THE PRESENT IN THE PAST: MARITIME CRIME WAVES OFF THE COAST OF DURBAN, SOUTH AFRICA.

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Running headline – International maritime crimes and the apartheid state

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ABSTRACT

A crucial resource the apartheid state needed to import was oil. As an embargo took hold through the 1970s, methods were sought to circumvent it through the use of intermediaries and the construction of pipelines off the Durban coast for the speedy off-loading and transport of oil to the economic heartland, some 500 kilometres inland. This paper casts a net into that period, illustrating how the apartheid state made common cause with the most ruthless of traders, some of whom developed ingenious ways to make considerable amounts of money indirectly fuelling a pariah state's violent repression of its people. In particular, the paper focuses on a ship called the Salem, which sank off the coast of Senegal in January 1980. The case of the Salem illustrates the global networks that existed in the illicit oil trade, the lengths the state would go to by relying on brokers to break the embargo and also explores maritime insurance scams, of which the sinking of the Salem was one of the biggest in maritime history. The final section of the paper brings the story up to the present to show how pipelines off the Durban coast and the selling of oil reserves are still the site for nefarious schemes of one sort or another.

Keywords: Durban, maritime, apartheid state, oil embargo, Oilgate.

The oil embargo

> Oil is a strategic commodity, and the ability to import crude oil was vital for the survival of apartheid. Without adequate supplies, apartheid's aggressive and repressive military and security system could not function. Imports of oil were also necessary to maintain the South African economy. Rich as South Africa is in natural resources, the failure to find local oil deposits was the Achilles heel of apartheid (Mandela, as cited in Hengeveld and Rodenburg, 1995: 10).

By the late 1960s, the sports boycott of South Africa was gathering momentum. The apartheid government's refusal to accept the selection of a South African born 'Coloured' cricketer, Basil D'Oliveira for the England team to tour the country in 1968 acted as a catalyst for the isolation of the apartheid system, not only in the sporting field, but also in trade (Murray and Merrett, 2004). South Africa was excluded from the two greatest sporting extravaganzas of the 1960s and 70s, the soccer World Cup and the Olympics. International rugby and cricket tours to England and Australia were cancelled. However, attempts at an economic boycott did not have the same degree of success. South Africa had extensive reserves of diamonds and gold, and in the 1960s showed remarkable levels of growth. But, as the ANC consolidated its organisation in exile and its international influence grew, and as the 1960s turned into the 70s, the Organization of Petroleum Exporting Countries (OPEC) lent its support to calls for an oil embargo. The consequences for South Africa were potentially acute as the country was completely reliant on imports. "But Iran, which already had a close relationship with South Africa, immediately stepped up its oil exports to South Africa in 1973 and though all other OPEC members proclaimed an embargo in 1977, Iranian oil continued to flow" (Crawford, 1999: 104).

However by 1979, this was all set to change. The oil world was thrown into turmoil as the Iranian Revolution gathered momentum, the Shah of Iran fled into exile and young zealots occupied the US Embassy in Tehran. The apartheid state had faced a decade of sanctions already and the oil embargo was starting to affect the economy. Restrictions on fuel took their toll, both on the minds of white South Africans, but also on the economy. Oil was also fundamental to the regime's repressive apparatus. It kept the army on war footing, allowing it to strike deep into the frontline states, keeping open lines for re-fuelling tanks and other weapons of war and internally it ensured that it had a police force that was mobile and equipped to respond to hotspots of violent resistance.

The apartheid state looked to people who could break or by-pass the embargo, tapping into an international web of maritime and oil networks; those prepared to ignore and circumvent the call for sanctions in exchange for huge profits, opening new channels to source oil and finding modern day pirates prepared to take to the seas with illicit cargo (Hengeveld and Rodenburg, 1995).

This world of oil trade, conspiracy and international maritime crime was brought to the surface in the incredible story of a sinking ship that arrived off Durban's harbour in the 1980s as the Lema and left as the Salem.

This article looks at the oil embargo and the way in which the apartheid state sought to use the shadowy shipping networks of the world to break it. It explores the depths of international maritime crime, following the trading lanes of oil. This paper seeks to go beyond the past. As the article shows, the old networks and friendships continue to trespass into the present. The final part of the article returns to the present day Bluff area of Durban and the changing functionalities of this city's port. It describes the plans to build a new dug-out port and what it means for both the people in the South Basin and for shipping in general.

Pipelines of intrigue

The Middle East oil crisis of 1973 heralded an age of international turmoil in the politics of oil. There was a sharp rise in the price of oil per barrel, from $3 to $12 in a matter of days and the 1978-79 Iranian revolution, which saw the fall of the Shah, intensified the crisis. This event "ushered in the most turbulent period in the history of crude oil prices and markets" (Parra, 2004: 215) and the widely held belief that supplies would run out took root.

It would be almost a decade later before the oil embargo against South Africa was put in place. But there was to be no effective blockade. The apartheid state was able to make use of international criminal networks that crisscrossed the world of oil to source illicit cargo and thus continue to provide fuel for domestic use and for their military machine. As Crawford points out: "Oil sanctions were never universal, and throughout the voluntary embargo, many private and government oil producers provided oil to South Africa" (Crawford, 1999: 106).

In this environment, offloading illicit oil became part of the everyday life of South Africa's ports. The South African government, anticipating a total embargo, started to stockpile reserves, utilising disused coalmines to store oil and threatening austerity measures. These included reducing speed limits, issuing petrol rationing coupons and imposing restrictions at petrol stations to conserve fuel supplies. As a result, petrol prices increased and consumers began to feel the bite.

The government was acutely aware that oil, of all the sanctions that could be imposed, would be the most damaging and could cripple the South African economy as well as its capacity to repress popular opposition to minority rule. While threatening more restrictions, the government was also keen to show that the embargo was not having a major impact. They felt that this would not only fire up the international anti-apartheid movement but also create panic in the ranks of the local white community. The fact that the state had to rely on illicit networks meant that a curtain of secrecy was drawn around the state's resources. The ruling National Party set up the Strategic Fuel Fund (SFF), which was run by SASOL (South Africa Synthetic Oil Liquid) officials.[1] In the light of the possibility of illegal shipments to South Africa, steps were put in place by the United Nations to start monitoring shipments. It soon became clear that South Africa was circumventing the embargo with the chairman of the UN Special Committee, the Nigerian ambassador, Mr B. Akporode Clark, reflecting that:

> the big oil companies have resorted to unscrupulous treachery to defeat the policy objectives of those countries which produce the oil ... [They] have gone to elaborate lengths to perfect oil swapping arrangements, cooking of the books regarding the movements of tankers and to stage manage the Rotterdam oil spot market (as cited in Hengeveld and Rodenburg, 1995: 22).

[1] SASOL was a government parastatal established to deal with fuel supplies in the country.

John Urry's observation that: "Oil is needed by all societies as a result of the mobile modernity legacy of the twentieth century; …and it is for almost all societies sourced from 'offshore' and hence is partially owned/controlled by 'foreign forces'" (2013: 194) was acutely apposite in the South African circumstance of the late 1970s. "Oil tankers continued to arrive at South African ports, many of them commissioned by embargo breaking companies, Transworld in Rotterdam and Marimpex in Hamburg" (Sampson, 1987: 258). South Africa's Strategic Fuel Fund became adept at circumventing security procedures and handling transactions without the correct documentation to maintain the flow of oil and thereby grease the wheels of apartheid.

> The traders often bought embargoed oil direct from the oil-producing states, sometimes stating false destinations or inducing officials to turn a blind eye to this illegal trade. On other occasions oil consignments were bought by traders on the high seas and shipped to South Africa. Although the oil-producing countries usually required discharge certificates to ensure their oil was not sent to prohibited destinations, in many cases these documents were either falsified or never supplied. Investigations by the Shipping Research Bureau revealed that the original sources of South Africa's crude oil during the 1980s included many countries which officially embargoed South Africa (Hengeveld and Rodenburg, 1995: 244).

In addition, in 1972, a pipeline was built off Durban's coast where ships could dock and discharge their load. The sea pipeline fed into the refineries in Durban and also went overland, terminating at the SASOL refinery at Sasolburg. All fuel imports at the time were administered and controlled by the SFF. The organisation has subsequently been renamed the Central Energy Fund and crude oil imports still continue.

The Single Buoy Mooring (SBM) was situated approximately 2.5 kilometres offshore, less than 10kms west of Durban's harbour mouth. At the time, and to avoid the owners, charterers and operators of ships trading with South Africa from being black-listed, great secrecy surrounded the identity of ships discharging carbon fuels at Durban's sea-pipeline mooring facility.

> Each ship was designated a code. The name of the ship was never mentioned on any clearance, excise or landing documentation. Operations and administration surrounding the SBM were an entirely different matter. Ships were never referred to by name. An alpha-numeric code was issued by the SFF for use with all Customs House, Immigration and Port Health clearance formalities. Such was the secrecy, that any person inadvertently mentioning a ships name would be the subject of severe reprimand and intense scrutiny. The SFF would, acting as agents for the receivers (SASOL on behalf of the S.A. Government), be designated these codes. Any information relating to or concerning the ship, the Owners or Charterers was never, ever uttered (Interview with port employee, 28 May 2014).

The first SBM was put into use by a consortium of Sapref (Shell/BP), Mobil and Sasol. Often ships would change the name of the ship, covering it with tarpaulin, and falsifying their voyage records to put inspectors off the scent. For example, a vessel known as the Fortuneship sailed from Iran and discharged at the SBM in Durban between 10 and 12 August 1989 under the code name Celina. "Under a different name, Jaguar, it again discharged in Durban ten days later” (Hengeveld and Rodenburg, 1995: 146). These incidents happened time and time again as companies sought to circumvent the embargo and make a quick buck by selling their product at inflated prices.

This was a world ripe for double-deals and profiteering. “The shipping and insurance industries were in crisis, and the oil trade was rapidly attracting con men and hucksters trying to take advantage of the spiralling prices and the shortage of crude” (Klinghoffer, 1988: 1). The Strategic Fuel Fund (SFF) would be used to scour the world for oil supplies, ensure payment and facilitate bringing the product home, in whatever way possible. In a statement made to the *Windhoek Advertiser* in 1986, President P.W. Botha was quoted as saying:

> Between 1973 and 1984 the Republic of South Africa had to pay R22 billion more than it would have normally spent. There were times when it was reported to me that we had enough oil for only a week. Just think what we could have done if we had that R22 billion today… what could have been done in other areas? But we had to spend it because we couldn't bring our motor cars and our diesel locomotives to a standstill as our economic life would have collapsed. We paid a price, which we are still suffering from today (as cited in Knight, 2001).

As a result, during the late 1970s and 80s, the SFF ran a system of operatives that became part of a huge network both sourcing oil and managing its arrival in South Africa. It was an imaginative and ingenious scheme with a reach that meant so-called evaporation or spillage at Middle Eastern oil farms could be siphoned and saved, involving no paperwork and ‘writing off’ the oil so to speak. South Africa would be buying oil not registered anywhere and, fortuitously, would only pay for it once the oil was offloaded.

While reports were widely published internationally on those countries, individuals and companies who were bold enough to break the embargo, the average South African was kept in the dark and paid a high price at the fuel pumps.

> Direct costs of the oil embargo in the 1980's equalled South Africa's gross foreign debt, which by the end of the decade was estimated at between $15 to 20 billion. Indeed, had the oil embargo not been imposed, the 1985 South African debt crisis would probably not have emerged… In addition to these direct costs, economic activity in South Africa suffered from spillover effects to other markets and opportunity costs, while the country's long-term development was hurt… Economic activity in South Africa has also been hampered by the fact that fewer new technologies became available to the country during the implementation of sanctions (Van Bergejik, as cited in Crawford, 1999: 120).

In fact, SFF/SASOL were paying over the odds for this ‘safe’ oil and thus burdening the South African motorist with higher prices. “The National Party government estimated that South Africa paid about $22-billion *more than market prices* for oil between 1973 and 1984” (Hunter, 2013).

The extreme lengths that South Africa would go to for oil supplies was epitomised by the incredible story of the Salem ship, which sank off the Senegalese coast on 17 January 1980. The case became known as the maritime fraud of the century. The ship, originally registered in

Liberia, left Kuwait for Europe, and en route, painted out the letters on the side of the ship. Its new name was Lema; an evasion tactic employed by traders during the embargo period of the 1980s. Lloyds Register of Shipping claimed that the ship was carrying crude oil bound for France.

Like many incidents at the time, the movement of cargo, particularly oil, was clouded in secrecy, as shown by a case on 8 November 1989 when a Norwegian ship loading in Amsterdam was suspected of breaking the embargo and travelling to South Africa (Hengeveld and Rodenburg, 1995: 6). A tip off suggested that the *Höegh Foam* was carrying petrol on the orders of a certain Marc Rich (who we will return to later in this article). When the Shipping Research Bureau questioned the captain as to the ship's next port of call, he became extremely flustered and refused to continue the interview. Undeterred, the reporter then went through lists left lying around in the officer's lobby, showing that the company's ships had been running to and from South Africa for some time, violating the embargo.

> It was clear that Amsterdam's own tarnishing of its self-proclaimed image as an 'anti-apartheid city' would have to be exposed; that the Norwegian oil shipping ban was being undermined; that Romanian oil embargo regulations and Danish and Swedish export bans had been broken (Hengeveld and Rodenburg, 1995: 8).

The Bureau's investigation revealed oil sanction-busting and a murky world of illegal trading and oil theft on the high seas.

The Salem scam, which started in Kuwait, passed through Durban and ended in Senegal also involved a colourful multitude of players, con men and crooks in a simple and lucrative insurance scam. A plan was devised to hijack a cargo by placing the company's own officers and crew on the Salem, and then chartering it to a legitimate oil company seeking transport. Pontoil turned out to be the unsuspecting party; more than 196, 000 tons of its crude was loaded on the Salem in Kuwait.

Shell, who also had an interest in the oil backed off from purchasing the oil from Pontoil, but then changed their minds while the ship was at sea, deciding to buy the oil "for much, much more from Pontoil for the same cargo" (Ellen, as cited in Stewart, 2015). After selling to Shell under a new name Lema, the ship continued, sailing down the east coast of Africa, "claiming that it had to stop at Durban due to boiler problems" (Klinghoffer, 1988: 35). The SFF were apparently unaware that the oil had been resold at sea.

On 27^{th} December 1979, the ship docked at the SBM off Durban harbour, discharged the majority of its cargo, and replaced some of the crew with a skeleton crew. As Stewart points out:

> Experts can calculate in a few seconds how long a vessel like Salem should take to travel 8500 miles from Kuwait to Senegal, West Africa. At a steady 13 knots, this was a journey of 27 days, yet the Salem had taken 38 days to reach the deep Atlantic waters near Dakar, Senegal (Stewart, 2015: Ch 5).

Clearly the discharge in Durban had to be covered up. Captain Georgoulis had spent a wonderful few days living it up in the city, but later denied being onshore, "despite being confronted with his signature in the hotel's guest book" (Stewart, 2015, Ch.5). With some cargo still on board, the ship left Durban on 2nd January 1980, having added extra water as ballast to make it seem as though the ship was heavily laden (Klinghoffer, 1988: 42) and also changed its name back to Salem. The vessel then sank under exceptionally mysterious circumstances off the Senegalese coast a few weeks later. It was noted that, upon being rescued, the crew were found with an unusually large amount of money on them. Each member had been awarded ‘bonuses’ of $10 000 while in Durban and possibly offered more following the ship’s sinking. A subsequent investigation by Lloyds of London confirmed that the cargo had been sold to SASOL by fraudsters for $43 million and the ship scuttled to conceal the deal.

It turned out that the ship had discharged 180 392 tonnes at Durban, leaving 16 000 tonnes on board. For all intents and purposes: “The purchasing of oil was done by Sasol and the Strategic Fuel Fund Association (SFF). The people who bought the *Salem* oil were buying stolen oil, so there could not have been valid Bills of Lading or invoices” (Hengeveld and Rodenburg, 1995: 78). What is now known is that those involved had managed to get away with stealing and selling oil to the tune of at least $30 million and successfully evaded being caught by intricate cloak and dagger tactics. Obscured by paint slapped on the hull to change the name of the ship, the secret discharge of crude oil in South Africa, keeping just enough to create a slick when the ship was later scuttled off Senegal, the truth about the sinking of the Salem is still not known.

> The Salem affair was like a kaleidoscope, always changing…The full details may never now be known, so devious were the criminals, so contradictory were their actions and explanations. They forged a plan so subtle, so full of complexities that even now the truth lies hidden (Stewart, 2015: Ch. 5).

Rich pickings and oily friendships

Dominating the apartheid economy was what Ben Fine and Zavareh Rustomjee call the minerals-energy complex (MEC). This was driven by the fact that the mining industry relied on consistent and inexpensive energy supplies.

> Linkages between state and private corporations played a vital role in the evolution and consolidation of the MEC - not least through key industrial strategies such as the development of large-scale electricity generating capacity and of an indigenous fuel-chemical industry…The apartheid state funded and managed large parastatal corporations (notably the steel manufacturer Iscor, the electricity supplier Eskom and the petroleum-from-coal supplier Sasol)…By the late 1950s, Afrikaner-controlled finance institutions had become powerful enough to begin inserting themselves into productive corporate sectors…Over the next decade, the earlier ironclad distinction between Afrikaner and English capital withered and economic collaboration became more commonplace, with the state increasingly acting as interlocutor and facilitator of new linkages (Marais, 2011: 19).

Into the present, the MEC remains at the centre of the economy. As Ashman, Fine and Newman put it:

> both the apartheid and post-apartheid eras…failed to diversify out of this core base in the MEC, and the strategy pursued by dominant MEC corporations, and

> their interconnection with and influence over state policy, have continued to be critical in determining the path of economic development (2011: 181).

It is the parastatals inherited from apartheid and the MEC in general that the ANC government has sought, in the words of Thabo Mbeki, (1999) “to create and strengthen a black capitalist class” in what has come to be known as Black Economic Empowerment (BEE). As Marais put it

> It is no coincidence that corporations lodged in the MEC were the first to proclaim black empowerment targets, that some of the most powerful new moguls… are tied deeply into the MEC or that some of the wealthiest black figures now sit at the helm of key parastatal entities (2011: 144).

One is reminded in this context of Fanon’s warning that

> The national bourgeoisie of underdeveloped countries is not engaged in production, nor in invention, nor building, nor labour; it is completely canalized into activities of the intermediary type. Its innermost vocation seems to be to keep in the running and to be part of the racket… the national middle class constantly demands the nationalization of the economy and of the trading sectors. This is because, from their point of view, nationalisation does not mean placing the whole economy at the service of the nation and deciding to satisfy the needs of the nation. For them, nationalisation does not mean governing the state with regard to the new social relations whose growth it has been decided to encourage. To them, nationalisation quite simply means the transfer into native hands of those unfair advantages which are a legacy of the colonial period (Fanon, 1991: 149-51).

It is no coincidence also that these old relationships have been carried over into the new. The post-apartheid era has seen its fair share of oily friendships; Iran and South Africa, Iraq and South Africa, and the subsequent ‘Oilgate’ saga with more twists and turns than an anchor rope. In the case of South Africa’s relationship with Iran, several high-ranking visits have been made to Iran in recent years, and a long-standing oil friendship has arisen.

> Iran is unique in having supported the anti-apartheid struggle, but at the same time supplied the apartheid government with crude oil, both before the Islamic revolution and after. Our reliance on Iranian oil is not new. Imports of Iranian oil survived apartheid, the struggle against it and the rise of a democratic order, but it remains to be seen whether this latest round of sanctions against Iran will finally curtail the South African dependence on Iranian oil (Patel, 2012).

The old Strategic Fuel Fund (SFF), renamed as the Central Energy Fund, has also been at it again, investigated by South Africa’s police specialist unit, the Hawks for widespread corruption involving oil procurement. Tracing and disentangling international oil contracts is complicated and filled with subterfuge. Company and personal links date back to the 1970s when the oil embargo was put in place and these linkages continue to this day. To explore this further, one needs to recognise the far reaching networks of the most illustrious traders in black gold, Marc Rich, citizen variously of Belgium, Spain, Israel, the United States and Bolivia.

In the clandestine world of oil theft and profiteering, one figure loomed large from the 1970s onwards. Marc Rich, known as 'The Matador' was a man who, according to *The Economist*, "scanned the globe to see crises coming, wars brewing, shortages looming" (2013). It is estimated that his oil sales overall to South Africa may have seen a sweet $2 billion flowing into his numerous Swiss bank accounts, and globally his turnover in oil trading during the year of 1980 amounted to $15 billion.

> In April 1979 Marc Rich had negotiated an initial contract to deliver 50m barrels of oil to South Africa. The oil, delivered through a company called Minoil, came from many sources, among them Brunei. But after mid-1981, Royal Dutch Shell, not wanting to incur the bad publicity and government pressure that could come from continuing to break the embargo, broke up its partnership with the government of Brunei. Marc Rich stepped in and arranged deliveries from Brunei himself (Hodgson, 2001).

Rich went on to become one of the world's most successful traders, and eventually a wanted man in the United States. He scorned the issue of sanctions against South Africa or anywhere for that matter, claiming that he was conducting normal business. He was also, necessarily, extremely adept at covering his tracks, concealing his or his company's invoices and his own whereabouts. It was estimated that between 1979 and 1993, Rich supplied 15 per cent of the embargoed oil discharged in South Africa. Through Marc Rich and Co., he "acquired oil from old price-controlled wells, passed it through a daisy-chain of intermediate 'sales' to hide its origin, and then resurfaced it falsely labelled as new oil, which could then be sold at world market price" (Naylor, 2004: 248).

> In the years before his death, Rich admitted that busting oil sanctions for South Africa was his company's "most important and most profitable" business. Where others feared to do business with South Africa directly, Marc Rich was happy to step in as a middleman – along with characters such as Marino Chiavelli of Italy, John Deuss of the Netherlands, and the Greek shipping merchant Tony Georgiadis (who continued to find ways to do business with a democratic South Africa (Hunter, 2013).

His legacy lives on. Many of the people who conducted business during the era of sanctions continue to conduct shady deals with the ANC. Marc Rich was but one of them. A newspaper article written shortly after Rich's death in 2013 shows, "what's frightening is that Rich's real legacy is as a role model: his former protégés and apprentices now control, through his empire's successor companies Glencore Xstrata and Trafigura, the price of just about everything" (Vander Weyer, 2013).

Rich's associate, Tony Georgiadis, has continued to be involved in South Africa, invited by President Zuma to be part of a 213 person business delegation to the UK (Basson, 2010). This despite his being accused of being

> a lobbyist for German arms –companies and providing arms to South Africa. In 2008 the *Mail and Guardian* revealed that Georgiadis received $22-million from ship-builder Thyssen for lobbying fees and paid more than three amounts of R500 000 to the ANC and two charities linked to Nelson Mandela and his wife, Graça (Basson, 2010).

Glencore has also been implicated in the so-called ‘Oilgate’ scandal in South Africa, one which exposed the transfer of funds into the ANC’s political coffers through an oil deal with the Iraqi government which also skirted economic sanctions against that regime. Sandile Majali, through his company Imvume Management, wrote to the Iraqi oil ministry to say that oil deals “would strengthen ties between the ANC and the Iraq’s Baathist party” (Plaut and Holden, 2012: 202).

> According to Democratic Alliance MP, Hendrik Schmidt, the ‘undisputed facts’ of the Oilgate matter are that in December 2003 state-owned enterprise PetroSA agreed to make an irregular advance payment of R15-million to empowerment company Imvume Management for a shipment of oil condensate. Imvume however used most of the money to make an R11-million donation to the ANC’s 2004 election campaign (*Mail and Guardian*, 2011).

Because Imvume had transferred all the cash to the ANC, it no longer had the money to pay Glencore for the deal to lift two million barrels and in order to alleviate the possible negation of the deal, PetroSA agreed to pay Glencore, thus essentially paying twice (Plaut and Holden, 2012: 204). This *modus operandi* is reminiscent of the Salem scam and other incidents of fraud from the past. The ‘Oilgate’ saga reached its apex in 2016 when Minister of Energy, Tina Joematt-Petersson, decided to sell off South Africa’s emergency oil supplies, without the blessing or knowledge of Treasury, in the form of 10 million barrels of oil. The beauty of the deal lay in the fact that “selling barrels of oil at $28/barrel netted R4.4-billion; buying it back with crude at $49 barrel today would net 7.9 billion” (Rose, 2016). The old networks now worked with the new as:

> Somehow only a few lucky buyers came to learn of the pop-up oil sale of the century. They were the Taleveras Group, a Nigerian-owned oil trading company, Vitol (friends of Thebe Investment Corporation in which the ANC has a controlling 47% stake) and Glencore (who in the same month agreed to sell their Optimum mine to Tegeta Exploration and Recourses, owned by Duduzane Zuma and the Gupta Family) (Thamm, 2016).

The web has begun to grow even more intricate as the investigation wears on. For instance, Vitol is a joint partnership with Vesquin and Elderberry, the latter owned by one Simphiwe Mehlomakulu, one-time executive in PetroSA. “Mehlomakulu was the man who signed off the R15-million ‘advance’ paid by PetroSA to Sandi Majali’s Imvume Management in 2003” (Rose, 2016).

In order to come to grips with the centrality of the MEC to the ability of the ANC to raise funds, one has to only probe the role of its investment arm, Chancellor House. John Saul and Patrick Bond highlight two deals; the Medupi coal fired power plant and mining rights in the Central African Republic:

> …Chancellor House bought a quarter share of the local subsidiary of Hitachi, which, in a suspicious deal, won a tender for the supply of $ 5 billion worth of boilers to the vast coal-fired power plant. The World Bank made its largest-ever project loan to support the deal. With then Eskom chair Valli Moosa also a member of the ANC Finance Committee at the time, the SA Public Protector labelled his conflict of interest ‘improper’. But reflecting the balance of political power and financial facilitation by Robert Zoellick’s World Bank, the deal went

> through and two subsequent years of delays could be blamed, perhaps not surprisingly, on faulty boilers…As for the Central African Republic, Chancellor House was implicated in deal-making…for a diamond monopoly that in turn provided crucial background to why the SA National Defence Force 'protected assets' in Bangui in March 2013, at the cost of losing 13 soldiers in a coup (Saul and Bond, 2014: 223-224).

Allied to this is the way mega-projects are used to accumulate capital and allow for the handing out of tenders to the party faithful. Like the way in which apartheid contracts were justified as developing an Afrikaner bourgeoisie to challenge English capital, so BEE is justified as a challenge to White capital. As Sharife and Bond (2014) point out, the MEC's "continual renewal through new waves of crony-capitalist tycoons is remarkable" and

> The revolving door between state and capital has been impressive, with leading politicians and bureaucrats such as Keys (BHP Billiton chief executive after 1994), Mick Davis (formerly Eskom treasurer when early 1990s' special pricing agreements were made and then Billiton chief operating officer), Xolani Mkhwanazi (first post-apartheid chief executive of the National Electricity Regulator of SA, then chair of BHP Billiton Southern Africa), and Vincent Maphai (leading state research official in the Mbeki camp, then chair of BHP Billiton Southern Africa) (Sharife and Bond, 2014: 295).

The Durban coast, where embargoed oil was once pumped from ships with no names and quickly siphoned to the Highveld, is once more the site of murky deals.

The lie of the ocean

The oil embargo also saw the blossoming of an international network of maritime crime in order to supply the apartheid government with oil. Oil and shipping companies carefully concealed the movement of ships to and from South Africa laden down with oil and discharged their loads in Durban's harbour to be carried north to the economic heartland. It was a period when, through such activities, Marc Rich became one of the richest men in the world doing business with whomever would pay the highest price. His criminal network of oil supplies across the high seas were difficult to track and his legacy lives on in the form of a new crop of maritime traders with sales tacked very close to the winds of illegality. Even the post-apartheid ANC government could not fail to see the irony in purchasing Shell House; Shell being one of the principal companies involved in sanction-busting. As Frene Ginwala, one-time Speaker of the House, noted:

> There may have been other companies whom we would have liked to see disinvest from South Africa but instead remained in the country. But I want to distinguish these from people like Rich who were purely speculators and profiteers, who broke laws and violated sanctions, and whom I personally would very much want to see treated like criminals and pirates. But what I would like is one thing, what actually happens may be another. To a certain extent, as Speaker of the House, I am gagged. But if South Africa awards a big contract to Marc Rich, I am still able to write to the press and speak out against it (as cited in Hengeveld and Rodenburg, 1995: 159).

It turns out that Marc Rich's successor companies have gone on to be involved in forms of present day international maritime collusion. In fact, many of the apartheid state's hangovers, such as PetroSA and the Strategic Fuel Fund have continued to be implicated in corrupt activities, as the old networks forge connections with the new. We may not have seen the end of explorations into the Oilgate saga, the arms deal or the sale of South African emergency oil supplies by the Minister of Energy in 2016, the shadowy profits of which continue to be unearthed.

During the apartheid years, the networks that brought home the cargoes of oil and laundered millions into bank accounts were literally off-shore. Today, the Durban port is the site where billions will be invested in convoluted deals that may well, if other mega-projects are anything to go by, involve racketeering and price-fixing.

The very same pipeline which once carried the Salem's oil to the economic heartland has been in the news in a different scandal over recent years. On 23 December 2014, a Durban-Johannesburg pipeline burst in the wealthy, mainly white residential suburb of Hillcrest, pumping out 220 000 liters of petroleum into residents' gardens. The ageing pipeline had clearly reached its limit and millions of rands worth of damage ensued. Transnet, who own the pipeline, had in 2006 put plans on the table for a new one which would run through mainly low-income black residential areas. The original cost of the pipeline was estimated to be R6.5 billion in 2006 but that this has now risen to R23.4 billion and possibly rising.

> In September 2007, even Transnet's oft-praised then CEO Maria Ramos had estimated the final cost at just R11.2 billion, less than half of what it would balloon to within a matter of three years after the route change through South Durban. Because different petroleum products (unleaded petrol, diesel and jet fuel) move through it, it was a complex pipe to lay out over 544 kilometers. The NMPP has been called the world's largest pipeline of its kind (Bond, 2015).

The cost, of course, will eventually reside with an increase in fuel prices at the petrol pump and hurt consumers' pockets. However, in a visit to China by President Zuma in December 2015, help came in the form of Chinese investment, a lucrative $2.5 billion deal signed between Transnet and Sinosure, a Chinese Export Credit Association (*Times Live*, 2 December 2015). In terms of the actual completion of the new pipeline, the target date was set for 2010 but Transnet's targets are constantly pushed further and further forward. One of the main reasons for missing successive deadlines is that the pipeline has been accorded greater distances by detouring through black residential areas. According to Desmond D'Sa of the South Durban Community Environmental Alliance: "The pipeline threatens people with potentially severe environmental safety and health problems (well known to refinery victims in South Durban), in a manner that is discriminatory along class and racial lines" (SDCEA, 2008). There have also been issues raised regarding the potential disasters which could arise from the fact that the new pipeline is buried only 1.5m or less underground, and as a local councillor Gert Niemand suggests:

> Although the pipelines are marked, the community does not know what these markers are. One strike with a spade in the wrong section could cause a disaster. Imagine the enormous damage a fuel leak would cause. Worse still, imagine a gas leak, which just needs a spark for it to become an inferno (Antonie, 2016).

The issues are many. Ships numbers and container volumes are not increasing, following global trends. As Terry Hutson, South African maritime journalist notes

> In Durban there is little likelihood of any big growth in volumes in the near future. A few years ago, the port went backwards in the number of containers it handled, dropping something like 200 000 TEU in a year and there has been little growth since… So the questions remain: Does Durban need the deeper berths and aren't the bigger ships premature? (Hutson, 2014).

Not least of which is the fact that the economy does not display the necessary growth to warrant funding of such gargantuan projects.

> Ironically, though, after a 2012 peak of 6.023-billion litres carried in the combined old and new Durban-Johannesburg pipelines (an increase of 87% from 2010 levels), the amount carried last year was only 5.340-billion litres. The assumption in 2006 was that petrol consumption would follow the 'Accelerated and Shared Growth Initiative for South Africa' economic plan, which in 2005 had projected annual GDP growth of 6% for the 2010-14 period. In reality, South Africa managed annual average growth of just 2.5% over the last five years (Bond, 2015).

Today, if one stands on the Bluff, the pipelines into the Indian Ocean are still there. Supertankers still disgorge their cargo. A new dug-out port is being pushed by government which will see an eight-fold expansion of the port. All the evidence suggests that the trade volumes just do not match or warrant such an endeavor and perhaps a more efficient port is needed. Notwithstanding the poor economic case for port expansion, this project is still enthusiastically pushed by large construction firms, as well as the many commercial and political interests lying downstream from such a mega project. It may not be as directly illegal as siphoning off the resources of others as occurred with the ill-fated Salem, but those pushing for expansion are just as surely priotising the needs of their own pockets above the needs of the people of South Africa.

The maritime crime waves of apartheid have washed ashore in contemporary South Africa, greasing the palms of those in power and confirming Ayi Kwei Armah's prescient lines from *The beautiful ones are not yet born*, "The sons of the nation were now in charge after all. How completely the new thing took after the old" (1981: 9-10).

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