

then and now, was dependent on mining. Lonrho mined most of Rhodesia's minerals, and shipped all of them. The Beira corridor, Lonrho's Mozambican-Rhodesian rail and pipeline linking Rhodesia to the sea, was shut down as part of the blockade. The pipeline, which supplied Rhodesia with all its oil, had only been open for six months.

As a result of cutting this corridor, Rhodesia became entirely dependent on South Africa—and also Lonrho. For despite Britain's public policy, Lonrho continued to be the mainstay of the Rhodesian regime. It also supplied it with necessary oil and arms. Naturally, the price of the oil and arms dramatically increased because of the embargo.

Yet, at the same time that Lonrho was sustaining Rhodesia, it was directing the Zimbabwe resistance movement to the white government of Ian Smith, and was responsible for eventually installing the radical regime of Robert Mugabe in power.

The roots of the Zimbabwe nationalist movement go back to the 1940s, and the creation of the African National Congress (ANC). Joshua Nkomo was an early leader of the ANC. He later became the leader of the 1979 Zimbabwe revolution. Nkomo was also a Lonrho puppet. As late as 1984, this revolutionary referred to Rowland with great affection as a "son-in-law, what we call *'mkwenyana*, one of the family by marriage. He made generous contributions to me." When Nkomo was flown to London in 1979, to lead the insurgent delegation which changed Rhodesia into Zimbabwe, he flew on Lonrho jets, and was housed at Lonrho hotels. He still is.

In the 1950s, the Zimbabwe liberation movement split along tribal lines, with one faction led by Nkomo, and the other by Robert Mugabe. Mugabe's followers set up bases in Tanzania and Mozambique and received training from the Chinese. Mugabe, consequently, became a Maoist. Meanwhile, Nkomo, based in Zambia, and then Angola, received training from Soviet military advisers—and also Lonrho. Nkomo's top officers were regularly sent to Eastern Europe for specialized training.

Following Lonrho's establishment of the Zimbabwe government, Mugabe became President and Nkomo interior minister. The Soviets and Lonrho then supported Nkomo's bid to seize power. Nkomo failed, and fled to London, where he resides at a Lonrho hotel. Rowland, meanwhile, made his peace with Mugabe, and Lonrho is now the controller of the Zimbabwe economy, just as it had been under Smith. Together with the North Koreans, the British train Zimbabwe's army.

Shortly following the creation of Zimbabwe, Lonrho reopened its Beira corridor through Mozambique. The rail and pipeline are, however, periodically closed down by RENAMO, the Portuguese insurgent movement directed against Mozambique. Lonrho's subsidiary, Defense Services, Ltd., run by Alastair Morrison, deploys an 8,000-strong mercenary force in Mozambique, purportedly to protect the corridor. The force recently assassinated the prominent RENAMO leader Evo Renaldes in Lisbon.

## John Deuss, Shackley's piggybank

Johannes Christiaan Martinus Augustinus Maria Deuss, a.k.a. John Deuss, a former used-car salesman from Holland, is the owner of Transworld Oil, Ltd., believed to be the largest independent oil dealer in the world. Deuss has gained notoriety as the leading procurer of oil for South Africa and the chief broker for oil from Oman.

According to several intelligence community sources, Deuss is a major financial backer of Ted Shackley. Although unconfirmed rumors have suggested that Deuss is (or was) the secret owner of one of Shackley's companies, what can be stated with certainty, is that Deuss is a principal client who helps Shackley "pay the rent."

When Shackley and Tom Clines allegedly parted company, Shackley took the Transworld Oil account with him: Shackley has a risk analysis contract and oil intelligence consultancy with Deuss, which is renewed every year. Reportedly, Shackley is paid about \$110,000 a year, and his wife Hazel, a former CIA operative, \$40,000 a year. Shackley effectively acts as intelligence chief for Deuss's multinational oil empire.

The *Wall Street Journal* recently reported that Deuss is acting as a catalyst in a plan to create a "World OPEC," which could "prop up international oil prices during periods of excess crude oil supplies." "The plan essentially would create a cartel of 21 OPEC and non-OPEC exporters—with the discreet backing of Norway and the Soviet Union, the world's biggest oil producer." In October 1987, Deuss and Nigerian Oil Minister and OPEC President Rilwanu Lukman addressed an "Oil and Money" conference in London, promoting effective "supply management" as a way to balance oil markets. Deuss stressed that only with the cooperation of all the leading oil-exporting countries, including the Soviet Union, was there any prospect for price stability.

Some oil analysts have speculated that the "World OPEC" proposal was motivated by Deuss's recent huge losses from a "long" position he had taken on North Sea oil. In December 1987, Deuss cornered the Brent oil market for one month, with the expectation of rising oil prices. When the increases did not materialize, he is believed to have taken a \$200 million loss. In April of this year, Deuss was forced to close offices in New York, Tokyo, and Brussels.

Deuss's proposal for a "One World" oil equivalent of the United Nations, prominently featuring the role of the Soviet Union, seems to be the result of the oil trader's jockeying to be an important player in the new East-West détente. No Johnny-come-lately to such deals, Deuss broke into the big time in the early 1970s, landing a \$500 million deal to purchase Soviet oil.

When still a nobody in the early 1970s, Deuss developed a friendship with Vasily Y. Merkulov, president of the Soviet petroleum exporting agency V/O Soyuznefteexport (SNE). Allegedly, there was a falling-out when some of the oil shipments arrived late. Deuss ordered a halt to the shipments, but the order was delayed getting to Baku. He took delivery of \$101 million of oil he had not paid for. Deuss traveled to Moscow to make a settlement and had his passport lifted by the KGB. He claims he was tricked into signing a letter confirming the withdrawal of his counterclaims. A Soviet court found in favor of SNE, but a court in Bermuda, where Deuss is headquartered, would not recognize the judgment.

The controversy between Deuss and his Soviet partners now seems to have subsided. Deuss still maintains contact with Russian officials, in one case through Herman Franssen, a former chief economist of the International Energy Agency and now economic adviser to Said bin Ahmed al-Shanfari, Oman's oil minister. Deuss picked Franssen to work for Oman and flew him to meet with al-Shanfari. Earlier this year, when non-OPEC countries such as Mexico, Angola, Malaysia, China, and Colombia warmed up to the "World OPEC" idea, Franssen went to Moscow to solicit Soviet support.

### Shackley's friends in Oman

Deuss is Oman's oil adviser, and since the mid-1970s, he has been an insider at the palace of Sultan Qabus bin Said.

Oman is a strategic base for Western intelligence and military operations in the Persian Gulf, and is considered the United States' most reliable ally in the region. In his 1980 book *The Third Option*, Shackley highlights the role of Oman as a critical element in securing oil supplies for the West, after the fall of the Shah in Iran. Oman has become an important link in the logistical chain that moves military supplies to the Afghan rebels. There has been much unconfirmed speculation that Shackley was unscathed by the Iran-Contra scandal, because of the important role he played in arming the Afghan rebels.

Oman is a shared asset of British and U.S. business and foreign policy networks. The British have the upper hand, with the United States competing to strengthen its leverage. After the fall of the Shah, the United States secretly moved to establish a Rapid Deployment Force based in Saudi Arabia. The project's security was blown, allegedly by representatives of an Anglo-Soviet and Israeli nexus. The Saudis came under intense pressure, breaking their initial agree-

ment. The fallback option was Oman, and the United States became a cooperating, yet competing, partner of British interests.

Besides the Deuss connection to Oman, Shackley's other link is James Critchfield, the former head of the CIA's Middle East desk, and later chief of intelligence for energy. Critchfield is president of Tetra Tech International, a subsidiary of Honeywell, Inc. Tetra Tech has a contract with Oman to develop the economic infrastructure of the Masandam Peninsula, which is at the mouth of the Strait of Hormuz. Although intelligence sources say that there is no love lost between Shackley and Critchfield's "old boys" network, it is in this context that Shackley entered Critchfield's orbit and became a player and associate of a small group of American and British advisers who shape Oman's policy.

The competition between Britain and the United States has led to rumors charging that Shackley has been more British than American in his dealings in Oman. The rumors circulate in an environment in which the British firms beat out U.S. companies for contracts most of the time. In 1984, of 11 major new military projects in Oman, British companies were selected as consultants, architects, or contractors for all but 2, according to a list prepared by the U.S. embassy and made available to the *New York Times*.

Shackley's work for Deuss has also added to the rumors. Unconfirmed speculation from numerous intelligence and political analysts is that Deuss is a front-man for Royal Dutch Shell, an Anglo-Dutch financial grouping characterized by pro-Soviet policies. In November 1985, when Deuss bought Atlantic Refining and Marketing Corp. from Atlantic Richfield, Manad Saaed al-Otaiba, then Oman's oil minister, was at the opening ceremonies in Philadelphia, prompting rumors that Deuss was a front-man for Arab interests connected to Shell.

The key British power broker with influence in Oman is Timothy Landon. In 1970, the sultan ran a bloodless coup against his father with the help of Landon, a British military and intelligence figure. Known as the "Lawrence of Arabia" of Oman, Landon, who now lives in England, was the sultan's college buddy at Sandhurst. According to British intelligence sources, Shackley has a working relationship with Landon's associates and operatives.

One of them is Yahia Omar, an exiled Libyan businessman linked to several individuals who figured prominently in the Iran-Contra scandal and the EATSCO affair. In a recent court suit, two former Ashland Oil executives won a \$70 million judgment against their former employer. They were fired after blowing the whistle on what they said were illegal bribes paid to Landon and Omar to secure oil from Oman with the knowledge of Ashland's then-chairman Orin Atkins. Omar has been a business partner of Atkins, who has been a cooperating asset in U.S. intelligence operations over the years. According to Middle East intelligence sources, Omar

has been acting as a back channel to Libya's Muammar Qaddafi for a Shackley-linked faction of U.S. intelligence that proposes to woo the mad colonel back to the Western camp. Qaddafi's recent endorsement of George Bush for President is seen by some as evidence that he is willing to play ball.

Chester A. Nagle, a former CIA official, is another associate of Shackley and former employee of Landon. In 1979, he was registered with the Department of Justice as a foreign agent of Oman. As of 1983, he was listed as a special assistant to the sultan's palace office, according to State Department documents obtained by the *New York Times*.

## Deuss and South Africa

According to the Amsterdam-based World Shipping Bureau, an anti-apartheid watchdog group which monitors the economic boycott against South Africa, Transworld Oil has been one of South Africa's main oil suppliers. *Business Week* magazine reported in June 1986 that Transworld had a three-year contract with South Africa, starting in 1980, which resulted in 69 cargoes of oil reaching the embattled nation, accounting for 20% of the country's needs.

In early 1980, Deuss contracted with Dr. Omar Zawani, an adviser to Sultan Qabus ibn Said, as well as an associate of Landon and Yahia Omar, to resell the South Africans 44 million barrels of crude oil over three years. Maurice Sellier, a British attorney and director of South Arabian Securities, was in on the deal. Suzanne Guinness, wife of British merchant banker Jonathan Guinness, was Sellier's adviser and co-director, according to the London *Observer*. Bahrain banker Ezra Nonoo, Maurice Sellier, and Helge Storch-Nielsen, the Danish-born honorary consul of Peru in Cape Town, originally set up the deal with Oman, but when Deuss moved in, they were cut out.

Deuss has denounced the embargo against South Africa, but, in late 1987, stated that Transworld was suspending all shipments to South Africa, claiming it was for business reasons, not because of political pressures. In 1985, an anti-apartheid group called Pyromaniacs Against Apartheid fire-bombed the home of Deuss's parents in Berg en Dal, in the suburbs of Rotterdam.

European intelligence sources allege that Deuss continues to move oil into South Africa through the port of Luderitz in Namibia. He reportedly maintains an office in Windhoek. The World Shipping Bureau says that Deuss once employed the former head of GENTA, the secret South African agency that helped Rhodesia secure oil in 1978. In the early 1980s, Deuss bought golfer Gary Player's mansion in Johannesburg.

Secretly procuring oil for South Africa is the business of a very select group of oil traders. Besides Deuss, the central players include West German Gert Lutter; Marc Rich, a fugitive from American justice; and the South Africa-based Italian, Marino Chiavelli.

Gert Lutter, head of the Hamburg-based company Mar-

impex, is the most important figure in securing oil from the Soviet Union and Iran for South Africa. He is also part of Tiny Rowland's business nexus, with which Shackley is associated in Hamburg.

Shackley and Deuss's associates have also tried to help the Ayatollah Khomeini. In May 1985, Marimpex created a joint venture with the West German state of Lower Saxony, forming the company German Oil. The joint venture planned to purchase the closed Mobil Oil refinery at Wilhelmshaven to process Iranian oil. A political scandal broke out, since Lower Saxony had initially helped finance the building of the refinery back in 1978. Officials representing Lower Saxony pulled out of the deal. In stepped Tiny Rowland, working through a Lonrho subsidiary Kuehne und Nagel, to join German Oil's manager August F. Kurtz in moving the project forward. In January 1986, Kurtz had entered into negotiations with Iran and some other undisclosed oil-exporting nations to take over German Oil and supply operating capital. A "net-back" agreement with the National Iranian Oil Company had already been set up with Marimpex in 1985 to purchase 5 million tons of crude a year to be processed at the Wilhelmshaven refinery. The "net-back" deal meant that Iran would take all the risks, since payment to the Ayatollah Khomeini would only occur after processing and final sale of the refined oil products.

Besides its contracts with Iran and the Soviet Union, Marimpex has had oil deals with Romania and the People's Republic of China.

## John Deuss, the mystery man

Deuss is a very mysterious man, rarely photographed or interviewed. In one such interview, Deuss was asked why he sought so much money; he responded, "Power is everything, and money is power."

Deuss moved into the "corridors of power" through a slick business magazine he created and published. In June 1977, the premier issue of the now-defunct *Chief Executive* contained articles by President Jimmy Carter, Egyptian President Anwar Sadat, Mexican President José López Portillo, AT&T Chairman John de Butts, Tiffany Chairman Thomas Hoving, CBS's Walter Cronkite, Baron Edmond de Rothschild, and an interview with the Shah of Iran.

Transworld is headquartered in Hamilton, Bermuda and has primary offices in Rotterdam and Philadelphia. In autumn 1987, Deuss bought Ultramar Petroleum, Inc., an oil-marketing company, from a British group for an undisclosed amount. Deuss maintains storage facilities for his oil in the Caribbean and at Atlantic Refining and Marketing Corp. (ARMC), which he bought from Atlantic Richfield. The Arco purchase was financed by Deuss himself, but the operating capital was supplied by Banco della Svizzera Italiana of Lugano, Switzerland. Michael Corrie, formerly a 35-year veteran of Royal Dutch Shell, is president of ARMC.