to serve their country. When the idea of using aircraft to drop the pamphlets came up we remembered their offers."

Mr Delport said he was unable to give the Sunday Express the names of these individuals, as "you will understand that people here are a little reluctant to give such information."

He added "If you are trying to find something sinister behind our pamphlets then I won't be able to help you."

At least a million propaganda pamphlets on a wide range of subjects have been distributed by the Department of Information in Soweto and other Black townships in the last year.

And in the latest annual report of the Department submitted by Information Secretary Dr Eschel Rhodie in Parliament recently, reference is made to the "highly unorthodox manner" in which pamphlets are distributed.

He stated that the large-scale dislocation caused by the riots compelled the department to "adapt tried and trusted liaison techniques to new circumstances to ensure that vital contact remained intact".

The Sunday Express knows of at least six different pamphlets distributed in Soweto — and some in other

the highly explosive situation in Soweto following the announcement of increased rents. In the event, the higher tariffs were accepted quietly."

Another pamphlet, dropped by light aircraft over Pretoria townships as well as Soweto, was entitled "Unemployment! A Result of the Riots."

A huge batch of pamphlets was distributed to persuade parents to send their children to school to write examinations. It urges "Do not leave your child out in the cold! Take him by the hand and lead him into a brighter future."

But the Information Department pamphlets which caused the greatest controversy were those distributed immediately before the Community Council by-elections in Soweto.

At the time, the regional representative of the Department in Johannesburg, Mr Manie Prinsloo, said the pamphlets had been issued at the request of "several Black and White organisations."

The Sunday Express canvassed every Black organisation in Soweto, including those in favour of Community Councils, as well as interested White bodies, and was unable to find one group which was in favour of the pamphlets.

Of all the groups canvassed on this pamphlet, only the West Rand Administration Board said it both knew in advance and ap-

'THEY WANTED TO SERVE THEIR COUNTRY'

By JENNIFER HYMAN AND JOHN MATISONN



Rand Administration Board. The Information Department is merely the operative agent."

Asked what the motive behind the pamphlets was, Mr Delport said: "Some people in Soweto — not millions or thousands — but some who we regard as responsible citizens asked for factual information on issues important to Blacks."

"The only sources of information they had before them were the Sunday Express, the Rand Daily Mail and the Sunday Times."

He was unable to say what pamphlets cost the Department as "the accounts are not through yet."

In his report to Parliament, Dr Rhodie made particular reference to the pamphlet distributed in Soweto at the time rent increases were announced.

He said: "Pamphlets, literally compiled and printed within hours and often distributed in a highly unorthodox manner, proved to be of particular value."

"In this way the depart-

• Dr Eschel Rhodie... "new circumstances."

According to Mr Delport, at least 100 000 copies of each were printed — by various Government Departments and by the Government Printer. A 20-page brochure distributed among Coloureds in the Cape had an initial 300 000 print order.

"The Department of Information does not just get an idea to issue pamphlets out of the blue. The decision is taken by other Government departments, such as the Department of Plural

Handed 16 24 May 1978
 Question 14 Col. 814.

259

24 MAY 1978

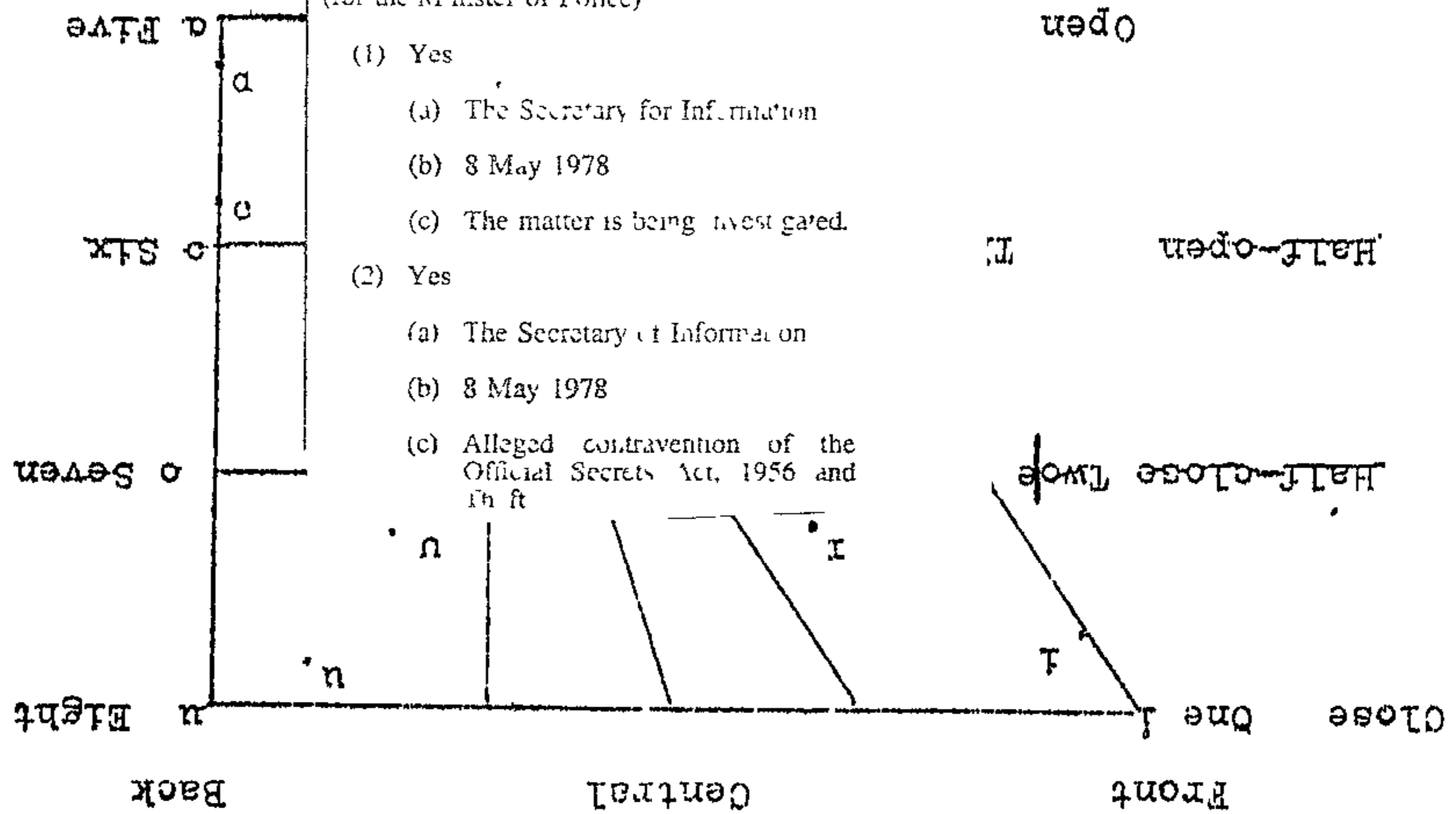
814

Leakage of secret report by
 Auditor-General/Information from
 Department of Information

*14 Mr J D DUP BASSON asked the
 Minister of Police

- (1) Whether the Police have received a complaint in regard to the alleged leakage to the Press of a secret report by the Auditor General if so, (a) from whom, (b) when was the complaint made and (c) what action is being taken in regard to it,
- (2) whether any charges have been laid in connection with alleged leakages of information from the Department of Information if so, (a) by whom, (b) when and (c) what charges

The MINISTER OF INDIAN AFFAIRS
 (for the Minister of Police)



A diagrammatic representation of the approximate tongue positions of average Standard English vowels compared with the tongue positions of the cardinal vowels

Rhodie's reasons for S.A. isolation

JOHANNESBURG — South Africa's image overseas was at a crisis phase as many countries and organisations had switched from silent co-operation to active isolation, Dr. Eschel Rhodie, Secretary for Information, said here yesterday.

Addressing a group of about 200 students at the Rand Afrikaans University, Dr. Rhodie said, however, that relations with the West should be continued.

"South Africa's present dilemma is not something which we created but something which was forced on us."

One reason for the tremendous pressure was that discrimination on the basis of colour had become, during the past few years, the most important socio-political evil.

"South Africa's White Government is seen as a stumbling block on the way to total world peace."

"The world is afraid of a full-scale nuclear war and therefore they believe any possible conflict situation has to be eliminated. Southern Africa has such a situation, according to them," Dr. Rhodie said — (Sapa.)

TYO PUBLIKASION

Inligting

259

28/5/78

Tweede verslag oor

in Groter boom

Van Ons Politieke Beriggewer

DIE kanser lyk al hoe skoner dat die Gekose Komitee vir Openbare Rekeninge se tweede verslag oor Inligting nog betyds gereed sal wees vir die derdesingsdebat oor die begrotingsverdoelwep.

Dit beteken dat die Opposisie, wat lippy afgelek het vir die debat wat twaalf uur lank duur, sal moet hoop dat daar ander tyd vir 'n bespreking van die verslag in die vol program ingeruim kan word. Die Parlement verdaag waarskynlik op 16 of 17 Junie.

Die komitee het die week sy ondersoek voltooi. Die derdesingsdebatte begin op 6 Junie en die verslag sal dus op die laaste Maandag van die vyfde ter tafel gele moet word om enige bespreking van die inhoud daarvan in die derde lesing moontlik te maak.

In hierdie stadium, verneem RAPPORT, word dit betwyfel of dit nog gedoen sal kan word.

Die tweede verslag handel oor die sogenaamde „onnodige reise“ van twee amptenare van die Departement van Inligting wat volgens die generaal, mnr F

Barrie, verlede jaar onderneem is.

Daar word wyd bespeegel wie beaampte A en beaampte B is na wie daar in die verslag van mnr Barrie verwys word. Die name van dr Denys Rhoads, wat einde vandeestraand as Hoofdirekteur van Inligting aftree, en mnr D Grobler, hoof van buitelandse inligting, word onder andere genoem.

In opposiesikringe loop die stoorse wyd dat die tweede verslag die eintlike een met die politieke plofstof is. Die eerste, wat 'n warm debat in die Volksraad tot gevolg gehad het, het gehandel oor

die besteding van fondse en administratiewe ongerymde hede.

Normaalweg word 'n verslag van die Gekose Komitee vir Openbare Rekeninge nie in die Volksraad bespreek nie. Die bespreking van die eerste verslag oor Inligting was een van min uitsonderlike gevalle in SA se parlementêre geskiedenis.

OPPOSISIEVERSOEK

Dit sal van die leier van die raad, min P W Botha, afhang of 'n opposisieversoek vir 'n debat oor die verslag toegestaan sal word.

Die verwagting is dat die Regering wel besprekingsruim sal inruim indien die Opposisie dit versoek. Daar is 'n gevoel dat die openbare belangstelling in die ondersoek na die sake van Inligting te groot is om 'n debat oor die verslag te weer.

Wat die tydsduur van die spesiale debat sal wees, is nie seker nie. Met die debat oor die eerste verslag is meer as vier uur daarvoor afgestaan. Saam met die tyd wat al aan die begrotingspos Inligting afgestaan is, is daar vanjaar gesamentlik byna tien uur se besprekingsruim aan Inligting se sake bestee.

Rhodie entitled to R25000 and life pension

THE DEPUTY Secretary for Information, Dr Deneys Rhodie, is unlikely to have major financial worries as a result of his early retirement.

Officials in Pretoria have calculated that Dr Rhodie, 48, will receive:

- A lump-sum payment of nearly R25 000.
- A pension of R550 to R600 a month for life
- Leave pay up to a maximum of R16 000 depending on how much leave he has accumulated.

In terms of public service regulations, Dr Rhodie is entitled to a lump sum payment of 6,72 per cent of his average annual salary over the past three years multiplied by his years of service.

He has been in the Department of Information since 1957. As he has been retired early because his post has fallen away, the Public Service Commission may recommend that he be credited with extra years of service, depending on his age and the

The first senior official known to have left the Department after the surprise appointment of Dr Eschel Rhodie in October, 1972, contrary to the recommendation of the Public Service Commission, but at the special recommendation of the Minister of Information, Dr Connie Mulder, was Mr Hennie Momborg, then head of the foreign section of the Department.

Mr Momborg, then only 56, was retired from the Department within weeks of Dr Rhodie's appointment and was credited with five extra years' service because his post had been abolished.

In July, 1973, it was announced that the then Deputy Secretary for Information, Mr P. W. Weidemann, and Mr M. T. S. van Rooyen, Information Controller, were retiring early at the "recommendation of the Public Service Commission".

Mr Weidemann was the Public Service Commission's

BY MARTIN WELZ

chances of his starting a new career elsewhere.

Other senior officials in the Department of Information retired under similar circumstances during the past five years have been credited with up to five years' extra service.

Dr Rhodie's average salary for the past three years has been between R14 000 and R15 000. He has been deputy to his younger brother, Dr Eschel Rhodie, since September, 1973.

Since then at least six senior officials in the Department have been retired early at the recommendation of the Public Service Commission, according to the Department's annual reports tabled in Parliament.

At least eight senior Information Department officials have been given a "golden handshake" since Dr Eschel Rhodie became Secretary for Information.

Dr Deneys Rhodie . . . no major financial problems.

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Dr Deneys Rhodie . . . no major financial problems.

PM: No money was switched



THE Auditor-General, Mr F. G. Barrie, has thrown fresh light on the means by which one Government department can make use of secret funds from another department. The money need not, he says, of necessity be transferred between votes.

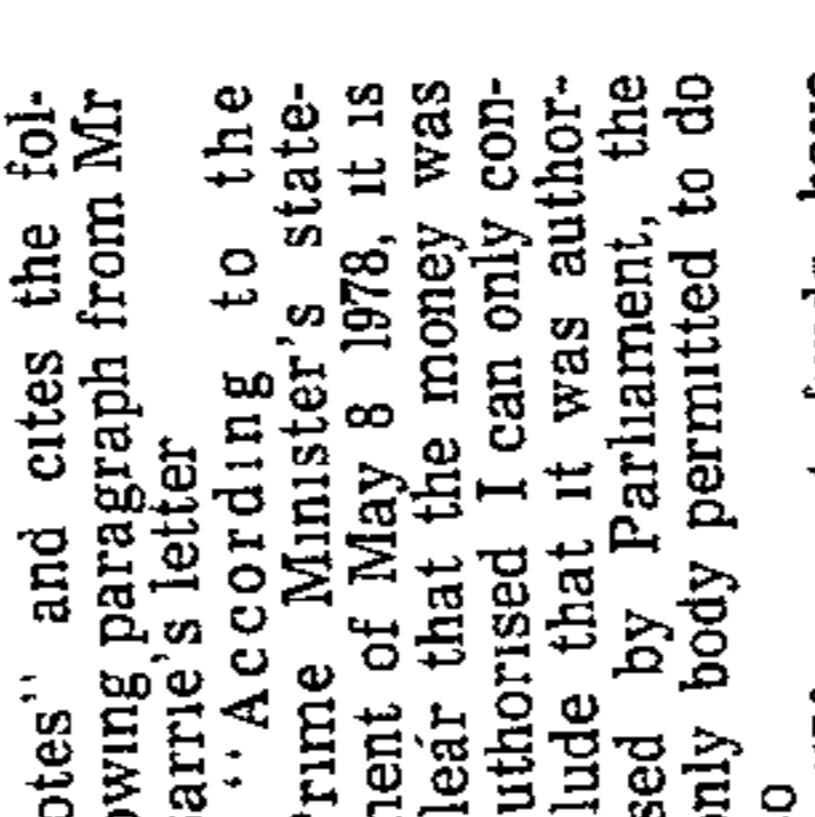
He did so in a letter responding to a number of written questions from the PFP MP for Yeoville, Mr Harry Schwarz

This information was omitted from a report in the Sunday Times last week about the allocation of secret funds and based on the correspondence between the two men

As a result, the Prime Minister, Mr Vorster, this week lodged an urgent complaint with the South African Press Council

The Prime Minister said that the headline above last week's report — "PM had no power to switch funds" — was misleading and created the impression that although he had no such power, he had indeed switched funds

The Prime Minister also



and cites the following paragraph from Mr Barrie's letter

"According to the Prime Minister's statement of May 8 1978, it is clear that I can only authorise that it was authorised by Parliament, the only body permitted to do so

"If secret funds have not been made available to a department under its Vote but it happens, in fact, that such department makes use of secret funds available under another Vote: this does not mean that the secret funds have been transferred between the Votes. It simply means that the expenditure is charged to the Secret Account under the Vote where it was appropriated"

Mr Vorster also says the Sunday Times report failed to mention that, from 1969 onwards, he had issued annual certificates to the effect that moneys voted for services by the Bureau for State Security had been used for the purposes mentioned by Parliament, that this had annually been mentioned in the Auditor-General's report and that an internal audit was carried out

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Mr Vorster also says the Sunday Times report failed to mention that, from 1969 onwards, he had issued annual certificates to the effect that moneys voted for services by the Bureau for State Security had been used for the purposes mentioned by Parliament, that this had annually been mentioned in the Auditor-General's report and that an internal audit was carried out

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By David Beresford
LONDON

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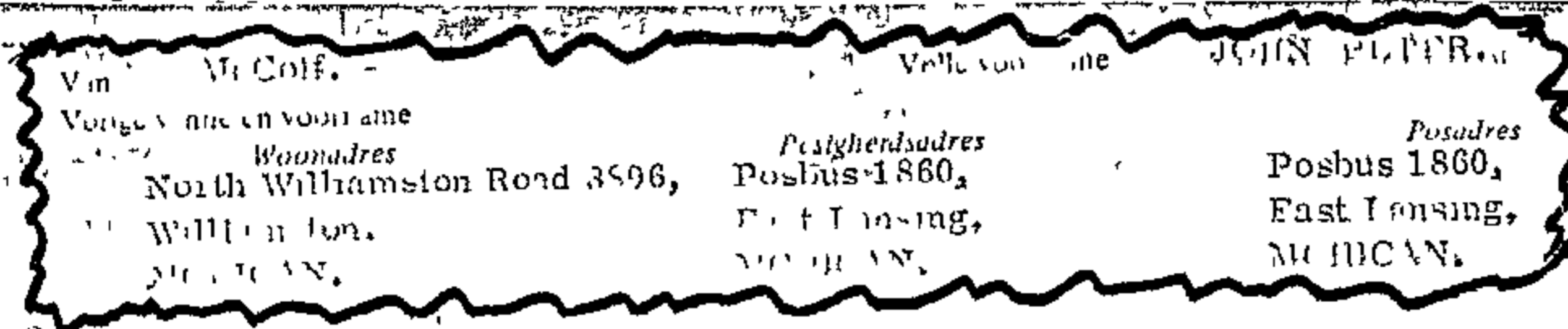
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BY MARTIN WELZ

US publisher denies link with flats firm

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company or its purchase of flats in Cape Town

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mistake. He was unable to explain how the mistake had come about

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five-volume "Case Studies on Human Rights and Fundamental Freedoms"

The volumes sell at R125 a set. The foundation has distributed 4 000 to universities and libraries round the world.

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The foundation declined to name the sponsors.

Editor-in-chief Dr Veenhoven would say only that the money had come from minority groups in America.

He emphatically denied that the Department of Information was "involved". An associate editor of Case Studies on Human Rights and Fundamental Freedoms is Professor Nic Rhoodie, brother of the Secretary for Information, Dr Eschel Rhoodie.

Prof Rhoodie is also head of a Pretoria organisation, the Institute for Plural Studies.

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But Dr Veenhoven hotly denied that South African money was involved.

In Pretoria yesterday Prof Rhoodie, professor of sociology at the university of Pretoria, said: "Even if certain disclosures were now to be made about Department of Information involvement in the project, my comment would be: 'So what? What can I do about it?'"

"I am not an official who would have that sort of information."

Rhodie entitled to R25 000 and life pension

By MARTIN WELZ

THE DEPUTY Secretary for Information, Dr Deney Rhodie, is unlikely to have major financial worries as a result of his early retirement.

Officials in Pretoria have calculated that Dr Rhodie, 48, will receive:

- A lump-sum payment of nearly R25 000
- A pension of R550 to R600 a month for life.
- Leave pay up to a maximum of R16 000 depending on how much leave he has accumulated.

In terms of public service regulations, Dr Rhodie is entitled to a lump-sum payment of 6,72 per cent of his average annual salary over the past three years multiplied by his years of service.

He has been in the Department of Information since 1957. As he has been retired early because his post has fallen away, the Public Service Commission may recommend that he be credited with extra years of service, depending on his age and the

chances of his starting a new career elsewhere.

Other senior officials in the Department of Information retired under similar circumstances during the past five years have been credited with up to five years' extra service

Dr Rhodie's average salary for the past three years has been between R14 000 and R15 000. He has been deputy to his younger brother, Dr Eschel Rhodie, since September, 1973.

Since then at least six senior officials in the Department have been retired early at the recommendation of the Public Service Commission, according to the Department's annual reports tabled in Parliament.

At least eight senior Information Department officials have been given a "golden handshake" since Dr Eschel Rhodie became Secretary for Information.

The first senior official known to have left the Department after the surprise appointment of Dr Eschel Rhodie in October, 1972, contrary to the recommendation of the Public Service Commission, but at the special recommendation of the Minister of Information, Dr Connie Mulder, was Mr Hennie Momberg, then head of the foreign section of the Department

Mr Momberg, then only 56, was retired from the Department within weeks of Dr Rhodie's appointment and was credited with five extra years' service because his post had been abolished.

In July, 1973, it was announced that the then Deputy Secretary for Information, Mr P. W. Weidemann, and Mr M. T. S. van Rooyen, Information Controller, were retiring early at the "recommendation of the Public Service Commission".

Mr Weidemann was the Public Service Commission's choice for Secretary for Information before Dr Rhodie was appointed by the Cabinet.

By then Mr Piet Nel, the other Deputy Secretary under Dr Rhodie's predecessor, had also been retired early.

In September, 1974, it was announced that Mr W. J. le Roux, Senior Information Controller, was being retired early at the recommendation of the Public Service Commission.

PME: NO MONEY WAS SWITCHED



MR F. G. BARRIE

THE Auditor-General, Mr F. G. Barrie, has thrown fresh light on the means by which one Government department can make use of secret funds from another department. The money need not, he says, of necessity be transferred between votes.

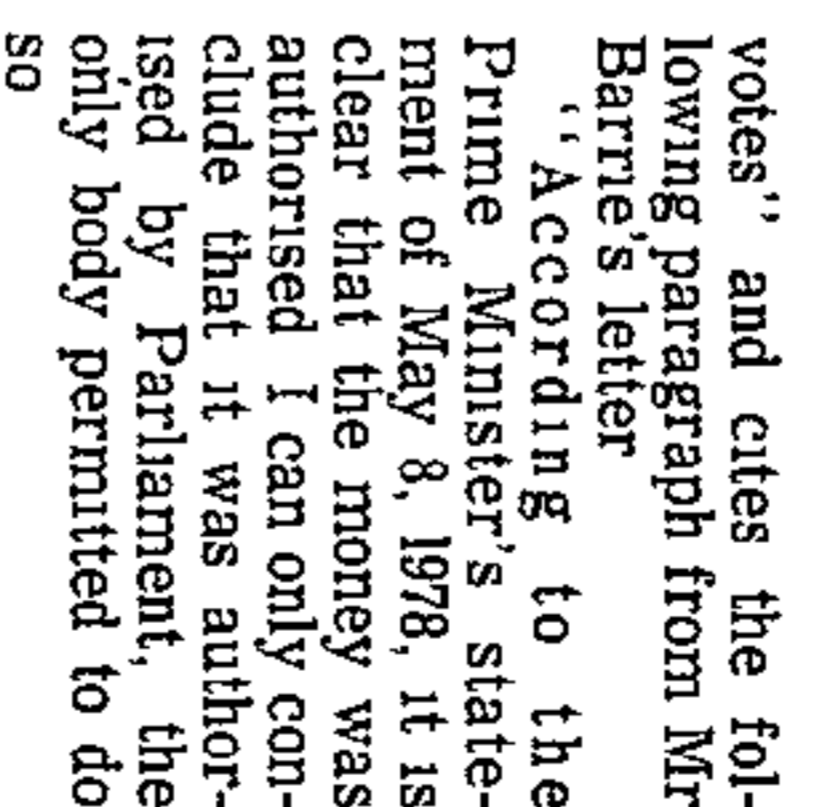
He did so in a letter responding to a number of written questions from the PFP MP for Yeoville, Mr Harry Schwarz.

This information was omitted from a report in the Sunday Times last week about the allocation of secret funds and based on the correspondence between the two men.

As a result, the Prime Minister, Mr Vorster, this week lodged an urgent complaint with the South African Press Council.

The Prime Minister said that the headline above last week's report — "PME had no power to switch funds" — was misleading and created the impression that although he had no such power, he had indeed switched funds.

The Prime Minister also



MR J. LE ROUX

MR SCHWARZ, Written questions

said that the report itself was tendentious in that material and significant omissions had deliberately been made in reporting on the contents of Mr Barrie's letter.

The Sunday Times most certainly did not intend to suggest that the Prime Minister had improperly transferred funds to the Information Department.

The Sunday Times is very sorry if an incorrect impression was mistakenly conveyed. It takes this first opportunity of publishing fully those significant passages omitted in the report on Mr Barrie's letter.

In his complaint to the Press Council Mr Vorster says that secret funds "need not of necessity be transferred between



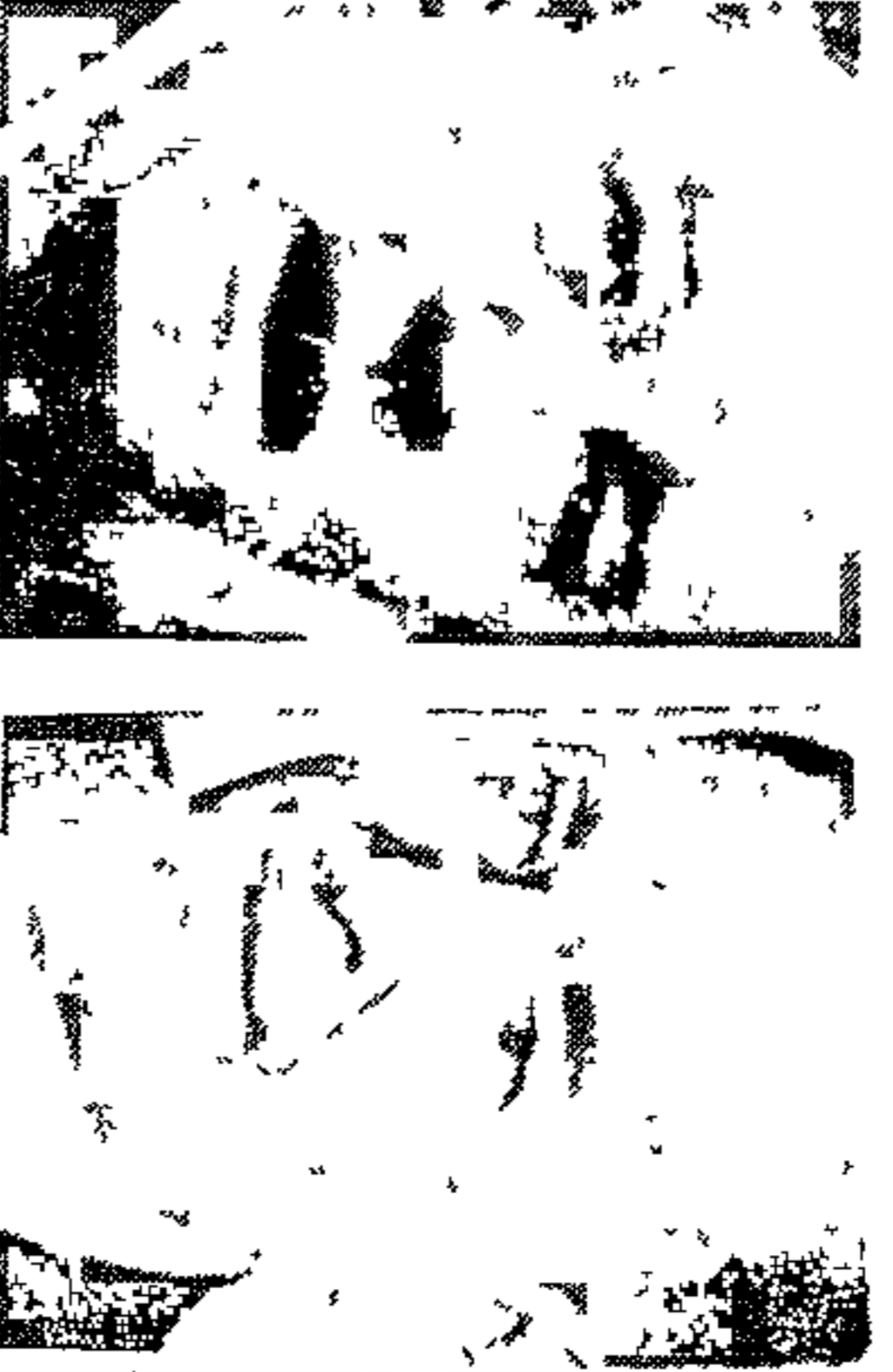
MR J. LE ROUX

votes" and cites the following paragraph from Mr Barrie's letter:

"According to the Prime Minister's statement of May 8, 1978, it is clear that the money was authorised I can only conclude that it was authorised by Parliament, the only body permitted to do so.

"If secret funds have not been made available to a department under its Vote but it happens, in fact, that such department makes use of secret funds available under another Vote, this does not mean that the secret funds have been transferred between the Votes. It simply means that the expenditure is charged under the Secret Account under the Vote where it was appropriated."

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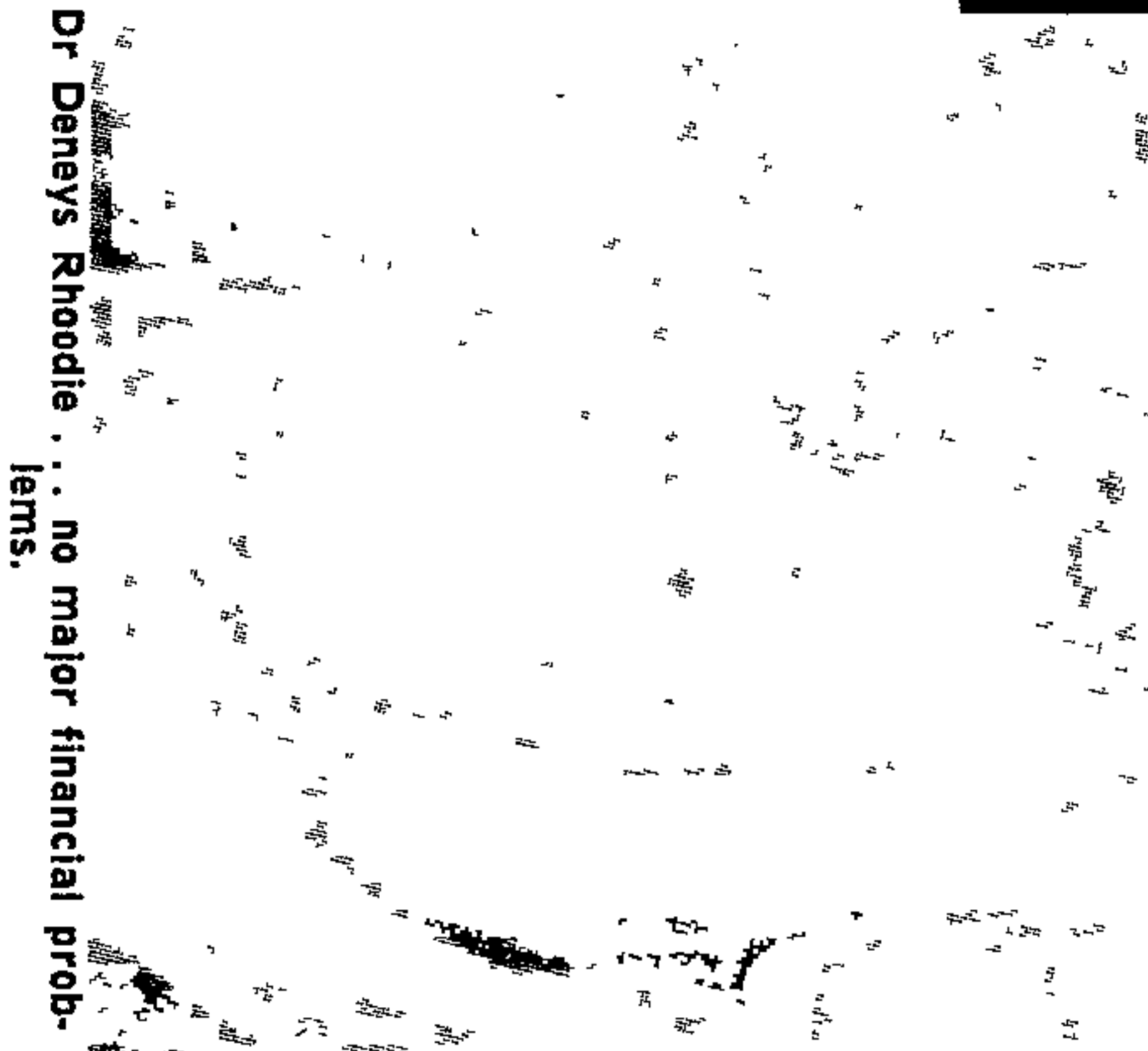
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A RIGHT-WING Dutch schoolteacher, Dr W. Veehoven, who edits an anthropological journal, has denied that he receives support from the South African Department of Information.

An academic controversy is building up round the activities of an organisation in Holland called the Foundation for the Study of Plural Societies. This publishes the quarterly anthropological journal

By David Beresford LONDON

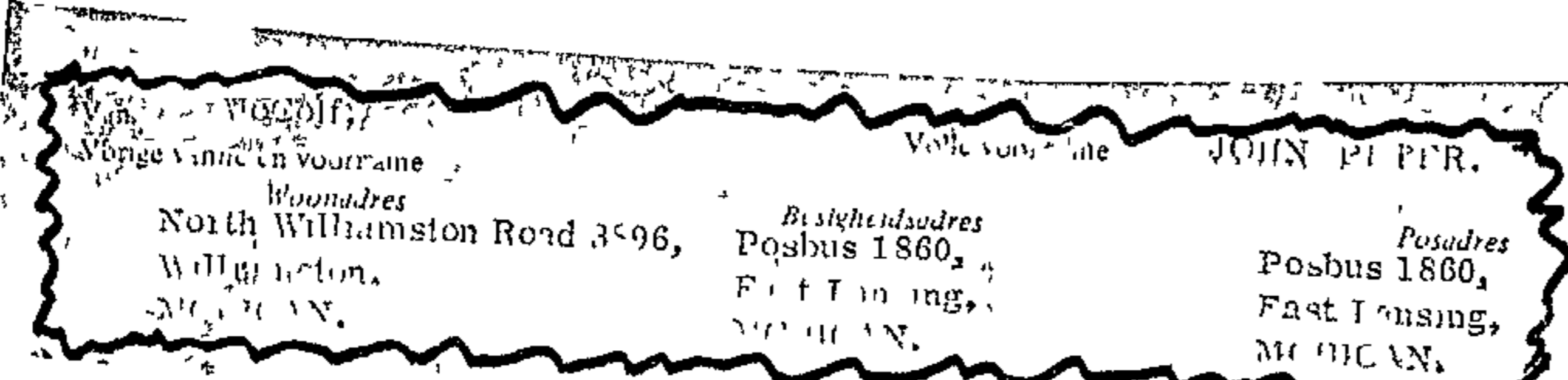


DR DENEYS RHOODIE

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J. le Roux, Senior Information Controller, was being retired early at the recommendation of the Public Service Commission.

Other senior officials believed to have left under similar circumstances are Mr Wally Meyer and Mr Nico du Bois, head of internal information



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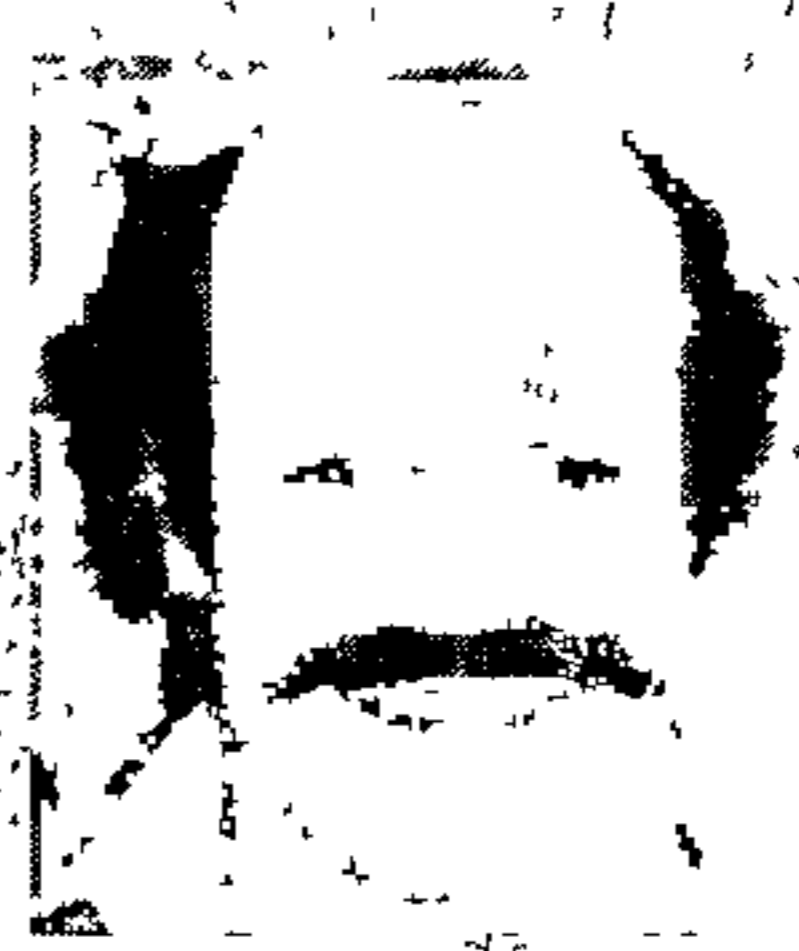
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Report links Smit with 'secret' ops

Cape Times 29/5/78

① 259
② 327



Dr Smit

POLICE are investigating the possibility of a link between the secret operations of the Department of Information and the murdered Dr Robert Smit and his wife, the Afrikaans Sunday newspaper, Rapport, said yesterday.

Dr Smit and his wife were murdered in their Springs home last year. Dr Smit was a candidate for the National Party in the General Election.

According to a report in Rapport, Dr Smit, who was often in touch with his international contacts, probably knew of some of the operations and may even have been indirectly involved, it claimed.

The newspaper reported that it had been rumoured towards the end of last year that Dr Smit had said he was bothered by certain things in the Department of Information and that he would give his attention to the matters if he was elected to Parliament.

The report said Dr Smit's name had been linked with several financial deals. It mentioned an international loan of about R800 million with which Dr Smit would have been involved. It also alleged that Dr Smit would have received a commission of about R7 million if he could have clinched the transaction. Dr Smit and his wife,

Jeanne-Cora, were also named in connection with a loan of R1 000 million.

The newspaper said police investigation was in its advanced stages, but said the police would not make any comment on the nature of their investigations. It was reported that police headquarters in Pretoria had taken over the investigation from the East Rand Murder and Robbery Department.

Dr Smit and his wife were murdered at their Springs home on November 22, last year. The letters RAU TEM were found written in red in the kitchen.

(259)

Inligting,

Rhoadies:

Waldeck

Krap ook

Deur THINUS PRINSLOO

MNR KOOS WALDECK, 59, wat gedwing is om verlede week as administratiewe hoof van die Departement van Inligting af te tree, het op nog beweerde wanpraktieke binne die departement afgekom waarby duisende rande betrokke is

RAPPORT vernem uit betroubare bronne dat mnr Waldeck begin Augustus verlede jaar ná drie maande siekteverlof op sekere beweerde onreëlmatighede afgekom het

Hy het onmiddellik leggers bevries en dr. Eschel Rhoadie in 'n skriftelike memorandum meegedeel dat hy die hulp van die Ouditeur-generaal, mnr F. G. Barrie, gaan inroep om die saak te ondersoek.

Dr Rhoadie en mnr Waldeck was in daardie stadium die enigste twee amptenare wat uitgawes van die departement kon magtig. Ná 'n telefoongesprek tussen mnr Waldeck en mnr Barrie het mnr Barrie twee ouditeure aan mnr. Waldeck beskikbaar gestel

Mnr Barrie het ook later mnr Waldeck se memorandum aan dr. Rhoadie, aangevra

Tot in daardie stadium was oudi-

teure besig met hul jaarlikse roetine-ondersoeke na die uitgawes binne die departement

Weens die spanninge binne die departement ná die ontwikkeling het mnr Waldeck al sy personeel in sy kantoor byeengeroep en hulle meegedeel dat hy sy kop uitgesteek het en dat hulle voortaan baie versigtig sal moet wees

Volgens RAPPORT se bronne was daar sewe amptenare — meestal junior sekretarisse — in mnr Waldeck se kantoor. Daar was in daardie stadium groot spanning tussen die administratiewe personeel van mnr Waldeck en die vakkundige beamptes van dr Rhoadie.

Die vonke het ook openlik gespat tussen mnr Waldeck en dr Denys Rhoadie, Adjunk-sekretaris van Inligting. RAPPORT vernem mnr Waldeck was ontveerde oor sekere optredes van dr Denys Rhoadie

Hy het by dr Eschel gaan kla en gesê hy weter om deur dr Denys te werk. Na bewering sou dr. Eschel in een stadium gedreig het om mnr Waldeck van wangedrag aan te klam, maar mnr Waldeck het voet by stuk gehou en geweer om deur dr Denys te werk

Toe mnr Barrie, Ouditeur-generaal, om kommentaar genader word, het hy gesê dat nie hy of die voorsitter of enige lid van die Gekeuse Komitee kommentaar mag lever nie.

Mnr Barrie het egter bevestig dat die beweerde onreëlmatighede waarop mnr Waldeck afgekom het, nog ondersoek word. Hy kon nie sê hoe lank die ondersoek sal duur nie

Toe mnr Waldeck om kommentaar genader word, was hy baie ontsteld. Hy het gesê hy wil hoegenaamd niks, "geen enkele woord", oor die aanleentheid sê nie.

Maandag was sy laaste dag op kantoor. In die begin van verlede maand het dr Connie Mulder, Minister van Inligting en Plurale Betrekkinge, in die woelinge om die Departement van Inligting in die Parlement aangekondig dat mnr Waldeck en dr. Denys Rhoadie met vervroegde pensioen aftree

Mnr Waldeck het toe gesê sy gedwonge aftrede is vir hom 'n groot skok. Hy sou eers later besluit het of hy, soos die gebruik in die staatsdiens is, met sy sestigste verjaardag aanstaande jaar sou aftree en of hy sou aambly tot hy 65 is



AFGETREDE MNR KOOS WALDECK