

Behind Irangate: the Lonrho link

Between Nov. 19 and 21, 1984, former CIA deputy director Theodore G. Shackley held a series of top-secret meetings in Hamburg, West Germany which set the stage for the U.S.-Israeli arms sales to Iran later made famous by the Irangate affair. Participants at the meetings included Dr. Shahabadi, the Iranian government's chief purchasing agent in Hamburg; Gen. Manucher Hashemi, the former head of counterespionage under the Shah; and Manucher Ghorbanifar, later the chief intermediary between the U.S. National Security Council, Israel, and the Islamic Republic of Iran in arms deals.

This gathering can be considered the founding meeting of the post-1984 phase of the Iranian arms deals.

A review of the reports of the Tower Commission and the Senate Select Committee on Irangate reveals what extraordinary pains were taken by the U.S. Establishment to suppress even a passing reference to Shackley's role. Shackley is not the only figure who has been protected: Roland "Tiny" Rowland, chairman of the British-based Lonrho Corporation, is another. Rowland and Shackley can be shown to have maintained contact with the same top Iranian and American gun smugglers, during the same period, concerning the same issues.

Shortly following the Hamburg meeting, Shackley forwarded a memorandum he wrote on the discussion to National Security Council consultant Michael Ledeen, his longtime crony. Ledeen is just one of Shackley's associates or "former" partners who later emerged as key Irangate figures.

By the end of August 1985, the first planeload of U.S. TOW missiles had left for Iran, since the Hamburg meeting. This missile deal was financed to the tune of \$7.5 million by Saudi merchant Adnan Khashoggi. However, Khashoggi reports the money was not his. It had been borrowed from "Tiny" Rowland. The key Israeli official supervising the deal was Foreign Ministry Director General David Kimche, a friend of Ledeen. Kimche now works for Lonrho.

Rowland, unlike Shackley, flaunts his Iranian connections. In August 1987, for example, during the middle of the scandal, Rowland flew off to Teheran to negotiate a \$1 billion food-for-oil swap. Rowland then held a press conference to report that Lonrho would soon be constructing petroleum refineries in West Germany, as part of this Iranian venture.

As recently as the beginning of June 1988, Lonrho announced a new merchandising partnership with the famous German Krupp works, significant because it is now partially owned by the Islamic Republic of Iran.

Meanwhile, well-placed sources report, Shackley is "rolling in dough," confidently building his empire. Shackley is depicted by some as a clever rogue operative within the U.S. intelligence community. Others assert that virtually every operation Shackley has touched, whether in West Germany, Cuba, or Southeast Asia, has been a dismal, in fact, suspicious, failure. Some even believe that Shackley is a long-term Soviet or perhaps Israeli mole. But the idea that Shackley may have the closest of relations with British intelligence, as indicated by his links to Rowland, never seems to be stated, by a U.S. intelligence community generally blind to the importance of British strategic manipulations.

Examining the story of Shackley's associate Tiny Rowland may aid the U.S. intelligence community in understanding Shackley, who sponsored him, and why.

Investigators must also note two other significant U.S. figures who are tied to Lonrho: former CIA official Miles Copeland, now a London-based Lonrho consultant and the unofficial head of the George Bush for President campaign in Europe; and Robert O. Anderson, the founder of Atlantic Richfield, and the patron of some of the most fruitful groupings of the U.S. Establishment, such as the Aspen Institute. Anderson is Rowland's main U.S. business partner.

The starting point for this counterintelligence investigation is the realization that Lonrho is simply a front for the British Secret Intelligence Service. Lonrho and Rowland make no independent decisions. All of their actions are determined either by SIS, or directly by the British oligarchical families which control SIS.

Running 'decolonization'

Most of British Africa was formally decolonized in the period from 1960 to 1964; but Britain never intended to make its colonies truly independent. It sought to continue its control in a hidden form. During the middle of this policy shift, Sir Angus Ogilvy, the husband of the Queen's cousin, Princess Alexandra, and the younger son of the powerful Scottish Earl of Airlie, resurrected the London-Rhodesian Mining and Land Company, out of its moribund status. London-Rhodesian, now known as Lonrho, and another British oligarchical firm, the Anglo-American Corporation, are the instruments by which Britain continues to rule most of Africa.

The leading British oligarchical operative who supervised the nominal decolonization of Africa was Lord Duncan-Sandys, son-in-law of Winston Churchill, and then Secretary of State for the Colonies. Duncan-Sandys later became Lonrho's chairman. Lonrho rapidly assumed dictatorial control over the economies of all the colonies that Britain had formally declared independent. As chairman of Lonrho from 1972 until his death in 1984, Duncan-Sandys dictated terms to the same African leaders whom he had earlier managed

while Secretary of State for Colonies. Decolonization was a cruel joke, a cover for continuing the same imperial policies under a different name.

Duncan-Sandys and Ogilvy are not the only senior British Royal Family operatives associated with Lonrho. Sir Basil Smallpiece, the Administrative Adviser to Her Majesty's Household from 1964 to 1980, for example, was a prominent Lonrho controller. Julian Amery, the former Minister of State for the Foreign and Commonwealth Office, and the son of Leopold Amery, the last Secretary of State for India, is a Lonrho overseer. Lord Carrington, the NATO secretary general who played an important role in ramming through the INF treaty, is also part of the Lonrho machine.

One of the agreements secretly struck at the June 1988 Moscow summit, was a deal to bloodily redraw the map of southern Africa. Civil war-torn Angola, now in significant degree under the control of Western-sponsored UNITA forces, will be betrayed to the East. Its mineral-rich Cabinda province, however, may be forked over to the European mineral cartels. Zaire will be dismembered, while the choice Shaba province will remain an object of contention. The Republic of South Africa will ultimately be annihilated. This betrayal of Western interests conforms with Lonrho's long-term strategy.

On the financial side, Lonrho is an extension of a combination of powerful British banks and insurance companies that include Standard Chartered, Barclays, and the Anglo-American Corporation's financial interests. All have a long history of imperial rule in Africa. The Drayton Group, a.k.a. the Group of 117, also played a significant role in Lonrho's formation, just as it sponsored the Canadian drug-running Bronfman family, of Seagrams fame. This banking group, with the addition of the Royal Bank of Canada, also dominates Cuba's economy, thus positioning Lonrho to shape Cuba's policy in Angola.

Having decided to continue the Empire in a new form, Sir Angus Ogilvy traveled to Rhodesia in 1961 to find a suitable field hand for the newly resurrected "London-Rhodesia." Ogilvy chose one Roland "Tiny" Rowland, then the Mercedes-Benz distributor in East Africa, and a reputed gun-runner.

Tiny Rowland was born "Roland Fuhrhop," in a World War I British internment camp in Darjeeling, India, where his German father had been a merchant. After the war, the family temporarily returned to Germany, where Tiny's two older brothers joined the Wehrmacht. Tiny and his father moved on to England, however, where the son received a respectable education. According to some accounts, Rowland was involved in a series of secret trips to Germany in the pre-World War II period, possibly on behalf of British intelligence. In 1939, Rowland was conscripted into the British Army, but soon joined his father in an internment camp on the Isle of Man. Following the war, Rowland moved to Rhodesia, waiting to be discovered.

Thus, situating Rowland and Lonrho with Theodore

Shackley during the initial period of the Iran-Contra deals provides a most interesting angle for U.S. counterintelligence investigation.

The new British Empire

The degree of control that Lonrho has achieved over numerous southern African economies is impressive. For example, 50% of Zimbabwe's foreign exchange comes from mining. Together with Anglo-American and Rio Tinto Zinc, Lonrho runs Zimbabwe's mining. Lonrho's Ashanti gold-fields account for 85% of Ghana's gold output, which amounts to 15% of the country's foreign exchange earnings. The Republic of South Africa produces 79% of the world's platinum, and 94% of that mined outside of Russia. Lonrho directs South Africa's (and the world's) third-largest platinum mine. Seventy percent of Malawi's foreign exchange comes from tea, tobacco, and sugar. Lonrho controls the state's sugar industry. Lonrho is also one of the continent's largest arms suppliers.

An examination of the holdings of Lonrho in combination with Anglo-American reveals that the two British firms control most of the vital strategic minerals needed by NATO. Virtually no U.S. tank or submarine could be built without these two British intelligence proprietaries.

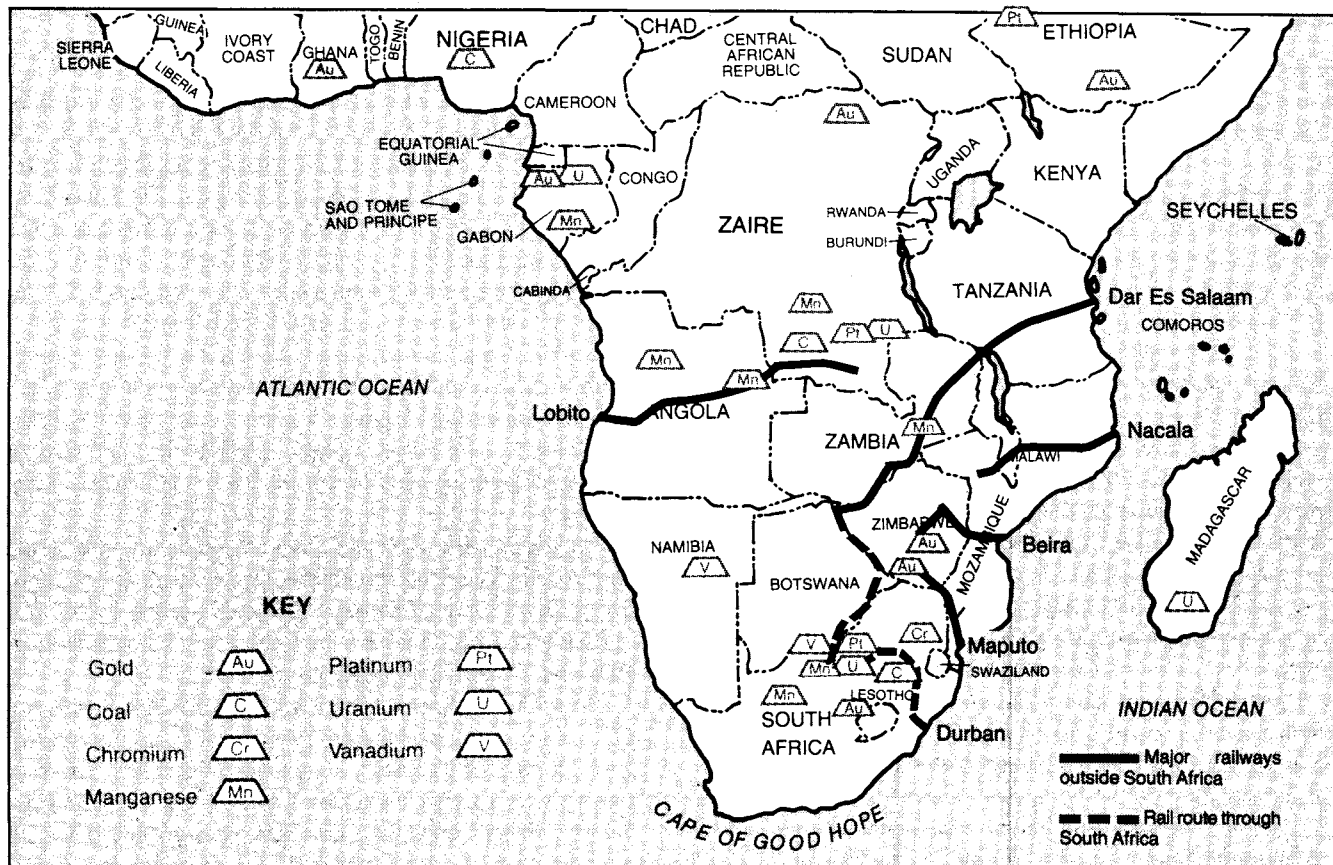
Yet official economic statistics tell little of the real story of Lonrho control of Southern Africa, which is better shown by its control of transport, and most of the region's revolutionary or separatist movements of both the left and right variety. British imperial policy has always been based on manipulating all ethnic and political factions, and states, against each other. It is therefore no surprise that Lonrho has simultaneously:

- Supported most radical self-styled "liberation movements," such as the terrorist African National Congress, and has paid the tab for many famous national liberation "heroes";
- Supported the Rhodesian and South African governments, including the most diehard supporters of the apartheid system. Some say the Bruderbund, the most important South African white secret society, is actually under Lonrho control.

The accompanying map of southern Africa shows the legacy of underdevelopment left by the British Empire. The entire region has only five major railways, outside of the Republic of South Africa, and these railways solely connect the mineral-rich African interior to the sea. Transport over these lines provides the only foreign exchange, as little as it is, for many of these southern African states. All of these railways are operated by Lonrho. Each one of these railroads is also periodically blown up and closed down by Lonrho, through its control of the region's insurgent movements. In this way, Lonrho enforces the agreed-upon worldwide cartel price of strategic minerals, while also retaining the ability to extort what it wants from most states in the region.

These five rail systems include the line tying landlocked Uganda and Zambia to Dar es Salaam, Tanzania; the lines to

Southern Africa: strategic minerals and rail links



the southern Mozambican port city of Maputo, also servicing landlocked Malawi; the railway terminating at the northern Mozambican port of Nacala; the Beira corridor of rail and oil lines linking Zimbabwe and Malawi to the Mozambican port of Beira; and the Benguelan line to the port of Lobito in Angola, which links Zambia, and the Shaba province of Zaire, to the Atlantic.

As a result of Lonrho's support of the Portuguese anti-government RENAMO movement in Mozambique, the Zimbabwe rail lines to Maputo, Nacala and Beira have been unreliable or inoperable for eight years, cutting off the interior from the sea. At the same time, Lonrho controls much of the Zimbabwe economy, particularly the mining industry. Consequently, when, if, and how much of Zimbabwe's strategic mineral products find their way to the world market is determined by Lonrho.

Similarly, because of UNITA's insurgency, the Benguelan line linking Angolan ports to Zaire and Zambia has not functioned for 10 years. Lonrho controls the Angolan economy, and is a formal adviser to its Marxist government. Lonrho officially operates the rail line, which was built by the Belgian cartel, Société Générale. Yet Lonrho has also been a key sponsor of the insurgent UNITA, despite the fact

that it is currently trying to assassinate its leader Jonas Savimbi.

Thus all rail lines linking central southern Africa to the Atlantic and Indian Oceans are subject to closure by Lonrho whenever it desires.

The only alternative routes for the mineral-rich, landlocked states of Botswana, Malawi, Zambia, and Zimbabwe for their exports is through the territory of the Republic of South Africa, to the port of Durban. These alternative routes are typically three times the length and price. Lonrho's influence in the R.S.A. is also immense.

Running the Zimbabwe revolution

The case of how Lonrho overthrew the Rhodesian government and installed the terrorist regime of Zimbabwe's Robert Mugabe in power illustrates its classical imperial methods. It also shows that any U.S. government official who believes that Lonrho can be used as a "U.S. asset" in Africa is a fool. The United States will surely be stabbed in the back.

In 1965, Britain organized a worldwide embargo of Ian Smith's Rhodesia because of its unilateral declaration of independence from the British Empire. Rhodesia's economy,

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.