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POLICIES OF APARTHEID OF THE GOVERNMENT OF SOUTH AFRICA

Special report of the Special Committee against Apartheid
on recent developments in the relations between Israel
and South Africa

CONTENTS

	<u>Paragraphs</u>
I. Introduction	1 - 3
II. Visit of the Israeli Finance Minister to South Africa . .	4 - 10
III. Military and nuclear collaboration	11 - 19
IV. Israeli position concerning the arms embargo on South Africa	20 - 24
V. Economic collaboration	25 - 35
VI. Tourism and cultural and other relations	36 - 42
VII. Conclusions and recommendations	43 - 46

* This is a mimeographed version of a special report of the Special Committee against Apartheid, which will be issued in printed form in Official Records of the General Assembly, Thirty-third Session, Supplement No. 22A.

A/33/22/Add.2
S/12858/Add.2
English
Page 2

LETTER OF TRANSMITTAL

20 November 1978

Sir,

I have the honour to send you herewith a special report of the Special Committee against Apartheid on recent developments in the relations between Israel and South Africa, adopted unanimously by the Special Committee on 15 November 1978.

This special report is submitted to the General Assembly and to the Security Council in accordance with the relevant provisions of General Assembly resolutions 2671 (XXV) of 8 December 1970 and 32/105 D of 14 December 1977.

Accept, Sir, the assurances of my highest consideration.

(Signed) Leslie O. HARRIMAN
Chairman
of the Special Committee against Apartheid

His Excellency
Mr. Kurt Waldheim
Secretary-General of the
United Nations
New York, New York 10017

/...

I. INTRODUCTION

1. It may be recalled that the Special Committee has followed with concern the increasing collaboration between Israel and the racist régime in South Africa in recent years. The General Assembly, in resolution 31/6 of 9 November 1976, expressed its deep concern about these developments, especially the military assistance provided by Israel to South Africa, and requested the Secretary-General to disseminate widely the report of the Special Committee.
2. Acting on the report of the Special Committee, the General Assembly, at its thirty-second session, in resolution 32/105 D of 14 December 1977, condemned the growing relations between the Government of Israel and the Government of South Africa and requested the Special Committee to "keep the matter under constant review and report to the General Assembly and to the Security Council as appropriate".
3. The Chairman of the thirtieth session of the Co-ordinating Committee for the Liberation of Africa, the Secretary for Foreign Affairs of the Libyan Arab Jamahiriya, Mr. Ali Abdussalam Al-Treiki, sent a letter to the Secretary-General, on behalf of the Co-ordinating Committee, drawing his "...attention to the announcement by the racist Vorster régime on Monday, 13 February 1978, of its decision to give the racist Zionist entity a loan in the amount of \$2 billion. In exchange, the racist Zionist entity proposed to the racist régime of South Africa an arrangement under which the latter would undertake the production of certain goods in occupied Palestine for export to the countries of the European Common Market and to the United States of America, thus obtaining tariff advantage. The Zionist Minister of Finance also discussed in South Africa the question of permission for the Zionist entity to engage in fishing in South African territorial waters and the question of expansion in the field of air transport between the two racist entities." 1/

II. VISIT OF THE ISRAELI FINANCE MINISTER TO SOUTH AFRICA

4. Israeli Finance Minister, Mr. Simha Ehrlich, made an official visit to South Africa from 6 to 13 February 1978. He held talks with South African Foreign Minister, Mr. R. F. Botha, who expressed satisfaction with the good relations between the two countries, which he described as friendly and beneficial to both. Mr. Ehrlich and South African Finance Minister, Mr. Owen Horwood, discussed in the Joint Economic Committee general aspects of economic and financial relations between their countries. It was stated that the ministerial committee would reconvene periodically to discuss matters relating to investment, trade and economic relations, as well as other items of common interest. At the end of the

1/ S/12562 of 16 February 1978.

visit, it was declared that the Minister of Finance, Mr. Horwood, would visit Israel later this year. The two ministers also signed an agreement on co-operation in different fields. 2/

5. The visit of Israeli Finance Minister to South Africa was described as very successful. His talks with the South African Finance Minister were extensive and questions of investment and industrial credit lines were major topics of discussion. The visit, which was reportedly expected to usher in a new era of commercial co-operation between their two countries, was reported to have laid the ground for joint ventures, know-how deals and increased trade. 3/

6. The industrial credit line between Israel and South Africa was exhausted, but, after renewed negotiations, Israel could purchase more from South Africa. This means about 40 million rand in South African materials, including high-quality steel products. The two ministers signed an agreement on co-operation in a variety of fields and another agreement for the avoidance of double taxation, which became effective on 1 April 1978.

7. The Joint Committee, headed by the two ministers, also discussed ongoing co-operation in the fields of agricultural and medical research, granting Israel fishing rights, the improvement of air services between their two countries and the establishment and expansion of joint industrial ventures. 4/

8. According to the emissary of the Israeli newspaper Davar, the South African Minister of Finance accepted two Israeli proposals, submitted at the beginning of the talks, concerning Israeli fishing rights opposite the shores of South Africa and the establishment of a joint research committee for science, agriculture and health. 5/

9. It was reported that Israeli Finance Minister, Mr. Simha Ehrlich, had stated that Israel could offer South African investors an "attractive packet" for the export of industrial goods to the European Economic Community and to the United States of America, for both of which Israel could act as a "bridge-head". This was viewed as important to South African exporters in the event of implementation of trade sanctions or an economic boycott against South Africa. 6/

10. It was reported that, as a result of the visit of the Israeli Finance Minister to South Africa, the Israeli group Tasbin Chemical Industries was planning a joint venture in South Africa. The industrial ties between Israel and South Africa have perked up considerably recently. According to the report, a number of South African companies plan to move part of their production lines to Israel. Another joint venture mentioned was the setting up in Israel of a textile plant financed primarily by South African investors. The Israeli corporation will

2/ Pretoria Department of Information 1323 GMT, 13 February 1978 LD.

3/ Sunday Times, Johannesburg, 26 March 1978.

4/ Pretoria Department of Information in English 1028 GMT, 13 February 1978.

5/ Davar (in Hebrew), Tel Aviv, 9 February 1978, p. 3.

6/ Washington Post, Washington, 8 February 1978.

reportedly hold 28 per cent of the company's shares. It was also reported that a group of South African investors, together with Koor, the industrial organ of the Histadrut, the Israeli Federation of Labour, had invested 2 million rands in the Koor steel plant in Kiryat Gar south of Tel Aviv. The plant will process 50,000 tons of steel annually. 7/

III. MILITARY AND NUCLEAR COLLABORATION

11. It may be recalled that Israel has been an important source of military supplies to South Africa.

12. The Economist reported, for the first time in November 1977, that the then-Secretary of State of the United States of America, Dr. Henry Kissinger, had "asked the Israeli Government in early 1975 to send troops to Angola in order to co-operate with the South African army in fighting ... the Popular Movement". It added that Israel was asked to provide South Africa with naval, armoured electronic and counter-insurgency equipment. Israel promised to supply South Africa with six *Rechef*-class fast warships fitted with a highly advanced model of the *Gabriel* surface-to-surface missile, automatic 76-mm guns, anti-submarine torpedoes, a submarine detection system and electronic equipment. The report continued that three of the boats had already been delivered. The South African crew had their training at naval bases in Israel. Three other boats were expected to be delivered by mid-1978. South Africa was to invest in the Israeli military industry; in return South Africa was scheduled to get the first four or five boats, which are the new versions of *Rechef*, to be produced in 1979-1980. The new boat *Rechef* is larger than the current one, it is able to carry a helicopter and is armed with submarine detection devices and anti-submarine missiles. It also will be equipped with *Gabriel* surface-to-surface missiles. Forty South African engineers and technicians went to Israel to watch over the work at the Haifa shipyard.

13. Another field of military collaboration was that undertaken by Israel to modernize 150 South African *Centurion* tanks and to provide them with armour plates, which were fitted to most of South Africa's armoured vehicles, rendering them much less vulnerable to anti-tank weapons.

14. The three top companies in their field - *Tadiran*, *Elvit* and *Israel Aviation Industries* - were selling South Africa a large amount of military equipment ranging from complete radar stations to electronic fences, anti-guerrilla infiltration alarm systems, communication systems and computer and night vision devices. The report added that Israel was also providing South Africa with 105-mm self-propelled howitzers, air-to-air rockets and anti-tank missiles for infantrymen. 8/

7/ The Star, Johannesburg, 28 March 1978.

8/ The Economist, London, 5 November 1977, pp. 90-91.

15. The Guardian of London reported that three of the gunboats were being built in South Africa under a licensing agreement. 9/

16. The New York Times reported that, while Israeli officials denied the presence of Israeli military personnel in South Africa, 5,000 Israelis in recent years had migrated to South Africa and "presumably that number contained some skilled people with technological insight into items of Israeli manufactures". 10/

17. Israeli interests have reportedly set up a joint venture for the production in Israel of the Scorpion helicopters designed by the United States. The helicopter, which is built in South Africa by Rotor Flight Helicopters PVT Ltd., of Cape Town, will be exported to Israel for assembly by the Israel-based company Rotor Flight Helicopters Ltd. (Israel) at a plant at Shemavir-Masoa. 11/

18. According to the Ghanaian Times (Accra), Israel is supplying South Africa with "Kfir" fighter bombers, missile boats personnel and armoured carriers and sophisticated electronic equipment. 12/

19. The Sunday Chronicle (Lagos) recently reported that a military communications factory had been commissioned outside Pretoria. The principal owner is the Israeli company Tardesan. The project has been "built under the programme of military and economic co-operation between Israel and South Africa", according to the article. 13/

IV. ISRAELI POSITION CONCERNING THE ARMS EMBARGO ON SOUTH AFRICA

20. Israeli Foreign Minister, Mr. Moshe Dayan, stated on 6 November 1977, after the adoption by the Security Council of resolution 418 (1977), that his country would stand by South Africa despite the United Nations embargo. The Israeli Foreign Minister said that "South Africa has always been Israel's friend and that we will not abandon it ...". 14/

21. It was also reported that Mr. Dayan had refused to state whether Israel would ignore the arms embargo imposed by the Security Council and supply South Africa with arms. 15/ Sources in the Israeli Ministry of Foreign Affairs created confusion while trying to elaborate on the statement of Mr. Dayan. According to these sources, "Mr. Dayan in no way referred to the Israeli arms supply. Jerusalem is still being informed of the United Nations Security Council resolution." 16/

9/ The Guardian, London, 15 February 1978.

10/ The New York Times, New York, 10 February 1978.

11/ The Star, Johannesburg, 1 December 1977.

12/ Ghanaian Times, Accra, 4 January 1978.

13/ Sunday Chronicle, Lagos, 20 August 1978.

14/ Jerusalem Domestic Service (in Hebrew) 1830 GMT, 5 November 1977.

15/ West Australian, Perth, 8 November 1977.

16/ Tel Aviv IDF Radio in Hebrew 1510 GMT, 7 November 1977.

22. Mr. Dayan stated in the Foreign Affairs and Security Committee of the Knesset, on 6 December 1977, that Israel would honour the resolution adopted by the Security Council concerning the embargo on South Africa. The Permanent Representative of Israel to the United Nations informed the Secretary-General, on 7 December 1977, that Israel would be "guided by" Security Council resolution 418 (1977). It was not until 3 April 1978 that Israel announced it would "comply with" the resolution instead of merely being "guided by" it. 17/

23. No information is available concerning the cancellation of contracts prior to 4 November 1977, the revocation of licences or the deliveries of military supplies between 4 November 1977 and 3 April 1978.

24. The Chairman of the Special Committee, Ambassador Leslie O. Harriman, stated on 8 November 1977 that: "I must at this time express serious concern over the equivocal and conflicting statements from Israel as regards the implementation of the Security Council resolutions. Israel must make its position clear." The Chairman of the Special Committee stated, at the fifth meeting of the Security Council Committee established by resolution 421 (1977) concerning the question of South Africa, that he had not received a reply from the Government of Israel to his letter, in which he requested information on action taken with regard to the supply of warships and Gabriel missiles to the apartheid régime and the offer of Israeli assistance to that régime to build warships. The Chairman added that Israeli spokesmen had made equivocal and contradictory statements to the press. 18/

V. ECONOMIC COLLABORATION

25. Trade relations between Israel and South Africa reflect the special ties which exist between the two countries. The post-1973 surge in the interests between Israel and South Africa has begun to yield results. South African imports from Israel - excluding military imports - in 1977 were 15.3 million rand, while the exports were about 30 million rand. During the first four months of 1978, however, imports increased 50 per cent from 6 million rand to 9 million rand. South Africa's major export to Israel is steel, of which about 12,000 tons move to Israel each month. Other major exports include sawn timber, asbestos, tobacco, hardboard, ferro-manganese and canned food. In addition to the military hardware, Israeli exports to South Africa include potash, animal feed, canned goods, special machinery, textiles, chemicals, vehicle components and pharmaceuticals. There is a monthly container service and one or two break-bulk vessels a month between Durban and Eilat. According to the report, Mr. Ephraim Raviv, Israeli Consul for Economic Affairs in South Africa, noted that there are numerous projects in Israel in which South African companies are interested. One is the Eilat-Beersheba rail link and another is a coal terminal for a power station near Haifa. 19/

17/ S/12475/Add.1.

18/ S/AC.20/1 of 30 June 1978.

19/ Financial Mail, Johannesburg, 14 July 1978.

26. It was reported that efforts were being made to renew a secret three-year-old agreement, which makes Israel the only exception to South African rules that prevent investment in foreign countries by South Africans. 20/

27. It was reported that the South African Secretary for Commerce, Mr. Joseph Steyn, had addressed a luncheon to mark the first of a series of seminars held in South Africa by an Israeli business and economic team. Mr. Steyn stated that he believed the best way of aggressively expanding two-way trade between South Africa and Israel was through the formation of joint ventures between private sector undertakings in the fields of mining, manufacturing and the distributive trade. He added that it was significant to note that the trade between South Africa and Israel continued to expand between 1974 and 1976 when world trade showed a noticeable downward trend. 21/ The seminar also discussed ways for South African business to use an Israeli connexion to enter overseas markets, especially those in the European Economic Community. Mr. Tamir Agmon, Professor of Finance at Tel Aviv University, who attended the seminar, stressed the importance of Israel for South African goods to reach EEC countries and the United States of America. The special importance of the new route into Western Europe is the status of Israel as an associate member of the Common Market, which entitles Israel to preferential trade tariffs.

28. Semi-processed steel and iron imported from South Africa is fabricated at the steel service centre, which is a joint venture between Iscor and Koor Metal Industries of Israel. The fabricated metal is processed into a variety of products in Israel and then shipped to the Common Market and to the United States. According to Dr. Agmon, base metal imports from South Africa to Israel have grown substantially in the past few years from 1.2 million rand in 1970 to more than 17 million rand in 1975. Today Iscor steel represents about 40 per cent of South Africa's total export to Israel. 22/

29. Professor Zeev Hirsch, a former dean of the graduate school of business at Tel Aviv University, who was a member of the visiting Israeli team to South Africa, stated that the establishment of joint ventures between firms in Israel and South Africa made good common sense. 23/

30. The Star, Johannesburg, reported that South African and American investment in Israel had increased during the first nine months of 1977 to \$120 million, an increase of \$15 million over the previous year. An official of the South African investment authority stated that, during the first quarter of 1978, investment from South Africa totalled \$10 million. 24/

20/ Canberra Times, 29 December 1977.

21/ The Star, Johannesburg, 12 October 1977.

22/ Ibid., 7 October 1977.

23/ Ibid., 11 October 1977.

24/ Ibid., 25 April 1978.

31. It was revealed that 40 per cent of Israeli export earnings were from exporting polished diamonds. Up to 85 per cent of the rough diamonds used for this came from South Africa. 25/

32. South African firms supplied the Israel Citrus Marketing Board with corrugated containers. It was reported that the initial order of one million was shipped early this year. Israel's corrugated iron plant which supplied half the country's requirements, was destroyed by fire last year. 26/

33. It was reported that a South African company that designs computer systems had concluded a contract with the Bank of Israel only months after it started its operation in Israel. Two other Israeli companies also reported that they were considering the conclusion of similar contracts. The company is the sole permit-holder of the system in South Africa, Israel, Iran and Australia. 27/

34. It was reported that Israel was finalizing the negotiations concerning the supply of coal to its planned power station at Hadera on the Mediterranean. According to the chief engineer of the Israeli Electric Corporation, most of the coal would be imported from South Africa and Australia. Officials from the Israeli Electric Corporation visited South Africa and discussed the planned supply and contracts with South African coal suppliers. 28/

35. It was reported that the Israeli Department of Labour had suggested that an Israel-South African manpower exchange programme be promoted. Such a programme would aim at encouraging an artisan and technician exchange between Israel and South Africa to fill a vacuum in training and to assist the manufacturing industry in gaining further knowledge. The programme was aimed specifically at metal workers, mechanics and the hotel trade. 29/

VI. TOURISM AND CULTURAL AND OTHER RELATIONS

36. The Israeli Ambassador to South Africa stated that his country had begun a programme of medical co-operation with South Africa. The medical agreement came about after the visit to Israel by the head of South African Medical Research Council early last year. 30/

37. The Association of South African Travel Agents held its annual Congress in Tel Aviv on 14 October 1977. The Congress was opened by the Israeli Minister of Industry, Commerce and Tourism, Mr. Yigal Hurwitz. The president of the

25/ Washington Post, 8 February 1978.

26/ South Africa Digest, Pretoria, 9 December 1977.

27/ Ibid.

28/ The Star, Johannesburg, 10 May 1978.

29/ Ibid., 8 May 1978.

30/ South African Digest, Pretoria, 25 November 1977.

Israeli airline El Al addressed the Congress. More than 200 delegates from South Africa attended the meeting. 31/

38. The Jerusalem Song and Dance Ensemble visited South Africa during August 1978 and performed at the Johannesburg Civic Centre.

39. It was announced that a South African dance troupe would tour Israel for three weeks beginning on 26 October 1978. The tour is reportedly being paid for by the Israelis. 32/

40. A South African junior fencing team competed in an international tournament in Israel at the end of July. 33/

41. The Israeli handball team from Ben Gurion University toured South Africa for three weeks. The Israeli team, which consisted of 12 players and two officials, decided to visit South Africa in spite of the risk of suspension from other international events. 34/

42. A South African team of five Springbok bowlers played in Israel in September 1978. This was the first time in nine years that the South African bowlers had played abroad. 35/

VII. CONCLUSIONS AND RECOMMENDATIONS

43. The Special Committee views with concern the continued and growing collaboration between Israel and South Africa, despite General Assembly resolution 32/105 D of 14 December 1977.

44. It notes with particular concern the equivocal and contradictory statements made by Israeli spokesmen concerning the implementation of Security Council resolution 418 (1977) on a mandatory arms embargo against South Africa, which reflected the insistence of the Israeli Government on circumventing that resolution and other relevant decisions adopted by the Security Council and the General Assembly.

45. It also notes with concern that Israel is becoming a "bridge-head" for South African goods in the European Economic Community. The development of collaboration between Israel and South Africa in military, political, economic,

31/ The Star, Johannesburg, 15 October 1977.

32/ South African Digest, Pretoria, 11 August 1978 and Rand Daily Mail, Johannesburg, 7 July 1978.

33/ South African Digest, Pretoria, 4 August 1978.

34/ Rand Daily Mail, Johannesburg, 30 August 1978.

35/ Rand Daily Mail, Johannesburg, 4 September 1978.

cultural and scientific fields indicates clearly the disregard of the Israeli Government to the repeated resolutions of the United Nations. Such collaboration constitutes an act of hostility against the aspirations of the oppressed people of South Africa.

46. The Special Committee, having considered these developments, decided to transmit the present report to the General Assembly and the Security Council and to publicize it widely, so that appropriate action can be taken by United Nations organs and the international community, in accordance with the decisions and resolutions of the Security Council and the General Assembly.
