



A. S. ONASSIS (second from left) denies that Spyridon Catapodis (holding tent pole) negotiated for him with Saudi Arabian officials Alireza (left) and Saleiman (in white).

## Global Warfare on Onassis

The Greek shipper is in trouble in four countries, on four counts. Most of his woes stem from the deal he made with Saudi Arabia to transport Middle East oil.

The \$300-million shipping empire of Aristotle Socrates Onassis, the Greek with many passports, has been shaken to its shadowy foundations by a series of blows struck from around the world.

In Washington last week, the Justice Dept. announced that it was suing Onassis, three of his silent partners, and six of his corporations for \$20-million and the return of 10 war surplus ships Onassis had bought. Earlier this year, the government had lodged criminal charges against him for the same deal.

In Paris a few days earlier, another Greek, named Spyridon Catapodis, alleged in court that Onassis—using disappearing ink and other spurious means—had cheated him out of a \$560,000 fee to be paid for bribing Saudi Arabian government officials into signing a contract granting Onassis rights to carry oil produced by Arabian American Oil Co. (BW—May 22 '54, p27).

In Peru a week before that, the government branded Onassis a pirate, and its government seized five vessels of his whaling fleet.

In Saudi Arabia, it was reported, "steps are being taken for the elimina-

tion of the [Onassis oil hauling] contract."

• U. S. Claim—The Justice Dept. seems to be dealing harshly with Onassis, compared with the way it treated other noncitizens who used dummy companies to obtain surplus vessels. In most of the other cases, criminal charges have been dropped, and amicable settlements made. Considering the low market value of the ships today, and the sad state of shipping rates, the U. S. has little to gain from taking back these vessels.

The recovery suit and the size of Washington's cash claim might indicate that the government is upset about the way Onassis has been operating. Where other Greek shippers in trouble have hired public relations men to sweeten their reputation, Onassis has taken a rather cavalier position—talking to the press when he feels like it, dodging it at other times. But more important in Washington, Onassis' deal with the Saudi Arabs has angered and frightened many people.

Arabian American Oil Co. is keeping its mouth shut about its feelings, and so are its owner companies—Jersey Standard, Standard of California, Texas Co. and Socony-Vacuum. But they

can hardly be enthusiastic about a deal that gives Onassis the power to select the carriers. They claim that this contract is contrary to the concession agreement they signed with Saudi Arabia in the 1930s.

• Protest—British and other tanker men who carry Aramco Oil have persuaded their governments to lodge protests with the Arabs on the grounds that this deal is against traditional maritime practices. Aramco and the U. S. State Dept. aren't happy about the part of the agreement that gives Saudi Arabia a fleet of tankers under its own flag, to be owned by the Saudi government and Onassis. Many observers say that if he had had access to transportation of his oil, Mossadegh could have nationalized that country's oil industry without any help from outsiders.

A Saudi Arabian fleet, many feel, can set the stage for a takeover from Aramco. They maintain that the present Saudi government hasn't been scrupulous in other contracts it has made.

The Aramco position has been weakened by Saudi Arabian demands. But many men now think the counter-attack against this Onassis deal is a mistake. Onassis was after it up for some long-term business for ships that are under construction and for those that are sailing under charters soon to expire.

• Bribe Charge—Much of the new tonnage being built on speculation. One version of the story is that a group of German financiers, out to gain economic control of the Middle East, put Onassis up to the deal.

But in Paris, Spyridon Catapodis claims that he had commissioned to negotiate for the tanker operator. Catapodis maintains that he set up the scheme through an elaborate network of negotiations and bribery. Onassis denies that Catapodis ever acted as an agent.

Through this affair, Onassis declares, he has a "put-up" job intended to defame him. The stakes in this case are similar to those with the Saudi deal itself.

Many observers believe that Onassis will back out of the agreement if he can get settlements directly from the Aramco companies. If Aramco decides to get together with both the Saudi government and Onassis, some of the outer bastions of Onassis' empire may start crumbling. It is said that he owes upwards of \$35-million on ship mortgages.

• In Hook—The Peru whaling fiasco may cost Onassis a big hunk of money, too. He has been connected with whaling for a couple of decades. It's a way to turn a high profit fast—you can find enough whales to cover the

\$2-million it takes to outfit an expedition.

Peru, like Chile and Ecuador, has set a 200-mile limit from its coast within which it doesn't want foreign whalers to fish. Its reason for claiming such a wide strip is that coastal villages derive much of their income from whales they catch in small boats. A big fleet fishing in these waters leaves nothing for the locals. Other nations have objected to the Peruvian claim, but they have complied.

Onassis, however, needs the \$5-million or more he can make from the catch, so he sent his fleet to the South American coast. The Peruvian navy grabbed five of his vessels—within the 200-mile limit, it says; Onassis claims it was outside. Whatever the case, when the season opened Dec. 1, the Onassis fleet was still bottled up in Peru.

Meanwhile, in New York, a heavily accented man at Onassis' office who identified himself as "Mr. Brown" said that the boss "has just left the country yesterday."

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