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THE OIL EMBARGO, THE APARTHEID STATE AND PIRACY ON THE HIGH SEAS

Ashwin Desai

In the 1970s, a partial oil embargo was imposed upon South Africa. This had a potentially crippling effect. The state responded by scouring the world for oil supplies, using shadowy networks that opened them to fraudsters ready to make quick cash. At the same time the apartheid state created local conditions off the Durban coast for the speedy off-loading and transport of oil to the economic heartland some 500 kilometres inland. This paper looks at that moment in history, seeking to understand how the embargo was circumvented, with particular emphasis on the illegal maritime activity of a ship called the Salem, which sunk off the coast of Senegal in January 1980. The case of Salem illustrates the global networks the existed in the illicit oil trade and how the state had to rely on brokers who were not only ready to break the embargo but also perpetrate insurance scams, one of the biggest in maritime history. The final section of the paper looks at the changing functionalities of the port of Durban and the current plans to expand it into a massive dug-out port in the South Basin of Durban.

The World of Oil and the Apartheid State

> 'The sea has never been friendly to man. At most it has been the accomplice of human restlessness and playing the part of dangerous abettor of world-wide ambitions' (Conrad, 2011: 147).

The year is 1979. The world of oil is thrown into turmoil as the Iranian Revolution unfolds, the Shah of Iran is put on the run and young zealots occupy the US Embassy in Tehran. The apartheid state has already faced a decade of sanctions and the oil embargo is starting to bite. Fuel restrictions take their toll, both on the minds of white South Africans, but also on the economy. The apartheid state relies on a web of networks to circumvent the embargo, opening new channels to source oil and finding modern day pirates prepared to take to the seas with illicit cargo (Hengeveld&Rodenburg, 1995).

The coast off Durban is witness, throughout the 1970s, to grey hulks that bypass the harbour entrance and head towards the Bluff. There, the ships attach themselves to pipelines, 2.5 kilometres off the coast, that snake into the sea. Oil is pumped out of the holds and rushed into gigantic refineries that lay on the other side of the hill. Meanwhile, small craft hasten out to replenish supplies and, within a couple of hours, the ships are off again. Illicit trade necessitates rapid turn-around times.

The Durban coast is vital to the survival of the apartheid state, a state without oil fields of its own and now facing an international embargo. The pipeline that

Address for communication: **Ashwin Desai,** Professor of Sociology, University of Johannesburg, South Africa, *E-mail: ashdesai1@gmail.com*

runs 500 kilometres into the economic heartland of the Highveld is literally the country's life support system.

But the apartheid state is reliant on people who are breaking the law; those prepared to ignore and circumvent the call for sanctions in exchange for huge profits. This murky world of oil trade, the double–dealing and false invoicing, is brought to the surface in the incredible story of a sinking ship that arrives at the Bluff as the Lema but leaves as the Salem.

This article looks at the oil embargo and the way in which the apartheid state sought to use the shipping lanes of the world to break it by focusing on one episode, the scuttling of the Salem. The final part of the paper returns to the present day Bluff and the changing functionalities of the 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.

(F)oiling Sanctions

> 'It seems that oil is a blessing and a curse' (Urry, 2013: 136).

By the 1970s, South Africa had achieved worldwide notoriety for the policy of apartheid. An international movement began to intensify its campaign to boycott apartheid South Africa. The sports boycott made some quick gains as international rugby and cricket tours to England and Australia were cancelled. South Africa was also excluded from the two greatest sporting extravaganzas of the 1960s and 70s, the soccer World Cup and the Olympics. The economic boycott did not have the same measure of success. The stakes were high as South Africa had huge 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). This supply continued until 1979 and the fall of the Shah. While this was a massive blow, the long decade of the 1970s had laid the basis for the apartheid state to circumvent the boycott by sourcing oil on the illegal market and creating the mechanisms for it to be disgorged quickly and without detection.

As early as 1964, Brian Lapping had written a paper arguing that the success of an oil embargo would have to involve four steps:

1. No embargo would be effective without the support of the United States, Britain, and other Western powers.
2. South Africa's present oil stocks would last four to six months, at her present rate of consumption, and could probably be extended.

3. Agriculture in South Africa would be severely affected by an oil embargo; industry much less so.
4. An oil embargo, to have a reasonable expectation of effectiveness, would need to be enforced by a blockade (1964: 135).

It took almost a decade before the embargo was put in place. But with one crucial part of the jigsaw missing; there was to be no blockade. This meant that the apartheid state could make use of the shadowy networks that crisscrossed the world of oil to source illicit cargo. 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).

The South African government, anticipating a total embargo, began to stockpile reserves, utilising disused coalmines to store oil and threatening austerity measures such as the issuing of petrol rationing coupons and imposing restrictions at petrol stations in order to conserve fuel supplies. Petrol prices were also raised. 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 Ruth First pointed out: 'Oil is the one vital raw material which South Africa does not possess' (First et al., 1973: 103).

While introducing restrictions and threatening more, 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.

This was also a time of international turmoil in the politics of oil. The Middle East oil crisis of 1973 saw a sharp rise in the price of oil per barrel, from $3 to $12 in a matter of days. This had a dramatic effect on global politics as the US tried to preserve its interests in the Middle East. The Iranian revolution of 1978-9, 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. In South Africa, the Nationalist ruling party set up the Strategic Fuel Fund (SFF), which was to be run by SASOL officials. SASOL was a government parastatal established to deal with fuel supplies in the country; the storing, refining and distribution thereof. As the two companies entered into the world of international oil trading, they were also opened up to the possibility that oil could be supplied to South Africa in contravention of the embargo while at the same time remaining undetected. 'In fact, the South Africans desperate need for oil brought out of the woodwork a whole fauna of more or less shady businessmen from Hong Kong to Houston' (*The Guardian*, 14 March 2001). 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.

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) was the beachhead that would be used to scour the world for supplies of oil, ensure payment and facilitate bringing the product home, however it was procured.

It was thus during the late 1970s and 80s that the SFF ran a system of operatives that would become part of a huge network to source oil and manage 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 (Scholtz, 1995: 255).'Oil tankers continued to arrive at South African ports, many of them commissioned by the embargo breaking companies,Transworld in Rotterdam and Marimpex in Hamburg' (Sampson, 1987: 258). The SFF became adept at circumventing security procedures and handling transactions without the correct documentation in its bid to maintain the flow of oil and lubricate 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&Rodenburg, 1995: 244).

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 in Crawford, 1999:120).

How South Africa dealt with oil sanctions is an interesting area and one in which the government went to great lengths to conceal. As Crawford points out: 'The entire effort involved clandestine deals and undercover oil shipments and South Africa even, in some cases, bartered its indigenously produced weapons for oil' (1999: 111). To offset any possible shortfalls and lessen the dependence on oil, coal mining activity was intensified and the government invested heavily in a coal to oil programme at its SASOL refineries. But, despite many claiming that the embargo hurt South Africa, the lack of a complete embargo meant that oil sanctions did not have the impact originally intended, although the costs to the apartheid state and domestic economy were high.

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' (*Daily Maverick*, 26 July 2013). A port employee remembers the days when

> Crude oil purchases would be made through intermediate parties, Pretoria arranging dollar payments to companies in Zug, Mauritius or Lichtenstein. These organisations in turn would conclude and arrange the purchase and shipping from the Iranians. A healthy add-on was included to sweeten the exchanges. Greek tanker owners had a field day during this period. The oil would ultimately find a path to Durban. A switch sale and change of consignee would occur whilst the cargo was on the water, making the South Africans the new buyers. Bills of lading and Mates receipts as well as manifests would be renewed and on the basis of all freight and costs being pre-paid, there would be no bank involvement, no prying eyes, for the surrender of any original documents which would depict sensitive information such as shippers and consignees' details (Interview with port employee, 28 May 2014).

Instrumental in this wave of sanction busting was the figure of Marc Rich, who became 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. It was estimated that between 1979 and 1993, Rich supplied 15 per cent of the embargoed oil discharged in South Africa. But, as 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' (*The Spectator*, 6 July 2013).

Single Buoy Mooring

The offloading of illicit oil became part of the everyday life of South Africa's ports. In Durban especially, on the east coast, the construction of a pipeline offshore would play a seminal role in the circumventing of oil sanctions. Itislikely that the governing National Party at the time saw the gathering storm clouds of international sanctions. It would further have realised that oil embargoes would be extremely

detrimental to the running of its "machine", and, for this reason, went the route of constructing a crude oil receiving system, the Single Buoy Mooring (SBM).The SBM became the only installation with whichto facilitate the surreptitious off-loading of illicitlyprocuredcrude oil.

In 1972, a pipeline was built off the coast where ships could dock and discharge their load. The SBM is located approximately 2.5 kilometres off shore. 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 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, a government parastatal. The organisation has subsequently been renamed the Central Energy Fund and crude oil imports still continue.

The pipeline was to be a key channel for the apartheid government to maintain the flow of oil into the country.

The first SBM was put into use by a consortium of Sapref (Shell/BP), Mobil and Sasol. Often ships would smooth over their wakes by changing 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&Rodenburg, 1995: 146).

These practices were widespread, but an incident during the embargo period of the late 1970s and early 80s became one of the most audacious maritime scams to occur with the very same pipeline off the Durban coastline at the centre of events.

Pirates of Apartheid and the Salem Scam

> 'Sea roads are dissolving paths whose passage leaves no trace beyond its wake, a brief turbulence astern' (Macfarlane, 2012: 88).

On the 17th January 1980, a ship called the Salem sank off the Senegalese coast of West Africa. Lloyds Register of Shipping claimed that the ship was carrying crude oil bound for France. This was no simple case of a ship going down in stormy seas

however, and an investigation into the ship's movements revealed a story involving oil sanction busting and a murky world of illegal trading and oil theft on the high seas.

Originally named the Salem (a Biblical name meaning peace) and registered in Liberia, the ship left Kuwait and set sail for Europe, painting out the letters on the side of the ship and thereby changing its name to Lema, a well-known evasion tactic employed by traders during the embargo period of the 1980s. The Salem scam involved a colourful multitude of players, con men and crooks in a simple, but potentially lucrative insurance scam. A plan was devised 'to hijack a cargo by placing their 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 were loaded on the Salem in Kuwait. By a quirk of fate, this cargo was sold to Shell four days later-after the vessel was at sea-so Pontoil emerged with a hefty profit and did not become a victim of fraud' (Klinghoffer, 1989: 72).

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 27th 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. It set sail again on 2nd January 1980 and sank under mysterious circumstances off the Senegalese coast a few weeks later. 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&Rodenburg, 1995: 93).

With some cargostill on board, the ship left Durban, having added extra water as ballast to make it seem as though the ship was heavily laden (Klinghoffer, 1988: 42). It also changed its name back to Salem. 'The Salem's visit to Durban was kept secret from Pontoil and Shell and an effort was made to hide it from the maritime community at large by having the tanker masquerade as the Lema' (Klinghoffer, 1988: 36). A web of networks, banking transactions and many individuals meant that the truth behind the sinking of the Salem and the financial benefits which accrued were difficult to ascertain.

> The ships owners were Greek and it further emerged that they had concluded an arrangement with the South African government where regular deliveries could be affected (as frequent as twice monthly shipments). Delivered crude prices were also favourable which played into the hands of the embargoed government, enabling fuel to be sold on a daily basis and lifting the restriction which had been imposed (*The Guardian*, 14 March 2001).

The Captain and Chief Engineer denied that the sinking of the ship was anything other than an accident, butwas as a result of an explosion on board. However, questions were quickly raised around its sinking. Also, it was noted that, upon being rescued, the crew were found with an unusually large amount of money on them:

> The crew of the Salem climbed calmly aboard the British Trident carrying packed suitcases and freshly cut sandwiches, but surprisingly, they hadn't had enough time to save the ship's log. If this was scuttling, then it was king-sized. A ship more than three football fields in length cannot lose itself beneath the ocean without causing speculation (Hengeveld & Rodenburg, 1995: 38).

The crew were given "bonuses" whilst in Durban to the tune of $10 000 per crew member and were possibly offered more loot following the sinking of the Salem. 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.

> The scuttling and insurance scam, presumably, was an elaboration of the basic plan, to use Salem to deliver oil to South Africa through the embargo. But telephone transcripts showed that the delivery of the oil at Durban was reported to the Salem's owner and a confederate in, of all places, Zug, where the owner had business connections. The great operation to get oil to the South Africans through the embargo is still surrounded by mystery, rumour, secrecy, even paranoia (*The Guardian*, 14 March 2001).

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.As indicated earlier, the owners and traders involved in the Salem incident were not alone during the 1980s, with a number of shady individuals using the world's oil crisis to line their own pockets.

In this secretive world of oil theft and profiteering, one figure looms large in any history of oil sanction busting. Marc Rich was a man who, according to *The Economist*, 'scanned the globe to see crises coming, wars brewing, shortages looming' (6 July 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.

> When the embargo bit after 1973 he was swimming in oil when the majors were struggling, and was able to sell it at a mark-up of as much as $14 a barrel. Some called that profiteering. Mr Rich called it a service charge. He could have demanded more, but that would have been "like taking candy from a baby" (*The Economist*, 6 July 2013).

Rich was willing to buy from anyone, sell to anyone who wanted oil and make a handsome profit as a result.

> 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 (*TheGuardian* 14 March 2001).

'He infamously "daisy-chained" millions of barrels of oil from old wells out to sea in tankers, then through a dizzying maze of transfers on-shored the oil as "new oil" and sold it at prices allegedly marked up four times' (*Forbes*, 28 June 2013). With Texan oil barons baying for blood, the US government charged him with tax evasion in 1983. He went on the run and became one of America's most wanted men. He was eventually pardoned in 2001 by President Clinton after a hefty donation, but his legacy lives on in the form of Glencore, one of the world's largest traders in minerals. In 2012, an investigation into the company's operations in the Congo revealed that:

> Since 2010 a number of offshore companies associated with Dan Gertler – a businessman and friend of Congolese President Joseph Kabila - have secretly bought stakes in several mines from the state, paying only a small fraction of their commercially estimated values. The mines were sold without public tenders and limited details were only released long after the assets were sold off.After buying the assets, at least two of the offshore companies made huge profits by selling on shares in them soon afterwards. Others are positioned to profit by collecting the mining revenues (*Global Witness*, 5 May 2012).

Pipelines of Deceit

> 'The more things change, the more they remain the same. History repeating itself' (Coetzee, 1999: 62).

Today, if one stands on the Bluff, the pipelines into the Indian Ocean are still there. Supertankers still disgorge their cargo. But in many ways, the days of the Salem are over. The port of Durban in the mid-to-late seventies was a far cry from what it is today. This was a period when time meant something completely different, a time before the advent of containerisation, which spelt brutally short "in-port" turn-around times. This sounded the death knell for the multi tween deck, general cargo ships and those long stays in port when sailors scurried into waiting taxis to the Monte Carlo to be dazzled by women under flashing red lights(Trotter, 2008). The geographer David Harvey (1989) was to call this the era of 'time-space compression'.

Modern ports and ships have changed significantly even since the days of the Salem and the 1980s. Ships are now sailing leviathans and their operating costs enormous. This means that everything has to be carefully scrutinised, checked and queried by ship operators, charterers, owners and receivers.

> With the coming of modern technology, every ship is now linked via satellite e-mail, which permits instant contact with the shore. The days of the Salem's antiquated technology are long gone. In terms of victuals, orders for provisions are placed well in advance of the ships

> arrival and ship chandlers vie for this highly competitive business, as pricing and stock availability are absolutely crucial. Once the order is placed, the supplier will conclude payment arrangements with the owners of the vessel and delivery is invariably by launch, a far cheaper method than by helicopter (Interview with port employee, 28 May 2014).

The mobility of the crew has also changed:

> Forays to shore are now very difficult due to stringent Immigration and Home Affairs rules and regulations. The cost of a launch service is also exorbitant, charged per hour, so the only time that the crew can proceed ashore is if a crew change is planned or if there is a medical emergency (Interview with port employee, 28 May 2014).

What does this mean for the changing functionalities of the port of Durban, South Africa's leading and busiest port, and which plays a significant role in the country's economy? Maritime freight and logistics require a substantial number of companies to maintain them, including cargo terminal companies, freight services, chandlers, and warehousing facilities. A report commissioned by the eThekwini municipality states that '4500 commercial vessels stop at the Port each year' (Maharaj, 2013) and the report also claims that container volumes are steadily increasing. As a result, plans are afoot to expand the Durban port to eight times its current size. This has angered many communities, as historic areas such as Clairwood, Isipingo, Merebank and Umbilo will be fundamentally changed and houses swept away to accommodate the dug-out port. Histories will be dispersed and livelihoods destroyed.

There is also the question of the astronomical cost involved. A recent article in the Business Day states that the proposed expansion will cost in the region of R75-100 billion (*Business Day*, 5 March 2014). Is a new dug-out port really necessary or would a more efficient port serve as an adequate response?

Most experts believe that this is a more rational answer to the changing needs of the shipping industry.

So why the seemingly single-minded determination of the South African government to push through a huge expansion of the port? South African construction companies, which were exposed for price collusion in the building of stadiums for the 2010 FIFA World Cup™, are clearly licking their lips in anticipation of the billions that will flow through the South Basin once building gets underway. The tenderpreneurs too stand in line. As Bond shows:

> The first part of the expansion, the Khangela Bridge, was a function of trucking company frustration with the delays encountered moving freight from ships in the existing port to the highway system through South Durban. Originally announced asa $7 million expenditure, the project costs ballooned by a factor of nearly three by the time the bridge was complete in 2010. One reason was rampant corruption involving three major construction companies. The second stage was Transnet's Durban-Johannesburg oil pipeline construction project, lasting from 2007-14. The mega-project, known as the 'new multi-product pipeline', cost $2.34 billion, a dramatic cost escalation in part because the pipeline was diverted hundreds

> of kilometers from the traditional route west along the N3 highway. That route ran through mostly-white Durban suburbs (Mariannhill, Hillcrest, Shongweni and Camperdown), and now the pipeline moves double the pre-existing oil volume through (mostly-black) South Durban, Umbumbulu and other former KwaZuluBantustan areas…By moving the project southwards before turning west, the cost estimate rose by more than 50 percent. But there were many other cost increases, with the total reaching $2.34 billion by 2013, in part because of apparent construction company collusion on tendering by one of the main pipeline construction companies, Group Five Civil Engineering (Bond, 2014: forthcoming).

During the apartheid years, the murky networks that brought home the cargoes of oil and laundered millions into bank accounts were literally off-shore. Today, the 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 port in Durban in the 1970s served a government suffering from far too little exposure to the world economy for its own good. Battered by embargos, sanctions and boycotts, apartheid South Africa creatively, if corruptly, used its ports to import the fuel necessary to run the domestic economy, including agriculture, manufacturing and heavy industry. In the 1990s, with the advent of democracy and the cessation of sanctions, these same ports have been used as an adjunct to its neo-liberal economic policies. These have exposed the South African economy sharply to global forces, with the government lowering tariff barriers faster than even required by the General Agreement on Tariffs and Trade and Taxes, the forerunner to the World Trade Organisation (Terreblanche, 2002). Privatisation gathered pace, financial Rand exchange controls were eroded and then abolished and Big Capital fled to London and New York. At the same time,through these ports, goods have entered the economy that have gutted domestic manufacturing, strained agriculture and food security and continued to export, unbeneficiated, its minerals(Terreblanche, 2012).

And now this port must become even bigger and deeper.

The rationale for the expanded port may be unclear and will become an area of heightened contestation in the city. What has become clear however is that the shadowy world of high finance has anchored and is setting up its operations once more on the valley behind the Bluff.

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