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5 March 1975

SECRET

The Secretary for Foreign Affairs PRETORIA (In triplicate)

ARMAMENTS BOARD REPRESENTATION IN ISRAEL: Your SECRET telegram No. 27 of 3.3.1975

In order to have absolute clarity on the position of the Israeli defence authorities, we arranged a meeting in this office with the senior officer concerned, at which Col. Maree was also present.

I attach hereto a joint memorandum drafted by ourselves and Col. Maree, setting out

The views of the Israeli authorities, and
 Our comments and recommendations.

With regard to the comment of the Israeli authorities

in paragraph A.2(ii)(b) of the memorandum, we agree that it is of paramount importance that Mr Jagoe should be in charge of all the Armaments Board projects in Israel. The Department will be aware that there are several operations going on simultaneously. If Mr Jagoe concerns himself only with the one project, and other officers of the Board are sent out from time to time to look after other projects, they may expect the same status and privileges. We could then have the situation where a succession of officers, who have to spend periods ranging from a few months to a year or two in Israel, would have to be taken on and off our establishment.

If this view is accepted, Mr Jagoe would be the only representative of the Armaments Board to be a "member" of our Mission.

The Department will be aware that an agreement of lease has not yet been concluded on the remainder of the 9th floor. The matter is becoming urgent since the landlord is holding the accommodation only as a matter of good faith, and without having a contract to rely upon. A decision, one way or the other, is therefore urgent.

C.B.H. FINCHAM

OFFICE MEMORANDUM

ARMAMENTS BOARD REPRESENTATION IN ISRAEL

This memorandum covers the recommendations of the Israeli authorities as well as our recommendations:

A. ISRAEL AUTHORITIES' RECOMMENDATIONS:

- 1. We this morning, 5 March 1975, had a meeting with Col. Zvi Reuter, the Israeli Defence Forces' Chief External Relations Officer and with Col. Maree. Some of the issues raised in telegram No. 27 of 3 March 1975 (received from the Department of Foreign Affairs) were briefly, on 4 March 1975, brought to the attention of Col. Reuter and Mr Carmon, Security Officer at the Israeli Ministry of Defence, to enable Col. Reuter to liaise with his superiors and the Ministry for Foreign Affairs with a view to furnishing a consolidated reply to us.
- 2. Col. Reuter advised us of the following:
 - (i) The issue was completely co-ordinated between the Defence Establishment and the Foreign Ministry, represented by Mr Y. Anug, Director of the Western Europe II Division, under which South Africa falls.
 - (ii) It is the joint opinion of the two Ministries and especially of all the Defence sections involved that the office of the Armaments Board Representative, Mr I. Jagoe should:
 - a) Form part of the Consulate-General;
 - b) that Mr Jagoe should be the Armaments Board representative co-ordinating all Armaments Board projects in Israel;
 - that he should be properly supported with secretarial services by a unit to be posted from South Africa;
 - d) that he should be known and listed as a Consul (Scientific) in view, firstly, of his engineering background and, secondly, because of a liaison with such bodies as the Weizman Institute which will necessarily follow. (The Defence authorities will provide the required briefing to the Director-General of the Ministry of Culture, under which scientific

matters resort, in order to ensure that the cover is as secure as possible.)

- (iii) The Israeli Defence authorities, we were assured, did not "insist" that the Board's Technical Mission in Tel-Aviv should operate as an integral part of the Consulate-General. Col. Reuter went to some pains to verify this point with his Ministry. However, the Israeli authorities strongly advise this integration for the following reasons:
 - : It would be necessary for Mr Jagoe to work in the closest relationship with Col. Maree.
 - this co-operation should be direct and open, also as far as access to the diplomatic peuch and cable and telex facilities are concerned.
 - the Israeli Defence Forces also would prefer that Mr Jagoe has a proper standing as a member of the Consulate-General because of problems which will arise from a point of view of military censorship. (The Military censor will be unable to extend his protection to a private concern,) and as Mr Jagoe's proper standing will facilitate liaison on the Hakirya i.e. at the Military Headquarters and in the Ministry of Defence.
 - Additional problems would arise if Mr Jagoe's office were to have a private nature, e.g. security problems are multiplied if local authorities (municipal, electricity, tax, etc.) are brought into the picture in regard to possible exemptions.
 - As far as Commanders Orrock and Dart are concerned, the Defence Ministry is of the opinion that these two officials should not be regarded as part of the Consulate-General. It advises that official passports and not diplomatic passports be issued to them. However, certain diplomatic import privileges can be extended to them in accordance with our Government's requirements. (We would require special guidance from the Department of Foreign Affairs on the exact arrangements that need to be made).

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The Defence Ministry foresees no particular problems in this regard. This issue can be settled after arrival.

- The Israeli Defence authorities are of the opinion, and we agree, that a natural relationship between our Consulate-General and Mr Jagoe's office would be difficult to achieve, if liaison has to be established between our Defence Section and a private concern, especially as Mr Jagoe will be obliged, because of the nature of his work, to liaise often with Col. Maree. (Mention has already been made of physical problems such as diplomatic mail and classified cables.) It is easier to conceal, we should add, from an inter-office point of view, Mr Jagoe's function and to explain his contact with our Mission if he is a member of the Consulate-General. The same observation applies as far as the outside public is concerned. Mr Jagoe is bound to socialize with the members of our Consulate-General and their friends and this association will be natural if he is a colleague.
- (v) It is, as far as the Haifa project is concerned, a question whether proper security can be maintained at any length of time at all, simply because so many officials and their families will be involved. The Israel Defence authorities are not too optimistic on this point, The Defence Ministry advises, as far as liaison between Messrs Maree and Jagoe on the one hand and Commanders Orrock and Dart, on the other, is concerned, that meetings and conferences in the Consulate@General should be limited to off-peak hours, after hours and to week-ends with a view to avoiding the unnecessary appearance of Messrs Orrock and Dart and incidental officials who may be visiting Israel, at the Consulate-General during the hours when the members of the public visit the Chancery.
- (vi) Col. Reuter is of the opinion that the existing office complex vis-à-vis the other offices on the 9th floor is quite suitable and that it, in fact, is recommendable that Mr Jagoe's section will have a separate front door. (We should add that from an office planning point of view, the design of the main entrance to the 9th floor could perhaps be modified somewhat if the Board's requirements are to be covered by the Consulate-General. The separation of offices, as is the case on the existing plans, would seem to heighten security all around, although a double passage will result. (Mr Riekert should please be consulted on this score with a view to supplying an urgent comment.)

B. OUR COMMENTS:

- We are asked to furnish our recommendations, but the Department will appreciate that we are under a handicap in this regard as we have not been put fully in the picture regarding the scope and implications of the growing co-operation between South Africa and Israel in the military field, the ramifications of the Armaments Board's projects, or the dangers facing South Africa in regard to the future oil supply.
- 2. We only became aware of developments on the military side, at a stage when agreements between the two countries to co-operate in this field had been concluded or had at least reached an advanced stage. (Commanders Orrock and Dart came to Israel in October 1974 only to look into administrative problems concerning housing, office accommodation, etc.; and Mr Jagoe came to Israel in January 1975 on a short visit just before he was due to assume duty in Tel-Aviv.)
- 3. We assumed that the various Departments concerned the Department of Defence (DMI and Navy), the Department of Foreign Affairs, the Department of Industries (in relation to the oil question) and the Armaments Board had liaised with one another on the issues involved. Our only concern, as we interpreted our rôle, was to implement decisions taken in Pretoria and to arrange the necessary office accommodation if the Board's office was to form part of the Consulate-General.
- 4. During his recent visit to Tel-Aviv, the Departmental Inspector explained the decision of the Department of Foreign Affairs which we understood had also been conveyed to the Board that the Board's representative(s) must have offices separate from those of the Consulate-General. We accepted the decision, and the reasons for it, without question, as we were aware of the over-riding importance of securing the Republic's future oil supplies and of our dependence on the Arab states in this respect.
- 50 It seems to us that the opinions of the Israeli authorities as reflected in this memorandum, should form the basis of a review of the position in its wider context, with all the policy ramifications.
- 6. With this caveat, and on the understanding that our comment is necessarily limited to the framework of our own operation in Israel, we are inclined to agree with the recommendations of the Israeli authorities as reflected in paragraph A.2(iii) above.

/(ii) and

- 7-We would add that from our vantage-point it seems that South Africa is already fully committed as far as the present military projects in Israel are concerned. A definite security risk will arise when the Haifa project becomes operational, if only because of the number of South African personnel involved in the project. The Israeli defence authorities and the Ministry of Foreign Affairs are aware of this. We do not feel, however, that the risk would be measurably increased by having the Board's office in the Consulate-General, or that the concealment of Mr Jagoe's true function would present any more difficulties than we have encountered in maintaining the alibis of Col. Maree, Mr Rothmann or (while he was with us) Mr De la Bat of the Armaments Board. It is our impression that Mr Jagoe's opposite numbers in Israel are likely to be more discreet and security-conscious than most Israeli officials.
- 8. Perhaps the main danger would be that if it were to become known that a representative of the Armaments Board was operating in our Mission under the cover of a consular designation, this could cause some embarrassment to the Department of Foreign Affairs. This is a calculated risk, which can be reduced to a minimum by strict security precautions and close co-operation of all concerned; but it is one which must be evaluated in Pretoria in the context of the overall review of the policy issues, mentioned in paragraph 5 above.

TEL-AVIV 5 March 1975