

Confidential Filing

The Report of The Erasmus Commission  
The Resignation of The President, Mr  
John Vorster

SOUTH AFRICA

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June 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>6-6-74</del>							
<del>20-12-86</del>							
16-1-87							
30-1-87							
PREM 19/2528							

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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Baker MP  
Secretary of State for Education  
Department of Education and Science  
Elizabeth House  
York Road  
London SE1 7PH

CJP  
34/1

30 January 1987

Dear Secretary of State,

## ERASMUS

Thank you for your letter of 16 January.

I see the tactical case for reaching a compromise with the French and Germans in favour of a relatively modest ERASMUS programme confined to essentials and avoiding the student grant element. I note that you are prepared to absorb the likely £0.2 million cost in 1987-88.

In view of the increases that were agreed for your programmes, and the size of the overall education budget I find it hard to believe that you would not also be able to make offsetting savings in 1988-89 and 1989-90. Of course, we have not settled provision for 1990-91 yet. I would therefore look to you to meet these costs from within your existing programmes.

We must obviously endeavour to keep the ERASMUS programme to the minimum size possible. But there does of course remain a risk that, in spite of all our negotiating efforts, we may not be able to prevent agreement on an ERASMUS programme which is substantially larger than the one discussed in your letter. If that were to happen, and posed genuine difficulties for you we could consider in the Survey whether additional funds should be provided to cover a proportion of the cost. But to go further than that would represent an unjustified departure from our agreed arrangements for controlling the public expenditure implications of EC initiatives.

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I am copying this letter to the Prime Minister, Members of OD(E)  
and Sir Robert Armstrong.

Yours sincerely,

Jim

PP JOHN MacGREGOR

(Approved by the Chief Secretary  
and signed in his absence)



South Africa, ERASMUS 6/79.



## DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

CC: PJ

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COO 1971

The Rt Hon John MacGregor OBE MP  
 Chief Secretary of the Treasury  
 Parliament Street  
 LONDON  
 SW1P 3AG

16 January 1987

## ERASMUS

WILL REQUEST IF REQUIRED

Thank you for your reply of 31 December to my letter of 12 of that month.

I imagine that you will have heard from your officials as I have heard from mine about the meeting last week in the Cabinet Office to take stock of the ERASMUS situation. It seems clear that the Belgian Presidency will put considerable store on achieving the adoption of an ERASMUS programme. They have already begun on discussions with the French and Germans. There appears to be a serious risk that, if the UK alone blocks any progress for financial reasons, the majority of the other countries will overrule us by simple majority and adopt a far more expensive programme than we think right.

The best way of averting this danger is to work closely with the French and the Germans ourselves, as the Prime Minister suggests, to secure agreement on a very modest programme. In particular, we should align ourselves with the French who appear to be prepared to contemplate expenditure of 20 MECU over four years and hope to persuade the Germans to a figure of that order. We know that the Germans are prepared to contemplate a programme of about twice the size but our aim should be to get their backing for a minimum 20 MECU programme and stick there as long as possible.

On reasonable assumptions of the spread of expenditure, our share of a programme of 20 MECU might run:

FY	1987/88	1988/89	1989/90	1990/91
	£M	£M	£M	£M
20 MECU	0.2	0.6	1.0	1.15

If we are to follow this course as the least damaging to us, I need to be satisfied that additional costs can be found without prejudice to my other programmes. You know that all along I have

cont...

held the view that ERASMUS is a low priority in educational terms. Any additional expenditure arising from it would be forced upon us in the national interest, rather than for any educational benefit it may bring. Nevertheless, while I cannot at this stage identify any spare provision in my programmes, I am ready to look for savings during 1987-88 to offset a first year contribution of £0.2M towards an ERASMUS programme of 20 MECU. That is as far as I could go. It means that if in the event the costs were to be greater, I would expect you to meet anything above £0.2m in 1987-88 and in any case to agree that the costs in the three subsequent years would be met by an addition to my baseline in the 1987 PES round. I know we share a common view on the merits of this programme. I fear that if we cannot reach common ground on a negotiating position now, the final bill may turn out to be a lot higher.

*W. H. H. H.*

*W. H. H. H.*

*Copies of this letter go to the Prime Minister,  
members of ODCE) and to Sir Robert Armstrong*



FILE  
JA  
cpc

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

22 December 1986

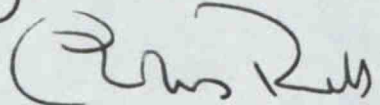
Dear Rob,

**ERASMUS**

The Prime Minister has seen a copy of your Secretary of State's letter of 12 December to the Chief Secretary about ERASMUS.

The Prime Minister would wish us to continue to work closely with the French and the Germans to hold the line against the Commission's expenditure proposals for ERASMUS. She does not see a need to consider compromises at this stage.

I am copying this letter to the Private Secretaries to members of OD(E).

Yours sincerely,  
  
(Charles Powell)

R.L. Smith, Esq.,  
Department of Education and Science.

dg



DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

*cc PC*  
*Time Minister*  
*CDP*  
*15712*  
*CDP*

The Rt Hon John MacGregor OBE MP  
Chief Secretary of the Treasury  
Parliament Street  
LONDON SW1P 3AG

*I think he must* 12 December 1986

*with increased expenditure.*

*Dear John,*

*Other parts of ERASMUS*

*could be agreed but not the expenditure only*

**ERASMUS**

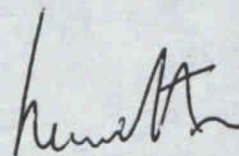
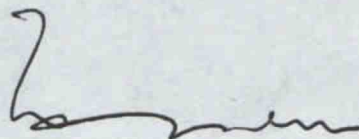
You will know from my exchanges with Geoffrey Howe in October and November that I have been standing firmly by my agreement with you that I would not press for additional resources for this programme in the current expenditure round given my other priorities for education. Angela Rumbold and Bob Dunn had a difficult time at the Education Council on 28 November but achieved our objective of spinning out discussion into the Belgian Presidency whilst maintaining credibility for the UK Presidency. Nevertheless pressures to support the programme have continued. You will no doubt have seen that despite our wish to avoid a positive outcome, the conclusions of the European Council last week included a call for further consideration of ERASMUS with a view to reaching a decision at an early Council.

This is a new situation and not of my making. I am not at all sure that we can maintain our present position. If the UK continues to place a reserve on the programme until the completion of the next expenditure survey, that will hardly be seen as consistent with the European Council conclusion. The Germans are already showing an increasingly flexible approach and although the French are unlikely to soften while their current domestic difficulties continue, their longer term position is unpredictable. What seems most likely to happen is that I shall face pressure under the Belgian Presidency to accept a compromise and yet, as we found at the Education Council, we shall not be in a position to influence the content of that compromise because I have no mandate to negotiate. Unless we can enter a voice, a majority might combine to urge release of the full amount of the reserve agreed by the Budget Council in 1987 - nearly 25 MECU - and a total programme of over half that proposed by the Commission, which I should then have to block. But if I were able actively to negotiate we might, in collaboration with the Germans, seek to obtain agreement to a small programme in 1987 leading

to a relatively small total programme, less than half that proposed by the Commission, over the three years. We should also not ignore altogether the possibility that the Commission will find some way of releasing part of the amount in the budget reserve if there is no agreement on the ERASMUS programme.

My view is that there are now arguments in favour of changing tack. I should be glad to know your assessment and that of Geoffrey Howe. It remains the case that I cannot meet the costs even of a modest 3 year programme for ERASMUS from within my Department's programme for 1987-88 and later years. In order to contribute to further discussion under the Belgian Presidency and to influence the outcome, we shall need to be able to agree to some limited expenditure in 1987-88 and I shall also want some recognition that the costs in later years can be considered sympathetically on the basis of an additional bid in next year's Surveys. Do you agree that it would be worthwhile for our officials to get together again to explore a compromise along these lines?

I am sending copies of this letter to the Prime Minister and members of OD(E).





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FM CAPE TOWN EMBASSY 060855Z JUN 79

TO PRIORITY FCO

TELEGRAM NUMBER 329 OF 6 JUNE 1979

RFI PRIORITY WASHINGTON UKMIS NEW YORK PARIS BONN OTTAWA

LUSAKA GABORONE MAPUTO LUANDA DAR ES SALAAM LAGOS MASERU

MBABANE PRETORIA JOHANNESBURG MIRIMBA SALISBURY

MY TELNO 321 (NOT TO ALL): RESIGNATION OF STATE PRESIDENT

1. IN AN AFTERNOON OF DRAMA ON MONDAY MR JOHN VORSTER'S LONG CAREER AS MINISTER, PRIME MINISTER (FOR 12 YEARS) AND STATE PRESIDENT CAME TO AN ABRUPT END WHEN MR P W BOTHA ANNOUNCED IN PARLIAMENT THAT MR VORSTER HAD RESIGNED WITH IMMEDIATE EFFECT. MR VORSTER MADE A QUICK BUT DIGNIFIED EXIT FROM THE OFFICIAL RESIDENCE. HE WAS THE LATEST, PROBABLY THE LAST AND MUCH THE MOST IMPORTANT CASUALTY OF THE INFORMATION AFFAIR.
2. THE FINAL REPORT OF THE ERASMUS COMMISSION, PUBLISHED AT THE SAME TIME AS THE ANNOUNCEMENT OF MR VORSTER'S RESIGNATION, CRITICISED HIM FOR FAILING TO REVEAL IRREGULARITIES THAT HAD BEEN REPORTED TO HIM SEMICOLON FOR CONCEALING THEM FROM HIS CABINET COLLEAGUES SEMICOLON AND FOR NEGLECTING TO TAKE CORRECTIVE ACTION. THE COMMISSION ALSO FOUND THAT MR VORSTER, IN APPROVING THE REYNDERS REPORT, WHICH HE KNEW FALSELY CLEARED DR CONNIE MULDER AND OTHERS, WAS HIMSELF GUILTY OF A SERIOUS MISDEMEANOUR. THE COMMISSION FOUND OTHERS CONCERNED WITH THE INFORMATION SCANDAL, NOTABLY THE THREE RHOODIE BROTHERS AND MR VAN ZYL ALBERTS, TO HAVE MISAPPROPRIATED PUBLIC FUNDS AND RECOMMEND PROSECUTION. AS THE PRIME MINISTER POINTED OUT IN THE ASSEMBLY YESTERDAY, THERE IS HOWEVER NO SUGGESTION THAT MR VORSTER ACTED FROM MOTIVES OF PERSONAL GAIN.
3. THE FINAL REPORT CONFIRMS THE CONCLUSION OF THE COMMISSION'S INTERIM REPORT THAT THE PRIME MINISTER AND HIS CABINET WERE NOT IMPLICATED IN THE INFORMATION DEPARTMENT AFFAIR. IT IS UNLIKELY THAT THE OPPOSITION WILL SEEK TO CHALLENGE THIS GENERAL CONCLUSION WHEN THE REPORT IS DEBATED IN PARLIAMENT (PROBABLY NEXT WEEK) ALTHOUGH SENATOR HORWOOD MAY CONTINUE TO ATTRACT CRITICISM FOR HIS DETERMINATION TO REMAIN UNINFORMED ABOUT THE INFORMATION DEPARTMENT'S ACTIVITIES.

4. ALTHOUGH IT HAS BEEN A PAINFUL PROCESS FOR MR P W BOTHA, HE HAS NOW FULFILLED HIS PROMISE OF A THOROUGH INVESTIGATION. HIS DETERMINATION TO DO THIS AT SOME COST TO THE NATIONAL PARTY AND TO THE OFFICE OF STATE PRESIDENT SHOULD ADD TO HIS STANDING IN THE COUNTRY. ON THE OTHER HAND THE DISCLOSURE OF SO MUCH INEFFICIENCY, DECEIT AND CORRUPTION HAS UNDERMINED THE CONFIDENCE THAT AFRIKANERS HAVE TRADITIONALLY PLACED IN THE LEADERSHIP, AND CAUSED MUCH DISSENTION WITHIN THE NATIONAL PARTY. THE MOOD IS ONE WHICH COULD WELL BENEFIT DR TREURNICHT, MR P W BOTHA'S MAIN RIVAL.

5. THE AFRIKAANS PRESS HAVE TAKEN TO HEART THE LESSON OF THE INFORMATION SCANDAL AND HAVE LEARNED TO TAKE A MORE DETACHED AND MATURE VIEW OF NATIONAL PARTY POLICY. THIS IS ALREADY EVIDENT IN THEIR OPPOSITION TO THE ADVOCATE-GENERAL BILL. IT IS UNLIKELY THAT THE AFRIKAANS PRESS WILL IN FUTURE OFFER THE UNQUALIFIED SUPPORT WHICH THE NATIONAL PARTY HAVE BEEN ACCUSTOMED TO ENJOY HITHERTO.

6. THERE IS SPECULATION THAT THE PRIME MINISTER MAY CALL A GENERAL ELECTION AFTER THIS PARLIAMENTARY SESSION. IT IS ARGUED THAT THE ADVANTAGES OF A FRESH MANDATE AND A NEW START WOULD MORE THAN COMPENSATE FOR THE FEW NATIONALIST SEATS THAT THE PARTY COULD BE EXPECTED TO LOSE. TODAY'S BY-ELECTION AT RANDFONTEIN (DR MULDER'S FORMER SEAT) WILL PROVIDE A FIRST TEST OF THE ELECTORATE'S VIEWS.

7. WHETHER OR NOT THERE IS A GENERAL ELECTION THERE WILL BE A PRESIDENTIAL ELECTION (BOTH HOUSES OF PARLIAMENT ARE TO MEET IN JOINT SESSION FOR THIS PURPOSE ON 19 JUNE) AND PROBABLY A CABINET RESHUFFLE. THERE IS ALREADY ONE VACANCY IN THE CABINET CAUSED BY THE APPOINTMENT OF MR CRUYWAGEN, MINISTER OF NATIONAL EDUCATION, AS ADMINISTRATOR OF THE TRANSVAAL. MR KRUGER, MINISTER OF JUSTICE, IS EXPECTED TO LEAVE SHORTLY, POSSIBLY BEING FOUND A POST AS AMBASSADOR IN LATIN AMERICA. MR RAUBENHEIMER, MINISTER OF WATER AFFAIRS, MAY ALSO BE LEAVING THE GOVERNMENT. IF MR S L MULLER, MINISTER OF TRANSPORT IS ELECTED STATE PRESIDENT (THE OTHER SERIOUS CANDIDATE BEING SENATOR VILJOEN, NOW ACTING IN THAT OFFICE) A FURTHER VACANCY WOULD ARISE. IN A RESHUFFLE, DR TREURNICHT IS LIKELY TO BE OFFERED A CABINET POST, THOUGH, IN VIEW OF THE PRIME MINISTER'S ANTI-PATHY FOR HIM, IT IS LIKELY TO BE A NON-SENSITIVE ONE.

8. THE LATEST EVENTS ARE UNLIKELY TO INFLUENCE SOUTH AFRICA'S EXTERNAL POLICIES, EG ON NAMIBIA OR RHODESIA, EXCEPT TO THE EXTENT THAT MINISTERS WILL NOW BE LESS PREOCCUPIED WITH THE INFORMATION AFFAIR. ASSUMING THAT THE EXPECTED CABINET RESHUFFLE AS EXPECTED SHIFTS THE BALANCE TOWARDS THE VERLIGTES, THIS WOULD, HOWEVER MAKE IT LESS NECESSARY FOR MR PIK BOTHA TO LOOK OVER HIS SHOULDER AT POLITICAL OPPOSITION WITHIN THE CABINET. BUT SOME OF THE MOST SENSITIVE OVERSEAS ACTIVITIES OF THE FORMER INFORMATION DEPARTMENT REMAIN SECRET, AND IF THEY WERE TO COME TO LIGHT THEY COULD WELL DAMAGE SOUTH AFRICA'S RELATIONS WITH THE COUNTRIES CONCERNED. THERE IS IN ADDITION A STRONG SUPPOSITION THAT MR JOHN MCGOFF, THE AMERICAN REPUBLICAN PUBLICIST, HAS MADE OFF WITH MILLIONS OF DOLLARS IN FORMER INFORMATION DEPARTMENT FUNDS, AND CRIMINAL PROCEEDINGS MAY WELL FOLLOW HIM IN MORE THAN ONE OVERSEAS COUNTRY.

9. ALTHOUGH THE ERASMUS COMMISSION HAS FINISHED ITS WORK IT DOES NOT THEREFORE FOLLOW THAT THE INFORMATION AFFAIR IS ENDED. DR MULDER'S REACTION TO THE ERASMUS COMMISSION'S FINAL REPORT HAS BEEN THAT THERE IS A LOT MORE TO COME OUT. AND TODAY'S PRESS HINTS THAT MR VORSTER MAY BE DISPOSED TO CHALLENGE SOME OF THE COMMISSION'S REASONING. BUT MR P W BOTHA IS LIKELY TO RESIST ANY MOVE TO A FURTHER ENQUIRY.

SCOTT

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