Chapter 1

Introduction

Background of the Study

A number of newly-independent countries of West and Central Africa established national shipping lines in the late 1950s and 1960s as part of economic strategy to create employment, earn foreign exchange, attract technology transfer to their mainly agricultural societies and thereby industrialise their economies. They were also motivated by national pride to show their flags around the world. As at 1980, Nigeria had 27 ships, Ghana, 16 and Cote d'Ivoire 15 in a market which grew to one hundred and twenty ships belonging to 40 African and European carriers, with about sixty belonging to African states.[1] At the same time, six major shipping conferences, namely Continent - West Africa Conference (COWAC), Mediterranean Europe - West Africa Conference (MEWAC), United Kingdom - West Africa Joint Service (UKWAL), Continental Europe - West Africa Lines Conference (CEWAL), America - West Africa Freight Conference (AWAFC) and Far East - West Africa Conference (FEWAC) operated in the sub-region.[2] Their competitors were non-conference lines such as Maersk Line, Transmar, Grimaldi, O T Africa Line, G + C Africa Line, Nile Dutch, Rhein Mass und See (RMS) and Deep Sea Shipping, and they were the major owners of the high-yielding container ships and ro-ro vessels.

Of the 120 ships in use, 29 were general cargo ships, 50 multi-purpose and semi-container ships, 3 were lighters-carriers, 21 were container ships while 17 were roll-on roll-off vessels.[3] The West African fleets were mainly composed of general cargo and multi-

purpose/semi-container ships. The total volume of African maritime trade at the dawn of political independence was small, barely 5% of world total (in 1950) but the freight component of goods prices was the highest in the world at 12.90% as against the global average of 5.24% [4]. This was blamed on the poor maritime and road transport infrastructures in Africa. Moreover, the continent's geographical location at the periphery of the industrial centres of North America, Europe and the Asia Pacific Rim was deemed a logistical disadvantage. Thus, for the new leaders of Africa, the maritime sector was the vantage ground because ocean shipping provided an outlet to the world and a lucrative opportunity to the global market where their exports, predominantly raw materials, could be converted into tangible earnings and potentials for building the modern industrial society they had promised their electorates.

The major focus of this study, that is, Ghana and Nigeria, have various similarities and contrasts. They are multi-ethnic societies, with Ghana having a population of 25.9 million and land mass of 227,540 square kilometers while Nigeria's population is 173.6 million, with a land mass of 910,770 square kilometres, according to the World Bank.[5] During the period covered by this study, they were mainly exporters of agricultural raw materials, forest products and minerals such as cocoa, coffee, palm produce, groundnut, rubber, timber, aluminum, gold, coal, tin and crude oil. Their imports were mainly the manufactures of Europe such as processed food, cement, corrugated iron sheets, bicycles, clothing and textiles, farming implements, salt, sugar, wheat and grains.

The urgency to participate in sea trade was all too evident in the two countries. According to Robert Fiawoo, Ghana's Black Star Line (BSL) was formed so hurriedly that President Kwame Nkrumah's private yacht was the only available training ship for the young nation[6]. Similarly, the Nigerian National Shipping Line (NNSL) was formed even before independence in

1960, following popular clamour by nationalist leaders that a national carrier was a priority for economic wellbeing of the new nation.[7] They were quickly set up in a haste that revealed other motives, such as, mitigating the unfavourable regime of high freight rates, which the dominant European shipping conferences forced on the African markets throughout the pre-colonial and colonial periods when they held sway in the area. (See Table).

Table 1: Comparative Freight Rates Applied in UK/West Africa and Other Trading Areas of the World (1900-1906)

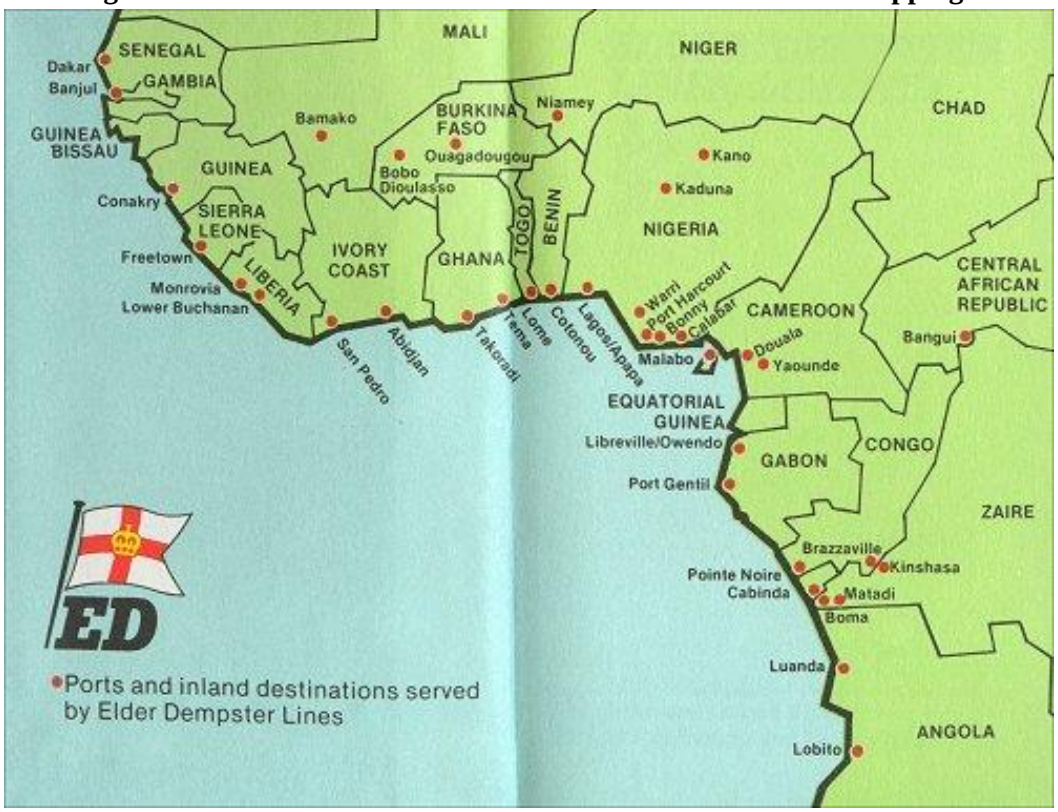
Consignment	Trading Area	Price per ton
Salt	Lagos (West Africa)	20s.0d
	America (USA)	4s.6d
	Calcutta (India)	4s.6d
	South America	11s.3d
	Yokohama (Japan)	15s.0d
Flour	Gold Coast (West Africa (Ghana)	35s.0d
	New York (USA)	7s.6d
Timber	West Africa Port to Mersey side	35s.0d
	United States Port to Mersey side	20s.0d
Cotton	West Africa Port to Mersey side	45s.0d
	United States Port to Mersey side	7s.6d

Source: P. N. Davies, *The Trade Makers: Elder Dempster in West Africa 1872-1972*, (London: George Allen and Unwin, 1973), 154.

Their justification was the steaming distance and the undeveloped nature of port and cargo handling facilities in the region. However, the two countries braced to the challenge. The Convention Peoples Party (CPP) manifesto in 1953 proposed the formation of a Gold Coast Shipping Company and mandated the Gold Coast Cocoa Marketing Board to form it while the Nigerian Produce Marketing Board spear-headed the incorporation of the Nigerian National Line (as the NNSL was initially called), as the major shareholder on behalf of Nigeria.[8]

The pioneer liners in the trade, notably Woermann Line and Elder Dempster, had covered the route for liner shipping since the late 1840s, with stops at wharves, beach heads and surf ports, from Senegal down to the Congo River and destinations in-between. (See map below). This and other factors, such as access to the Atlantic Ocean and the endowment of many inland rivers and lakes encouraged West African countries to form national shipping lines.

Map 1: Showing Ports and Inland Jetties for the West and Central African Shipping Route.



Source: Retrieved from www.elderdempster.org on November 3, 2010.

Moreover, African leaders saw the prosperous business that European lines such as Elder Dempster, Hoegh Line, Woermann Line and Palm Line made out of liner and tramp shipping on the West African route; a business that, by the 1950s, had lasted one hundred years and survived two world wars. Therefore, maritime trade offered opportunities for wealth creation, to check

capital flight and enhance balance of payment, to train their citizens in new skills and for the diversification of the work force, all in a bid to uplift living standards for Africa's rising population, which in 1950 was 178 million.[9] After independence, the nation states came together under a grouping called the Ministerial Committee of West and Central Africa States on Maritime Transport (MINCONMAR) formed in 1975 with the objective of harmonising and modernising the maritime transport policies of member states to achieve regional integration. In 1999, the organisation was reformed and its name was changed to Maritime Organization of West and Central Africa (MOWCA) with headquarters in Ivory Coast.[10]

However, the national carriers soon began to grapple with financial mismanagement, ship maintenance problems, bureaucracy from the supervisory ministries, indiscipline and corruption, among others. They also faced reduced cargo volumes due to the global recession of the 1980s and could not upgrade to modern ships with designs for fuel efficiency and economic speed.[11] The introduction of containerization was another technological game changer, which left the African fleets behind as their general cargo ships had provision for only few containers.

In 1990, following a complaint brought by non-conference members in the Europe-West Africa trade, the European Union imposed fines of ECU5,000; FF105 million and ECU10.1 million in a series of punitive measures against Secretama, the Bollore Group and members of the European Shipowners' Committee respectively, for taking part in bilateral cargo allocation agreements between France and eleven member states of MINCONMAR.[12] These measures, imposed by the might of the EU, sounded the death knell of the United Nations Conference on Trade And Development's 40-40-20 code of conduct for liner conferences, which had hitherto provided the fledgling African carriers a cover from the fierce competition and dominance of European shipping lines. By the mid-1990s, almost all the national carriers were too distressed

to be salvaged. The BSL and the NNSL were liquidated, while the rest became dormant, leaving their national economies exposed, once again, without national tonnage and at the mercy of foreign ship owners.

1.2 Statement of the Problem

West Africa's national shipping lines, such as BSL and NNSL, which were formed in the 1950s for the countries to actualise their dreams of becoming flourishing maritime nations soon became distressed as state-owned enterprises. This was despite the availability of a huge shipping market and the promulgation of favourable laws to create enabling environment for their success. As a result of the failures, the sub-regional economies reverted, in various degrees, to the pre-independence status of net-importers of ocean shipping services, with all the inherent disadvantages, including capital flight, which were injurious to their economies. What factors accounted for the mass failures of these West African national carriers in a market whose fundamentals still supported the trade of their competitors? Why could they not recover from their distress and reclaim their lost grounds as other shipping lines did? These are germane questions this study is looking at.

A school of thought posits that there are peculiarities in the socio-economic set up of African nations, which hinder the long-term success of state-owned enterprises such as those in ocean shipping, coastal and cabotage trades. In addition, some scholars, such as Iheduru, have propounded theories of "late industrialization" and the competition by the traditional maritime nations to explain the difficulties experienced by African and other less developed countries in the quest for maritime development.[13] These perspectives form the context of this study, which examines the factors that were responsible for the liquidation of BSL and NNSL and how best

West Africa can own or control its maritime transport industry and avoid capital flight of about $5b in freight bills.[14]

1.3 Aim and Objectives of the Study

The study is an attempt at tracing the operational activities of the BSL and NNSL at home and overseas and subsequently to compare and contrast their operations with an aim to identify similarities and differences in their problems and adopted solutions. In sum, the study seeks to achieve the following objectives:

1. trace the process of establishment and subsequent operations of the BSL and the NNSL;
2. establish whether there were peculiarities in the socio-economic set up of West African states that hindered the long-term success of state-owned enterprises;
3. identify the operational problems of the BSL and the NNSL and how they were tackled *vis-à-vis* the peculiarities of their national environments and the challenges posed by their competitors;
4. compare and contrast the operational history of the two national carriers with a view to identifying any common trends in their activities; and
5. identify and discuss the prospects of West African states' future maritime development against the background of the analysis of the BSL and the NNSL.

1.4 Significance of the Study

The serial collapse of shipping lines in West Africa during the 1990s appear to be more than a mere coincidence and may signify structural weaknesses inherent in the economies of the new nations. This study, therefore, holds a promise of significant empirical findings in the following ways:

It enriches understanding of the failure of economic nationalism of both countries in the maritime sector for the benefit of development partners and scholars. Furthermore, it gives a glimpse into the roles played in each state by such actors and institutional or social factors such as the civil service, partisan politics, ethnicity or military rule in the performance of SOEs which compete against powerful foreign rivals – a useful aid to policy-makers.

Again, the research will aid a comparison between Nigeria and Ghana and between them and the traditional maritime nations in their ocean shipping experiences in areas such as sensitivity in naming ships after ethnic personalities (in Nigeria) or after rivers and lakes (in Ghana) or demonstrations of Africa's Big-Man syndrome as when "Osagyefo", Kwame Nkrumah, had the entire passenger accommodation aboard *Mv Benya River* "replaced by a special presidential suite, complete with office, entrance hall and illuminated cabinets for the display of ceremonial regalia".[15]

Moreover, the work provides maritime practitioners and the government viable options for participation of West African countries in their sea trade in such a way as to mitigate huge capital flight through high freight bills. Lastly, the study affords a gauge of the improvements in intra-regional trade *vis-à-vis* ECOWAS regional integration policies and MOWCA's objectives of harmonising maritime transport policies.

1.5 Scope and Delimitation of the Study

The study looks at the Nigerian and Ghanaian national shipping lines from 1957 to 1998, corresponding to the dates when the first national shipping line in the sub-region, the BSL, was established and ending around 1998, when the national carriers had been either fully liquidated or substantially managed into receivership. The NNSL was liquidated in 1995 while the completion of BSL's liquidation process was suspended in 1997 when proceeds from the auction

of its assets failed to pay off all the creditors - the rest are still waiting.[16] The scope deals mainly with the national carriers, excluding the indigenous private sector shipping lines.

1.6 Research Questions

This research will seek answers to the following questions:

1. what were the factors that encouraged the formation and operation of the BSL and the NNSL?;
2. to what extent did the peculiar socio-economic set up of West Africa affect the fortunes of the BSL and the NNSL?;
3. what operational problems confronted the new carriers in their bid to break into ocean shipping, especially with regard to competition from European shipping lines?;
4. how do the operational history of the BSL and the NNSL compare and contrast?; and
5. what lessons could be drawn from the analysis of the BSL and the NNSL for the future maritime development of West African states?

1.7 Operational Definition of Terms

- **National carrier** - a shipping line, especially a state-owned shipping line.
- **Armaments** - another name for shipping companies having owned ships.
- **Surf port** - a port where visiting ships must anchor several miles off- shore because of draught restrictions and cargo is handled using smaller surf boats or barges.
- **Coaster** - an agent of the European trading companies in colonial West Africa.
- **Conferences**: trading associations of shipping lines which ply the same routes and maintain uniform freight rates and carrying policies.
- **Liner shipping** - ships that trade from fixed points to fixed points on scheduled frequencies.

- **Tramp shipping -** those ships that are not liner ships but are free to trade wherever they secure shipping contracts.
- **Freight -** goods for commercial transportation as well as the rate charged for the service.
- **Affreightment -** the act of transporting goods by sea.
- **Merchant fleet** – ships owned by any maritime operators for commercial shipping activities.

1.8 Theoretical Framework

Two theories are useful for understanding and analysing the subject matter. They are dependency theory and "the politics of the belly" hypothesis. Dependency theory is said to have been advanced, firstly by Hans Singer and Raul Prebisch in 1949. Other writers such as Samir Amin, Claude Ake, Andre Gunder Frank and Walter Rodney thereafter popularised it in works that focused on the development problems of new nations, including some Marxist perspectives.[17] As a theory, dependency analyses the concept of unequal exchange which arose from a manipulation of global commerce by the industrialised nations. This is typified by the so-called vent-for-surplus theory of Adam Smith where European merchants were implicated as short-changing African and other developing economies by under-paying them for agricultural and forest products. It has, therefore, been used to explain poverty and under-development in African and South American nations and parts of Asia. The theory argued that "…resources flow from a "periphery" of poor and underdeveloped states to a "core" of wealthy states, enriching the latter at the expense of the former….[and] … poor states are impoverished and rich ones enriched by the way poor states are integrated into the "world system."[18]

However, dependency theory was a reaction to the initial Western apologia for the poverty of African and Third World societies called the "modernization theory". The latter

argued that all societies passed through the African and Third World situation of under-development and gradual development, through the processes of investment, technology transfer and closer integration to the production centres of the industrialised nations.[19] Dependency theorists, on the other hand, showed that the continued process of exploitative and unequal exchange in trade impoverished developing societies. They, therefore, called for some levels of protectionism to cushion developing economies from the rampaging competition and domination of global commerce by multinational mega firms from the industrialised countries.

The Marxist perspective dovetailed with dependency theory in that dialectical materialism, a core concept in Marxism, was shown to be operative when capitalism sought foreign outlets through colonialism. Along this line, European capitalists, the bourgeoisie, exported their surplus wealth to the colonies through mercantilism to seek new grounds to exploit the international proletarian base of African farmers, for example, who were charged by colonial task masters to produce ever-increasing quantities of raw materials to satisfy the factories and industries of imperialist Europe.[20]

With regard to the present study, the relationship between the West African states, their former colonial masters, and the rest of the industrialised nations of the world, depicted a sorry state of unequal exchange in goods and services: West African states depended on the West for shipping services, for ships, for shipmasters and managers (at least in the beginning), for ship repairs and dry-docking, for cargo administration and consolidation, and worst of all, in the determination of freight rates. Increasingly, the proceeds from exports of raw materials continued to dwindle while the outflow of foreign exchange to the West continued to increase.

Gwadabe put it succinctly when he identified the "trade in those days from West Africa, [as] basically the carriage of raw materials like timber products, cocoa, peanuts, palm produce,

hides and skins, … which in most cases came back as imports into various West African countries in form of furniture, shoes, margarine, cocoa beverages, etc."[21] The African society was used as a dumping ground as noted by a colonial coaster's log at Grand Bassam, Ivory Coast, that "paid in cash for their produce, the native population spent most of it in the trading stores, purchasing from a comprehensive assortment of manufactured goods which ranged from iron cooking pots to lengths of gaily coloured Lancashire cloth, designed in wide variety expressly for the West African market".[22] The dependency situation was widespread as the African national carriers could not stand on their own but joined the shipping conferences which were later criticized to have maintained two rule books for the allocation of high-freighted cargoes to European lines and low-priced ones to African lines as well as fixing oppressive freight rates.[23]

The other theory that aids an understanding of the present analysis is "the politics of the belly" propounded by Bayart. Using this theory, Bayart analysed the personalisation of the state in Africa by the post-colonial African rulers for private, family and clan/ethnic interests to the disadvantage of the rest of society. It involved the "heads of networks" capturing, accumulating and partially re-distributing the wealth of the nation as well as a "struggle for influence" by using all means at the disposal of public officers to build up "…prestige and authority at the expense of others, in contempt of truth and justice".[24] Accordingly, "Positions won in combat, even if relatively subordinate, permit a minimal accumulation of wealth which can then be redistributed according to the dictates of 'strategies of offering' in order to satisfy and increase one's clientele".[25] Thus, allusions of 'corruption' and 'ethnic conflicts' were nothing more than "politics of the belly" as corroborated by Richard Joseph's study on 'prebendal politics' in Nigeria where it was normal for political parties to boldly promise 'I chop you chop' on their manifestoes.[26]

Bayart added that "the politics of the belly" pervaded the African political process after decolonisation. In Ivory Coast in 1985, for example, poison, invisible forces and the buying up of entire petrol reserves in a constituency were used to deprive one's rivals "for the sake of the simple hope of winning a seat in an Assembly…" [27] In Senegal in 1963, the process of party membership recruitment was commercialised and the membership cards sold far above the printed price so as to establish advantage in favour of particular candidates. He cited similar examples of "the politics of the belly" all over Africa sequel to the post-colonial political jostling for power as also evinced in the writings of novelists such as Chinua Achebe, Wole Soyinka, Ngugi wa Thongio and Leopold Sedar Senghor.

In the end, the African politicians' pursuit of power and influence was consummated in society by the political "heads of networks" such as Presidents, Prime Ministers and Ministers handpicking managers of SOEs, for example, who rode roughshod over company rules and regulations. For example, the Idowu Commission of Inquiry into Ghana's Cocoa Purchasing Company (CPC) in 1956 revealed shocking details of how the Convention Peoples Party (CPP) top shots appointed their cronies into CPC's accounts department who committed fraud with impunity[28] as also happened in Black Star Line where similar malfeasances were committed by public officers who enjoyed the protection of state officials.[29]

The theory could be applied to the situation in the NNSL in 1968 when Nelson Oyesiku, the first Nigerian chief executive of the company, was implicated in undisclosed dealings with the German shipyard that constructed the four River Class vessels, for which he was fired.[30] Moreover, extraordinary demands on the shipyard by Nigerians led to the last ship's delivery being delayed and some accessories not installed as the shipyard sought to recoup "extra-contractual expenses incurred by NNSL managers visiting Germany"[31] The corruption

engendered by “politics of the belly” trickled down the rank and file of the BSL and the NNSL employees. Crew trading, for example, remained a hydra-headed problem that sapped the lines of profits and market confidence while their workers rationalised their nefarious activities by allusion to the Cameroonian proverb that ‘goats eat where they are tethered’.

Even family members of influential public officials featured prominently in asset-stripping of SOEs. For example, from available credible source, when NNSL put five of its ships on the market in 1993, Mrs. Mariam Abacha and her sons leaned on the managing director of the shipping line to sell them the vessels as scraps even though they were worth the tidy sum of over $16m.[32] The managing director, Bob Alfa, later linked his subsequent troubles with the authorities to his refusal to bulge. Thus, although the dependency theory applies suitably to the study, the “politics of the belly” theory seemed to explain more of the socio-economic and political contradictions, which worked against the success and longevity of the two shipping lines.

2. Literature Review.

The participation of African countries in international shipping has enjoyed comparatively scantier mention than other transportation issues in the continent. In fact, Munro argued that "Africa's comparative underdevelopment in maritime economics and technology has found expression in an underdeveloped maritime history."[33] Despite the huge investments by many of her coastal states to buy ships and run shipping lines, studies on West African shipping lines and their operations are few and far between. Nevertheless, as this review of relevant literature indicates, the subject holds steady interest for the traditional maritime nations and international development scholars: for the former, because of their vested interests in market shares in the

region, and the latter, because of the significance of shipping costs for the growth or otherwise of developing nations' economies.

Of the existing literature, we find, firstly, that many European writers have written substantial accounts of the activities of the pioneer shipping lines and traders which had dominated the trade since the mid-19th century. Such writers and their studies included: Hans H. Hermann and Bernt Federau, *Woermann-Linie and West Africa 1849-1974* (1974); Roger Kohn, *Palm Line: The Coming of Age 1949-1970* (1970); P.N. Davies, *The Trade Makers, Elder Dempster in West Africa 1852-1972* (1973); Young T. Rex, *West African Agent, A British Coaster's Anglo-French Log* (1943); and John Goble, *Palm Oil and Small Chop* (2011). These studies, especially the first three, have chronicled in much detail the trade of the "Coast", as they styled West Africa, from the corporate point of view, with renditions of how the lines got involved in the trade, the change that led to the separation of trading from shipping, the goods carried through the years, how they fared during World War I and World War II, how they made the transition from colonial shipping to post-colonial affreightment, the entrance of the new national shipping lines of Africa into the trade and the formation of the conference lines, among other activities. The accounts have proven very useful to furnish background information on the subject.

Young and Goble, especially, documented their personal experiences on the coast. The former gave a blow-by-blow account of the European population of three hundred in Ivory Coast around the mid-1930s and how they carried on the life of ‘a coaster', who he defined as:

> …one whose days are spent in the sweltering heat toil of African commerce, securing many kinds of native produce for European use, and providing, in return, a wide range of manufactured goods for the enrichment of the natives of Africa. [34]

In securing the native produce, as he put it, many Africans were employed and, in fact, by this means, the training of the first Africans in modern seafaring began and culminated in the participation of African national carriers in ocean shipping.[35]

Goble, in *Palm Oil and Small Chop*, recounted his days on board many vessels trading to West Africa, including the NNSL. His portrayal of work experience alongside Nigerians was less than flattering for all the misdemeanors, which he listed: crew trading; lethargy and indiscipline of sea staff and unwarranted delays at Nigerian ports by crews who had vested interests in staying longer in port for various personal reasons; a run on the ships' stores whenever they were in Nigerian ports by 'Big Men' from ashore; using the ships to serve the private cargo interests of influential Nigerians; unpaid salaries, among others.[36] Relying on his personal observations of port conditions in West Africa, especially the chaotic Nigerian port congestion of the 1970s, Goble concluded that Africa's leaders had wasted the years of political independence and caused disenchantment amongst the populace across the continent. Thus, while some of these writers make references to the formation and certain operational aspects of the BSL and the NNSL, their accounts are, compared to the present study, a little more than mere travelogues, which, though based mainly on personal observations, even if true or factual, left much gaps in chronology and details.

The next category of relevant writers on the subject is scholars whose studies were products of rigorous research, such as Ayodeji Olukoju, Charlotte Leubuscher, Okechukwu C. Iheduru and Robert G. Greenhill. Olukoju penned some of the most incisive analysis of the colonial and post-colonial history of maritime transport in Nigeria and its linkages with other significant countries such as Japan and the United States of America. Such studies include: "A 'Truly Nigerian Project?' The Politics of the Establishment of the Nigerian National Shipping

Line (NNSL), 1957-1959" (2003); "The Making of An "Expensive Port:" Shipping Lines, Government and Port Tariffs in Lagos, 1917-1949" (1994); "The Maritime Trade of Lagos during the First World War" (1996); *The Liverpool of West Africa: The Dynamics and Impact of Maritime Trade in Lagos, 1900-1950,* and "Economic Nationalism and Decolonization: West Africa in Comparative Perspective".

Tracing the cacophonous ethnic politics of the 1950s and 1960s, Olukoju, in "A 'Truly Nigerian Project?' The Politics of the Establishment of the Nigerian National Shipping Line (NNSL), 1957-1959", distilled the various arguments, moves and interests of politicians from the Northern, Eastern and Western Regions, on the one hand, and the international choice of technical partners and incorporation of a £2 million company, on the other, which eventuated in the formation of the NNSL. In ″The Making of An Expensive Port: Shipping Lines, Government and Port Tariffs in Lagos, 1917-1949″, he followed up with a discussion of the huge financial outlays by the colonial government, which transformed the navigational and harbour facilities of the Lagos ports system to an effective state but ended up hiking port charges to the status of the "…most expensive port in the world" (as argued by the shipping lines), to which the "…Nigerian treasurer replied that: Harbours cost money…"[37] In these studies, one could see the outlines of a developing maritime industry whose operational antecedents were cast in colonial policies and verbiage that affected the fortunes of the NNSL and other indigenous carriers in the postcolonial dispensation.

In "Economic Nationalism and Decolonization: West Africa in Comparative Perspective", Olukoju dwelt on the same theme with Greenhill whose study on "Economic Nationalism in the Developing World: The Case of Maritime Transport after World War II" (2006) looked at the participation of the state in shipping business in South Korea, China, Sri Lanka and the West

African countries. While Olukoju focused on the subject from the perspective of West Africa's decolonisation efforts and how the groundswell of dissatisfaction with the *status quo* led to the formation of state-owned shipping lines, Greenhill summarised the skewed success of all such efforts, which had to require direct governmental intervention in the marketplace to prop up what, ordinarily, should be *laissez faire* commercial activities. Over all, Olukoju's prolific writings proved to be reliable reference points for the present study because of the hugely tangible scholarly merits and attention to detail. However, his studies covered the beginnings of the era of indigenous ocean shipping in Nigeria whereas the present study looks at the complete history of the BSL and the NNSL in Ghana and Nigeria.

Leubuscher in *The West African Shipping Trade, 1909-1959* (1963) also took up the theme of *laissez faire* economics, especially how limitations were placed against free trade in West African shipping by the entrenched hegemony of mainly Western European shipping lines and the shipping conferences whose activities hedged the growth and success of the BSL and the NNSL, in particular. This helped the study by revealing the international tactics of European shipping lines in their competition with the newly formed West African shipping lines.

For his part, Iheduru in *The Political Economy of International Shipping in Developing Countries* (1996) also discussed the shipping conferences but cast the scenario in the mould of a life-and-death struggle by developing maritime nations (DMNs) to find a foothold in sea trade as against the fierce competition and dominance by the traditional maritime nations (TMNs).[38] He described the intervention by the United Nations to help the former via the UNCTAD Code of Conduct for Liner Conferences against the background of an unfavourable skew in the ownership and control of world shipping tonnage whereby in 1970, the TMNs controlled 83% of world maritime fleet while the DMNs owned only 6.7%, with African countries' fleet at just

0.8% in a global market where Africa generated 60% of the total cargo.[39] Nevertheless, his case studies of the success of some Asian national carriers and the complete failure of their West African counterparts, highlighted the rarity of the Singaporean and South Korean models for breaking the glass ceiling of hegemony in international shipping. The failure of the West African model, for instance, was attributed to “"late industrialization," technological changes, the distribution of power in world shipping, competing nationalism, and the “state-society interaction” in the policy process.[40]

Kingsley E. Usoh in *Freight Charges in West and Central Africa Liner Conference Trade* (2003) dwelt mainly on the arbitrary hikes in freight charges and the extraordinarily high freight rates imposed on the West African market by the European shipping lines since the later part of the 19th century. Grievances and petitions surrounding this experience spurred the setting up of the Royal Commission on Shipping Rings in 1909. In *The Politics of Shipping and The Nigerian Economy (2008)*, Usoh averred that "The culture of bullying the weak in international trade, politics and shipping is a historical fact", which the creation of the UNCTAD in 1964 went a long way to redress, and noted that "…[i]t was not until the UNCTAD guided her and the other developing nations on the subject that Nigeria promulgated the first Nigerian Shipping Policy…"[41] Iheduru and Usoh analysed the historical struggles by developing maritime nations (DMNs) against high freight rates and how international politics affected the outcomes, as shown below.

However, despite Iheduru’s high merits in a well-researched topic with global case studies, the author's attribution of a concerted push by the South in the 1970s, via New International Economic Order (NIEO) and New International Maritime Order (NIMO), to upstage the North's dominance of world shipping carriage seems unsupported by the facts in

West Africa. The West African lines still belonged to all the conference lines and worked hand in hand with them to uphold and secure their cargo rights via bilateral agreements despite the perceived partiality in cargo allocations in favour of European lines.

Other relevant literature on the subject include Peter Newall's "The Rise and Fall of Black Star Line"[42] and Andrew Huckett's "Nigerian National Shipping Line. Part 1 and Part 2".[43] They share a commonality of perspective with some other studies on both shipping lines which tried to account for their mid-life crises and events that led to their liquidation. In 1992, the World Bank and MINCONMAR organised a West and Central African shipping round table conference where thirteen papers were presented, including "Macro-economic Impacts of Maritime Transport on African Economies", "Structural Evolution of Maritime Transport", and "Maritime Transport Policy".[44] The authors examined the performances of the national shipping lines of the sub-regions against the background of constraints that hindered their successful development. Their analyses were apt and backed by large volumes of operational data, which were useful to this study.

Another category of literature on the subject is the study of participant observers, mainly chief executives and employees of the BSL and the NNSL, whose writings provided insight into the daily workings at the companies and how they coped with governmental interventions. Lawan Gwadabe in "Shipping in Nigeria, Past, Present and Future Trends", canvassed more governmental support for NNSL and pushed for its ships to lift crude oil, "…knowing fully (*sic*) well that 100 ships may not be enough to cover Nigeria's 40 per cent of sea-borne trade…"[45]. Seth Kugblenu, in "Ghana Seafaring Industries",[46] blamed the poor fortunes of the national carrier on the takeover of the company by unqualified hands appointed by the government, while Gerald Chidi's "Nigerian National Shipping Line Ltd - The Beginning and the End",[47] argued

that the lack of profitability or longevity by the shipping line was entrenched due to other objectives, which ruling governments forced upon the management of the carrier. Other insightful studies along this line include: James Tachie-Menson, "The Black Star Line of Ghana from 1957 to 1997", [48] Isiaku A.R. Ahutu, "Demise of Nigerian National Shipping Line: Implications for the National Economy"[49] and "Survey into the Problems of the Nigerian Shipping Lines, Final Report".[50] These studies furnished operational data, information and technical details, which are useful in the present study. However, none has the comparative analytical stance or the wider scope of the present study which looks at how the carriers managed the totality of their endowments, political and financial, and other common comparable resources found in their socio-political and maritime environments.

3. Methodology.

This study adopted the comparative historical methodology, which is exploratory, analytical and issue-based. It involved the collection of relevant primary and secondary data, analysed and interpreted against the background of the economic, political and geographical dimensions of the subject matter. The primary sources included oral information (structured interviews) and archival materials, official and company documents, books and logs from private holdings as well as conference materials. The methodology compared the various aspects of the operations of the shipping lines' such as manpower training and utilisation, operational and traffic management, ship acquisition and maintenance and administrative procedures, among others.

Between May 24 and May 27, 2013, at Liverpool, where the BSL and the NNSL maintained operational offices throughout their existence, the author interviewed Nicholas White of Liverpool John Moore University and Rev. Ian Morris, a researcher, as people who have

research interest in the area and background information about the carriers and their competitors, Elder Dempster and Palm Line. The research at the Maritime Archives and Library of Merseyside Maritime Museum, Liverpool, provided information on the early operations of the BSL and the NNSL and how the West Africa Line Conference organised its activities. At the School of Oriental and African Studies in London, the author was availed of records of the incorporation of the NNSL, the joint venture between the BSL and Zim Navigation of Haifa, Israel and their initial operational activities as published in *West Africa* magazine.

Other interviews conducted in Lagos, Accra and Tema between February 15, 2011 and June 10, 2014 included three former managing directors of the NNSL (Mr. E.A. Adeniyi, Mr. Gerald Chidi and Engr. Bob Alfa); one former managing director of the BSL (Engr Seth Kugblenu), many former master mariners, chief engineers and officers of both carriers, the two liquidators of both companies, Mr. George Bekia (BSL) and Capt Cosmas Niagwan (NNSL), and many former top officials and ex-employees of both shipping lines.

The information and data available to us provided a broad multidisciplinary basis for analysing, interpreting and presenting the findings as comparable variables in West African shipping. The secondary sources of information included library research in books, dissertations, reports by international organisations, newspaper reports, journal articles and magazines. Libraries and archives used include University of Lagos Library, the Nigerian Institute of International Affairs, University of Legon Library and Public Records and Archives Administration Department, Ghana.

Notes

1. J. Youmba, "Shipping Services' Supply and Demand in West and Central African States" (paper presented at a roundtable conference on Shipping Services in Western and Central African Countries, Cotonou Benin, 23-26 June 1992), 111.

2. Continent West Africa Conference (COWAC) was divided into North and South and had 33 shipping lines made up of 12 African and 21 European members; MEWAC had 22 shipping lines of which 11 were African and 11 European members; UKWAL comprised 11 shipping lines, seven were African and four were European; CEWAL was made up of eight shipping lines, two African and six European; AWAFC had seven members, three African and four European; and FEWAC had nine shipping lines, four African, three Japanese and two European.

3. J. Youmba, "Shipping Services' Supply and Demand", 111. See also Elder Dempster's "Minutes of Monday Meetings", 30 September – 4 November, 1957, 43, Liverpool Maritime Museum Archive, UK.

4. See 1990 UNCTAD Report on International Trade and Development, quoted in K. Lharbi, "External Trade and Maritime Transport in MINCONMAR Economies", (paper presented at a roundtable conference on Shipping Services in Western and Central African Countries, Cotonou Benin, 23-26 June 1992), 75.

5. Nigeria is estimated to have more than 300 ethnic groups while Ghana is made up of not less than fifteen ethnic groups. For more information on their political evolution, see F.D. Lugard, *The Rise of Our East African Empire* (Edinburgh: np, 1983), I.585-587, II.69-75; Lady Lugard, *A Tropical Dependency* (London: Frank Cass & Co. Ltd., 1964), 14-23; W.E.F. Ward, *A History of Ghana* (London: George Allen and Unwin Ltd, 1958), 309. For more on the population and land area of Ghana and Nigeria, see "Ghana: Country at a Glance" and "Nigeria: Country at a Glance" retrieved from http://www.worldbank.org/en/country/ghana and http://www.worldbank.org/en/country/nigeria respectively on 17 June 2015.

6. Oral interview with Capt Robert K. Fiawoo, aged 68, retired sailor, Tema, Ghana, 31 October, 2012. For more details of BSL's early operations, see Middle East Record, Vol. 1-5, 1960-70, NB 956/161442, SOAS Library, London.

7. Ayodeji Olukoju, "A 'Truly Nigerian Project?' The Politics of the Establishment

of the Nigerian National Shipping Line (NNSL) 1957-1959, *International Journal of Maritime History* 15, no. 1 (June 2003): 69-90.

8. James Tachie-Menson, "The Black Star Line of Ghana from 1957 to 1997", (M.A. dissertation, University of Ghana, 2007), 14; see also Andrew Huckett, "Nigerian National Shipping Line. Part 1", *Ships in Focus Record* 41, November 2008, 20.

9. M. Huchet, "Economic Parameters of Shipping Services Between Europe and West and Central African States" (paper presented at a roundtable conference on Shipping Services in Western and Central African Countries, Cotonou Benin, 23-26 June 1992), 147.

10. For more information on MOWCA, see "Maritime Organisation for West and Central Africa (MOWCA)" retrieved from http://www.amssa.net/framework/ mowca.aspx on 17 June 2015.

11. Franck Vioules, "Structural Developments in Maritime Transport" (paper presented at a roundtable conference on Shipping Services in Western and Central African Countries, Cotonou Benin, 23-26 June 1992), 243.

12. Kingsley E. Usoh, *The Politics of Shipping and the Nigerian Economy* (Lagos: Tollbrook Publishers, 2008), 235.

13. Okechukwu C Iheduru, *The Political Economy of International Shipping in Developing Countries* (Newark: University of Delaware, 1996), 44. See also G.B. Kay, *The Political Economy of Colonialism in Ghana: A Collection of Documents and Statistics 1900-1960*, (Cambridge: Cambridge University Press) 1972, 342.

14. Crusoe Osagie, "NEXIM, FEWACCI to End Europe's Control of African Shipping", retrieved from www.thisdaylive.com/articles/nexim-fewacci-to-end-europe's-control-of-african-shipping/ 143435/ on 30 March, 2013.

15. Peter Nevall, "The Rise and Fall of Black Star Line", *Ships in Focus Record* 38, (2007): 94.

16. Interview with George Bekai, aged 47, legal practitioner, Tema, 2 November, 2012.

17. Vincent Ferraro, "Dependency Theory – An Introduction" in *The Development Economics Reader*, ed. Giorgio Secondi, London: Routledge, 2008, 58-64 retrieved from https://www. mtholyoke.edu/acad/intrel/depend.htm on 1 October, 2014.

18. Ibid.

19. Ibid.

20. Rick Kuhn, “Henryk Grossman: Capitalist Expansion and Imperialism”, *International Socialist Review* Issue 56, November–December 2007, retrieved from http://www.isreview.org/issues/56/feat-grossman.shtml on 18 June 2015.

21. L. Gwadabe, "Shipping in Nigeria, Past, Present and Future Trends" in Ola Adegbeyeni and O.J. Rapu, (eds.) *Transport and National Development in Nigeria* (Lagos: Federal Ministry of Transport, 1990), 324.

22. T. Rex Young, *West African Agent, A British Coaster's Anglo-French Log* (London: Heath Cranton Ltd, 1942), 9.

23. Minutes of the 44th Meeting of the Board of Directors of the Nigerian National Shipping Line Limited Held at Development House, 21 Wharf Road, Apapa on Friday 1st May 1970 at 11 A.M., p.3; see also Patrick Sanwo, “Shipping Lines Impose 30% Surcharge”, *Daily Times*, 14 November, 1974, 1; “Surcharge Bid Shelved”, *Daily Times*, 25 April, 1970, 1.

24. Jean-Francois Bayart, *The State in Africa: The Politics of The Belly* (London and New York: Addison Wesley Longman Limited), 1993, 228.

25. Ibid, 232.

26. Ibid, 235; see also Richard A. Joseph, *Democracy and Prebendal politics in Nigeria, The rise and fall of the Second Republic* (Cambridge: Cambridge University Press), 1991, 52.

27. Ibid, 231.

28. Report of the Commission of Enquiry into the Affairs of the Cocoa Purchasing Company Ltd, Public Records and Archives Administration Department, Accra, ADM.5/3/102 – 1956, 16.

29. Report of the Committee of Inquiry into the General Administration and Operations of the Black Star Line (1970-78), Public Records and Archives Administration Department, Accra, RG8/2/536/1979-1979, 23, 24, 28, 29.

30. Minutes of the 40th Meeting of the Board of Directors of the Nigerian National Shipping Line Limited Held at Development House, 21 Wharf Road, Apapa on

Friday 12 August, 1969 at 10 A.M, 12.

31. Andrew Huckett, “Nigerian National Shipping Line Part 2”, *Ships in Focus Record* 42, March 2009, 95.

32. Interview with Engr Bob Alfa, aged 63, NNSL retiree, Lagos, October 2012.

33. Quoted in Iheduru, *The Political Economy of International Shipping*, 32.

34. Young, *West African Agent*, 9.

35. This was started by Elder Dempster Line in various West African countries in the early 1950s when it controlled a very large sphere of the sea trade of the region. According to Dr. Nicholas White, much controversy trailed its activities. Interview of Dr. Nicholas White, aged 46, lecturer, Liverpool, 23 June, 2013; interview of Rev. Ian Morris, aged 62, researcher, Liverpool, 23 June, 2013.

36. John Goble, *Palm Oil and Small Chop* (Caithness: Whittles Publishing, 2011), 131.

37. Ayodeji Olukoju, "The Making of an "Expensive Port:" Shipping Lines, Government and Port Tariffs in Lagos, 1917-1949" in *International Journal of Maritime History* 6, no.1 (June 1994): 141-159.

38. Iheduru, *The Political Economy of International Shipping*, 44.

39. Ibid., 22.

40. Ibid., 33.

41. Usoh, *The Politics of Shipping and The Nigerian Economy*, 3,8,9.

42. Peter Newall, "The Rise and Fall of Black Star Line", *Ships in Focus Record* 38, November 2007, 93.

43. Huckett, "Nigerian National Shipping Line", 20.

44. They include many papers presented at a MINCONMAR and World Bank-organized round table conference on "Shipping Services in Western and Central African Countries" at Cotonou, Benin Republic from 23-26 June 1992, some of which have been referenced. Others include Olivier Hautin, "Impact of Bulk Maritime Transport on West African Economies"; Honore Paelinck, "Structural Development of Maritime Transports"; Ben Owusu-Mensah, "Structural

Development f Maritime Transports and its Effects on Shipping Services on the West African Coast - The African Point of View" and Dimitri Petropoulos "EC Shipping Policy and Trade with West Africa".

45. L. Gwadabe, “Shipping in Nigeria, Past, Present and Future Trends". Colonel Gwadabe was the managing director of NNSL from 1985 to 1987.

46. Seth Kugblenu, "Ghana Seafaring Industries", unpublished work in author’s possession. Kugblenu was managing director of BSL from 1983-1987 and submitted this document to the Ghana Government as a way forward for Ghana's Black Star Line, Shipyard and Dry-dock Service and her fishing industry.

47. Gerald N. Chidi, "Nigerian National Shipping Line Ltd - The Beginning and the End", unpublished work in author’s possession. Mr Chidi was managing director of NNSL from 1990 to 1992.

48. James Tachie-Menson, "The Black Star Line of Ghana from 1957 to 1997". See also T.E. Anin, *Essays on the Political Economy of Ghana* (Accra: Selwyn Publishers Ltd), 1991, 148; E.Gyimah-Boadi, “State Enterprises Divestiture: Recent Ghanaian Experiences” in Donald Rothchild (ed.) *Ghana: The Political Economy of Recovery* (Bouder: Lynne Rienner Publishers), 1991, 194-197.

49. Isiaku A.R. Ahutu, "Demise of Nigerian National Shipping Line: Implications for the National Economy", an unpublished paper, in author’s possession.

50. See "Survey into the Problems of the Nigerian Shipping Lines, Final Report" (a report submitted by Ogar Consults to the National Maritime Authority, Lagos, 1 August 2000).

Chapter 2

Shipping Trade in West Africa during Pre-Colonial and Colonial Times

Introduction

For more than five hundred years from the thirteenth century, the shipping trade in West Africa was based mainly on the carriage of gold, slaves, and, latterly, palm produce. Genoese sailors, as far back as the 1270s, had sailed to the West African coast and reached the Canary Islands, among other endeavours. The Portuguese, however, later pioneered a more successful trading venture, which they dominated for over two hundred years before being overtaken by other Europeans, notably the Danes, the English, the French and the Germans.[1]

Although gold, slaves and palm produce were the major exports from West Africa up to the 19th century, other goods such as peppers, ivory and gum Arabic were constantly being sold to Europeans in addition to ivory spoons, horns, saltcellars, woven mats from Senegambia, and African textiles, said to be coveted by European consumers.[2] The technological disparity between the two societies was obvious in the stock-in-trade, which European traders brought to the market, namely cotton prints, beads, silk, linen, swords, razors, mirrors, needles, guns and alcohol. The West African market at this early period, on land and at sea, was populated by traders who operated within the geographical limitations. The trade from the north, across the Sahara Desert, was with Arabs, who acted as middlemen for goods from North Africa and Mediterranean Europe. The other trade link was with Europeans who came across the sea, via the Atlantic Ocean. It is the Atlantic pre-colonial and colonial shipping trade that we are concerned with in this chapter.

Pre-colonial Shipping Trade in West Africa

The initial Portuguese foray south west of the Atlantic Ocean was prompted by certain factors, namely, to sidestep the Muslim merchants who were the middlemen for the trade in North Africa; to contact the Negroes of West Africa and clinch the source of much-needed gold and gold dust, which had been proven to be in the region; and, strategically, to convert West Africans to Christianity and make them allies against Islamic expansionism from North Africa. The voyages, championed by Prince Henry of Portugal (popularly called Henry the Navigator), gained royal support in the additional hope of finding the legendary priest-king, Prester John, whom Europeans had believed reigned in a rich and powerful empire somewhere in the African interior. His acquaintance and possible support was deemed strategic to rout the Muslims of North Africa.[3] All that resulted, however, was more Portuguese trade, especially in slaves. Prester John was not found; neither did evangelism flourish during the era. Quite significantly, the emergent European trade with West Africa permanently overshadowed the trans-Saharan trade. It was maritime in nature and fully dominated by the Europeans who established an exploitative commercial relationship with the Africans, lasting many centuries.

European monopoly of the shipping trade of pre-colonial West Africa inhered from their exclusive mastery of ocean navigation. Although their trading relations with North Africa, and indirectly with West Africa across the Sahara Desert, was evident as far back as the eight century, Fage argued that for the peoples of West Africa's coastlands, the forest was "a barrier to the penetration of foreign traders…the coastal peoples produced little other than what was needed to satisfy their…simple requirements".[4] Thus, West African coastal peoples had little or no deep-sea navigation experience. Conversely, European explorers, sailors and traders had, for centuries, been navigating the Eastern Mediterranean and the Black Sea in search of "spices,

sugar, silk, precious stones, ivory and other rare commodities, which Europe did not produce itself"[5], a maritime trading experience they eventually put to good use in the Atlantic trade. In fact, by the 1700s, when the slave trade was in full swing, the wind-filled masts of a sailing boat at sea had become a recognisable icon of European power and prosperity. It bridged the gap between demand and supply of slave labour from Africa to plantations in the Americas. It was the conveyor of plantation-produced luxuries for European consumers such as sugar, rum and coffee from the Caribbean; tobacco from Virginia and Maryland; rice, indigo and naval stores from South Carolina; and mahogany from Jamaica and Central America, all produced through slave labour.[6]

Chronologically, the trade in slaves superseded that of gold and gold dust but both were maritime in nature. Slave trade lasted nearly four hundred years and was abolished in the early 1800s after an estimated thirty-five million people from Africa had been sold into bondage in North and South America and the Caribbean Islands, with countless others killed and maimed during slave raids in the African hinterland.[7] This inglorious business occupies a prominent place in the annals of shipping history and European sea traders were the major carriers of the era. The economy of the Atlantic slave trade was such that the plantation produce of the Americas were shipped to the distilleries, refineries and factories of Europe and North America for further processing or consumption in much the same way that the colonists of Africa two hundred years later exploited her natural resources and raw materials for the benefit of Europe's manufacturing sectors. Shipping across the Atlantic Ocean was a common denominator of these trading eras in West Africa. The produce were shipped in barrels, hogsheads, sacks or bales while slave ships were also constantly re-designed to keep abreast of challenges of the trade.

However, the transport of slaves was entirely scandalous and beyond the pale of human

treatment. It was called the Triangular Trade because of its connection with the three continents of Africa, the Americas and Europe to make a round voyage. Slaves were loaded in West African slave ports bound for the Americas. With the proceeds of slaves, the merchants purchased molasses, cotton, tobacco or other commodities produced by slaves in the plantations. Thereafter, they sailed to various European ports to supply the factories of Britain and mainland Europe the raw materials needed to fuel their textile mills, sugar factories and other machinery churning the wheels of the Industrial Revolution. The six- to eight-week voyage from Africa to the New World, called the Middle Passage, became notorious for its inhuman conditions described as one of the worst stages of the entire slave trade era.

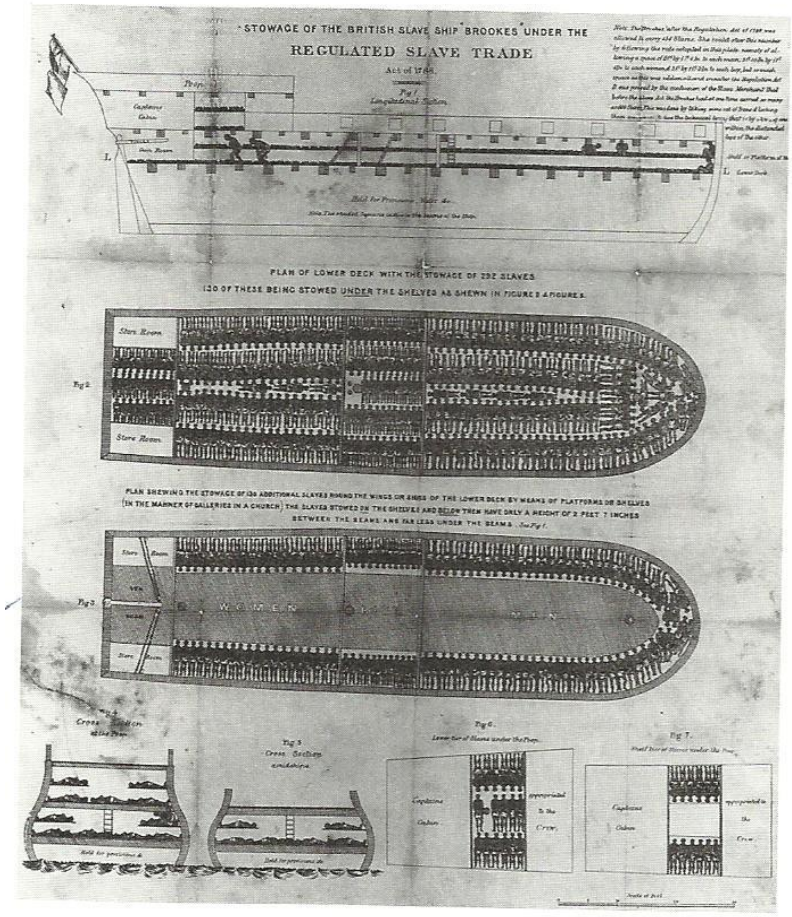
> Slaves were locked in irons…to the lower deck, binding fifty or sixty men to the ship and to one another…when the doctor ventured below deck to attend to the sick, he was forced to step on chained bodies, as slaves covered the entire floor. He reported that the slaves were fed "chiefly of horse beans, boiled to the consistency of a pulp; of boiled yams and rice, and sometimes of a small quantity of beef and pork." Depending on the weather, twice a day… slaves were allowed above decks for food and exercise. Even so, mortality rates were generally about 15 per cent and could range as high as one-third of the slaves during the Middle Passage.[8]

Just as modern maritime trade is an organised industry with many stakeholders and service providers, the slave trade was also organised around established companies and accepted procedures among the traders. Prominent bankers, insurers, politicians and even the royal houses of Europe became involved in the slave trade at various times during its era. Some of the well-known state-sponsored slave traders include the Dutch East India Company, Royal Africa Company of Britain, the English royal family, two mayors of Liverpool and a host of other European national corporations.[9] In Africa, slaves were procured by the chiefs and hawked by their middlemen to European slavers based at the coasts.

The crews of slave ships, some of who were blacks at the later end of the trade, were described as "only the roughest and most desperate [of] men" and "during the century before

abolition in 1807 about a third of a million sailors worked on British slave ships".[10] This was the only era in the history of maritime trade when the cargo was human, unwilling, angry, mostly chained and with the likeliest tendency to rebel, kill the crew or commit suicide at any available opportunity during the sea voyage. (See Figure 2.0 for the stowage plan of a typical British slave ship.) From available evidence, "There were revolts on one in ten transatlantic slave voyages,

Figure 2.0: The Stowage Plan of the British Slave Ship Brookes



The deck plan of the British slave ship Brookes *illustrates the inhuman method of transporting slaves, effectively making them human cargo. This broadside, published by the British Abolitionist Society in 1789, was a highly effective propaganda tool for the antislavery movement.*

Source: James Oliver Horton and Lois E. Horton, *Slavery and the Making of America* (Oxford: University Press, 2005), 25.

mostly while the ship was still close to the African coast".[11] The same ships that conveyed slaves to the Americas and shipped luxuries to European consumers were subsequently loaded at European ports with manufactured goods, namely, "metal goods from Birmingham and Sheffield, textiles from Lancashire, equipment, firearms and …French wines and brandies", bound for Africa.[12] Many sources concur that the slave trade prospered Europe's major ports beyond anything they had experienced, either previously or till date.[13]

The most prominent slave trade ports in Europe and the Americas were London, Bristol and Liverpool in the UK; Nantes and Bordeaux in France; Newport (Rhode Island) USA; and Rio de Janeiro, Brazil. African slave ports, on the other hand, although the primary points of departure for millions of transatlantic slaves, were not highly reckoned with because they were not really developed harbours. This forced the slave ships to spend months "plying up and down the African coast…slowly filling with Africans" who were bartered for the various goods imported from Europe.[14] A picture of sea trade on the Gambia river during the early 1700s was painted by Mungo Park who travelled through the area during 1895 and 1896. The account showed the sparseness of ship calls to that part of West Africa at this time: only two or three ships a year from England, with few French and Danish ships and US experimental vessels, unlike the busier commerce taking place further down the Atlantic shoreline. He added that the earliest European establishment on the Gambia river was a Portuguese factory although they were succeeded by the Dutch, French and English who dominated the location. However, these were mainly trading concerns, which consolidated trade goods and posed as general agents for managing the trade in slaves and other articles.[15]

Their trading stations were outfitted with full complements of officers, staff and resources

for service provision. As at 1730, for example, the Royal African Company had a "James Factory", which consisted of "a governor, deputy governor, two other principal officers, eight factors, 13 writers, twenty inferior attendants and tradesmen, a company of soldiers and 32 Negro servants besides shops, shallops, and boats with their crews, and there were no less than 8 subordinate factories in other parts of the river".[16] European exports to the Gambia were chiefly firearms, and ammunition, iron-ware, spirituous liquors, tobacco, cotton caps, a small quantity of broad cloth and a few manufactured goods from Manchester, glass beads, amber, and other trifles for which are taken in exchange slaves, gold dust, ivory, bees wax and hides.[17] Despite the flourish in the slave trade in some other parts of the sub-region, the maritime trade here appeared much smaller being dependent on the infrequent availability of ships for slaves, passengers and other cargoes.

As Park, who was anxious to return to England after his hazardous trek through the African interior, reported:

> No European vessel has arrived Gambia for many months previous to my return from the interior, and as the rainy season was now setting in I persuaded Karfa to return to his people at Jindey….[A]s I had little hopes of being able to quit Africa for the remainder of the year…I was luckily disappointed…for on the 15th [of June] the ship Charleston, an American vessel, commanded by Mr Charles Harris, entered the river. She came for slaves, intending to touch at Goree to fill up, and to proceed from thence to South Carolina. As the European merchants on the Gambia had at this time a great many slaves on hand, they agreed with the captain to purchase the whole of his cargo, consisting chiefly of rum and tobacco, and deliver him slaves to the amount in the course of two days…[18]

By this fortunate, if circuitous route, Park returned to England via South Carolina depicting the largely haphazard and unpredictable nature of shipping services in some parts of West Africa at this period. Another traveler in 1889, W.K. Findlay, an employee of McIvers who later worked for Lever Brothers in Nigeria and the Niger Company, was reported to have waited for ten days in Accra for the steamer connection to Nigeria.[19]

On the other hand, other ports such as Bonny, Calabar and Badagry in Nigeria, Cape

Coast in Ghana, Whydah in Dahomey, and Luanda in Angola were all known to be major flourishing slave ports. But in place of European-style ports and wharves, the traders established forts in West Africa where their governors and representatives lived and where merchandise were stored or slaves detained till ships were available for their transportation. An example of this was the famous Elmina Castle built by the Portuguese in the Gold Coast in 1481. By the time the slave trade was in full swing, more than fifty forts were established between the Senegal River and Angola.[20]

However, despite the assumptions that Europeans played the totality of roles in the shipment of slaves to the Americas, some Africans participated in the latter-day shipping trade of this era. Afro-Brazilian ex-slaves established a maritime connection between Bahia, Lagos and Dahomey during the 19th century. According to Uya, ex-slaves such as Antonio da Costa and Joao Monterio took part in the trans-Atlantic trade by "chartering the British ship, *Nimrod*, to transport an estimated 160 ex-slaves to West Africa in the wake of the repressions that followed the 1835 revolt in Bahia".[21] This was a period when emancipation of slaves was gaining global acceptance following the massive abolitionist agitations and the return of ex-slaves to Africa was becoming fashionable. Asides from the passenger service, the imports on this route were tobacco, sugar and salted-beef from Brazil while exports included palm oil, kola nuts, drums, cloth, pepper and beads from West Africa. It is likely that the returnee ex-slaves who brought many technical skills as carpenters, textile workers, shoemakers, tailors, seamstresses and petty traders later impacted the maritime trade of the coast also as expert canoe-men who gave rise to the famous 'Krooboys' of Sierra Leone,[22] the indispensable stevedores at West Africa's surf ports during the succeeding era of legitimate trade.

Otherwise, the dominance of European shipowners and mariners during the slave trade

was undisputed. A typical 1750 slave ship such as John Newton's the *Duke of Argyle* (140 tons) carried 161 slaves, whereas the 297-ton Liverpool vessel, *Brookes*, infamous for carrying 609 Africans in contravention of the Regulated Slave Trade Act of 1788, loaded them in such a way that the slaves had only enough spaces to lie on their sides as, on such vessels, the "carpenters rigged up extra shelving below decks" to utilise the most space.[23] As more and more nations entered the trade, more and more ships were in demand. Liverpool shipbuilders constructed four hundred and sixty-nine slave ships during the last twenty years before its abolition in 1807, with ship sizes rising to 600 tons and designed to carry more Africans per ship and for speedier crossings; an estimated 40,000 slave voyages were made.[24] Most slave ships had surgeons on board. When slavery had attained its heyday in the Americas and Europe, some blacks were recruited in seafaring jobs and in ports, quaysides, harbours and jetties. They were engaged in various ancillary industries as drivers, riders, draymen or wagoners who, together, managed the loading of produce into foreign-going ships or unloading of slave ships when they called into port.

Again, as with modern shipping administrative services which are provided by today's ships agents, the slave ship owners and European merchants had agents and middlemen too, who, according to Horton and Horton, "negotiated the vast cultural differences" between the slavers and the African chiefs and noble men. These were "a mixed race people originally from Cape Verde … where the Portuguese had established sugar plantations in the fifteenth century".[25] They were called Creoles and the European traders employed hundreds of them as soldiers and trading officials in the forts. One Creole, Jao Oliviera, an Afro-Brazilian ex-slave born in Bahia, not only returned to Africa to become a slave merchant for 50 years but also founded slave ports in Porto Novo and Lagos in 1752.[26] However, he was later jailed after convicting him of having

imported contraband goods with slaves into Brazil. He later died in prison. In fact, Ryder argued that the capital, ships and men engaged in the slave trade between Guinea and Brazil were all owned by Portuguese-Brazilians and that until the mid-1700s, "most of the slaves were obtained through the port of Whydah" where the Viceroy of Brazil had built a fortified trading post. He added that it was due to the unwanted interferences from the kings of Dahomey that the trade shifted eastwards to Porto Novo, Badagry, Lagos and the Niger Delta, perhaps justifying the emergence of Jao Oliviera as a resident factor in West Africa for Bahia-based slave dealers.[27]

As stated above, the Creoles also provided the crucial role of canoe-men without whom goods and people, including slaves, could not be loaded unto European ships, which were too heavy to come into the shallow African slave ports. The problem was that the West African coast lacked harbours that could accommodate big ships. The available ports were open seashores (also called surf ports), which were racked with the unending strong Atlantic waves and the Creole canoe-men (possibly the progenitors of Kroomen or Krooboys) had mastered canoeing in the violent surf through years of practice, for the purpose of loading and unloading ships anchored midstream.

Nevertheless, the throughput of human cargo through the surf ports of various African countries from 1501 to 1853, although tremendous, varied widely. According to Fadipe, the distribution of slave origins was as follows: Senegambia, 4.8%; Upper Guinea (Guinea Bissau, Guinea and Sierra Leone), 4.1%; Liberia and Ivory Coast, 1.8%; Bight of Benin (Togo, Benin and Nigeria West of the Niger Delta), 20.2%; Bight of Biafra (Nigeria East of the Niger Delta, Cameroon, Equatorial Guinea and Gabon) 14.6%; Gold Coast (Ghana and East of Ivory Coast), 10.4%; West Central Africa (Republic of Congo, Democratic Republic of Congo and Angola) 39.4%; and Southeastern Africa (Mozambique and Madagascar) 4.7%.[28]

Abolition of the Slave Trade

The notoriety of the trade in humans instigated so much global campaigns by many Christian organisations and men of conscience that its abolition came with historic political hazards and calamities in the Americas, Africa and Europe. These included the American Civil War of 1861-1865 in which 620,000 Americans died; the assassination of US President Abraham Lincoln in 1865; "a property loss of two billion dollars to slave owners" when four million slaves were freed sequel to the Emancipation Proclamation in the US on September 22, 1862[29]; and the deposition and banishment of fifty kings, chiefs and potentates in West Africa for continuing the slave trading after its abolition by the British and the seizure of 1,600 European slaving ships by the Royal Navy's anti-slavery West African Squadron who released 150,000 Africans found on board.[30] In his second inaugural address in 1864, President Lincoln was quoted to have argued that the American Civil War was connected with slavery and remonstrated that:

> "Fondly do we hope – fervently do we pray – that this mighty scourge of war may speedily pass away…" He contended that God might use the war to deprive Americans of the wealth they had unjustly amassed from slave labour and that [the] war might continue "until every drop of blood drawn with the lash, shall be paid by another drawn with the sword." [31]

Thus, slave shipping ended with as much infamy and violence as it had been practiced on many hapless slaves through the centuries. While it was abolished in Britain in 1807, it took several decades for anti-slavery legislation to sweep the globe with Brazil being the last to outlaw it in 1888.

Around the world, new patterns of trade began to develop as European nations and their merchants began new moves to retain the commercial interests they cultivated in the former slave trade enclaves. Treaty making for this purpose came into vogue. In 1861, for example, a Treaty of Commerce was signed between England and Badagry, in attempts to encourage trade in

other commodities than human beings. This gave rise to ship calls at Badagry such as the *Eucastador*, an ocean-going steamer which sailed from Badagry to Europe carrying economic crops as export.[32] But other shipping activities in West Africa by Europeans outside the traditional slave ports developed in the wake of the international campaign against the slave trade.

Ocean Shipping in West Africa after the Slave Trade

Over all, two major explorations of West Africa by Europeans could be identified. The first was during the pre-slave trade era when Spanish and Portuguese sailors pioneered the exploration of the West African coast in search of gold. This phase has been popularly linked with the expeditions of Prince Henry the Navigator of Portugal. The second phase followed the abolition of slave trade by Britain and USA in 1807 and 1808 respectively. Thereafter, ocean shipping trade took a different approach and began to impact on the lives of West Africans differently. In this new dispensation, Europeans in sailing ships landed on the coast with the intent to explore the West African interior in furtherance of the so-called legitimate trade in raw materials and the search for new markets in the hinterland. The missions were surveying or charting expeditions in which sailors and explorers such as Mungo Park, Hugh Clapperton and the Lander Brothers featured prominently. They were strongly encouraged by the formation in 1788 of the African Association whose major interest was the exploration of Africa and especially the River Niger for the development of trading posts.[33]

The nature of maritime transport at this time in history could be exemplified by the adventures of Mungo Park who led an expedition in 1795 to tour the West African hinterland and to find the source and direction of the River Niger. He sailed two hundred miles up River Gambia and reached Pisania where he began a trek overland that lasted seven months before he

saw the Niger at Sego in 1796, a journey made hazardous by the privations of robbers, desertion by his servants and imprisonment by local rulers.[34] After he returned to England, he made a second attempt in 1805 when the British Colonial Office financially supported the trip in hopes of facilitating the trade links with West Africa. With a party of forty-five Europeans, he returned to Pisania and from thence advanced to the Niger where he assembled a boat by "…convert[ing] two canoes into one tolerably good boat, 40 feet long and 6 feet broad. This he christened *H.M. Schooner Joliba* (the native name for the Niger River), and in it, with the surviving members of his party, he set sail downstream".[35] They got as far as the Bussa rapids, about one thousand miles south, where the *Joliba* grounded and could not be freed. Thereafter, robbers who pursued them along the bank of the river fought them with arrows until Park and his surviving crew members drowned in attempts to swim away. Other expeditions led by Denham, Oudney, Hillman and the German explorer, Henry Barth, later concluded the accuracy of the Niger's flow to the Oil Rivers with which Europeans had been roundly familiar during the slave trade era.[36]

According to Baikie, "[t]heir discovery was quickly seized on in England, and the enterprise of Liverpool merchants speedily fitted out a small expedition for commercial and geographical purposes".[37] By the 1830s, much of the continent had been surveyed and medical advances such as the discovery of quinine boosted confidence in future expeditions by mercantile interests and Christian missionaries. While the latter sought to evangelise, the former brought merchandise in their boats because, at this time, shipping and trading were still one and the same business. With the invention of the steam engine, however, shipping came into an industry of its own and there was a break in the business model as shipping lines independently joined the sea trade of the coast, not as goods merchants, but as carriers, per se.[38]

But how was the transition from the pure slave trade to the era of the so-called legitimate

trade? After the official abolition of slave trade in Britain and USA in 1807 and 1808 respectively, sea trade to West Africa based on slaving faced serious contention from a fiercely-determined British blockade using the African Squadron, an arm of the British Royal Navy set up to combat the Atlantic slave trade. There followed an era of cat-and-mouse games between the naval squadron and slaving ship owners who tried to operate in spite of the armada. At the same time, the trade in palm oil and forest products was developing fast at the various West African coastal ports such as Dakar, Abidjan, Takoradi, Cape Coast, Lagos, Bonny and Calabar and the inland trading stations such as Saltpond and Quittah in Ghana and Lokoja, Idah, Onitsha and Koko in Nigeria.

During the interregnum, fewer ships called at the European forts and with reduced frequency since they had mainly gold and ivory as the remaining licit exports of significance. However, both the dying slave trade and the legitimate trade jostled for space and attention depending on availability of the various cargoes and the determination of the ship masters to run the blockade of the African Squadron. The decisions were not easy because, although the returns from the oil trade were comparatively lower, the losses of captured slave ships were quite considerable. At first, such ships were forfeited to Her Majesty's naval forces and the slaves found aboard freed at Sierra Leone or the nearest free port. Later, when ship captains adopted the wicked measure of casting slaves overboard when being pursued, the African Squadron was empowered to seize ships if slaving equipment were found onboard. At the last resort, when dare-devil ship masters still took the risk of slaving runs, imprisonment of the offending ship master was added to the list of punishments to deter slave shipping. These tough measures, together with deposition and banishment of recalcitrant coastal and inland chiefs who persisted in the trade led to its phase-out after an infamous 400-year career.

Rivalry between Coastal Traders, African Middlemen and Inland Traders.

Conversely, the succeeding era of legitimate trade witnessed prolonged rivalry between coast-based European sea traders, African middlemen and hinterland-based European traders. For, when Macgregor Laird had launched the thrust of inland trade with the voyage of the "Pleiad", he never looked back even though the difficulties, oppositions and persecutions he faced were daunting. An important recurring decimal in the annals of international trade involving Europeans and West Africa was the demand by Europeans for free trade and removal of the middleman, on the one hand, and the kick by Africans against European monopoly and dominance of the trade, on the other. European traders had the advantage of having mastered sea navigation of the great distances between West Africa and Liverpool or Hamburg (in the case of the palm oil trade) or West Africa and Brazil, Cuba or the USA (the destinations for the Atlantic slave trade). They also reaped huge profits out of this trade. For example, when a young slave girl was sold for $1000 in Jamaica, Park narrated that such slaves "… from sixteen to twenty-five years of age, may be estimated on the spot from £18 to £20 sterling" on the Gambia River.[39]

The European traders and the African middlemen knew such facts and both sides tried to improve their situations whenever the opportunities arose. For example, Jaja of Opobo painstakingly chartered ships and moved palm oil to Liverpool, a move for which he was marked for elimination by British merchants because he had broken the hedge and threatened their monopoly of contact with the Liverpool market.[40] Also, when Nana Olomu delivered oil to the Lagos market instead of selling it to the Europeans at the Benin River, they viewed him narrowly and planned how to bring him down to acceptable levels; an opportunity they saw during the punitive Ebrohimi Expedition when they destroyed his kingdom and business complex.[41]

Thus, the shipping trade was complicated with the long-standing issue of contact with the

interior of the West African market as against the African middlemen's insistence that they be served at the coast. As Macgregor Laird put it after the 1832 Niger Expedition in which he participated, "…Until Niger Delta monopoly is broken down, and the natives of the interior are allowed to visit the coast, or Europeans ascend beyond their influence, not much good will be done".[42] However, some European merchants, for their investments at the coast, such as "baracoons" (more or less, fortified warehouses), sided with the African middlemen that trade should remain at the coast. It was simply a question of vested business interests and these had strong connections with the shipping trade?

Shipping had always provided transportation for men, materials and trade goods between the various locales in the triangular slave trade and in the Liverpool oil trade. The control of ocean shipping was big business and remains so today. As mentioned elsewhere, the discovery of the Niger mouth in the 1830s and the technological shift from sailing ships to steamers boosted ocean transportation. The formation of the African Association of Merchants inhered from this discovery as well as the sending out of teams of surveyors, researchers, traders and preachers to Africa. In fact, the invention of steamers became the game changer because by the 1840s, steamships became the more viable transport mode across the seas than the sailing ships.

In 1852, the British government awarded Laird's African Steamship Company (ASC) the contract to carry mails to West Africa, particularly the Gold Coast, for a subsidy of £2,500 per sailing at the stipulated speed of 8 knots and to maintain certain frequencies, a total of £30,000 per annum.[43] ASC built three 600-ton ships, the *Armenian*, the *Athenian* and the *Ethiope*, which carried mails, passengers and goods on a regular basis between the UK and West Africa. This was the second liner module of shipping to be introduced in the route following Woermann Line's pioneer service introduced in 1849. It was a mark of great success and the expansion in

the market as available source indicates that from the initial total tonnage of 1,800 tons, which ASC deployed in 1852, its tonnage capacity rose to 124,262 tons in 1853.[44]

Subsequently, ASC became well entrenched in the route and covered West African ports up to Fernando Po. According to Dike, a log by the ASC ship, *Faith*, in 1853, showed that:

> on leaving London, she called at: Plymouth, Madeira, Teneriffe, Goree (Dakar), Bathurst (Banjul), Sierra Leone, Monrovia, Cape Coast Castle, Accra, Whydah (Ouidah), Badagry, Lagos, Fernando Po (Bioko), Cameroons River, Calabar River and Bonny River. Her manifest shows that her homeward cargo comprised: palm oil, gold dust, gum, ginger, camwood (African sandalwood), pepper, arrowroot, ivory, palm nuts and bees wax.[45]

With such regular sailings and a rich manifest of exports, West Africa's shipping trade began to flourish again in a new direction and attracted many competing merchants, black and white. However, although the British government mail contracts were given to other carriers covering other global routes such as Cunard Line, Pacific Steam Navigation Company, Royal Mail Steam Packet Company, Wilson Line and Union Steamship Company, only ASC enjoyed it on the West African route for the first eight years before it was forced by the Post Office to share the business with British and African Steam Navigation Company (BANSC).[46]

The Advance in the Shipping Trade of West Africa

As already stated, before the era of ASC and Woerman Line, shipping and trading were one and the same business. The owners of cargoes were, for the most part, the captains of their ships, or sometimes, the cargo owner was a supercargo, a term for a merchant ship officer who sailed with the ship to look after the cargo and commercial interests of the voyage. At first, this arrangement made European mercantilist shipping to West Africa to be the preserve of rich capitalists and kept out the small trader without the means to come by a sailing ship. In one instance where they were explicitly identified, these European traders were described as "…seventeen masters of palm oil ships, sixteen of whom were British and one French".[47]

However, the situation changed by the 1860s when other competitors arose. Consul Livingstone, when writing to Lord Stanley reported that "the Liverpool merchants' large capital in ships and goods" had given them a monopoly of the trade and enormous profits, but that the introduction of the mail steamers had broken their hold in such a way that shrewd African chiefs like those of Bonny could subsequently ship oil themselves direct to Liverpool by chartering space on steamers. He surmised that in this way, they (African chiefs) would get 50% more for their oil and yet be able to sell it in Liverpool 50% cheaper than at the Niger Delta markets.[48] Thus, the charter market developed vigorously as all traders who could afford to charter ships joined the shipping trade to the best of their ability.

In other parts of British West Africa in the 1850s, the chief export produce varied only slightly. In Gold Coast and Sierra Leone, for example, it was chiefly palm produce and a few other forest products. On the Gambia River, whose inland trade flourished up to 150 miles up the waterway, the traditional exports of beeswax, ivory, gold and slave were replaced by groundnuts whose production in 1848 rose to 8,600 tons valued at £104,000.[49] With time however, when cocoa was introduced and being the more rewarding export commodity, farmers preferred to deploy their resources to its production. Comparatively, palm oil became the pre-eminent export for British trade with the Niger Delta which, by the 1870s, had become greater in volume and value than her trade with Gambia, Gold Coast and Sierra Leone combined.[50]

However, as in Nigeria where the trade was accompanied by contentions, the situation in the Gold Coast spelt prolonged struggles for supremacy between the coastal Fante people and the Asante of the hinterland, with the British overlords wedged in the middle. The Asante were larger in population than the Fante and desired to lord it over the latter so as to establish a direct contact with the Europeans at the coast. Whereas the Asante had larger arable land mass, which

also contained minerals such as gold and manganese, the Fante were domiciled closer to the coast and had first contact with foreign merchants and the maritime trade, which generally came with typical middleman rewards. Their altercations resulted in many wars in which the British played off one side against the other. At a point, the angry Asante dictated terms to the British that included, in addition to other demands, that they should be allowed to buy and sell slaves and that all strangers should be expelled from Kumasi. The Governor flatly refused all the demands, negotiations broke down and the Governor wired for troops while the Asante stormed Kumasi and cast up a siege around the fort.[51] Thus, trade and maritime relations in West Africa in pre-colonial and colonial times contended with many transitional issues such as ethnic rivalry, middleman controversies and the desperate situation of different colonial forces which had diverse or hidden agenda.

Seen from a geographical perspective, ocean transportation could not be optimised except with effective inland transport networks to reach hinterland markets. This required railways to surmount the huge geographical hurdle of West Africa's expansive land mass and evacuate raw materials to the sea. It was at this juncture that the British government overcame the reluctance to spend in the colonies. The development of the rail networks in Sierra Leone began from Freetown to inland stations in 1896. The lines from Sekondi to Kumasi and from Lagos to Ibadan, Kano and Enugu were started two years later. It took decades to complete the networks but, by the 1920s, all major hinterland rail stations in British West Africa had been linked to the sea, facilitating export of raw materials.[52]

To complement the railways, from the 1890s to the 1920s, a heightened construction of roads further opened up the interior districts of West Africa, with exponential results for exports and imports. Between 1900 and 1913, for example, exports from Gold Coast, Sierra Leone and

Nigeria rose by 500%, 400% and 350% respectively, while the Ashanti gold mines and Jos tin deposits attracted foreign investments in capital and technology.[53] (See below a comparative table of the quantities and value of the principal articles of export for the Gold Coast, 1912 and 1913).

Table 2.0: Comparative Table of the Quantities and Value of the Principal Articles of Export for the Gold Coast, 1912 and 1913.

Article.	1912.		1913.		In-crease.	De-crease.
	Quantity.	Value.	Quantity.	Value.		
		£		£	£	£
Cocoa .. .. lbs.	86,568,481	1,642,733	113,239,980	2,489,218	846,488	—
Kola Nuts	7,133,165	134,231	7,024,868	144,705	10,474	—
Copra .. ..tons	620	11,841	629	14,292	2,451	—
Gold and Gold Dust .. ..ozs.	377,659	1,439,268	422,602	1,626,003	186,735	—
Auriferous By-Products	160,024	31,392	148,935	30,107	—	1,285
Lumber sup. ft. (Native Timber)	23,573,651	228,745	37,391,848	366,094	137,349	—
Palm Kernels..tons	14,628	205,365	9,744	159,128	—	46,237
Palm Oil.. galls.	1,444,432	112,885	860,165	65,652	—	47,235
Rubber .. .. lbs.	1,990,699	168,729	1,317,369	87,915	—	80,814

Source: Annual Reports of the Colonies, Gold Coast, 1913 retrieved from http://libsysdigi.library. illinois.edu/ ilharvest/Africana/Books2011 05/5530214/5530214_1913/5530214_1913_opt.pdf on October 10, 2013.

In 1869, the British and African Steam Navigation Company (BANSC) joined the ASC and Woerman Line in the West African liner trade. As far back as 1856, the number of trading firms in the sub-region had grown from 'very few' to 'upwards of 200' and although Laird was approached by the big Liverpool merchants to "charter regularly all the vessels on their homeward voyages in the hope of preventing the small traders, Africans and Europeans…", he

refused.[54] A serious trade war lasting many years ensued. The situation was made acute by the stance of Laird and the Church Missionary Society who in 1853 assisted the "emigration of 100 liberated Ibos" to the Niger Delta, many of them, to Old Calabar where King Eyo Honesty gave them land. Laird was opposed to Europeans developing Africa. He advocated side-stepping the African middlemen and the foreign traders at the coast, and saw the émigrés as the best hope of "import[ing] improved African blood" to eliminate the obstruction to inland trade and free navigation of the Niger waterway. He wanted them to be the new middlemen, retailing British goods, produce collectors and preachers. But the immediate result was explosive.[55]

The African émigrés were branded as interlopers and accused by the supercargoes of encouraging the chiefs to ship oil direct to England, thereby reneging on supplies to British vessel owners who had paid beforehand, via the trust system. In 1855, Consul Lynslager arrived to investigate. He found the middlemen and the Sierra Leone émigrés complicit in oil shipments to England in spite of pending commitments to British ships. When he confronted King Eyo at Creek Town, he said that the new comers, having given him "trusts" and paid comey to Duke Town and himself, were free, just like the ship owners, to trade, but traced the root cause of the dispute to the fact that it was "a very dry season for oil". When, later in the same year, Lynslager destroyed Old Town by naval bombardment, claiming that the inhabitants indulged in human sacrifices, revenge was widely suspected as protests were raised even by white missionaries in the area.[56]

Thereafter, British traders physically attacked the Sierra Leone émigrés and hijacked their oil purchases that awaited shipment at the Old Calabar beach, in lieu of claimed debts. They also attacked local traders such as Henshaw on four different occasions leading to the involvement of the Consul who fined the assailant, one Cuthbertson, four puncheons of oil and Henshaw,

twenty-four puncheons.[57] When the foreign office was made privy of these developments by the Consul, the latter was warned to carefully uphold the right of the local peoples to trade in palm oil as it would strengthen their full withdrawal from the erstwhile trade in slaves. Moreover, the exorbitant costs British traders charged and the huge profits they made were becoming widely known in England as the Foreign Office noted.[58]

This phase in the shipping trade of West Africa produced spectacular incidents. In 1857, King Eyo not only shipped parcels of oil direct to England but also later chartered a ship, the brig *Olinda*, for the purpose, despite owing a trust of 400 tons of palm oil worth $18,000.[59] Two supercargoes, Hearn and Cuthbertson, who opposed the action got the Consul Hutchinson (allegedly through bribery) to intervene. He summoned the King aboard Her Majesty's ship, *Firefly*, and through threats and intimidation, compelled him to sign an undertaking not to ship oil in the *Olinda* until his debts were paid. When the matter was reported to the Foreign Office, both Clarendon, the Foreign Secretary, and Stanley, the Under-Secretary, disowned Hutchinson totally as an impostor, and although he escaped censure this time, he was to fall in the following months. In 1860, he was accused again of receiving bribe from the Liverpool supercargo, Hearn, to aid him in questionable dealings in the river. After a commission of enquiry headed by Commodore Edmonstone reported unfavourably against him and he could not answer well for himself, the Foreign Secretary, Lord Russell, replaced him with Sir Richard Burton.[60]

But the issue of dominance in the trade continued to breed rivalry and unpleasant consequences. As stated above, it was responsible for the deposition and banishment of King Nana Olomu at the Benin River and King Jaja of Opobo at Bonny, in circumstances similar to the confrontation against King Eyo at Old Calabar. The grouse of the European traders was always the attempts by the African chiefs to ship oil to markets the Europeans felt were their sole

preserve. But the chiefs were not just ordinary competitors; they were recipients of huge sums in levies and dues, which empowered them both to compete against the Europeans and even to live large. For example, King Dappa Pepple of Bonny earned shipping dues worth between £15,000 and £20,000 a year and when he was restored to power in 1861, he arrived Bonny in a privately chartered vessel, the *Bewley*, and remained on board for nearly two months, mediating the tense political disagreements in his kingdom, before disembarking.[61] In fact, the rivalry and complications of trade in the Niger Delta heightened with the push by other British maritime interests such as Laird and his company to develop trading links with the hinterland.

The Complications of Inland Trade

On January 1, 1857, the British government yielded to Macgregor Laird's proposal to "maintain a steamer" on the River Niger. The contract was for five years at the rate of "£8,000 for the first year, diminishing annually by £500 to £6,000 in the fifth year".[62] The first expedition under this scheme was led by William Balfour Baikie in the *Dayspring*, assisted by Lt. J. H. Glover. This mission marked the beginning of inland trading projects encouraged by the British government to stem the slave trade. Nevertheless, it was heavily opposed by African middlemen and Liverpool supercargoes who had amassed heavy investments for trade at the coast. Laird established factories at Aboh, Onitsha and Lokoja. Ships pulling up to these inland centres from Warri via Brass faced hostility engineered by the coastal traders. As a result, the steamers were attacked by men armed with canon and musketry to prevent their inland penetration to the sources of palm oil.[63]

Produce from Laird's inland stations fetched £1,800; £2,750 and £8,000 - £9,000 at Liverpool in 1857, 1858 and 1859 respectively, showing the huge prospects at the root of the contention.[64] However, whereas some pointed accusing fingers at slave trading chiefs for the

attacks on Laird's steamers, the British Consul indicted "palm oil native brokers". Others noted that the British supercargoes were not happy about "'these fellows', 'strange creatures', the meddling explorers' who disturbed an age-long monopoly and a valuable trade", thus lending weight to the allegations that "white merchants lent their support … [to] the villages in the lower course [of the Niger] to acts of direct hostility against Laird's commercial vessels".[65]

They resented the cutback to their palm oil supplies due to Laird's inland trading activities. Subsequently, hostile villages such as Hippoteama, Sabogrega, Angiama and Agberi, where steamers came under heavy fire and where Africans in war canoes boarded and raided them were shelled by the Royal Navy warships and their fortifications destroyed. But the attacks persisted. Between 1857 and 1859, Laird's steamers, *George*, *Rainbow* and *Sunbeam* were attacked and casualties included the *Rainbow*'s second officer, Kirkpatrick, and a Portuguese seaman, who were shot dead.[66]

Laird, thereafter, applied for armed naval convoy to protect the steamers' inland voyages. Although the British government acceded to the request, the commander-in-chief of the African Station, Edmonstone, failed to implement the directive, citing superior opposition of the Niger Delta peoples. Consequently, Laird's steamers did not trade on the Niger throughout 1860. His goods had to be auctioned, with heavy losses while his interior trading posts went unsupplied and, according to Baikie, his inland factories were vandalised at the instigation of his enemies, especially Charles Horsfall, the chief monarch of Brass River.[67]

These violent incidents, however, led to the momentous decision by the Foreign Office to commence colony status over the scattered Nigerian territories. It was believed that the "Niger problem had been solved" in that the river was navigable from May to November and that the local population wanted legitimate trade but that the society was in dire need of security.

Thereafter *Oba* Dosunmu was 'persuaded' to sign a treaty of cession on 6th August 1861, which made Lagos a Crown Colony. Moreover, a more robust confrontation to erase the hostility of the Niger valley inhabitants was decided to pave way for the smooth operation of British ships on the Niger. As at 1865, a total of sixty-six ships with a combined tonnage of 30,228 tons were deployed by Liverpool-based merchants for the West African trade aside from a few others sent from Bristol, London and other English ports.[68]

After the death of Macgregor Laird in 1861, no push was given in favour of inland trade until 1865 when Archibald Hamilton formed the Company of African Merchants, already subscribed to the tune of £300,000. The intent was a government-backed project to launch inland trading up the Niger. He, therefore, applied for government subsidy to cover their losses for the first few years. When the application got a favourable response from Lord Russell at the Foreign Office, a welter of opposition developed from the Liverpool merchants. It was championed by Charles Horsfall, the monopolist at the Brass River who allegedly sponsored the anti-Laird attacks. He feigned annoyance that public funds should be availed to ordinary merchants for trade in Africa when there were many others of their ilk fending for themselves. In a riposte, the Foreign Office argued that breaking the monopoly in West Africa was official policy aimed at opening up the Niger and its hinterland to British trade.[69]

In the end, the application failed but subsequently the opposition to inland trade was not long sustained as several British firms, including some of the coastal traders, joined the frantic movement inland to tap the available market. As of 1878, trading had advanced up to 600 miles inland. Many British firms such as, The West African Company from Manchester, Alexander Miller Bros and Co. from Glasgow, The Central African Trading Company from London, James Pinnock & Co. from Liverpool, Richard and William King Ltd, F. and A. Swanzy, Thos. Harrison

& Co., W.B. MacIver of Glasgow and Hatton and Cookson of Liverpool were noted as active in West Africa. In the Niger Delta, various British firms set up trading posts at Akassa, Abo, Ndoni, Abragada, Odogeri, Utchi, Osamari, Alenso, Lower Oko, Onitsha, Gbokem, Lokoja, Yimaha and Egga. A total of 14 steamers called at these posts and recorded trade volumes of 5,000 tons of palm oil, 65 tons of ivory, 1,500 tons of shea butter, 150 tons of beni-seed and 50 tons of groundnut as of that date.[70]

For security reasons, the trading steamers that pushed through the creeks and rivers to hinterland oil markets were armed as a general precaution. For example, the Miller Brothers' steamer, *Sultan of Socotoo*, was well armed with iron screens for protection of those on board. It was said that the company used this boat to "fight their way through the Delta opposition" to establish factories on the Qua Iboe River between Opobo and Old Calabar, "where they diverted a portion of the trade from these two city-states".[71] With time, however, hostility between the Liverpool coastal traders ceased, to be replaced by European merchants, on the one hand, sparring with Niger Delta middlemen, on the other. The principal technique for cornering the oil that passed through African middlemen, called "tapping", encouraged the setting up of many British factories around the Delta oil markets so as to reach the oil producers first. However, these outposts faced constant attacks from the local peoples, which in turn drew naval pounding by British forces against suspected villages and towns on the Niger valley.

In this war of tit-for-tat, some powerful Africans, such as King Masaba of Bida, were decidedly friendly to the British cause for their own vested interests. In 1869, he aided the evacuation of the British Consulate at Lokoja when local hostility became unbearable, kindness for which he was handsomely rewarded with presents, including the much-coveted guns and ammunition.[72] British military expeditions in the 1870s were mainly aimed as reprisals against

hostile villages and a show of force for protecting British lives and property while they traded up the Lower Niger and Benue. The inland navigations were made between May and November when the river course was swollen with rain water. However, whenever the British naval squadron was not in sight, the traders faced attacks. The attacks against trading posts at Onitsha were so severe that in 1879, HMS *Pioneer* evacuated £50,000 worth of British trade goods in the town before bombarding the riverside for three days. Going further, the British forces moved three miles inland and burnt the town and leveled the walls of the lower town. Other localities that suffered similar fate were Yimaha on the Benue, Idah and Aboh.[73]

King Jaja and the Shipping Trade in the Oil Rivers

Meanwhile on the coast, trade was also advancing. Another shipping market that developed there in the 1870s was situated along the Ekontoro River in Andoni country under the control of King Jaja. Many supercargoes from neighbouring Delta ports came there to load palm oil. Jaja had fled Bonny in 1869 and established the Andoni country (later renamed Opobo) mainly for the oil trade.[74] However, draught restrictions for calling ships were stringent, causing the large steamers to anchor mid-stream while the *African*, a smaller ship belonging to Messrs Taylor and Langhland of Glasgow, visited Jaja's port and trans-shipped oil to them. But the new port was also the subject of violent confrontations between Jaja and Bonny chiefs. Consequently, Bonny war canoes fired at British ships going into Jaja's territory, forcing the British Consul, Charles Livingstone, to intervene. He pleaded with Jaja to allow Bonny chiefs to trade in Ekontoro River or in the alternative to return to Bonny as his erstwhile enemies, Oko Jumbo and his group of chiefs, had relented in their opposition towards him. Jaja refused both options. The trade at Ekontoro river continued to flourish, with new traders joining. Only Bonny, its chiefs, and about seven English firms which had permanent establishments in Bonny

were barred from participation. In 1870, Livingstone tried peaceful overtures again but when Jaja replied that "he would never open the oil markets to Bonny for a thousand years", he deployed force by inviting Commander Jones of HMS *Pert* to the fray. Jones ordered the five English firms trading at Ekontoro river to temporarily withdraw and then fired upon some canoes at the river, killing two persons. Jaja then relented.[75]

Thereafter, arbitrators in the dispute, namely, King Amacree of New Calabar and King Fibia of Okrika, waded in but the truce did not last long. Jaja was encouraged by British traders on his island not to give in to the demands of Bonny chiefs. He was advised to continue the blockade against Bonny so that oil will continue to flow to them. On the other hand, Bonny supercargoes and African agents preferred restoring the *status quo* where Bonny oil markets would be restored to their erstwhile predominance in the Delta. The subsequent warfare raged with arms and gunpowder freely supplied the Africans by British traders on both sides. A Bonny supercargo went to the extent of buying a gunboat, the *Steady*, in England, for deployment to the Delta war front, although the plan was later aborted. In the end, losses on both sides were heavy. Bonny supercargoes were estimated to have lost £100,000 between September 1869 and May 1870 on account of Jaja's blockade.[76]

In 1873, the British government sent Commodore J. E. Commerell with five war ships to mediate the crisis. Assisted by the Consul and neutral Delta chiefs, he concluded a peace treaty that largely confirmed Jaja's victories and signed another one that recognised Jaja as the King of Opobo. Jaja's reign at the Oil Rivers continued until after the Berlin Conference of 1884-1885, when Opobo and the Niger Delta were recognised as part of British territory. Thereafter, his continued denial of free trade to some British ships and the taxing of same became dangerous to his reign and caused a clash with the overlords, coupled with the long standing envy and rivalry

nursed by many supercargoes against him. In 1887, Consul Hamilton Johnson cunningly invited Jaja to a meeting aboard a British warship and forcibly took him to the Gold Coast where he was tried and convicted with a sentence of banishment to St Vincent in the West Indies, but not before he had had an audience with Queen Victoria in Buckingham Palace, London.[77]

As at 1871, Consul Livingstone had summarised, in a memorandum to the Foreign Office, the full extent of British shipping and trading industry in the Niger Delta as comprising of "sixty large trading establishments owned by some twenty Scottish and English firms", whose property comprising English manufactured goods, hulks, houses, river steamers, schooners and lighters were valued at about £1 million sterling, and their carrying trade to and from the Bight of Biafra was served by two lines of steamers from Glasgow and Liverpool,[78] most likely referring to ASC and BANSC. According to the memo, five steamers with a total worth of half-a-million pounds sterling left Liverpool every month for the West African oil trade and carried the Niger Delta's export of "25,000 to 30,000 tons of palm oil" in addition to small quantities of ivory, India rubber and bar wood.[79] It may have been in consideration of these prospects against the background of unruly conducts by British supercargoes that the long-sought magisterial powers for the Consul was granted in 1872 to try offending British subjects in the Bight of Biafra with sanctions ranging from fines of up to £200 to 21 days imprisonment or banishment for 12 months.[80]

Pioneer European Shipping Lines, Taubman Goldie and the Unification of British Firms

The first European shipping company, properly so-called, to trade in West Africa on a regular basis was Woermann Line. Its voyage began on 24th March 1849 with the brig "Therese Henriette" commanded by Capt. S. Petersen.[81] It was closely followed by the ASC and the BASNC. The managements of ASC and BASNC soon agreed a joint working relationship *vis-à-*

vis voyages to West Africa and in 1891, the two organizations, having been acquired by Sir Alfred Jones, were merged into the Elder Dempster Line (ED) group of companies.[82] With the regular sailing schedules of the shipping lines, many of the merchants abandoned their former transportation logistics in favour of shipments by the liner carriers. But the problems of traders' rivalry and general organisation of the inland trade had not been fully settled and became the main focus and achievement of Taubman Goldie.

By far, one of the most epochal events of the 1870s was the amalgamation of rival British firms, which traded in the Niger Delta estuary and the inland markets. They eventually formed the United African Company (UAC), a feat accomplished by Taubman Goldie, an officer of the Royal Engineers whose interest was covered by one of the trading outfits called the Central African Company. The merger process lasted from 1877 to 1879. Thereafter, it put an end to the cut-throat competition which was premised on the struggle for turf. For example, before the amalgamation, as many as five companies could set up trading posts in one small town on the banks of the Niger, with all the attendant hustle for customers and palm oil. The UAC brought all these frictions to an end.[83]

Formed in 1879, it had Lord Aberdare, a former British Cabinet Minister as chairman. Goldie was the vice-chairman while the heads of British firms in the Delta, which had inland trading posts, were directors. The prominent ones were James A. Croft, C. B. Edgar, James F. Hutton, George Miller, James Pinnock, Alexander Miller and David McIntosh. In all, about 70 to 80 persons held the shares of the UAC at inception. He later expanded the shareholding to include public subscriptions and increased its subscribed share capital to £1,000,000, perhaps, to improve its chances of success with an application for a charter from the British government. Its name was also changed to National African Company (NAC). The need for a charter was to

better secure authority and sovereignty over the Niger territories and in view of French colonial designs across the border with Cameroon.

Goldie wrote the Foreign Office to justify the application for charter, saying that the Delta consisted of two parts: the seaboard region, which was "accessible at all seasons to oceangoing steamers, and to Her Majesty's gunboats", on the one hand. On the other hand, he identified the "Central African territory", the "Niger-Benue", which was beyond the reach of warships. He argued that while the Delta was already under British control, the Niger-Benue was not and could be hijacked by French expansion. He, therefore, sought charter to pacify the region and to practically control the Lower Niger. Goldie established more than 100 trading posts on the banks of the Niger and Benue, employing more than 1,500 men to man them.[84]

By 1884, a total of 37 treaties had been signed with local chiefs, increasing to 237 treaties by 1886. To police the territory, the NAC acquired twenty shallow-draft gunboats, which were capable of navigating the waterways all year round. Despite this flotilla, however, opposition to NAC rule and trade monopoly was widespread. In 1882, for example, its factories at Akassa, Patani and Brass, in the Niger Delta, and Asaba and Idah, in the middle and upper Niger, were attacked. Punitive bombardments against each town followed, as also against rivals, black and white, including French and German interests. It was the cumulative suzerainty purchased through the NAC treaties that gave Britain the upper hand at the Berlin Conference of 1884-1885 to claim the Niger Delta and its inland territories as British spheres of influence.

The West African Line Conference and Shipping Trade during Colonialism

Another very significant aspect of the West African trade from the 1870s was the formation of the West African Line Conference in 1895, championed by Elder Dempster.[85] At first, it was composed of only Elder Dempster and Woermann Line. As already stated, the

inception of the liner companies changed the nomenclature of international shipping. It, thereafter, stood out on its own as a business separate from manufacturing and merchanting, all of which had been rolled into one venture previously. Shipping conferences tried to consolidate their monopoly of shipping services on particular routes to avoid freight wars. The first shipping conference was the UK-Calcutta Conference formed in 1875 following whose success other shipping conferences began to emerge around the world in the different liner shipping routes. Liner shipping was defined by their fixed, regular schedules from point "A" to point "B". Their rivals were non-liner carriers, also termed as tramp ship owners, whose vessels were not fixed to any routes or schedules or tariffs. Tramps were free to sail anywhere the cargo movement dictated at bargained prices.

As full-scale colonial rule took off in the Gold Coast and the Nigerian protectorates in 1877 and 1900 respectively, the shipping trade was not affected in any major way. Aside from few administrative changes, political power was still under the British raj and the *dramatis personae* remained the same. In the shipping trade, the markets in West Africa continued as before: exorbitant shipping charges and arbitrary hikes in freight rates continued, especially for West Africa and a few other places. The WALCON maintained the highest freight rates of all routes in the world as shown in Table 1.0 above. Although the West African freight rates were oppressive and fell on the local consumers, the enlightened expatriate merchants in the region who paid them first were more vociferous in the clamour against them. Petitions reached the Foreign Office from West Africa as well as other markets around the world prompting the British government, in 1909, set up the high-powered Royal Commission on Shipping Rings to look into the petitions.[86] After two years of sitting, it came up with a majority report and a minority report, including the consensus that shippers should henceforth form associations to regularly interface

with shipping conferences.

This marked the beginning of the concept of Shippers Councils, which has since become accepted globally as essential stakeholders for all shipping communities. Thus, the reports of the Commission became the reference point for international shipping during the second decade of the twentieth century as World War I broke out and the conferences ceased to function. However, records of the Blue Books of the Gold Coast show that the ASC, BANSC, Woermann Line, Hamburg-Amerika, and Hamburg-Bremen-Afrika and Chargeurs Reunis maintained various rotational schedules of regular mail steamers, cargo boat and passenger services from various European ports such as Liverpool, London, Hamburg and Dunkirk to Gold Coast ports every month. The same ships called at other West African ports on the loop from Dakar to Angola under various arrangements. The ASC and BANSC mail steamers left Liverpool every Wednesday for Sekondi and Accra, and steamed for fourteen days while on the homeward run, they left Accra every Thursday and arrived at Plymouth also in fourteen days, according to schedule.[87] Other four Liverpool services of the two lines, which covered the Gold Coast were called River Service No. 1, River Service No. 2, Gold Coast Service and the Windward Service. They called at Sekondi, Accra, Axim, Cape Coast, Saltpond, Winnebah, Appam and Addah and Pram Pram. The continental European lines left Hamburg and Dunkirk for the same Gold Coast ports on alternate schedules, and together they also called on other ports of the sub-region, thereby maintaining a rapid frequency of maritime communication with West Africa for both goods carriage and passenger services at uniform prices and freight rates. For example, the fares from Liverpool by these lines were £28 12s. (first class); £20 7.5 (second class); and £12 2s. (third class) for all ports as far as Winnebah, and £29 14s. (first class); £21 9s. (second class); and £12 13s. (third class), respectively to Accra and eastward ports.[88]

Elder Dempster Line's Dominance and Frictions

Of all the major shipping lines, which appeared at the Commission hearings, ED was the most criticised for its "very poor customer relations" records. Unlike its conference partner, Woermann Line, ED had problems with the major shippers such as the UAC. Even the colonial government squirmed under the financial burden of £37,000, extra-appropriation for 1918, to meet the increased passengers fares charged by ED for colonial officials and their families.[89] In fact, from 1920 until the early 1930s, there was a sustained freight rate war between it and a private shipping fleet owned by the UAC.[90] While ED disapproved of merchants chartering non-conference ships for their haulage needs, the major merchants complained that the British line did not always supply all the shipping space they needed when they needed it. Also, the UAC objected to the high rates charged by ED as well as the deferred rebates system, which locked up traders' deposits for six months as a way to leash them to the conference. By the rules of the deferred rebate system, if a trader used another carrier within the preceding months, it would lose the refund of its accrued rebate. The UAC's applications for waiver on this clause were not granted.[91]

Moreover, when the UAC opened some palm kernel mills in Lagos and Opobo, and applied to ED to provide deep tanks in their ships for the conveyance, ED could not make this provision at the time required, causing some of the mills to be closed at much loss to the UAC. Despite this failure, ED did not grant approval for the UAC to charter ships with deep tanks from outside the conference. Such frictions persisted in the shipping trade of West Africa in the 1920s, 1930s and the lead-up to World War II. In the final analysis, ED lost much goodwill and trading reputation among the merchants of West Africa due to inflexible operational procedures, leading to its failure as a going concern in 1930. Its assets had to be transferred to West African

Lines Company in the Royal Mail Group under the chairmanship of Lord Kylsant. However, the ED business name was retained.[92]

The temporary collapse of ED was traced to the freight war and the loss of 40% of its traditional cargo volume, which came from the UAC, which the latter withdrew from the conference in 1929.[93] It was also held that ED's bad image was responsible for Kwame Nkrumah's rejection of the line's offer to midwife Ghana's Black Star Line in 1957,[94] among other misfortunes.

Meanwhile, the UAC's shipping arm as at 1938 owned 16 ships[95] with a combined tonnage of 58,000 tons in a market where the major carriers, ED and Woermann Line, still held much sway. Despite the bitter rivalry of the two British mega-companies, Royal Mail Group and ED on the one hand, and the UAC, on the other, it is a tribute to their business sagacity that they cooperated in subsequent years, as joint shareholders and technical partners, for the formation and initial operation of the Nigerian National Line Limited.

The UAC fleet also served other merchants in West Africa such as G. B. Ollivant and the Gold Coast-based Swiss Trading Company, in the 1930s. Another merchant, which stood up against the shipping conference in West Africa was John Holt, and together with the UAC, constituted the biggest challenge the conference lines had to deal with in West Africa during the interwar years. John Holt, although with a smaller fleet than the UAC, successfully shipped its goods with non-conference vessels, either owned or chartered, and did not lose its rebate with the conference carriers. Only these two big merchants enjoyed this privilege.[96]

Of the rest of the market, the clamour against unfair shipping practices and freight rates died hard. More reactions against ED and conference shipping lines came from the African community, indigenous and expatriate, after World War I, when the conference was about to be

re-constituted. A leading member of the expatriate Association of West African Merchants, Robert Miller, complained that the Association objected to the conference system, which existed prior to the outbreak of hostilities and new attempts to re-introduce it. Their objection, according to him, was the carving up of the routes in such a way that "Great Britain would serve certain ports on the coast, and Germany other ports, and that neither would compete with each other…as it could not be looked upon as a policy, which would assist in the development of West Africa."[97]

While this reveals the exploitative tenets of the conference lines in West Africa, it seems to suggest that the under-development of West Africa during pre-colonial and colonial times was not a wholesale agreement by all European factors on ground. The National Congress of British West Africa, the umbrella association of nationalists from Nigeria, Ghana, Sierra Leone and the Gambia, also met in Accra in 1920 and passed resolutions on needed reforms in shipping services for the region. Under shipping arrangements, the delegates said that "in view of the difficulties hereto experienced in the matter of space on British bottoms by legitimate African traders and shippers, this conference welcomes competition in the shipping line, with particular reference to the [Marcus Garvey's] 'Black Star Line'.[98]

Conclusion

In sum, the shipping trade in West Africa during pre-colonial and colonial times followed patterns already established for hundreds of years as viable and profitable for the benefit of Europe and her traders. Goods, products, services or raw materials were exploited from Africa and shipped to Europe or, in the case of the slave trade, to the Americas, under the control and management of European traders and merchants who operated the import-export trade. From this perspective, it is easy to see that the colonial socio-economic setting was fashioned after the slave trade, which it superseded. This pattern also explains why it seemed to have worked

smoothly to a perfect plan of exploiting the peoples and resources of Africa by force and through the well-practiced policy of divide-and-rule, which kept Africans at each others' throats while Europeans appeared like benefactors who brought peace and the so-called western civilization.

Secondly, based on the patterns of European activities in Africa during the trade in gold and slaves, and during colonialism, trade was often the precursor to diplomacy contrary to the popular notion that 'commerce follows the flag'. For example, traders and sailors preceded the European nation-states in the search for gold in West Africa, which, once it was confirmed, instigated the building of El Mina Castle in 1482 by the Portuguese. When the Portuguese dominance of the West African market was supplanted by the Danes, English and the French, it was also traders from these nations that led the way. Again, during the quest for a sea route to India where cheaper products than what the Arabs offered at the Mediterranean shores were hoped for, European traders, as sailors, led the way. Thus, although Prince Henry of Portugal and the envoys of Spain enjoyed royal support from their sovereigns during their expeditions to explore the world outside Europe, the rest of Portuguese and Spanish efforts were championed by mercantile and commercial interests, which were out to further their trading ventures. In terms of ocean shipping during pre-colonial times, these first waves of explorers were the pioneers of maritime trade seen by West Africa's coastal peoples.

Similarly, after the second European exploration into the African hinterland in the early 1800s, the supposed stakes of the various European nations were first claimed and held by merchants and sailors who made treaties with local kings and potentates and enforced spheres of influence, which were later adopted at the Berlin Conference of 1884-1885. British company administration held sway in the Gold Coast as far back as 1828, long before the outset of colonial rule, as they did also in the Niger Delta via the Royal Niger Company in the 1890s, the Germans

in Cameroon and Dahomey or the French in places such as Senegal, Ivory Coast and Chad. Thus, traders, commercial explorers and sailors were precursors to European colonial regimes in West Africa and other parts of the continent. They continue to play similar roles in today's neocolonial economies of Africa. Moreover many of the mega-shipping lines that currently dominate West Africa's maritime trade are direct descendants of the pre-colonial and colonial traders that pioneered ocean shipping in this part of the world.

Notes.

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2. James Oliver Horton and Lois E. Horton, *Slavery and the Making of America* (Oxford: University Press, 2005), 14;

3. A. Fajana and B.J. Briggs, *Nigeria in History* (Lagos: Longman Nigeria Ltd, 1964), 71-72.

4. J. D. Fage, *Introduction to the History of West Africa*, 42, 48.

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6. James Walvin, *The Slave Trade* (London: Thames and Hudson Ltd, 2011), 70.

7. F.K. Buah, *Modern World History Since 1750* (London: Macmillan and Co. Ltd, 1970), 11.

8. James Oliver Horton and Lois E. Horton, *Slavery and the Making of America,* 25-26. See Fig. 2.0 for a typical stowage plan for most transatlantic slave voyages.

9. Ibid., 14-15; see also James Walvin, *The Slave Trade*, 41-48.

10. Walvin, *The Slave Trade*, 57.

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21. Okon Edet Uya, *Slave Trade and Slavery Abolition: An Afrocentric Perspective* (Uyo: Diamond Ville Digital and Publishing, 2007), 53-54.

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23. James Walvin, *The Slave Trade*, 52.

24. Ibid., 47ff.

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26. Ashamu Sewanu Fadipe, *Slave Trade and Western Civilisation in Badagry: A Brief History of Human Enslavement in West Africa and the New World, (*Abuja: UNESCO, 2000), 39.

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29. Horton and Horton, *Slavery and the Making of America*, 206.

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55. Ibid.

56. Ibid.

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58. The Board of Trade cited facts to support local traders withholding produce. See Dike, *Trade and Politics in the Niger Delta*, 122.

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60. Ibid.

61. Ibid., 146, 163.

62. Ibid.,169.

63. Ibid.

64. Ibid., 171.

65. Ibid., 172.

66. Ibid.

67. Ibid.

68. Ibid., 179.

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72. Ibid.

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74. For a full account of the rise and fall of King Jaja, see Dike, *Trade and Politics in the Niger Delta*, 182ff.

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76. Ibid.,195.

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83. An example of the concentration of traders even after the merging of the first cluster of firms can be seen in the presence of timber, cocoa and palm produce merchants belonging to UAC, CFAO, G.B. Ollivant, John Holt and Company, SCOA and Mandilas and Karaberis at the Sapele port region in November 1953 who were all using the Sapele port and had to be consulted by the colonial government with regard to a plan to reopn Koko port and close Sapele port to all but timber and associated cargo throughput. See National Archives Ibadan, Ughelli Dist. 1, 1649 (1130/659) March 1954, 21.

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94. Peter Newall, "The Rise and Fall of Black Star Line", Ships in Focus Record 38, November 2007, 93

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Chapter 3:

Formation and Organisational Setup of the BSL and the NNSL Compared with Shipping Lines from the Traditional Maritime Nations.

Introduction

In this chapter, we shall look at the historical background or conditions that led to the formation of the BSL and the NNSL and compare their organisational set up and operations to the *modus operandi* of shipping lines from the traditional maritime nations. These conditions were both domestic and foreign in nature and further influenced the patterns of the companies' organograms and eventual business operational methods as distinct from conventional practices of shipping lines in the traditional maritime nations.

As we saw in the previous chapters, African societies came into contact with the global maritime trade through interactions with European explorers, ship owners, ship masters and traders. By the mid-18th century, some African émigrés such as Jao Oliviera had already broken into sea trade between West Africa and Brazil.[1] Furthermore, the activities of King Nana Olomu at the Benin River and the chiefs of Bonny in the Niger Delta during the 1870s and 1880s also demonstrate that Africans had grasped the basic rudiments of sea trade to begin to compete with Europeans.

Socio-economic Background to the Formation of State-owned Shipping Lines

Towards the end of the colonial era, some political, social and economic factors worked concertedly to ginger the formation of state-owned shipping lines in Ghana and Nigeria.

Shortage of Shipping Space and Discrimination against African Commerce: One of these conditions was the acute shortage of shipping space for sea traders in the global maritime industry. During World War I, an average of 80 British ships were lost monthly and whereas

Great Britain, France and Italy had a combined tonnage of 24,500,000 tons before the war, by the end of 1917, their total shipping tonnage was reduced to 18,000,000.[2] Elder Dempster Line alone lost a total of 42 ships during the war, thirty of them as a direct result of enemy action.[3] Of the fleet commandeered by the British government from British ship owners under wartime exigency and placed under Elder Dempster management, six ships were lost, in addition to four hundred and seventy-eight sea-going staff lost at sea as war casualties. The same company lost a total of 26 ships during World War II.[4]

On the other hand, German merchant vessels were also targeted by Allied warships. Many of them were destroyed. Among these were 99 ships, which were sunk or captured during the hostilities or forced to seek refuge in neutral harbours.[5] The fleets of Woermann Line and Deutsche Ost-Afrika Line (DOAL), made up of 72 vessels, were wiped out by World War I while their combined fleet of 27 ships were also destroyed by Allied attacks during World War II.[6] Thus, the West African shipping market was adversely affected by acute shortage of shipping space, which precipitated other problems for operators.

Discrimination against "Unfavorable" Cargoes: Consequent upon the effects of World War II, government restrictions on the usage of shipping space prevailed in Britain till the 1950s. This gave rise to high freight rates and an undue leverage for ship owners to discriminate against cargoes viewed as 'unfavourable'. Some of the exports from West Africa such as timber, rubber or processed kernel and minerals were affected by this "unfavourable" categorisation. Thus, for local West African consumers of shipping services, either as passengers or as shippers, an atmosphere of general dissatisfaction prevailed during the postwar years. In view of the prosperous state by Elder Dempster, Woermann Line and other members of WALCON, despite the apparent shortage of shipping space, the clamour by West African elites grew into an

advocacy for involvement of Africans in sea trade because shipping was perceived as a critical factor in the liberation struggle aside from its potential to confer wealth, power and prestige on the operators.[7]

Frustration with Surf Ports and Poor Road Logistics: By the early 1950s also, shipping logistics in the region were difficult and became an excuse for freight rate hikes. The West African surf ports had cargo handling provisions and storage spaces and access roads to the countryside were not readily available. The resultant long dwell-times and slow turnaround for operating vessels, were disappointing to European ship owners. In 1952, the Liverpool Steamship Owners Association and the conference lines bemoaned their losses whereby a typical West African round voyage took 25% longer than before the war, and by 1956, "conference vessels were still losing a total of 741 days in the five principal West African ports through having to wait for berths".[8] This was despite the intensified programme of civil infrastructure works commissioned in British West Africa via the £100 million British Commonwealth Development and Welfare Act of 1946 which sought to ratchet up the construction of roads and other social amenities that had been denied the colonies all through the colonial era.[9]

The Role of Kwame Nkrumah: Moreover, the quality of political leadership of the African elites contributed to the groundswell of opinion in favour of participation in sea trade. Nkrumah, for example, the prime mover of Ghana's Black Star Line had more than a nodding acquaintance with the shipping trade. As a young boy living in his native village of Nkroful, he knew of the casualty of the *Bakana*, a cargo boat laden with palm oil sailing from Nigeria to the UK, which grounded at Half Assini in rough seas in 1913, alleged by the locals to have been seized by a local goddess.[10] The British and African Steamship Navigation Company vessel could not be freed despite the efforts of two other ships, the *Ebani* and the *Warri*, to pull her out to sea. In

fact, after the master, Capt Richard Williams, gave the order to abandon the ship, he became the only human casualty as his rescue boat capsized and he drowned.[11] Such a frantic maritime accident, with all the excitement it caused in the small sleepy village, must have impressed on young Nkrumah's mind a respect and a dread for the sea.

Additionally, there were other notable experiences in the USA during his student years, such as stints at Sun Shipbuilding Yard and a waiting job aboard the *Shawnee*, a cruise ship that plied between New York and Vera Cruz, Mexico, which solidified Nkrumah's interest in shipping.[12] Moreover, after he had become the Head of Government Business in the Gold Coast in 1951, Nkrumah made a state visit to Liberia in 1952 using President W.V.S. Tubman's private yacht, the "President Edward J. Roye", named after the first black President of Liberia elected in 1870. On this trip, Nkrumah was wowed by the floating luxury and when the captain told him that the vessel was President Tubman's equivalent of a 'navy', the Ghanaian leader declared that "I can't wait to get my own navy…. At the moment, my navy consists of a very gallant but badly equipped fleet of fishing boats".[13] Indeed, he did acquire a personal yacht which he loaned out to the BSL as its first training ship after its formation in 1957.[14]

During the same trip, Nkrumah made a speech at the Centennial Pavilion in Monrovia which touched on the socio-political underpinnings of his administration that gave rise to state-owned enterprises such as BSL. In his words:

> It is better to be free to manage, or mismanage, your own affairs, than not to be free to mismanage or manage your own affairs…. With the possible exception of Liberia, Egypt and Ethiopia, the entire Continent is divided and sub-divided, partitioned and re-partitioned …. We are bringing into being another Africa for the Africans with a different concept …. A free and independent state in Africa ….without outside interference" [15]

Thus, the BSL was set up with such patriotic fervor that glossed over the lack of indigenous technical competence for managing the shipping trade.

Racism, US Civil Rights Movement and Economic Nationalism: Nkrumah's reference to Garvey was not a mere coincidence as the latter became an icon of the Black Civil Rights Movement in the US during the interwar years, especially after he had floated the first BSL in 1919. Apart from W.E.B du Bois, Nnamdi Azikiwe and Kwegyir Aggrey, Garvey was another role model mentioned by Nkrumah as his motivator. According to him, "…of all the literature that I studied, the book that did more than any other to fire my enthusiasm was *Philosophy and Opinions of Marcus Garvey…*"[16] This may well explain why Ghana's state-owned national carrier was named "Black Star Line", perhaps, as a reincarnation of sorts. Nkrumah, in Ghana's BSL, tried to keep alive the spirit of black emancipation, the hope of African reunification after decolonisation, the ultimate projection of national and continental respect, and the gut to reclaim racial prestige for the black man.

In fact, it was said that Nkrumah told white detractors that "You laughed at Garvey but you will never laugh at us"[17] Another source made allusions to a claim that the Senior Obama (the father of President Barack Obama) travelled to the USA to take up his teaching assignment as a graduate student aboard one BSL ship named *Afram River*.[18] However, the immediate circumstances that led to the formation of the shipping line was the manifesto of Nkrumah's Convention Peoples Party (CPP) which, in 1954, directed that a national shipping line be set up without further delay by the Gold Coast Cocoa Marketing Board, a national desire that was backed by an economy whose exports as at 1951 fetched £91 million with a population of only four million people.[19]

Nigeria: Elite Pressure and Private Sector Push into Shipping: In Nigeria, much the same scenario of nationwide clamour based on the background of the activities of Elder Dempster and other WALCON members, heralded the formation of the NNSL. The national discourse was also

inherent from perceived discrimination by the European lines, the arbitrary hike in freight rates, the domineering stature of European merchants *vis-à-vis* the few indigenous ones such as Patrick Osoba, who was seen as a 'front' for Nordic Lines, for example.[20] Moreover, the maritime sector was perceived as holding potential for Nigerian entrepreneurs as well, in view of the rising number of local merchants who were shippers chartering spaces in Elder Dempster or Woermann Line boats and other tramp vessels trading in the country for the booming import and export business.

In 1951, Nigeria, with a population of 30 million had a highly performing economy with export revenue of £120 million and an import bill of £84 million.[21] In the same year, Nigeria's earnings from export of cocoa, palm kernels, groundnuts and palm oil were £28 million, £20 million, £17 million and £14 million respectively.[22] In fact, when her Transport Minister, R. A. Njoku, was asked why Nigeria was launching a shipping line, he said it was to partake in the "share of profits" from carrying of Nigeria's large export of agricultural and forest products,[23] an answer that reflected the poor grasp of what it really took to run a profitable shipping line over the long term. Nevertheless, the general mood of the elites in the country was upbeat as legislators boldly affirmed tiredness with the European carriers and called on the federal government to quickly launch a shipping line.

West African Shipping Trade Operators after World War II

During the post-war years, more carriers, including Palm Line Ltd, Guinea Gulf Line and Holland West Africa Line, joined the West African route, the first two being UAC and John Holt subsidiaries floated to adjust to the reality that the marketing boards had taken over the export of raw materials,.[24] The new carriers also joined the conference lines, trading to both UK and European continental ports. Woermann Line, however, continued to give UK ports a wide berth

on account of the initial understanding with Elder Dempster.

The non-conference new entrants came from Scandinavia. They were Hanseatische Afrikadienst of Hamburg which operated to and from French and Portuguese West Africa; the Scandinavian West Africa Line (SWAL) which entered the route in 1945 and snatched from Elder Dempster the carriage of stockfish to Nigeria; and the Leif Hoegh Company of Oslo (Hoegh Line) which entered the route in 1948 as a tanker trader and introduced large-scale refrigerating spaces into the trade of the coast. The principal exports from Scandinavia to West Africa were Norwegian stockfish, Swedish cement, manufactures and Danish beer. On the homeward voyages, they carried logs, oil-seeds and cocoa beans.

According to Leubuscher, some sort of agreement guided the trades of the Scandinavian lines in such a way as to avoid cut-throat competition amongst themselves in the same ports, either in Europe or in West Africa.[25] However, the uneasy peace between the conference and the non-conference lines in the carrying trade in West Africa was broken in 1951. That year, a subsisting agreement between the Norwegian National Association of Stockfish Exporters and the group of large merchants, which bought the bulk of the fish at a special price fixed by the government was terminated as the government sought to liberalise the market. Although the UAC used to be one of the bulk buyers, in the new dispensation, other merchants accessed the business and shipped more volumes of the stockfish independent of the conference lines. The ensuing rate war affected not only stockfish freight rates but those for cement and beer as well.[26]

Subsequently, both SWAL and Hoegh Line were won over to conference membership in 1955 and 1957 respectively. They agreed to the kind of restrictions placed on Woermann Line *vis-à-vis* operating in British ports: they were not to load or discharge in British ports whereas British Lines were free to trade in Scandinavian ports. More importantly, the main restriction

concerned the carriage of produce controlled by the West African Marketing Boards which they were free to carry only if the cargoes were consigned to Scandinavia and not to any other North European ports. In view of the possibility of grudges with this skewed arrangements, the conference agreed to review them within two years.[27]

Apart from WALCON, the other conferences that emerged after World War II in West Africa were the Mediterranean – West African Conference (MEWAC), which comprised French, Italian and the Swiss Nautilus lines; the United Kingdom – West Africa Joint Service (UKWAL); the Continental Europe – West Africa Lines Conference (CEWAL); America – West Africa Freight Conference (AWAFC); and the Far East – West Africa Conference (FEWAC). Their competitors were the non-conference liners such as Maersk Line, Transmar, Grimaldi, O T Africa Line, G + C Africa Line, Nile Dutch, Rhein Mass und See (RMS) and Deep Sea Shipping. The expansion of the shipping market happened over time when new direct routes between West Africa and other markets replaced the age-old process of transshipment via London, Liverpool or other British ports, and by this means British share of world merchant marine declined from 40% in 1914 to under 17% in 1959.[28]

As part of the new developments in the region's maritime trade, direct services were introduced after World War I. Japanese goods stopped being transshipped at Liverpool in the 1930s and were delivered direct to West Africa. Direct India services were introduced in the 1950s while the change in the transshipment contract for Norwegian stockfish by the UAC opened the route for Scandinavian ship owners to bring the products direct to West Africa. Thus, the direct shipping services widened the market and even facilitated intra-African shipping services.[29] This was the major challenge that WALCON faced since its history of just two members changed to three members after World War I and increased to more than nine members

after World War II. It had had to operate by cross-cutting agreements. For example, the WALCON agreement with MEWAC and the French lines which operated from northern and western French ports eliminated freight wars and assured rebates to all shippers using ships of the conference lines.[30]

By 1960, three regular direct services between the US North Atlantic ports and East, West and South Africa had been running since the inter-war years and continued operation in addition to another three services between US Gulf ports and West Africa. An Elder Dempster service between the US Atlantic port and West Africa was one of these, and they formed a conference. Gulwa Line, operated by A. P. Moller and some Far East Lines also operated on this route, although outside the conference. In the early 1950s, the Indian Scindia Line operated a direct Asia to West Africa service via the Mediterranean Sea while the entry of Japanese direct shipping into West Africa robbed European ship owners of transshipment cargo in hub ports such as Liverpool, Rotterdam and Hamburg. The shippers, of course, preferred the advantages of faster delivery, avoidance of double operation, damage risks and possibly lower freight costs, which direct delivery implied.[31]

The restriction of direct import of Japanese piece goods to West Africa was lifted in 1954 and by 1958, Kawasaki Kisen Kaisha Ltd. (the "K" Line), Osaka Shosen Kaisha (O.S.K.) and the Mitsui Line, the big Japanese carriers with global connections, were operating regular services to West Africa via the Cape of Good Hope, the Panama Canal and the Suez Canal, respectively. Although the Japanese ships were steamed back with very low purchases in West Africa, yet the route was later well patronised by other lines because it was discovered to be profitable. Operators of the Japan route were Maersk Line, Dutch Royal Interocean Lines and Golden Star Line (an arm of Zim Line), between 1957 and 1959.[32] They formed the FEWAC conference in

1959 to overcome competition and allegedly to ward off the entry of the British or German lines' into the trade.

For the West Africa to South America trade, a Dutch line, Stoomvaart Maatschappij N.V. introduced a monthly cargo service in 1959 covering Argentina, Uruguay and Brazil. There was also a direct Elder Dempster service from Canada to British West Africa before 1914 and a three-monthly alternate service, USA to West Africa, by both Elder Dempster and Woermann Line before World War I.[33] All told, West Africa grew in importance from this humble beginning to the state where, by the late 1950s, it was a bustling shipping and commodities market with global clientele and far greater continental maritime interconnectivity than in the past, a situation made possible by the entrance of these operators from different parts of the shipping world.

Formation of Black Star Line of Ghana and Nigerian National Shipping Line

The formation of BSL on March 6th, 1957 became a practical consummation of Kwame Nkrumah's pan-Africanist vision, socio-political strategy and hatred for colonialism and its concomitant racism, which he suffered personally in the US and in England. It also translated to a personal wager against perceived critics and foes when he concluded after its formation that "You laughed at Garvey, but you will never laugh at us." [34] Thus, BSL began its commercial life on the back of a huge political gambit by Africa's first independent nation with a sterling bank balance of £200 million,[35] a huge war chest for a developing nation by 1957.

The reference to Garvey was a significant pointer to the personal constitution of Nkrumah as a leader with unshakeable determination. Garvey, a US black civil rights leader, had formed the first Black Star Line in 1919 and attracted tremendous following and interest

among North America's black population when he advertised large plans for voluntary mass emigration back to Africa for all interested African Americans. He was viewed by the US and European leaders with skepticism, wariness and unease during those years when race relations were tepid. Even though the shipping line project went bust in 1923, causing litigations and allegations bordering on mail fraud, for some Africans and African Americans, including Nkrumah, Garvey was a hero still. His other role models, such as Nnamdi Azikiwe and du Bois, were as strident as Garvey on total emancipation of the black race as the crowning jewel of all political activism.

To deepen his unflinching stand for Africa's image, prestige and world respect, Nkrumah suffered racism in the USA and experienced even worse discrimination in the UK when English landladies generally looked down the nose at prospective black tenants during his sojourn in London.[36] These experiences crystallised in his persona and style of rule when he assumed power in Ghana from 1951. Thus, BSL, like other major state-owned enterprises, was not set out just for the commercial profit-making like its competitors in the same route but served to further the political mandates of the ruling government of the day and to salvage black racial pride. As well, the rejection of the offer from Elder Dempster Lines of the UK in favour of Zim Israeli Navigation Company Ltd. to serve as technical partner of BSL may be traceable to these antecedents.

In the case of Nigeria, the economic, social and political antecedents narrated above created a groundswell upon which NNSL was floated in February 1959 in close collaboration with British merchant marine. This was partly because the erstwhile colonial master managed to bequeath a sympathetic Hausa-Fulani leadership to Nigeria, which nurtured a dandy relationship

with the UK *vis-à-vis* their interests in the country after the colonial era. Although this relationship might be construed as a reason for preferring the Elder Dempster / Palm Line option against others such as "the Dutch, Guinea Gulf, Swedes and Germans" who submitted eleven other proposals for the NNSL project,[37] it could not also be denied that the duo represented the greater bulk of the aggregate experience of the shipping trade in West Africa at the time.

In addition, they made financial commitments to partner with the federal government in floating the carrier, managing its initial phases as well as training Nigerians in the relevant technical and managerial skills for merchant maritime venture. The initial proposal of £400,000 for issued capital was revised upward to £1 million at the first board meeting on 19th February 1959 in view of the requirements for initial administrative setup and acquisition of the first fleet of two ships.[38] The capitalization was reviewed higher again at the second board meeting on 25th June, 1959 by £1 million for the purchase of more ships needed to fill NNSL's West Africa Lines' Conference allotted tonnage quota.

However, floating the company was not devoid of the typical cantankerous ethnic politics of pre- and post-independence Nigeria as, indeed, other parts of Africa during decolonisation. Since the major focus of the thesis centres on the BSL and the NNSL, with more chapters on the details of their operations and circumstances, we shall only sketch out here preliminary observations about their formation and rise from nationalist clamour to begin rubbing shoulders with older competitors from other continents.

Whereas in Ghana, the charisma of Nkrumah prevailed and he presided over the establishment of state-owned enterprises such as BSL with the minimum of fuss, in Nigeria, the subject was complicated by regional, ethnic, religious and political party cleavages. This led to heavy and sustained debates at the parliament and the cabinet, even though the federal

government, controlled by the northern ruling oligarchy, managed to hold sway against the official opposition, the western region government. Maneuvers by the latter, which included threats to form a rival shipping line, were eventually dropped in the face of *realpolitik*.

When we juxtapose the West African shipping lines with those from the traditional maritime nations, it cannot be denied that their British and Israeli technical partners, Elder Dempster, Palm Line and Zim Israel Navigation Company, started them out on standards approximate to European operating formats. After the initial tenures of the foreign managers, Ghanaians took over the headship of BSL including Capt Tachie Menson (famous as the first ship captain African trained by Elder Dempster) while in Nigeria, Nelson Oyesiku, a Nigerian, (also trained by Elder Dempster) assumed headship of NNSL. Although the expatriate managers laid the foundations for commercial operations and profitability, unfortunately, the local politics of the new nations could not be kept from interfering in their operations. Soon, staff employment programmes were overtaken by political patronage and similar practices, to the extent that their organograms instead of being businesslike looked more like civil service bureaucracies.

Organizational Setup of the BSL and the NNSL

The political landscape of electioneering, vote-catching and nascent democratic experiments in Nigeria and Ghana influenced the organisation and activities of ministries, departments and agencies of government in both countries, including the state-owned enterprises (SOEs). In Ghana, the Committee on Youth Organization (CYO), which was formed initially as the youth section of the United Gold Coast Convention (UGCC) morphed into the cradle Nkrumah used to launch the Convention Peoples Party (CPP), the party that formed the government after decolonisation. The spearheads of the CYO such as Nkrumah, Kojo Botsio, K. A. Gbedemah and Krobo Edusei all made it to the Central Committee of the CPP and assumed

important cabinet positions from where they continued to oil the wheels of the party machine via appointments of their supporters into government offices and SOEs. Even though these appointees did not know the rudiments of the shipping trade, they were appointed to sensitive positions in BSL, for example, where they constantly sniggered at their educated counterparts that one did not need a university degree to run a shipping line.[39]

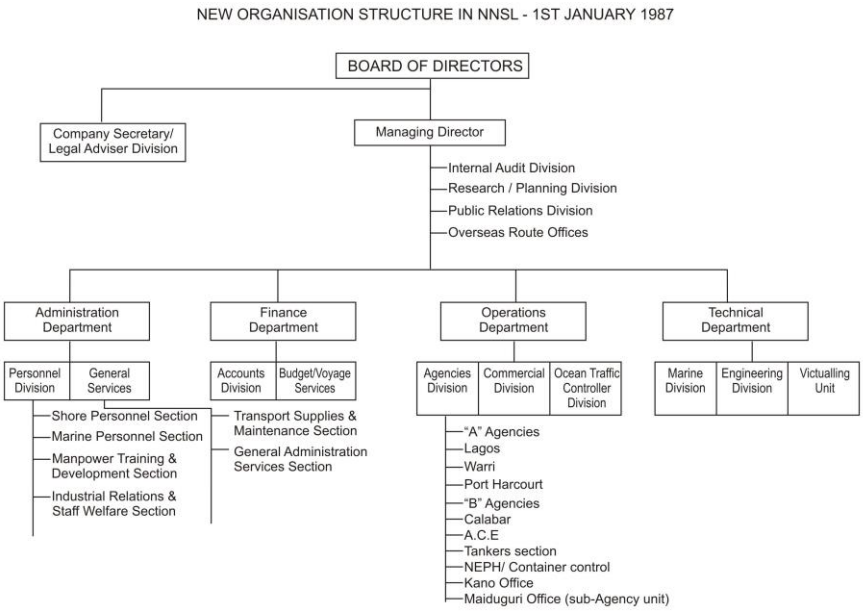
As Iheduru found out, rentierism and clientelism in the maritime sector also operated as a "strategy of political control aimed at weakening or fettering the emergence of a particular class fraction…"[40] In other words, the socio-economic setting of the new nation was characterised by low per capita income amongst even the merchant classes. Nevertheless, shipping was heavily capital intensive and with the scarcity of technical and managerial know-how to compete with the foreign shipping lines, coupled with the huge international agreements required by foreign countries and ship agents for startup participants in ocean shipping, only state actors such as state-owned carriers from developing nations such as Ghana and Nigeria could emerge or cope in the global competition.

At the top rung of the BSL ladder was a managing director followed by a general manager, regional managers and other clerical posts. In 1965, after the joint venture with the Israelis came to an end, a new law changed the company into The State Shipping Corporation and provided for an adjusted organogram, which also favoured state-control and manipulation of the appointments and operations of the carrier.

In Nigeria, much the same usage of power as a lever of political control, patronage and rewards was very much in play in NNSL. Originally, it had a general manager at the head of the administration followed by assistant general managers in three main divisions, namely, administration, technical and operations. The general manager was answerable to the board of

directors appointed by the government and the shareholding companies, the technical partners. After the reorganisation of 1986, which was aimed at facilitating its subsequent operations as a commercial venture, a new organogram was approved for it with a managing director at the top followed by directors in charge of administration, finance, technical and operations departments. See Table 1 for the post-1986 organizational set up of NNSL.

Table 3.1: Organizational Structure of NNSL from 1987



Source: Isiaku A.R. Ahutu "Demise of Nigerian National Shipping Line: Implications for the National Economy, unpublished work, nd.

Having glimpsed the general outlines of the historical background to the formation of these two national carriers and their initial startup, we shall conversely look at the typical formations of shipping lines from the traditional maritime nations in order to see the comparative differences in their *modus operandi*. We shall look at Elder Dempster Line, Woermann Line and Palm Line.

Elder Dempster Line.

The origin of Elder Dempster Line is usually attributed to the royal charter granted African Steamship Company Ltd. (ASSC) in 1852 to establish and maintain "a postal and other communication, by means of steam navigation, between Great Britain and Ireland and the West Coast of Africa, and elsewhere".[41] Macgregor Laird, the company's first managing director, hailed from a shipbuilding family and had been involved in a previous expeditions to the mouth of the River Niger in 1832. He placed the order for ASSC's first five ships – *Forerunner, Faith, Hope, Charity* and *Northern Light* and co-opted his brothers John, William and Hamilton to work in ASSC in various capacities.

However, William and Hamilton were also coal merchants and had, in 1851, appointed John Dempster as clerk to run their Liverpool office. In 1856, ASSC employed Alexander Elder to be superintendent engineer over its growing fleet of ships and its new Liverpool operational base. Unfortunately, Hamilton and Laird died in 1860 and 1861, respectively, and William retired in 1863, developments which adversely affected ASSC's dominance of the West African trade. In 1868, a rival line, the Glasgow-based British and African Steam Navigation Company (BASNC), emerged on the same route. The new carrier persuaded both John Dempster and Alexander Elder to act as its Liverpool agents, which the duo, upon consenting, formed Elder Dempster and Company (EDC) as an agency on October 1st, 1868. The formation of EDC marked the beginning of the use of the name, Elder Dempster, as a corporate entity whose nomenclature subsequently became recurrent in many companies, joint ventures and acquisitions down through their generations.[42]

In view of the financial implications of floating ASSC, especially using the emerging steamer technology instead of the well-worn sailing boats of the era, Liard had to wait for the

approval of the royal charter before he launched the company. At inception, the line maintained a sailing schedule from London to ports at Madeira, Tenerife and West Africa. Other routes were later developed to the US mainland and Canada. For West Africa, ASSC ships, on leaving London, called at Plymouth, Madeira, Teneriffe, Goree (Dakar), Bathurst (Banjul), Sierra Leone, Monrovia, Cape Coast Castle, Accra, Whydah (Ouidah), Badagry, Lagos, Fernando Po (Bioko), Cameroons River, Calabar River and Bonny River with homeward cargo such as palm oil, gold dust, gum, ginger, camwood (African sandalwood), pepper, arrowroot, ivory, palm nuts and bees wax.[43]

It was not only trade goods that encouraged the extensive port itinerary but also passenger services, which were the preserve of ships at the time. Of course, ocean shipping in the 1850s and up to the first half of the 20th century enjoyed an easy monopoly in the movement of goods and persons across the seas and continents in the absence of air travel. This was demonstrated by the successful trading of BASNC which prospered even without the much-coveted mail contracts awarded to lucky ones such as Cunard Line, Pacific Steam Navigation Company, Royal Mail Steam Packet Company, Wilson Line, African Steamship Company and Union Steamship Company.[44] Moreover, subsequent competition between ASSC and BASNC in the West African route further proved that although mail contract was an asset, it was not a silver bullet going by the better profits, which the latter showed and how it gained an upper hand.

BASNC's Upper Hand

Firstly, BASNC rapidly increased its fleet in response to prosperously expanding business while ASSC struggled and was left with no option but "to seek and obtain an agreement with [it] in which freight and passenger rates were agreed and sailing dates fixed".[45] This agreement came into effect in 1870, to last for three years. Secondly, the ASSC's mail contract was later made

non-exclusive as the Post Office refused to renew the payment of the annual subsidy to ASSC alone in view of the market realities *vis-à-vis* BASNC's rising profile. To resolve the conflict, beginning in 1873, the annual subsidy was shared by the two companies.[46] Future developments continued to tie their fortunes together, especially when, through the use of shareholding, the two companies eventually came under the effective control of one man, Alfred Lewis Jones.[47] Jones went on to change the face of British ocean transportation and effectively established the preeminence of the Elder Dempster Company in West African shipping.

Alfred Jones was initially employed by ASSC as a cabin-boy at the age of 12 on board one of its ships sailing the West African route. According to Davies, he made only one trip to West Africa but that was sufficient to gain him a recommendation and he was engaged as a junior clerk by ASSC's Liverpool agents, Fletcher and Parr. In 1878, he quit the ASSC and registered a shipping and insurance brokerage business in his name, Alfred L. Jones and Company. Thereafter, he borrowed money and bought over three of the sailing ships he had previously been chartering for the West African route, even though he was quickly to sell them off again and invested in steamers in view of the changing technology of shipping. To avoid competition with him on the West African route, Alexander Elder and John Dempster offered him a junior partnership in their firm, which he accepted on October 1, 1879.[48]

Unified control of ASSC and BASNC

By the time Alfred Jones joined Elder Dempster and Company, it had progressed in its relationship with BASNC to the stage where it controlled the daily management of the line. After five years as junior partner at EDC, Alexander Elder and John Dempster retired, leaving the reins in the able hands of Alfred Jones. Jones used his ascendancy to nudge BASNC into a harmonious coexistence of ASSC under his management, leading to an equally strong grip on the

West African trade and the successful warding off of new rivals on the route. He also developed much interest in imperial affairs and "acquired considerable territorial interests in West Africa, and financial interests in many of the companies engaged in opening up and developing that part of the world".[49]

Consolidating Elder Dempster Company and the Start of the West African Conference.

Relying on his wide experience of the West African carrying trade and long years of interest in the region, Jones wormed his way into dominance of the carrying trade by intervening in the trade disputes of merchants at the Niger River and in the Niger Delta region. Principal amongst these merchants were the Royal Niger Company, the African Association and single traders such as Alexander Miller. Their disputes and cut-throat competition were later settled with the formation of umbrella organisations such as the Niger Pool in 1899 and the Gold Coast Pool in 1905 as a kind of clearing house, an arrangement that suited the designs of EDC very well. Otherwise, the fears being entertained by Jones was a situation where some of the wealthier merchants would opt out of EDC's shipping services and prefer running their own ships, thereby enlarging the supply side of the market and upsetting the *status quo*.[50]

In fact, threats of this possibility were bandied by merchants such as the Miller Brothers and John Holt, either for real or as a ploy to keep EDC freight rates reasonable. In the circumstances, Jones offered competitive rates, which ensured full patronage of the merchants for the ASSC and BASNC ships. However, in due course, and mindful of the need to secure the business against emergent competition and rival tramp steamers, Jones conceived the idea to consolidate the trade amongst the major carriers, mainly Woermann Line of Hamburg. He talked with Woermann Line and got its assent and cooperation and with that the West African Line Conference (WALCON) was born in 1895.[51]

The WALCON's main offer and bait was a 10% deferred rebate to any West African merchant who would agree to give exclusive right to the conference lines to carry his merchandise. The rebate was paid to the shippers at six-monthly intervals and on signing up for the next six months – quite an ingenious way to get the merchants hooked to the conference, which, nevertheless, offered regularity and reliability of sailings without the fear of wildly fluctuating freight rates. However, the agreement Jones struck with Woermann Line was skewed in its favour. Firstly, the ASSC and BASNC ships would be allowed to load and unload at all continental ports but Woermann Line vessels were not permitted to call at British ports.[52]

Secondly, the routing for freight from the USA to West Africa would be via New York and Liverpool with the freight rate equal to the normal rate from Liverpool to West Africa. Despite the seeming imperfections, however, the market settled into the WALCON system, with the carriers being assured against competition and the traders happy that goods from the US mainland would sell at competitive prices with British goods because of this special freight rates. Although excoriated by many as a cartel, the conference system survived many decades of attacks and harsh economic weathers. In 1964, the WALCON comprised Elder Dempster Lines, Guinea Gulf Line, Palm Line, Black Star Line, Nigerian National Shipping Line, Holland West Africa Line, Woermann Line and Scandinavian West Africa Line.[53]

Lighterage Companies, Elder Dempster Agencies and the Congo trade.

For Elder Dempster, however, a few milestones marked the history of its West African trade as it tried to improve cargo handling at the African surf ports for its carriers, the ASSC and BASNC. Because the ports of West Africa were not developed to berth ships at quays, cargo-laden ships could not call into the river ports due to sand banks blocking the channels. Loading and unloading were done using lighters and canoes which conveyed goods to port or to ships at

midstream. Jones, in order to control the trade of the region more profitably, introduced "small vessel services to transport cargo and passengers from inland, riverside bases to and between coastal ports …. an integrated transport and storage infrastructure in West Africa".[54] The first lighters and canoes to render this service were owned by the merchants and locals and their working routines were viewed by the liners as replete with problems which caused delays. Consequently, Elder Dempster intervened with services deemed essential for operating in the underdeveloped ports of West and Central Africa, including agency, lighterage, stevedoring, navigational buoys and even the provision of currency coins and banking services. This arrangement freed ASSC and BASNC ships from any waiting games due to the discharge or loading of cargoes.

However, some of the activities of the company generated controversies around its chairman, Alfred Jones, and freight wars with European merchants and local traders. Even Elder Dempster's shipping activities in the Congo were revealed to have aided Belgium's King Leopold II's inhuman exploitation of the Congolese, causing international uproar.[55] In 1909, Jones died leaving behind a huge conglomerate of maritime and overseas businesses under the name of Elder Dempster and its various affiliates. The shipping fleet of the company doubled in size between 1895, when he took the reins of leadership, and 1909 when he died, a knight of the British Empire.[56]

One of the major milestones of the company's history was its collapse in 1930 as a fall-out of freight wars with West African merchants. Its name was, however, revived and continued to be used by its successors. The activities and operations of EDC had also expanded to encompass other sectors of the global economy aside from shipping. In terms of geographical spread, EDC activities spanned various far-flung corners of the world during the post-World War

II era when major political, socio-economic and industrial developments were about to hit the global stage. For example, with the outset of flag independence in the West African nation-states, the maritime landscape changed drastically with various long-term effects. However, Elder Dempster secured political good will when it partnered with Palm Line to establish Nigeria's own national carrier, the NNSL. With over 120 years of maritime operation in West Africa, it remained unsurpassed for longevity as a shipping line, a standard which West African carriers hardly attained.

Woermann Line

A remarkable characteristic of shipping lines from the traditional maritime nations of Europe was their origin as private-sector and family businesses. Woermann Line and Elder Dempster Line, for example, originated as family ventures. The former was a German company owned by the Carl Woermann family. The company "C. Woermann" was an international goods merchant, which, as at 1851, exported "bales of fabric, crates of arms and ammunition as well as an assortment of metalware…" from Hamburg to West Africa, taking back "…small barrels of whisked palm oil …[and] small cargo of elephant tusks [pink-hued ivory] which obtained a better price in Europe".[57] The shipping business ran in the family as Carl Woermann bequeathed it to his son, Adolph Woermann, who, in 1856, incorporated the limited liability company called Woermann Linie, otherwise known as "Afrikanische Dampfschiffs-Actiengeselleschaft".[58]

It was under the humble banner of "C. Woermann", that the company sent out the first brig *"Therese Henriette"* to West Africa in 1849 for the palm oil trade, thereby claiming the spot as the first shipping line in the West African trade. However, this was far from the truth in the first few years, because its sailings at the time were not regular, much less having any advertised schedules. *"Therese Henriette"* was a sailing ship of 200 GRT and, like all traders of the time,

catered only for the business house of the Woermann family venture. In 1854, the company set up trading posts in Liberia to serve as collecting centres, oil presses and warehouses. It also began aggressive acquisition of sailing ships whose voyages covered up to the Ogowe River in Gabon, where it set up a trading post as well. By 1862, C. Woermann had acquired ten sailing boats with a combined cargo capacity of 4,400 tons, rising by 1879 to 12 sailing ships and 6,500 tons combined capacity, including one steamer.[59]

As usual in maritime history, technology was the game-changer for the market and the players. The advent of the steamer, with its superior operational advantages of faster speed, more space, fuel economy and better equipment lifespan changed the dynamics of 19th century international shipping. European sea traders of this time who were also goods merchants sailing to India, Australia, the Americas and Africa with brigs whose capacity ranged from 200 tons to 300 tons could not continue to do so in competition with steamers whose cargo spaces were enlarged to 1,100 tons or higher. Steamer operators could not even fill such ships with their own cargoes alone. This precipitated the era of "liner" shipping. Thus, C. Woermann was transformed in 1885 to Woermann Linie, a public-quoted shipping line that sailed according to advertised schedules and frequencies from points of origin to various destinations, loading and discharging cargoes for many shippers and customers along the ports of call.[60]

Thereafter, the Woermann Line trading posts in West Africa also transformed into agencies which not only handled all cargoes brought by shippers but also went in search of cargoes to fill the ships calling between Hamburg and West African ports. In this new role, they faced competition from other liner carriers such as Elder Dempster, whose origin, formation and development were mostly similar. The few differences in the operating models of Woermann Line, Elder Dempster or Palm Line revolved only around their countries of origins and the

availability or otherwise, at inception, of home government support in the form of subsidies and mail contracts. Whereas Woermann Line got only a token mail contract to confer German state protection on Woermann ships abroad, Elder Dempster shipping lines, ASC and BASNC, were boosted with both a mail contract and voyage subsidies to cover their operating costs and ensure their profits.[61]

The roots of the divergent policies were political as the German Chancellor, Otto von Bismarck never sanctioned colonial or overseas territories as early or willingly as Great Britain which was convinced by her overseas merchants about the potential gains of mercantile ventures in Africa. However, Woermann Line survived the teething stage and later prospered without subsidies much as even BASNC did in its first few years of operation. Later, Carl Woermann also participated in the formation of HAPAG and Hamburg-Sud shipping lines while building up his fleet of sailing ships to 15 and many overseas trading posts before his death in 1880. Thereafter, his son, Adolf, took over the business. Under his management, the revolution that toppled sailing ships with steamers fully took place. He changed the company name to C. Woermann's Deutsche Dampfschiffahrt in 1882 and by 1885, his fleet of steamers rose to five, which he dedicated to West African liner service. [62]

All through the annals of this company's history of ship acquisition, types of ships to be acquired, voyage plans and scheduling, staffing and financial management, the dynamism of the private-sector spirit was obvious unlike the bureaucracy, which was rampant in West Africa's state-owned carriers. For example, although the Woermann Line steamers at first fixed departures from Hamburg for every six weeks, this roster was adjusted to every four weeks when the fleet of steamers increased. With this new development also, the first voyages, which terminated at Cameroon were extended to the Congo. Moreover, it was plans and the extra costs

required to begin two liner services, which would depart Hamburg to West Africa on a monthly basis, coupled with the need to acquire two more steamers for the services that propelled the family company to go public through sale of shares for improved financial standing.[63] For the West African carriers, the BSL and NNSL, these decisions would have required considerable bureaucratic approval processes that would have frustrated their efficacy or implementation.

However, it was at the juncture of going public that we are given a glimpse of how such strong international private sector companies managed legal lacunae in the traditional maritime nations. Because registering "Woermann Line", as a family name for a public company was not allowed, it took some wizardry, accommodated by the state, to get around it. "A clever judge…found a way to respect Woermann's understandable wish", and in this way, satisfied the family's wish by appending their name in brackets after the official company title.[64] Thus, the company's ships could still bear the names of family members such as "Carl Woermann", "Anna Woermann" or "Professor Woermann".

When the company went public, its operating profile increased in many ways. Three new steamers were immediately added and more acquisitions came on stream to cater for an enlarged passenger service. This passenger service bloomed with the advent of German colonies in Togo and Cameroon in 1884 and the subsequent movements of colonial administrative personnel and communications between the colonies and the metropolis.[65] A total of 48 round voyages per annum were being run using the 15 Woermann Linie steamers during this time. In 1895, it joined Elder Dempster's ASC to establish the Congo service in what later became known as Compagnie Maritime Belge (CMB). It also opened an East African service in 1890 with the incorporation of a public company called Deutsche Ost-Afrika Linie (DOAL), following subsidies granted by the German government, with Adolph Woermann as chairman of the board.

Thus, both DOAL and Woermann Line came under the direct management of Adolph Woermann much in the same way that their British contemporaries, ASC and BASNC, were under the direct management of Alfred Jone's Elder Dempster Company.[66]

By 1904, the two Woermann shipping lines had 36 ships with a total of 75,000 GRT for both passenger and freight services. Within the next three years, Woermann Line's push towards German South West Africa continued, reaching ports in Namibia in 1891 and Swakopmund in 1898, a network that aided German defeat of the 1904 Herero Uprising. During this conflict, Woermann Line transported 15,000 German troops and 11,000 horses, a service for which, though it was generally commended but incurred the wrath of the Reichstag in March 1906 and disdain from Emperor Wilhelm II on allegations of war profiteering for overcharging the state by six million Reichsmark. Nevertheless, its mastery of the African trade was never in doubt, so its operations continued to prosper. Although competition arose in Germany against them, a cooperation agreement between Woermann Line and the two German-Africa carriers, HAPAG and the Hamburg-Bremer Afrika-Linie (HABAL), was reached in 1907 and 1908 which protected their common interests and headed off cut-throat competition,[67] a lesson African shipping lines ought to learn in future endeavours.

When Adolph Woermann died in 1911, Woermann Line reverted, once again, to a public company with his chairmanship position shared by his relatives, Eduard Woermann and Arnold Amsick. Three years later, however, World War I dealt a heavy blow to the two carriers. Of the 72 ships they owned with a capacity of 263,000 GRT at the start of the war in 1914, nothing was saved by the time the war ended in 1918, except a small coastal steamer of 800 GRT.[68] As the family could not raise the finances needed to re-tonnage the fleet, it yielded the companies' shares to a consortium made up of HAPAG, Lloyd and Hugo Stinnes which worked to resuscitate

their participation in shipping. By 1920, this had been achieved and by 1923, Woermann Line was restored to old partnership with HAPAG and HABAL. Two years later, the shipping lines were running nine liner services to Africa in which Woermann Line was participating with nine ships having 39,000 GRT. It also added to the branch office in Las Palmas, new offices in Lagos in 1922, in Beira (Mozambique) in 1922 and in Accra in 1923. By 1928, their combined fleet reached 21 ships, two of which were passenger vessels and Woermann Line reached an inter-war zenith of eight different services to West Africa. However, the prosperity was cut short again, the following year, when the US Stock Exchange-triggered global economic crisis called "Black Friday" scuttled Germany's post-war recovery, including the fortunes of the Woermann shipping companies. Freight rates went flat as raw materials prices nose-dived. In 1932, the Waltershof harbor in Hamburg was described as a 'ship's graveyard', for all the ships that laid idle there.[69]

When Adolf Hitler's government took action in 1934 to revive German shipping by cancelling all agreements and joint ventures of the past decades, Woermann Line and DOAL were affected in the first of two major policies under which they were eventually forcefully sold, in 1941, to other German entities.[70] Later, they merged with HABAL to form "Deutsche Afrika-Linien" (DAL) and began the next phase of German African freight and passenger shipping as before. From nineteen ships in 1935, its fleet rose again to 27 ships by 1939 when World War II began. In the course of the six-year conflict, this entire fleet was obliterated again. To worsen matters, the victorious Allied Powers prohibited German shipping and shipbuilding until 1951, an interregnum when DAL's new owner, John T. Essberger, turned the war-damaged remnants of the carrier's fleet into floating hotels in Hamburg and Lubeck. This was where the former crews of the Woermann fleet were engaged as waiters, harbour sailors, board technicians and kitchen personnel for the duration of the shipping lines' crisis period.

Essberger, who, in 1924, was the owner of the largest private German tanker shipping company, "Atlantik-Tankreederei" bought DAL in 1941 from cigarette maker, Philipp F. Reemtsma, to whom the Reich had forcefully sold their shares under Hitler's dictatorship. After the war, he began building up the old Woermann shipping lines under the new name "Deutsch-Afrikanische Schiffahrts-Geselleschaft mbH (Deutsche Afrika-Linien, DAL), thus bringing an end to the famous Woermann shipping line.[71] In November 1951, he launched the South Africa service. The next month, he reopened the old West Africa service with a new ship for freight and passengers while in 1952 he added another ship to the West African route. Three years later the DAL fleet on the West Africa route had reached nine ships with a combined capacity of 44,000 GRT. Essberger died four years later in 1959 and was succeeded by his daughter, Liselotte von Rantzau-Essberger, who continued to pilot the progress of a shipping line that had weathered more than 100 years of continuous trading to various African shipping markets.[72]

The line's fleet in 1974 numbered 45 ships with a total tonnage of 334,558 GRT, twenty-five of the ships sailing with the old Woermann Line flag as a sign of honour. Under Liselotte von Rantzau-Essberger's leadership, two new large tankers were ordered before the 1973 oil crisis and launched in 1975 at Geltinger Bay, even though they were later sold at a loss. Her sons, Dr Eberhart von Rantzau and Heinrich von Rantzau, took over management of the company in the 1980s. They formed a long-term alliance with Safmarine in 1997 under terms of a joint venture called Safmarine/DAL Joint Venture (SAFDAL) with the aim of overseeing their interest in the Southern Africa Europe Container Service (SAECS).[73]

Palm Line

The history of Palm Line furnishes another example of the European shipping model similar to Elder Dempster Line and Woermann Line, and yet dissimilar in some foundational concepts.

The differences include the ownership structure. While Woermann Line was founded as a German family business and remained so for many generations, Elder Dempster Lines were established via the pooling of small British family ventures based in Liverpool and Manchester. Both operated in the mould of private sector enterprises throughout their 100-plus years of existence except during the two world wars. Again, whereas the older British and German lines were formed in Europe and used for West Africa and other global routes, Palm Line, on the other hand, was formed in 1949, as the UAC sought to diversify its shipping department for better cargo catchment potentials after marketing boards were formed throughout British West Africa to take over the export of raw materials.[74] John Holt, ostensibly, for the same reason, also took this route and came out with Guinea Gulf Line during this period.

Palm Line was floated by the name-change of UAC's shipping subsidiary, a purely in-house arrangement for public consumption. Whereas the other two lines were outright shipping lines from inception, the owners of Palm Line were produce merchants, grocers and manufacturers with particular interest in British African colonies. Moreover, Palm Line, before its incorporation, served the UAC as a buffer for the perceived inadequacies of the two major carriers that dominated the West African shipping trade, Elder Dempster and Woermann Line.[75] It was the outcome of the sustained freight wars between the WALCON and the community of produce merchants and shippers along the West African seaboard. Incidentally, only the UAC and John Holt, being giant companies, were able to float shipping lines or charter ships outside the conference with impunity. The best the others could do was to run their small ships as the situation, and the conference, allowed.

Despite their apparent disagreements, however, the arrowheads of the dissension, Elder Dempster and the UAC, collaborated after World War II in a joint shipping service and in the

joint technical partnership to set up the NNSL, whose operating concept as a state-owned shipping line, nevertheless, was alien to their own traditional *modus operandi*.[76] This characteristic underscores the critical difference in the divergent business worldviews of European enterprises in contradistinction to African commerce and industry: the tendency in the former was collaboration and partnership for mutual benefit despite disagreements while the latter's primary attitude was cut-throat competition and die-hard opposition even in the face of losing the common purpose or objective. Thus, the formation of Palm Line aptly demonstrates this tendency.

The Formation of Palm Line

Palm Line was the final metamorphosis of the UAC's initial in-house fleet of eight ships, which William Lever, the famous soap manufacturer, acquired in 1916 when he bought the Manchester firm of H. Watson & Co.[77] The ships, ranging from 1,251 to 2,293 tons, were deployed to UAC's sole use under the name of Bromport Steamship Company Ltd. Before the death of William Lever in 1925, he had acquired the Niger Company (also known as the Royal Niger Company) in 1920 – a company which, using a royal charter, had ruled over large parts of the Nigerian territories until 1900 but thereafter fell on hard times. In 1929, two major mergers involving the Lever companies that would thereafter shape the economic fortunes of Nigeria were formed. The struggling Niger Company revived and merged with arch rival, African and Eastern Trade Corporation to form the United African Company while Lever Brothers itself merged with the Dutch Margarine Union to form the Unilever group, all at a time when African nationalists deplored the fierce competition against the petty trader and the excess profiteering of such octopus European combines.[78]

In their pre-merger activities, the African and Eastern Trade Corporation and the Niger

Company had small fleets of their own, including the *Ashantian, Woodville,* the *Ethiopian, Nigerian* and *Lafian* for the former while the *Tyria* was owned by the latter. Thus, the newly formed UAC had a combined fleet of five ships since Woodville had been sold in 1928, a fleet considered justifiable since:

> …the chief requirement of the West African trade was a fleet made up of many small ships rather than a few large ones. Deliveries had to be frequent, and there were a large number of ports to be served…. Influenced…by the old Lever desire to secure independence in transport…UAC rapidly began to expand its fleet."[79]

Thus, seven second-hand ships namely, *Lagosian, Mendian, Zarian, Kumasian, Congonian, Gambian, and Dahomian*, were added to the fleet between 1930 and 1934. Moreover, increasing exports of groundnuts, palm produce, cocoa and diamond in Nigeria and the Gold Coast spurred the UAC to embark on building of new ships especially when it became obvious that Unilever's money blocked by the German government would be released if channeled to build ships in German shipyards.[80]

This development began a huge new ship building programme and the disposal of old ships in the fleet of the UAC group. In 1935, the first new ship, the 4,917-ton *Ashantian* joined the fleet, followed by the *Kumasian*. Many of the old ships were sold while the new ones were given their names. Thus, whereas the second-hand vessels, *Zarian, Mendian, Kumasian, Congonian, Gambian* and *Lafian* were disposed between 1935 and 1936, six new vessels were added to the fleet in 1936 and six more in the next two years, bringing the UAC's fleet to sixteen new ships, the newest fleet in the West African market, half of them constructed in German ship yards.[81] (See Table 2 for the fleet outline of Palm Line as at 1949) Unfortunately, they had hardly settled down to the business of making money when World War II broke out and the British government requisitioned all ships belonging to the UK merchant marine and got them involved

in the war.

Table 3. 2: The Fleet of Palm Line at its Formation in 1949.

The fleet at the formation of Palm Line consisted of the following ships:

Name	grt	Date Built
Ashanti Palm (ex-*Ashantian*)	5123	1947
Dahomey Palm (ex-*Conakrian*)	4876	1937
Opobo Palm (ex-*Congonian*)*	6083	1942
Benin Palm (ex-*Ethiopian*)	5424	1936
Gambia Palm (ex-*Gambian*)	5452	1937
Kano Palm (ex-*Guinean*)	5129	1936
Kumasi Palm (ex-*Kumasian*)	7221	1943
Oguta Palm (ex-*Lafian*)	7221	1943
Lagos Palm (ex-*Lagosian*)	5047	1947
Mendi Palm (ex-*Leonian*)	5419	1936
Volta Palm (ex-*Liberian*)	5129	1936
Matadi Palm (ex-*Matadian*)*	6246	1948
Niger Palm (ex-*Nigerian*)	5202	1948
Takoradi Palm (ex-*Takoradian*)	5452	1937
Lokoja Palm (ex-*Zarian*)	5135	1947

*Vegetable oil tankers

Source: Roger Kohn, *Palm Line: The Coming of Age 1949-1970* (Leicester and London: Raithby, Lawrence and Company Ltd, 1970), 27.

A brief glimpse of their war-time activities and fate showed a situation that was furthest from the peacetime runs to 'the coast'. In a letter from Captain E.V. Bishop of the *Guinean* to the company's Liverpool agents on June 17, 1940, he evoked nostalgia and certain patriotism when he wrote that:

> You will no doubt be wondering what we have been doing of late but have no doubt surmised that we have been evacuating troops from France…. In the first place, every officer throughout the ship gave up his cabin to accommodate officers and lady refugees. I myself had three ladies in my bedroom and six senior officers in my day room… an amusing episode was when a Canadian soldier dropped a Mills grenade by accident between the two boilers…. We carried quite a few civilians, ladies and babies…. The total amount of troops carried this last trip was somewhere around 3,600. Of course, you can realize the state of the ship at the present moment….[82]

The rest of the story for the UAC fleet was tragic: the *Zarian* was torpedoed 250 miles off the Scilly Isles; five people were killed when the *Lagosian* was bombed in the North Sea; the

Conakrian was also torpedoed but the *Congonian* became the first ship to be lost. Unlike those lost to enemy action, the *Takoradian* and *Gambian* had entered Dakar to take diesel bunker when, after the collapse of France, French officials loyal to the Vichy regime boarded and seized them until 1943. The rest of the UAC fleet were decimated or affected by one war incident or the other: nine were sunk, five were damaged and only two ships, the *Leonian* and the *Ethiopian*, which had been in direct use by the Royal Navy, escaped without damage. In addition, 46 lives had been lost with the ships. Overall, UAC fleet, after the war remained ten, including three replacements, *Congonian*, *Kumasian* and *Lafian*, which were built during the war years.[83] However, the end of the war brought the beginning of a new era where the political landscape of West Africa yearned for drastic change.

First of all, to cushion the adverse effects of their lost tonnage and the resulting acute shortage of shipping space, the UAC, John Holt and Elder Dempster agreed to set up a joint service. This lasted until 1957 even though new political developments challenged the shipping industry's post-war boom. For example, in Nigeria, Gold Coast and Sierra Leone, the colonial administrations moved to protect local farmers from the vagaries of price fluctuations on the world market by setting up produce marketing boards. The boards set up between 1947 and 1949 covered individual commodities such as cocoa, groundnuts, palm produce and cotton. Later, overarching agencies such as the Nigerian Produce Marketing Company, the Sierra Leone Produce Marketing Board and the Gold Coast Cocoa Marketing Board were set up. These were to harmonise activities of the individual agencies but essentially the boards bought the produce from the farmers instead of the latter selling to the European or local traders as before. This way, the boards also selected the ships for lifting the exports overseas, a major blow to the traditional business of the shipping lines.

In addition, nationalist activities heightened during the post-war years. The signs were obvious that the days of empire were numbered and the attendant privileges to European traders had nearly run their course. For heavy colonial investors such as UAC, a change of tact was called for. Nevertheless, the market was on an upswing. Foreign demand for raw materials was high. Local demand was also high for imported fabrics, war-surplus equipment, provisions, building materials, vehicles, railway equipment and spares and manufactured goods. West African farmers were supplying 92% of global groundnut demand and 70% of cocoa and palm oil demand; palm kernel production ranged even higher.[83] Thus, despite the whiff of change in the air, the impetus to dig in was justified.

In 1947, the UAC fleet of 15 vessels was beefed up with three others acquired by long-term charter, namely, *Fort St. Joseph, Fort McPherson and Fort Moose.*[84] However, in order to better prepare for future conditions of instability in shipping revenues just like the established common carriers – Elder Dempster or Woermann Linie – the UAC floated its shipping department to become a common-carrier shipping line. This development was achieved by reviving its dormant subsidiary, Southern Whaling and Sealing Company, and changing its name to Palm Line. An extraordinary annual general meeting of the company's shareholders on February 16, 1949, ratified the new name, the logo and company articles of association as well as the appointment of Frank Samuel as the first chairman of Palm Line. Henceforth, the shipping line carried cargo from all comers, instead of the former restriction to cargoes from the UAC business house.[85]

After its formal launch as a shipping line, Palm Line, in the early 1950s, introduced some of the innovations that blazed the trail in the West African shipping market such as the scrapping of passenger accommodation in their newbuildings, which was a response to the rise in air travel,

the use of aluminum superstructure, which saved extra 55 tons for cargo dead weight, and improved accommodation for officers and crew with full air-conditioning – innovations that possibly drew high-profile guests such as Kwame Nkrumah who chose Palm Line for his return journey to the London Commonwealth Prime Ministers' Conference in 1957.[86] Although more carriers entered the West African market in the 1960s, generating more competition, the terms of trade in the region began to decline as average values of their staple exports decreased while cost of imports rose, forcing national policies of import restrictions to be adopted with attendant drop in cargo volumes.

Palm Line reduced its fleet to fifteen during the lean years of the 1960s when it experienced various shocks. These included the loss of the *Ashanti Palm* at the harbour in Naples in 1962, the disposal of *Matadi Palm* in 1963, a freight war between the conference lines and Hoegh Line and a National Union of Seamen strike that cost it £100,000, which culminated in the first time the company made a loss in 1966.[87] After the freight war, the British Lines moved to create the United Kingdom – West Africa Line (UKWAL) Conference as a subgroup of the West African Lines Conference, to better secure their market share.

In 1970, Palm Line's 828 workforce comprised 284 officers, 46 cadets, 46 petty officers, 140 British ratings, 212 West African ratings and a little more than 100 shore staff in the UK.[88] The size of crews onboard its ships was 42, made up of one master, three deck officers, five engineer officers, a radio officer, two electrical officers, a purser, and chief steward, boatswain, carpenter, second steward, about ten deck ratings (generally British), six engine room ratings (mostly Sierra Leonians), cooks and stewards (all West Africans).[89]

Moreover, there was a dual condition of service for sea going staff. Officers were engaged on contract as permanent staff while ratings were made to sign for one voyage at a time

and were recruited from the British Shipping Federation or similar bodies in Sierra Leone and Nigeria. Officers were also entitled to 120 days of leave and could have their wives aboard during the turn-round period in home ports while senior officers could take their wives on a full voyage once a year. Some of these conditions were replicated by the managements of the BSL and NNSL.

Overall, Palm Line and the conference lines served about forty ports along a 5,000-mile stretch of coast line from Morocco to Angola. These included Lagos, Port Harcourt, Tema, Takoradi, Abidjan and Dakar, in that order of importance. Others were Matadi, Douala, Lobito, Freetown and Conakry. Although the lesser travelled ports such as Cotonou, Lome, Bissau, Bathurst, Victoria, Tiko and Port Gentil were later developed into modern facilities, the economies of the industry did not favour others such as Cape Palmas or Sassandra, which still remained as open sea anchorages and continued to be served as surf ports whenever necessary.

Also, unlike Elder Dempster or Woermann Line, which sailed to US, Canadian or Asian ports, Palm Line ships never called outside West Africa and northern Europe, perhaps, due to the age-old interest of William Lever to harness mainly British Africa. The nature of West Africa's ports and cargoes, which were Palm Line's primary focus, affected its fleet: they were all engineered to suit the poorly-developed port systems of the region and the unconventional cargoes, which required stowage, packing, and handling proficiency different from ports and cargoes found in Rotterdam, Hamburg or Liverpool.[90] Nevertheless, by the 1970s, advances in the trade forced unitisation and containerization such that traditional exports such as palm produce, groundnuts, cocoa, cotton, timber, yams, tin and aluminum began to be palletized or pre-slung and all others were packaged to optimised speedy port handling.

One significant adaptation of Palm Line activities in West Africa crystallized in the ship

agency business where it employed more shore staff than for its core shipping operations, a total of 1,350 personnel. In Nigeria alone, Palm Line Agencies had 800 employees, 450 in Ghana and 100 in Sierra Leone, all indigenes with only twenty expatriates spread out.[91] Their jobs comprised preparation and processing of bills of lading, customs payments, shore handling and other charges, road and rail delivery logistics, claims work, warehousing and lighterage services. In Nigeria, it even operated as freight agents at the Lagos airport. Thus, Palm Line contributed to human capacity development in West Africa as some of its African staffers were sent to London for one-year duty tours to understudy operations at the head office while head office staff were posted to West Africa for the same reason.

In sum, the national shipping lines of Ghana and Nigeria differ remarkably from the shipping lines of the traditional maritime nations as can be deduced from the historical accounts above. Essentially, shipping lines from Western Europe, North America and the advanced nations of Asia, because of the prevalence of laissez-faire market conditions in their polities, were mostly private sector enterprises such as ASSC, BANSC, Woermann Line, Palm Line, DAL, American President Lines, Mitsui O. S. K. or Dollar Shipping Line. These were formed and operated by private-sector businessmen and women, with various levels of governmental support. However, there was a time when all the major powers had vested interests in their merchant navies because of wartime strategies.

For example, the United States of America was associated, in 1938, with taking over the management of Dollar Shipping Company due to its financial distress, and financially supported construction of such large passenger ships as the 'S.S. America' and 'S.S. United States'. The 'S.S. United States', for example, was a luxury passenger ship built in 1952 for United States Lines at the cost of $78m, the largest ocean liner entirely built in the US, with the record as the

fastest ship to make the trans-Atlantic crossing in either direction.[92] The cost was partially subsidised by the US government so that she could be converted to a troop carrier in wartime or during emergencies.

On its part, the British government was a shareholder in the Cunard Shipping Company and contributed financially to the building of the luxury passenger liner, *Queen Elizabeth II*. Other major powers that operated state-owned shipping lines include Poland and the former Soviet Union. The latter, based on socialist ideology about state ownership of the resources of the state, owned Baltic Sea Steamship Company, Black Sea Shipping Company, Novorossiysk Sea Shipping Company, Sovtorgflot and Sovcomflot.[93] The Soviet fleets, however, despite their huge tonnage, performed poorly because they were run as state bureaucracies. No state-owned shipping line quite succeeded as profit-making ventures like the European or Asian private sector shipping lines reviewed above mainly because state-owned shipping lines tended to be bureaucratic challenges. The US government later transferred the assets of Dollar Shipping Company to Singapore-based American President Lines.[94]

Generally, European countries gave financial and fiscal support to their merchant marine, such as the British mail contracts backed by subsidies, which were given to Macgregor Laird to establish the Gold Coast monthly runs in 1852 or the subsidies he received in 1856 to establish inland trading missions on the Lower River Niger also by the British government. In Germany, the Reichstag approved similar subsidies to Woermann Line and others to begin a new East Africa service in 1891. In modern times, however, they supported their private-sector shipping lines with tax holidays and other fiscal incentives or cabotage laws that restricted some shipping activities to carriers operating under their flags. The tendency in developing societies was the establishment of state-owned carriers, which participated in the shipping market with active

government financial contribution for capital and fleet development.

The disadvantages of the state-owned lines, however, were not far-fetched. For example, a comparison of the operation of ships of the traditional maritime nations with the practice in the BSL and NNSL showed considerable differences in the number of crews aboard ships, differences in employment contracts for shore and offshore staff and in the feeding and refreshment compliments aboard their vessels. Black Star Line ships carried 60-man crews while NNSL fielded 51-man crews but a typical Palm Line or Elder Dempster ship would carry 42 officers and ratings.[95] Some of the reasons for the higher number on board African ships were political as employment generation was usually an election manifesto, even if some of the able-bodied seamen ended up being engaged during meal times as couriers to officers who felt too big to come down to the salons like other European officers and men.[96] Secondly, whereas the African carriers were generous with employment contracts to all staff, most European shipping lines employed sea staff based on renewable voyage contracts, leaving the pension and gratuity commitments to the Shipping Federations and Unions ashore. In Nigeria and Ghana, conversely, the staff pension and gratuity bills were part of the hardest nuts to crack during the liquidation of the two carriers.

Again, discipline and professional conduct proved to be a mirage in the West African carriers because of the interference of the society in their management. Due to their civil service structures, the capacity of line managers to be effective disciplinarians was stunted because of non-commercial considerations and the prevalence of ethnically-based enforcement routines. In European shipping lines, there was zero-tolerance for indiscipline of any kind because line managers reported on their co-workers without sentiments. Thus, a dispassionate appraisal of work attitudes was inescapable as the work environment was constantly monitored by

performance indicators and the achievement of set targets. Failure to perform was automatically indicated by the duty roster and promptly attracted the right sanctions.

On the other hand, when NNSL captains reported negatively about any able-bodied seamen because of their lax conducts aboard ship, the latter usually resorted to playing the ethnic card: the master of another NNSL ship from his ethnic group would assure him a berth if he was expelled from that ship.[97] Or, the case of a BSL captain who returned from a voyage and on entering Ghanaian waters, diverted course to another port not on his official itinerary to lift his herd of cows from Dakar, with all the port dues, bunker costs and other expenses billed to the account of BSL, and for which no sanction was eventually applied.[98] Conversely, when an Elder Dempster captain missed a berthing appointment at Liverpool by a few hours, he was sanctioned on arrival because some office managers who were scheduled to hold a meeting with him had arrived the port and wasted time waiting for him.[99] Thus, the lack of discipline took a heavy toll on the fate of the West African shipping lines.

Conclusion

In view of the foregoing historical background to the setting up of the BSL and NNSL, the fundamental rationale for forming them were identical, namely, anticipated economic benefits and multiplier effects on other sectors of the society through a share in the global maritime industry. They were also projected to facilitate industrialisation in the mainly agrarian cultures of the African nations and aid the transfer of technology in seafaring and maritime trade. The flag-waving prestige value of the ships as they sailed around the world was also implicit in the agenda.

Some of these benefits were immediately realised in the socio-economic lives of

Ghanaians and Nigerians, such as employment of nationals to crew the ships and run the shipping companies, transfer of skills via the training of nationals as master mariners, navigators, marine engineers, chief officers, radio officers and shipboard catering services. On land, such professional businesses such as victualling, chandling, ship supply services, clearing and forwarding of cargoes, shipping agencies, marine insurance brokerages and representation, developed in the hands of Africans who could not be turned away by their fellow nationals who ran the shipping lines and ancillary services.

Again, the major historical circumstances which gave birth to them were mostly political and socio-economic in nature. However, from being total strangers to ocean shipping and maritime trade in general, West Africans became familiar with the idea that the ocean represented another commercial space and an endowment to be tapped. The learning curve was difficult even though various factors accounted for their emergence not just in Ghana and Nigeria but also in other developing countries such as Cameroon, Zaire, Brazil, India and Indonesia.

Firstly, there was a prevalence of low per capita income in these countries whereas the business is capital intensive. Secondly, a shipping line required a massive coordination of substantial human and material resources which individual Africans could not muster but which only the new governments could achieve by pooling state resources together. Thirdly, establishing a viable competitive shipping line meant entering into international agreements with a wide network of shipping companies and agents in other countries, a feat made difficult by the relative weakness and inexperience of developing countries' merchants. Sometimes, the agreements required the backing of sovereign states, as when WALCON admitted into its fold only Nigerian carriers guaranteed by the government. Thus, the two major shipping lines formed by British West African ex-colonies, Nigeria and Ghana, or those of their neighbours, were

incorporated as state-owned enterprises and managed by officials who saw them as government bureaucracies to be run according to civil service protocols.

Obviously, although the foreign technical partners foresaw the tough learning curve the newly independent countries would have in developing the shipping trade, they were limited in the level of insistence they could bring to the running of the shipping lines. Whether this was a contributory factor to their early buy-out from the joint ventures is another question but running national shipping lines as bureaucratic state-owned ventures could not have been easy for shipping managers from the traditional maritime nations.

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Chapter 4
Comparative Analysis of the Operations of the BSL and the NNSL

The comparison of the two shipping lines is replete with similarities and differences. Firstly, as a product of the political ferment of decolonisation, both nations shared similar circumstances of dissatisfaction with the dominance of European ship owners and marine factors who superintended over shipping services for the West African sub-region. Allegations of discrimination were rife in both countries as in the rest of the region. Second, Ghana and Nigeria are multi-ethnic societies with internal social and political rivalries which manifested in most spheres of life, business and civic interactions. One aspect of this inter-ethnic rivalry was reflected in the politics of favoured kinsmen taking over top positions from the European technical partners and managers of the new shipping lines. In the case of Nigeria, this was reflected in the careful naming of the NNSL ships according to political figures from the three major regions of East, West and North unlike in Ghana, where BSL ships were named after rivers in different sections of the country. Also, Ghanaianisation and Nigerianisation were slogans freely used to speed up the takeover from expatriates in the two shipping lines.[1]

Other similarities include cargoes available for the two shipping lines. The two countries' exports were mainly raw materials, forest products and minerals. Cocoa, timber, palm produce, manganese and gold were staple exports of Ghana whereas the first three also abounded in Nigeria in addition to rubber, groundnut, cotton, tin and coal. Consequently, the type of ships purchased by the two countries was identical. Again, only two years separated their incorporation dates, 1957 for BSL and 1959 for NNSL. Unfortunately, they also shared this synchronous timing in their liquidation and winding down, 1996 for BSL and 1998 for NNSL.[2]

Ocean shipping and maritime trade were new vistas of business enterprise for West Africans. As the pioneer in the region, BSL, aside from training its own cadets provided the first berths for Nigerian cadets aboard its training ships. Whether this contributed to the similarity of mischief attributed to them later in their careers such as crew trading, indiscipline and drugs smuggling aboard ship, is open to conjecture but the crews of the two shipping lines spent considerable time spent together as fellow cadets. Many Nigerian officers and ratings were later employed in BSL ships, as were Ghanaian seafarers on the NNSL ships. Inter-marriages between Nigerian seafarers and Ghanaian women and Ghanaian seafarers with Nigerian women were common, arising from the intense relationships maintained by young men in this profession in the two locales.

One of the most significant similarities in operation of the two lines was membership of conference lines. The United Kingdom West Africa Lines (UKWAL) Conference, for example, was formed on 1 January, 1968, as a splinter out of the WALCON conference. According to its constitution, the UKWAL was formed to provide shippers "the most efficient and economic" services by the Lines' respective fleets in the UK-West Africa trade.[3] As future developments clearly showed, the UKWAL joint service to which the NNSL contributed four ships and the BSL two ships proved to be a major lifeline to both carriers, especially when negative publicity and frequent arrest of their ships in European ports exacted a toll of heavy financial losses as shippers avoided them. The white faces managing the UKWAL joint service secretariats in Liverpool, Lagos and Abidjan effectively shielded their operations from the scourge of shipper avoidance and thus extended their lifespan until the EU sledge hammer against shipping conferences ended the arrangement and sealed their fates in ultimate liquidation.[4] We shall now turn to the detailed operations of their individual establishments.

State Shipping Corporation (Black Star Line) of Ghana

The first step towards the inauguration of Ghana's national shipping line was taken on September 10, 1957, with the formal execution of the necessary documents of a joint venture between the Republic of Ghana and Zim Israeli Navigation Company Ltd. In the offices of the Ministry of Trade and Development, the principal document, the "Memorandum of Agreement" to establish Black Star Line Ltd., was signed for Ghana by Kojo Botsio, minister of trade and development and F.Y. Asare, minister of communications. W.M.Q. Halm witnessed for the signatories who signed on behalf of the Ghana Government. H. Wydra and S. Friedman signed on behalf of Zim Israeli Navigation Company Ltd., the other contracting party.[5]

Administration

With an initial authorised capital of £500,000 (or GHC1,000,000) subscribed by the Ghana government and Zim Israeli Navigation Company Ltd. (Zim Lines) in the proportion of 60 per cent and 40 per cent respectively, the shipping line began operations in 1957 with one 10,000-ton ship, *SS Volta River*, which plied mainly between Mediterranean and European ports and West Africa.[6] Three more second-hand ships, namely, *SS Tano River, SS Ankobra River* and *SS Densu River*, were added to the fleet in 1958. Zim's technical partnership was to last for three years but in 1960 Ghana's new state policy to terminate all partnerships between it and foreign interests affected the agreement and the shares of Zim Lines in Black Star Line (BSL) were bought over by Ghana.[7] This was the first of the various Ghanaianisation policies, including a name change to State Shipping Corporation in 1965, which took place in the shipping line.

However, in view of the initial unpreparedness of the new nation to take its destiny in the shipping trade into her own hands, the government retained Zim Lines on a management contract

through 1968, both to nurture the BSL as a going concern and to groom Ghanaians in its management. Coupled with the involvement of the Israeli company in the set up and staffing of Ghana Nautical College at Nungua, it would have led to self-inflicted national losses to jettison the expertise of expatriate staff already engaged by Zim to work in the two highly technical maritime ventures. As at 1960, Zim Lines announced surprising profits of £10,000 and £32,000 for the first and second year respectively while £40,000 was projected for the third year of the BSL's operation.[8]

After the share buy-out, Director of Zim Lines, N. Wydra, told a press conference in Haifa that BSL will refund £500,000 of Zim's investments in addition to its share of the profits, about £30,000. He claimed an "enhanced prestige" for Zim Lines in Africa because of the achieved profit margins and for Ghana retaining their services for seven more years. An elated President Nkrumah (also known as the "Osagyefo" meaning "redeemer") thanked Wydra for Zim's services and confessed, on one occasion, that he "never expected such far-reaching achievements in so short a time" and on another event, praised Israel as "the most suited of all nations to help and advise states that had just achieved independence and had to develop rapidly".[9]

Although some writers have noted the link between Marcus Garvey's pointing to Israel and Zionism as the way to go for Africa's new states,[10] and President Nkrumah's choice of Zim Lines and other Israeli companies for joint ventures, Zim did justify, by its achievements in such short order, the confidence reposed in them by Africans and African leaders. At his Haifa press conference, Wydra revealed that of the 170 men employed onboard the BSL ships, 120 were Ghanaians while only 15 were Israelis, just like at the Israeli-run Ghana Nautical College Nungua where he said he was working for the "achievement when Ghanaian masters shall take

over from our captains".[11] Thus, all seemed to go well with the business, although for this alliance with the Israelis, the BSL had to suffer hostile reactions from others whose aid Ghana shunned, such as Gamal Abdel Nasser, who, thereafter, prevented the BSL ships from using the Suez Canal for many years.[12]

The remarkable tenure of Zim's partnership in the BSL was further brightened when Ghana signed the £9 million shipbuilding contract with a Dutch firm on January 21, 1960, to build eight new conventional ships, all designed to carry logs on deck, four with reefer space and four with deep vegetable oil tanks. Krobo Edusei, Ghana's Minister of Transport, at the signing ceremony, again voiced Ghana's "debt of gratitude" to Zim Lines.[13]

At the outset, Black Star Line began operations with a coterie of low- and medium-cadre personnel employments such as shipping and boarding clerks, typists, freight canvassers and beach officers who were employed *en masse* for the shore offices. By early 1958, however, the records began to show employment of ship's crew, including George Tweneboah, a boatswain and expatriates such as Captain Roberto Perez, a Spaniard 3rd officer presumably to cater for the increasing the BSL fleet. Over all, Ghana did not have many indigenous trained seafarers to choose from. One of the outstanding ones, however, was the late Capt. J. Tachie Menson, who began training at Liverpool Nautical College (now John Moore University, Liverpool) in 1951 and qualified as a master mariner in 1960, the first African captain to command a ship on international voyage, working with Elder Dempster Line.[14] He, thereafter, worked for the BSL, rising to the post of managing director in the 1970s and, later, the NNSL.

However, to kick-start operations, Zim had to rely on Elder Dempster to gain information about local rates for emoluments of the BSL first employees. Although the British carrier obliged cautiously and rationalized the action in internal memos on the fact that the information

was not a trade secret, it's caution became justified by subsequent strained business relations due to cargo and other operational disagreements. Nevertheless, on the salary issue, Zim was soon after challenged by the Ghana government whose Ministry of Labour informed it that the government, and not the joint venture partner, would decide the wages of Ghanaians in the BSL.[15] Thus, the salary matter was settled but it signposted the socio-political underpinnings of the business.

For, the BSL was only one of fifty-three state-owned enterprises (SOEs) established by President Nkrumah, ranging from kitchen matches to mining, brick and tile to boatyards and farms.[16] Indeed, Nkrumah actually wanted to set up "600 new enterprises [being] started over the next five years",[17] unwittingly laying the foundation of the implosion that consumed his government a few years down the road partly due to liquidity crisis. With reference to their management, the state companies were mostly financial liabilities because only few made profit. Their operations were dogged more by Bayart's concept of the "politics of the belly" rather than principles of commercial viability as in shipping lines from the traditional maritime nations. Thus, what Zim had to cope with *vis-à-vis* the emoluments of Ghanaian staff was a general condition of the local politics whereby the ruling Convention Peoples' Party's (CPP) patronage and influence-peddling were implicated in some of the bizarre recruitment and general administrative excesses of the SOEs, including the BSL.

In fact, many of the local staff of the BSL came through what one BSL top official called "nepotism, favoritism and party affiliation".[18] This worsened after Zim's handover in 1968 when unqualified party members were just rewarded with an employment in the BSL, with or without skills or formal education. In an oral interview with Mensah, who was employed in 1976 as one of the only batch of graduates ever recruited as management trainees, he noted that fellow

employees seconded from CPP used to deride them that one did not need a university degree to run a shipping line.[19] Not only was employment arbitrary and corrupt, personnel administration was almost non-existent. Mensah, for example, was employed as an assistant traffic officer and continued in that position until his resignation 15 years later despite being reassigned many times to other departments and locations within and outside Ghana, including as UKWAL representative in Liverpool for seven years. There were no promotions in the administration of shore staff of the company throughout his tenure.[20]

On the converse, shipboard officers and crew enjoyed a different dispensation. In most cases, the BSL seafarers, were engaged as secondary school leavers and, thereafter, trained to become master mariners (captains), engineers, electricians, catering officers and radio officers after many years of schooling and sea time, sponsored by the company. They were regarded as staff from the point of engagement and throughout their studentship. The average duration to gain a captain's ticket was ten years. Engineers and chief officers spent a similar duration. By its fifteenth anniversary in 1972, only three of the line's 16 ships were commanded by foreign captains, the rest were captained by Ghanaians. Moreover, the ranks of chief engineers to the 5th engineers, chief officers, 2nd officers, 3rd officers, radio officers, assistant radio officers, electricians and stewards, a total of 190 in all, were manned by Ghanaians, with a few Nigerians and other Africans.[21]

In 1965, a new regulation called the State Shipping Corporation Instrument empowered the President "to reconstitute the Board, appoint, transfer, suspend or dismiss any of the employees of the Corporation [BSL]…".[22] This instrument only legitimised the hitherto partisan grip on the BSL by top officials of the CPP. Eventually, the high-flying era of the BSL's progress did not long endure after the exit of the Israelis. At its fifteenth anniversary celebration in 1972,

BSL officials had no such grand milestones as the Israelis showed in the company's formative years during the 1960s. Rather, they spoke of the purchase of "three Setra buses and two Fiat cars" for staff movements, plans to build a "Beach Office and Gear House at Tema", laying the "foundation stone of the Tema Agency Office [and] that of the Head Office building in Accra" and plans in "advanced" stage to acquire more vessels and craft[23], hollow statements that indicated a certain derailing from the initial ambitions of setting up a strong ocean shipping line.

Three years later, Colonel P. K. Agyekum, the Commissioner of Transport and Communications under the administration of Flt. Lt. Jerry Rawlings' National Redemption Council, told a press conference that the greatest achievement of the BSL so far was that "it was able to hold its own for 17 years" against European competitors, which had been trading for over a century.[24] He reeled off other achievements, including the promotion of Ghana's export such as timber, to Algeria and Gambian markets, yams, lime juice and other exportable foodstuffs to the UK, emergency lifting of essential materials and food items from overseas including wheat, fertilizers, steel, paper rolls, sugar and dried fish.[25]

Shipping Conferences and Engineering Activities

The BSL's business activities were divided into three main centres, namely, two main port operational agencies at Tema and Takoradi, and the head office at Accra. Zim Lines had not long sojourned in Ghana to have the facility of a local complement of ready personnel to deploy to the BSL. As we shall find below, this was quite different with the case of Nigeria where Nigerians working in Elder Dempster and Palm Line were seconded to NNSL to facilitate take-off. Hence, many expatriate Israelis were employed to fill executive and operational vacancies pending the out turn of rapidly trained local staff. Moreover, the use of expatriate Israelis who worked on four-year highly-paid rotations, aside from shielding the shipping line from

meddlesomeness by politicians, was in line with the standard practice of Israeli companies managing such joint ventures in Africa.[26]

As at 1972, the BSL had produced eleven Ghanaian master mariners, 20 chief officers, nine chief engineers and a host of lower cadre officers and sea farers.[27] With a fleet of 16 ships, this meant some expatriate officers were still employed on the BSL ships whereas the shore staff quota had been completely indigenized at this time. The initial BSL fleet of four second-hand tonnage, was expanded in 1960 when the company ordered for the eight new ships from Holland.[28] Table 4.1 below show the outlay of BSL's owned fleet between 1961 and 1969.

Table 4.1: Owned Fleet of Black Star Line – Acquired from 1961-1969.

The Fleet Of Black Star Line — Acquired: 1961 - 1969

Name Of Ship	*When Built*	*Gross Tonnage*	*Bale Capacity*	*Speed Knots*	*Deadweight*	*Passenger Accommodation*
Pra River	1961	7093	435,000	15	9280	12
Offin River	1961	7029	455,271	15	9880	12
Otchi River	1961	7093	435,000	15	9280	12
Birim River	1962	7029	455,271	15	9882	12
Nasia River	1962	7143	467,059	15	9992	12
Afram River	1962	7129	467,059	15	9982	12
Kulpawn River	1962	7519	467,059	15	9632	12
Lake Bosomtwe	1963	7079	449,419	15	9932	12
Sakumo Lagoon	1964	7628	443,413	17.5	9795	12
Oti River	1964	7662	450,000	16.5	9980	12
Korle Lagoon	1964	7628	456,359	17	9795	12
Bia River	1965	7674	461,000	17	9980	12
Nakwa River	1965	7628	447,134	17	9795	—
Benya River	1965	7444.5	457,134	17	9795	8
Subin River	1968	—	461,000	17	8116	—
Klorte Lagoon	1969	—	461,000	17	8116	—

28 Ocean Star

Source: *Ocean Star, Vol.7 No.16, August, 1972, 28.*

In 1963, it added four more with a British government loan of undisclosed amount and also invested in lighterage vessels, which it deployed in Takoradi port, including eight 80-ton lighters, eight 120-ton lighters, four 80-ton lighters of 1200 cub. ft. and four tugboats.[29] With its

oceangoing fleet, it plied the UK, Continental European ports, US and Middle East ports. For the UK, the BSL ships loaded at London, Liverpool, Middlesborough and Southampton for West African ports, once or twice a month.[30]

For the COWAC range, its ships loaded at Rotterdam, Hamburg, Antwerp, Rouen, Bordeaux, Dunkirk and Bremen, for West Africa, twice a month, with infrequent calls at Spanish ports. In the US, the BSL ships loaded at New York, Jacksonville, Houston and other US Gulf ports for West Africa. During spring, autumn and summer, they loaded at Montreal and Quebec in Canada and the Great Lakes ports for West Africa. On the Mediterranean route, the load ports were Naples, Genoa, Leghorn and Marseilles for West Africa once a month, with discharges at Valencia. On their northbound itineraries, the ships usually loaded at Douala, various Nigerian ports, Tema, Takoradi and Abidjan.[31]

Perhaps, one throwback to Nkrumah's pan-Africanist policies was the line's promotion of African National Shipping Lines, an association formed to encourage intra-African maritime cooperation in shipping matters among African ship owners. It held two meetings in Zaire and Ghana in 1974 and claimed that this was "a step towards stronger bonds in African unity".[31] These meetings were attended by officials from the BSL, the NNSL, Compagnie Maritiem Zairoise (CMZ) of Zaire and the SITRAM of Ivory Coast. They agreed to act as agents of one another in their respective countries on reciprocal basis. Thus, on February 12, 1975, the first CMZ vessel, *MV President Kasavubu*, called at Tema port under the new agreement. It was followed by other voyages of the company's vessels, especially because BSL had concluded another agreement with CMZ to run a joint service to the Mediterranean route.[32]

However, BSL's participation in the international shipping conferences (UKWAL, COWAC, AMWAFC and MEWAC) was robust. It was also active in IMCO and UNCTAD

meetings where freight and cargo issues deemed beneficial to Ghana were on the agenda. From the late 1970s its agency representations increased to include Lubeck Shipping Line, which operated passenger services, tankers and bulk carriers to Ghana. However, its aggressive cargo marketing strategy pitted it against competitors, even fellow members of WALCON, as explained below.

Cargo Management and Port Operations

By 1961, the BSL was lucratively operating a fleet of 17 ships to UK, Europe and USA. Cargo operations and management were simplified by using Tema port mainly for imports while Takoradi ports served mainly for exports. The main exports carried by BSL consisted of cocoa, timber, coffee, palm kernel, shea butter, yams, and later, aluminum ingots. The main imports were manufactured goods, textiles, equipment and machinery, livestock, fertilizer, and foodstuff.

The simplified cargo operations put in place by Zim Lines reflected in the organisation of activities at Takoradi port, which began operation in 1928 mainly for exports. The Black Star Line set up an agency office there, at inception in 1957, headed by a Branch Manager called "The Agent". The departments and sections under him were Beach Master Office, Imports, Exports, Accounts/Freight/Statistics/ Clearing and Forwarding, and Personnel. As a ship agency, BSL's Takoradi office performed husbandry for BSL ships and ships belonging to its principals. A similar arrangement was also in place at Tema Harbour and at the smaller surf ports such as Accra.

In the direction of trade, UK ranked higher than all other country groups in the volume of exports and imports as shown in Table 4.2. For example, in 1959, the volume of trade with UK alone, £80.2 million, exceeded that with all of Western Europe combined, which was £76.7 million; USA and Canada was £30.4 million; Central and South America, £3.7 million; other

Commonwealth countries, £11.6 million; Eastern Europe and China, £5.7 million; Japan, £9.2 million; and the rest of the world, £8.9 million.[33] From 1955 to 1960, for example, a total of 11,731 ships called at the Ghanaian ports of Takoradi, Cape Coast, Winneba, Accra and Keta, an average of 2,346 ships monthly, with total throughput of 19,341.5 tons.[34]

Table 4.2: Ghana direction of trade, 1900-1960.

Year	U.S.A. and Canada	Central and S. America	United Kingdom	Other C'wealth	W. Europe	E. Europe and China	Japan	Rest of World
1950	25,705	294	58,547	8,177	21,062	2,478	2,512	6,482
1951	31,899	385	72,187	9,237	27,438	4,189	4,012	6,073
1952	29,512	606	72,785	7,207	27,492	4,763	2,845	7,221
1953	28,437	515	80,216	7,917	31,870	4,373	3,984	5,065
1954	23,900	2,700	80,700	10,600	49,700	8,500	5,300	4,300
1955	21,900	2,700	80,100	12,700	48,000	5,800	8,900	3,500
1956	21,100	2,800	71,600	12,600	50,700	3,800	9,000	3,900
1957	21,000	4,300	74,900	11,200	52,400	9,200	10,300	5,000
1958	25,000	3,600	74,400	12,400	57,800	3,000	6,800	5,600
1959	30,400	3,700	80,200	11,600	76,700	5,700	9,200	8,900
1960	27,700	3,600	83,900	12,880	80,700	13,250	11,700	12,000

NOTES

'U.S.A. and Canada' includes Canada since 1954. Before that Canada is included in 'Other Commonwealth'.

Source: 115. G.B. Kay, The Political Economy of Colonialism in Ghana: A Collection of Documents and Statistics 1900-1960, (Cambridge: Cambridge University Press) 1972, 342.

The BSL was also a member of the UKWAL Joint Service where it contributed two ships. Capt E. S. Boohene, the master of one of the ships, *MV Korle Lagoon,* said the conference's Express Service was a 42-day roundtrip Liverpool-Apapa-Takoradi-Abidjan-Liverpool, with 4,000 tons of cargoes southbound and 3,000 tons of cargoes northbound.[35] The concentration on Apapa port reflected the high dominance of the Nigerian market in the West African trade. The Express Service never missed its schedule year-on-year, unlike liner services and, according to UKWAL, in spite of severe port congestion from time to time, strikes both in the UK and West Africa, bad weather and other uncertainties, the Express Service had run punctually to a pre-published one-year schedule for more than four years as at 1972. The quick turnaround was achieved because one-third of the cargoes were always pre-loaded in containers.[36]

In addition, Nigeria was another important market for BSL, not just for the frequent calls at major ports of Lagos and Port Harcourt but also because the interior river ports such as Warri, Sapele, Burutu and Koko were load ports for timber and rubber, which accounted for much of the BSL's traffic in the 1960s and 1970s.[37] Back home, other readily available large cargoes included: cocoa, Ghana's major export crop, of which she exported 1,484,000 tons in 1964 and 1965, much of it carried by the BSL.[38] Although the volume of the cocoa cargo fell sharply to 415,000 tons in 1971, BSL took it in its stride and strove to make up with other commodities such as timber.

However, the problems of securing some of the export cargoes were logistic in nature. For example, the timber market in Ghana was affected by the state of Takoradi port where congestion snarled cargo handling. The congestion was caused by inadequate rail trucks to transport logs to the harbour and irregular movement of ships. As a result, there was slow handling of logs at the port and lack of space in the log pond for easy movement. Like the NNSL, the company also struggled to compete for cargo during the late 1970s and early 1980s. In fact, it had to officially report some government agencies, such as, the Ghana National Trading Company and the Ghana Procurement Agency to the Ministry of Transport and Communication, for signing affreightment contracts with "outsiders and foreign vessels" when the BSL ships were lying idle for want of cargo.[39] Some of the company's cargo operations elsewhere resulted in disputes. For example, in 1965, a US court case was prosecuted against BSL, Zim Lines and their New York agent, Ichabod T. Williams & Sons, Inc., for "discriminatory practices in violation of the Shipping Act of 1916". The charges concerned twenty-six cargoes, which were said to have been shipped on vessels operated by BSL and Zim Lines.[40] Although BSL took such cases in its stride, it reflected an aggressive posture that had

built up during President Nkrumah's presidency when the line waxed bold with WALCON to get its way, as narrated below.

When BSL applied for membership of WALCON in 1957, for example, it boldly rejected the condition that it should operate within "a limit of three ships" and insisted on six ships, a proposal that nearly scattered the conference until Elder Dempster made a conciliatory proposal for BSL to rather attain the 6-ship mark in five years on a progressive scale, and even offered to donate some of its sailings as a compromise for peace.[41] This calmed frayed nerves and the conference continued beyond Elder Dempster's threat of quitting in 1961. Again, in January 1959, Elder Dempster discovered that Zim was making discrete efforts to "obtain priority bookings of cocoa moving from Ghana to the USA" contrary to conference rules.[42] They considered that this could lead to disagreements that would involve confrontation with the Ghana Government and possibly the American conference. However, the issue did not get further mention in the minutes, perhaps, signifying that it was also amicably settled.

Nevertheless, some major incidents of the 1960s, such as the toppling of President Nkrumah by a *coup d'etat* in 1966 and the handover of the line to Ghanaians in 1967, began to define a watershed for the BSL. Moreover, the competition for the same cargoes by many lines trading along the same Dakar-Douala range, with massive fleet expansion, led to situations in Nigeria and Ghana where some of the ships were laid up for months and even years.[43] The arrests of BSL ships for drug trafficking in the 1970s and 1980s led to huge fines in hard currency and loss of morale and market confidence in the line's capacity for cargo care. In Ghana, the incoming National Liberation Council set up, in 1966, a commission of enquiry into the activities of the line. It reported of rank corruption, mismanagement and embezzlement, whereby all cargoes lifted were rebated and the rebates pocketed by the managers without proper

records kept of the company's operations.[44]

Although two more ships were bought in 1969 with German management consultants appointed, who turned around the fortunes of the company, after Ghanaians took over again in 1973, the legacy issues of ageing ships, high repair and maintenance costs, stiff competition for the dwindling cargo volumes in the West African trade and other problems of the company, hobbled its progress. However, the five-month strike by merchant navy officers in June 1980, when all ships were abandoned *in situ* by the order of the union, led to the loss of the sixteen conventional ships in the BSL fleet because their machinery ossified for lack of lubrication.[45] They were later sold as scrap. The huge loss threw hundreds of the company's personnel into idleness as the four new ships ordered that year were not allowed to sail to Ghana because of the strike action. They were signed on to long term charters abroad.

A new management team, which recommended that the new ships be sold and the proceeds used to retonnage the fleet with more second-hand vessels suitable to keep BSL sailing, was appointed in 1990. Although government approved of this plan and search trips to Spain, Poland, South Korea and UK were made for the purpose, it fell through, just like the BSL's attempt to acquire the tanker, "Grube Ove" in 1975; this time the decision of the government in 1994 to disinvest from all SOEs through privatisation, restructuring or liquidation foreclosed the re-tonnaging and sealed the fate of the national carrier.[46] In 1996, its management was taken over by the Divestiture Implementation Committee (DIC), which engaged Panell Kerr Forster and Associates as consultants to wind down the operations of the company and to dispose of its assets. Thus, the glorious experiment in economic nationalism by one of West Africa's most vibrant nation-states ended on a rather disappointing note.

The Nigerian National Shipping Line (NNSL)

Administration

The general outline of running the NNSL was agreed during the incorporation of the company in 1959. A Palm Line appointee, L. Passage Esq., was in charge at the NNSL's Development House, Labinjo Lane, Lagos office, while an Elder Dempster appointee was the manager of the London office. The latter coordinated sailings, ship acquisition and chartering, and cargo management. Nigeria, which held the largest shares of 51%, provided the chairman of the board in the person of Sir Louis Odumegwu Ojukwu, a transport magnate and chairman of other federal government establishments including the Nigerian Commodity Marketing Board, the custodian of the federal government's shares in the NNSL. The board of directors comprised official representatives of the shareholders, according to the weight of their shareholding.[47]

At the Lagos head office, the general manager was supported by an organogram, which included a deputy general manager, three assistant general managers who supervised traffic, commercial and technical departments as in most commercial shipping lines. The company, which began operations with just about 20 employees in 1959 developed a workforce, which at liquidation in 1995, numbered 2,000 permanent staff and 350 pensioners.[48] Its first administrative setup was based on four divisions: namely, operations, owned agencies, finance and technical. Other smaller departments such as personnel, internal audit and public relations came under the office of the general manager. Five years after the inception of the company, its headship was Nigerianised when Nelson Oyesiku was promoted from deputy general manager to general manager on September 30, 1964, the first Nigerian to attain the post. He had formerly worked for Elder Dempster Line.[49]

Nigeria had bought out the technical partners in 1961 when she acquired all the shares of Elder Dempster and Palm Line but retained them as interim managers to groom Nigerians. It also retained the name of National Shipping Line until 1966 when it was formally changed to Nigerian National Shipping Line. However, the share buy-out and name change boosted the anticipation by the Nigerian staff of rapid "Nigerianization" with its bright prospects of indigenes taking over plum positions from the European managers. The *Daily Express* gave vent to these aspirations when it published aspects of the company's annual report and lauded its ambitious training programme for twelve deck cadets, seven engineer cadets, five radio officers and trainees, fourteen pursers and writers, and eight chief stewards and trainees.[50] Thereafter, it became a question of time before the eventual changing of the guard when Nigerian managers would completely take over the management of such a highly technical outfit and determine its fate fully.

However, if Nigerianisation rankled the expatriate staff because they were steadily replaced by younger trained Nigerians, who managed to keep it from the headlines until the near sinking of *MV King Jaja* in 1970 during her first ever all-Nigerian-crewed voyage from Liverpool to Lagos in which foul-play was suspected. The ship had just come out of dry-dock in the UK but during the voyage, a broken 12-inch pipe caused massive flooding of the engine-room that nearly sank it.[51] The question was how such a big fault could have been overlooked at the repair yard and whether this was a plan to sabotage the voyage and cast doubt on Nigerians' technical competence for the takeover bid?

To solve the problem, the chief engineer, C.I.U Ibia and the ship master, Capt. Francis A. Ebong, decided to stop the ship mid-stream for emergency repairs. They thistle-bonded the broken pipe and repaired the loophole sufficiently to limp into Las Palmas harbour, where better

repair took place. In a speech to mark their heroic return to Lagos, the NNSL's expatriate general manager, Henryk Dehmel, gave assurance to an excited crowd of Nigerians and the media at Apapa port that "Nigerian vessels would be manned by Nigerian personnel from the rank of captain to the deck, including ratings…and called on all nationalities within the company to devote their entire service and loyalty for the progress of the company".[52] Thereafter, the Lagos head office began sending Nigerian officers to understudy the managers at the Liverpool office, including Capt. S. O. Kadiri, Capt. Tunde Jonah, Engr Olubunmi Ogundipe and Engr C.I.U. Ibia. These were all ship board officers and subsequent to their training, they were promoted to take over management of Nigerline UK Ltd. in the early 1980s.[53]

At home, Nigerianisation had already seen to the promotion of Oyesiku. Besides, the process of the share buyout and handover from the technical partners gave insights into the finances of the young national carrier. The technical partners assented to a proposal by the Federal Minister of Transport, R.A. Njoku, for the buy-out of their shareholding in NNSL. A sales agreement was concluded in July 1961, the UK office was moved to Oriel Chambers, Water Street, Liverpool, and handover of the manning and maintenance of the fleet was agreed for September 1, 1961.[54] This led to the appointment of D.H. Tod to take over from the technical partners; a process that took "several months" of hand-over mentoring. The accounts of the NNSL operations at this time showed net profits of £155,000, £294,000 and £298,000 for 1959-60, 1960-61 and 1961-62 financial years, respectively.[55]

The wind of Nigerianisation had apparently hastened succession planning in the NNSL. The headship quickly passed from Mr. L. Passage Esq (1959-1961) to D.H. Tod (1961-1964) and straight to Mr N.O. Oyesiku (1964-1967) who was succeeded by Dr. H. Dhemel (1971-1975) and Chief O. Oladitan Esq (1975-1984).[56] Following the sudden termination Oyesiku's appointment

in 1968 and the leadership vacuum that ensued, Nigeria recruited a Polish shipping expert, Henryk Dehmel, in 1969 who was seconded to the NNSL under Poland's technical assistance scheme.[57] Dehmel supervised a reorganisation of the company's administration, which strengthened the headquarters of the line by moving the Liverpool-based nautical and technical departments to the Lagos head office. These departments became instrumental to the massive fleet expansion undertaken by the NNSL in 1977 and their relocation ensured that the new pecking order put the Liverpool office in a subservient position *vis-à-vis* the Lagos headquarters for the major shipping operational decisions.

At the same time, the accounts of the NNSL began to show profits under the tenure of Dehmel. For 1971/1972 and 1972/1973 financial years, for example, the company made net profits of N46,812.00 and N57,824.00 respectively, whereas it had made none since the mid-1960s.[58] The organogram after the reorganisation made the assistant general managers the heads over the four original divisions. However, when the company was reorganised again in 1986 to facilitate its subsequent operation as a commercial venture, the organogram changed again into seven divisions and the chief executive officer became styled as "managing director", instead of "general manager". This had no adverse effects whatsoever because the changes affected only the nomenclature of the officials and not their functions. The seven divisions were as follows: Chairman/ Board of Directors, Company Secretary/Legal Adviser, Managing Director/Chief Executive Officer, Administration, Finance, Operations and Technical, all headed by "directors" instead of "assistant general managers".

The first managing director of the NNSL was Lt. Col. Lawan Gwadabe who, although appointed in 1985 as general manager became the first managing director in 1986. He was followed in succession by Rear Admiral Sunday J. Ugunna (retd) (1988 to 1989); Gerald N.

Chidi (1990 to 1993); Engineer Bob Alfa (1993 to 1995); Rear Admiral Sule Katagun (Sole Administrator), 1995; and, Captain Cosmas G. Niagwan, Sole Administrator / Liquidator (1995 to 2000).[59] The rapid turnover of the chief executive position in the company had its adverse effects in unstable policies and distractions due to vulnerability to the powers that be, as have been fully discussed elsewhere.

Of all the chief executives of the NNSL, only the expatriate general managers and the military appointees could afford to proactively tackle the problems of the company in the 1980s and 1990s, for reasons explained below. While the civilian heads were easily sacked, some unceremoniously, by the military regimes, the tenures of Gwadabe in 1986-1987 and Uguna from 1987 to 1990 coincided with the greatest attention from the federal government via cash injections and policy formulations.[60] On their part, the expatriate managers, once appointed, brooked no interference in their given briefs.

Gwadabe, who was appointed by military President Ibrahim Babangida to revamp the NNSL, tried to reorganise the company to operate as a commercial outfit by upgrading it from Grade "B" to Grade "A" parastatal status and pushed the federal military government to promulgate the National Shipping Policy Decree 10 of 1987 to generate cargo for the NNSL. He also obtained a loan of N53 million from the federal government in lieu of debts owed the carrier by federal ministries, departments and agencies.[61] Under the tenure of Ugunna in 1989, approval was given the company to sell five of its ships, which were ageing and expensive to maintain. The money realised was to be channeled to repairing the others and meeting the accumulated debts that exposed the company's ships to frequent arrests in European ports, although this did not work out as we shall explain.

Thus, in its latter years when the line was struggling for life, only the military managing

directors of the NNSL had the leverage to succeed because they tapped influence from their military connections. The civilian ones were helplessly dependent upon approvals from the Ministry of Transport and Aviation which mostly came late and effete, hence futile in the fiercely competitive international shipping world. As one of the military chief executives put it, "the Nigerian National Shipping Line has had, among other things, major problems of frustration in dealing with the government bureaucracies".[62]

Cargo Management and Marketing

The maxim that 'shipping is cargo' means that without the latter, the former is empty. At the formation of the company in 1959, the transport minister, Njoku, affirmed that the shipping line was set up to tap the foreign exchange earnings from Nigeria's carrying trade, especially of her raw material exports. For many years after inception, the goal did not change. When the NNSL's 14th ship "MV River Gongola" made her maiden voyage to Lagos in 1974, the company's board chairman, Longe, reiterated that the aim of the federal government was "to see that the Nigerian National Shipping Line plays a more dynamic role in our seaborne trade through a systematic increase of its fleet and operational efficiency".[63] Three years later, the company justified fleet expansion programme as aimed at increasing its capacity for "cargo liftings". This development raised the question of NNSL's cargo management strategy and its efficacy.

In the first place, since cargoes were worked at the ports, the NNSL set up many agencies called "ships' husbands", charged with managing its ships at all Nigerian ports. It had other agents as well for all other foreign ports of call. Due to the sheer magnitude of their assignments, the company's "Owned Agencies Division" had the largest number of employees.[64] Aside from husbanding NNSL ships, the agencies also husbanded foreign ships, whose owners, called

principals, had appointed NNSL their agents in Nigerian ports. The Lagos Agency was set up in 1959; Port Harcourt Agency in 1961 while its agency office in Kano was opened in 1971. Warri, Burutu and Calabar Agencies were inaugurated in 1973 while Koko and Tin Can Island Port were opened in 1976 and 1978 respectively. When containerization began to make inroads into break-bulk cargoes in the mid-1960s, NNSL teamed up with other UKWAL members to form the African Container Express (ACE) and it formed an agency, based at Lilly Pond Container Terminal Apapa, to cater for container traffic. The Burutu agency was mainly set up to cater for crude oil tankers calling at the Forcados and Pennington offshore terminals.[65]

Another cargo agency, principally for COWAC containers was the NEPH office, (short for NNSL, Elder Dempster, Palm Line and Hoegh Line). It catered for container traffic of Peugeot Automobile of Nigeria CKD parts from Europe, Far East and France. The NNSL's principals were Black Star Line of Ghana, Compagnie Maritiem Zaire of Zaire, "K" Line of Tokyo, UKWAL and NEPH. It was also the crude oil tanker agent at Forcados and Pennington for NNPC Tankers, the managing agents and berth coordinators for UKWAL in Delta and Calabar ports, and the sole ship agents for Delta Steel Company, Aladja.[66]

The routine work for the agencies was simple: they were the liaisons between the calling ships and all authorities, persons and third parties at the port of call. In Nigeria, these included the Nigerian Ports Authority (NPA), the Customs and Excise Department, Federal Ministry of Transport and Aviation, Dock Labour Unions, Department of Immigration Services and other security agencies, cargo owners, importers and exporters, stevedores, chandlers, and even the local hospitals where any ship's crew members in need of medical attention was referred to. Although the Lagos Agency in the late 1950s only arranged ships' husbandry services to the NNSL's three ships, its duty roster became enlarged in the incipient years to include cargo

canvassing, public relations, cargo care, claims settlement and any other emergent needs of ships during their stay in port.[67]

In Nigeria also, the agent applied for the mandatory Ship Entry Notice (SEN) of the Nigerian Ports Authority (NPA) and circulated its approval to the ship wherever she was loading or while she was already at sea *en route* to Nigeria. Thereafter, an agency staff must attend the daily berthing meetings of recognized ship agents at the port and would bring the SEN to the attention of the Harbour Master who, thereafter, recognised the ship as a discharger at that port. To further prepare for a smooth operation, the agency had to obtain the ship's cargo manifest and lodge it with the NPA and Customs before the ship's arrival. When she finally arrived the Nigerian port, the agency saw to it that a berth was arranged for her loading and discharge, that a pilot was booked to bring her in and take her out and that appropriate labour gangs were organised to work her cargoes.[68]

Each agency was headed by a "port agent" who reported to a head office-based assistant general manager (AGM Agencies). The AGM (Agencies) had two head office-based agency managers to coordinate the activities of all the agencies. Inside the agencies, another organogram was in place, made up of sections, as follows: agency manager's section; traffic section, headed by two traffic managers; accounts section, headed by a senior accountant; imports section, headed by two import officers, one for principals' ships while the other was for the NNSL vessels; claims section, headed by two claims officers, one for principals' ships while the other was for the NNSL ships; export/passages section, headed by an officer; personnel section, headed by a senior personnel officer; and, the task force section, headed by a task force officer.

Although this workforce for the agencies division was obviously bloated, that was not even the whole of the problem. One Lagos agency manager, G. N. Chidi, lamented in 1982 that

the major problem was "insufficiency of suitable or competent hands … with the result that the few capable hands available are overstretched".[69] Nevertheless, the volume of work for the agencies was clearly substantial as the Lagos Agency in 1981 handled an average of 15 deep sea ships and ten coastal tankers per month, with a throughput of 150,000 freight tons of import cargo and 8,000 metric tons of export cargo per month.[70]

On the whole, however, the NNSL's cargo haulage reflected a preponderance of raw materials exports, manufactures imports and a latter-day bias towards imported state-sponsored project cargoes associated with such firms as Delta Steel Company Aladja; Ajaokuta Steel Rolling Mill; Peugeot Automobile Nigeria (PAN) assembly plant Kaduna; Egbin Power Plant, Lagos; Onne Fertilizer Complex, Port Harcourt; ANNAMCO Mercedes Benz Assembly Plant, Emene Enugu; Volkswagen Assembly Plant, Lagos; Iwopin Pulp and Paper Company, Ogun State; Aluminum Smelter Plant, Ikot Abasi; and other federal government ventures.[71] The cargoes for these industrial projects began flowing in the 1970s and 1980s whereas in the 1960s the cargo focus was on export of primary commodities such as palm oil, palm kernel, cocoa, rubber, timber, groundnut and minerals like coal, tin and columbite. The change in the cargo catchment for the NNSL reflected the deeper structural problems of Nigeria's emergent petro-economy, the so-called "oil curse", which adversely affected agriculture and agribusiness so that "[f]rom an export peak of 600,000 tonnes UK/Nigeria annually in 1968, the current level [1985] of export produce is less than 100,000 tonnes per annum".[72]

As mentioned in chapter three, the formation of the Nigerian Produce Marketing Board (NPMB) and the other boards for individual cash crops and forest products augured well for the NNSL because it got the lion's share of all export cargoes direct from the boards. So also did the era of project cargoes favour it as the federal government made NNSL be the sole carrier of all

public sector cargoes.[73] For example, because of the large size of the PAN contract, which amounted to 10,000 containers, one NNSL vessel loaded and sailed from the port of Rouen in France every week bound for Nigeria.[74] This, coupled with the National Shipping Policy of 1987, gave the company some edge over its competitors leading to loud complaints from European carriers.[75]

In Nigeria, the PAN container traffic generated steady freight for Nigerian Railway Corporation at the rate of 400 laden containers carried by rail from Lagos to Kaduna every week and 400 empty containers returned from Kaduna to Lagos every week for shipment by the NNSL back to France.[76] Again, for the Ajaokuta Steel Rolling Mill, the NNSL vessels shipped large quantities of project cargoes and construction materials from the Russian Baltic port of Tallin to Warri for intermodal conveyance. Dubbed the "Russian Run", it generated for the company 434,073 tons of cargo from 1980 to 1983.[77] The same thing was repeated for the many other state projects, which gave the NNSL unique opportunities for stable profitable operation.

Nevertheless, despite the huge availability of cargoes in the country, only about 10% of Nigeria's exports and imports were being lifted by the state carrier as at 1977.[78] This prompted calls for the acquisition of more ships on the premise, according to government officials, that more tonnage under the NNSL's ownership or control would translate to better chances of competing against the foreign lines in the carrying trade and more profitable showing. But it never quite worked out as projected. Even when other Nigerian private-sector shipping lines joined the market in the late 1970s and early 1980s, the combined carrying capacity of all Nigerian shipping lines as at early 1991 never exceeded 20%.[79] This was more worrying because the dismal performance runs counter to the increasing trend of Nigeria's maritime trade volumes which, excluding crude oil transport, rose from 2.74 million tonnes in 1955 to a zenith

of 22.61 million tonnes in 1982.[80] (See Table 4.3).

Table 4.3: Nigerian Seaborne Trade (Tonnes) 1955 to 1985

Year	Volume of Import	Volume of Export	Total Volume of Trade	Index of Change 1955/56 = 100%
1955/56	1.386480	1.355.386	2,741.848	
1960/61	2,256,453	1.374,263	3,630.716	132
1965/66	2.863.627	1,897,834	4,851,861	176.9
1970/71	4.492.152	2.816.851	7,309,003	266.6
1975/76	8.481.284	2.518.241	10,999,523	301.2
1976/77	18.530.630	2.552.183	14,405,246	525.4
1978/79	17.365.286	2.679.951	20.075.237	732.2
1979/80	15.600.380	2.356.815	17.957.195	654.9
1980/81	18.586.779	2.794.083	21,380.863	759.4
1982	20.073.797	2.537.432	22,611.229	824.7
1983	16.394.509	2.346.700	18.741.209	583.5
1984	12.142.416	1.534.864	13,677.280	398.8
1985	11,883.396	1.411.223	12.294,619	384.9

Source: Nigerline, July/September 1988, Vol.18 No.3, 9.

However, the NNSL endeavoured to carry more cargo. As its fortunes continued to slide after the purchase of the 19 ships in the late 1970s, its orchestrated efforts became more daring and its chief executives appeared to lean more on political leverage to make up for technical-managerial shortfalls. In June 1986, it joined the Brazil-Nigeria Freight Conference in a bid to overcome the handicap of non-membership, which foiled the national carrier's bid to participate in the Nigeria-Brazil counter trade programme in 1984. The conference was proposed to be expanded "to accommodate shipping for Argentina" in 1988 "to correct the "unsatisfactory" trade balance between Nigeria and Argentina and to make the line buoyant.[81] Also in 1986, the NNSL mounted overt and covert campaigns to domesticate the UNCTAD Code of Liner Conferences cargo sharing formula of 40-40-20 via a decree that should promulgate the National Shipping Policy.

It was widely believed that but for the involvement of, and keen pursuit by Gwadabe, the aspiration for Nigeria's shipping policy enabling law, Decree 10 of 1987, would not have materialized. As Gwadabe told the 1st Triennial Delegates Conference of the Senior Staff Association of Statutory Corporations and Government-Owned Companies (SSASCOC), the NNSL Branch, in 1986, "Very soon, our efforts would come to fruition because the Federal Military Government would soon promulgate into decree a National Shipping Policy."[82] It came to pass less than six months later, complete with all the details Gwadabe gave out at the conference, giving vent to the general notion that the army major was, indeed, the blue-eyed boy of the military president, General Babangida. Unfortunately, even the National Shipping Policy and the UNCTAD cargo formula proved short of a silver bullet for the struggling carrier as it floundered not many years thereafter.

Some of the life-and-death struggles of the NNSL played out in the realm of cargo management. When the line's incapacity to carry some of its cargo allocation from the National Maritime Authority (NMA) became too pressing, staff of its commercial department were unofficially supported by management to sell the papers to other carriers, mostly foreign lines in exchange for commissions.[83] These incidents formed part of the petitions by tramp operators and non-conference lines to the EU, which resulted in the latter wielding the sledgehammer against the conferences that led to their collapse and the failure of the UNCTAD cargo-sharing formula in West Africa.

In one of the more dramatic episodes of the hustle for cargo, the appointment of Chidi as the NNSL's managing director, was terminated as a fall-out of disagreements over the carriage of railway coaches from South Korea. After lifting the consignment and receiving payment of N18 million from Nigerian Railway Corporation, the MD's refusal to pay kickback to officials of the

Federal Ministry of Transport and their cronies in Hold Trade Agencies, a private-sector shipping company, drew the anger of vested interests, leading to his ouster from office.[84]

By 1985, the problem of scarcity of cargoes had begun to take a toll on the fortunes of the NNSL. That year, four of its ships were laid up at Sapele port due to lack of cargoes to engage them.[85] Even the vessels that were trading had mostly southbound cargoes, which meant that the voyages up north to Europe were made in ballast – without cargo. For 1985 also, out of the planned 148 sailings, only 124 could be accomplished with an earning of N73,600,000.00.[86] During the first six months of the following year, only 73% of the NNSL's traffic projection, 45 out of 61 planned voyages, could be achieved because of the spate of vessel arrests.[87] In a particular case, agents of the AFEA Line of Hong Kong arrested some NNSL vessels overseas because of demurrage claims of $10.2m arising from the charter party agreement for carrying rice on behalf of the Nigerian National Supply Company. This dispute led to the suspension, on January 6, 1987, of NNSL's acting managing director, E. A. Adeniyi, and four other directors who were alleged to be responsible.[88] They were not recalled.

In retrospect, the NNSL's cargo carrying profile suffered from the lack of such lucrative vessels as crude oil tankers and bulk carriers. The line never had these ships which could have leveraged more lucrative earnings to make up for the vagaries of the carrying trade in forest products, raw materials and break bulk consumer goods. Consequently, of the six conferences that operated in Nigeria, it seemed that the NNSL could only boldly apply for their membership relative to the growth in its fleet size. In fact, from inception till 1978, the Nigerian line belonged to only two conferences, UKWAL and COWAC, according to Col. Mohammed Magoro, the Commissioner for Transport, who subsequently ordered the company to undertake "feasibility studies to extend its services" to the Far East, the American and Mediterranean routes within two

years.[89] This order apparently led to the NNSL's membership of more conference lines such as FEWAC, MEWAC and AMWAFC. Its membership of Brazil-Nigeria conference (BEWAC) followed later in 1986.

Rethinking the Strategy for Re-Tonnaging

To further correct its perceived inadequacies, the NNSL and a committee at the Ministry of Transport in 1992 consulted with foreign ship builders to trade in the carrier's fleet for modern ships, comprising two bulk carriers, two container carriers and two Ro-Ros. The proposal was that the balance would be paid in future installments from freight earnings, but the efforts did not gain traction with the military rulers of the day and was subsequently abandoned.[90] This was not the first of such ambitious attempts to reposition the ailing firm. We shall see below that similar efforts were made in 1966 to acquire tankers to lift the country's crude oil overseas but to no avail.

By the 1980s, it was obvious that the NNSL, like the other West African shipping lines, had failed to act as an automatic buffer against the domineering influence of the foreign lines in West African shipping. Even in terms of restraining the imposition of surcharges by the foreign lines during cargo congestion in Lagos ports in the 1970s, the NNSL factor seemed insignificant. It took the political intervention of the federal government in April 1970 to bolster the NNSL board chairman's argument at the London WALCON meeting to avoid the $300-per-container surcharge.[91] During another incident of threatened surcharge in 1974, it took the joint action of Nigeria and the General I. K. Acheampong military government in Ghana to prevail on the European Economic Community shipping lines to waive the imposition of container surcharges.[92] This intervention was despite the fact that NNSL and BSL had considerable fleet sizes and the corporate capacity to charter any extra volume of tonnages, if required, in order to

fully lift the cargo throughput in the two countries. But it appeared that they had neither the managerial sagacity nor the financial reach and logistic connections, let alone the autonomy from governmental strictures, to freely conclude large charter parties purely on commercial terms.

The problem of inherent managerial and corporate incapacity clearly reflected in the trade data over the years. The freight earnings of the NNSL in 1981, Nigeria's adjudged best year of shipping trade, was N154 million, a mere 9.98% of the UNCTAD 40% cargo rights.[93] In the same year, foreign shipping lines made N1.39 billion or 90% of the available freight in lifting 23.6 million tonnes of cargo.[94] Between 1980 and 1983, Nigeria lost N2 billion in this way because indigenous carriers could not lift their share which was 33 million tons of cargo during a period when they earned only N468.55 million or 8.73% out of N5.4 billion.[95]

Year by year, Nigerian carriers earned N110.6 million, N154.4 million, N133.97 million and N79.58 million in 1980, 1981, 1982 and 1983 respectively during a period that the foreign lines made N839.4 million, N1.39 billion, N1.21 billion and N1.397 billion, respectively.[96] The *New Nigerian* newspaper in an editorial took umbrage at such a record of failure, especially the fact that "out of an eight year cargo bill of 10.53 billion Naira, the NNSL earned only a paltry 742 million Naira" and, therefore, called on government "to improve the facilities of the national carrier".[97] But the task was Herculean, especially given the fact that the NNSL appeared outnumbered, even if owned shipping tonnage was to be considered. Out of 6,081 ships that called at Nigerian ports from 1977 to 1980, for example, only 26 Nigerian ships, which lifted only 11% of the cargo on offer and earned N240 million out of the total freight revenue of N1.67 billion, the equivalent of about 10% of the cargo freight.[98]

Thus, the viability of the NNSL as a going concern was in need of a re-appraisal, especially after the dismal cargo haulage performances of the 1980s and the scourge of vessel

arrests. In fact, it was the failure of the NNSL to address this problem and the failure of the few deployed re-structuring plans that sealed its fate ultimately for liquidation in the 1990s. Accordingly, it developed other restructuring plans. The first major restructuring plan implemented by Gwadabe was a slew of measures such as the re-designation of the chief executive's nomenclature in 1986 from General Manager to Managing Director (MD). An MD was perceived as more commercial than bureaucratic, a concession to the privatisation and commercialisation programme of the Babangida administration, which tried to deregulate many state-owned enterprises as demanded by the IMF's Structural Adjustment Programme (SAP).

The NNSL's organogram was also expanded from four divisions to seven departments and the company upgraded to grade 'A' status in the federal civil service, as part of this restructuring, perhaps to ginger productivity. Thereafter, the pay package of the staff was enhanced but whether this achieved the much-vaunted staff-morale uplift for better productivity was open to question. Moreover, there was a strong campaign to improve the line's financial situation. Thus, Gwadabe tried to recover debts owed the company and succeeded in attracting the cash injection of N53 million from the federal government as already noted. It was also during this period that the National Shipping Policy was promulgated, to attract more cargo. The policy was derived from a draft prepared during the Second Republic by former transport minister, Umaru Dikko. With the promulgation of the policy in 1987 and the establishment of the National Maritime Authority (NMA), more cargoes were allocated to the NNSL.

Moreover, Gwadabe also sought to tackle more fundamental problems such as indiscipline aboard the NNSL ships. Therefore, he enforced disciplinary measures that scared the line's workers, especially the sea staff, such as the dismissal of the master of "MV River Jimini", Capt. Aloysius Agu, and the interdiction of sixteen of his crew men for twelve months

without pay, for illegal trading in personal goods aboard ship.[99] In spite of these reforms, the NNSL was still limping. Gwadabe's successor, Ugunna, followed up the disciplinary road by interdicting another set of fifteen officers on board "MV River Maje", also for twelve months without pay and vowed that "as long as he remain[ed] the managing director of NNSL, trading on board the company's ships ha[d] to stop".[100] But the measures were never far-reaching enough and never really eradicated illegal trading.

Ugunna next advanced his strategies by proposing a two-pronged approach for the federal government on how to revamp the company. The first was for the federal government to "bail-out [NNSL] even if it is a loan" to be used to defray £10 million foreign debt and N14 million local debts, repayable in three years, or secondly, federal government's approval to sell some of the company's ageing "unprofitable" ships, and accruals from the sale to be used to put the remaining fleet in better shape.[101] Even though both options were subsequently approved, the NNSL's fortunes did not improve until he voluntarily threw in the towel in 1989. None of his successors, being civilian chief executives, tried any of these novel solutions. However, further cash injections amounting to about $67 million were made to revamp the NNSL from the National Maritime Authority's Ship Acquisition and Shipbuilding Fund in 1993,[102] coupled with further sales of ageing vessels, all of which failed to stem its slide into bankruptcy and liquidation.

Shipping Operation and Engineering

As there can be no shipping without cargo so also a shipping line cannot function until adequate shipping operations and engineering formats are established. For the NNSL, the operations division worked closely with the technical division, which was in charge of engineering services. The technical division catered for the fleet of ships and was solely responsible for their

maintenance, crewing, general upkeep, planning and execution of repairs, surveys and maintenance of the deck, engine and cabins. When the largest order of ships in the history of the NNSL took place in the mid-1970s, the technical division liaised with the two contracted shipyards, Lloyds Register of Shipping and other international regulatory organisations, to fine-tune the suitable types of vessels the needed machinery and equipment for them. The division also managed the integration of the existing fleet with the new buildings.[103]

On the other hand, the division also guided management on recruitment, training, promotion and transfer of marine personnel aboard ship and ashore. In line with the ship repair and maintenance function, the technical department worked closely with the NNSL's subsidiary, Nigerline (UK) Ltd., and other general agents around the world in respect of technical conditions of the ships *vis-à-vis* repairs and maintenance because the dry-docks and repair yards in use were mostly in the UK. After the contract awards also, the division ensured that the ships were built to specification through scrutiny of the building plans before approval was given. Engr. Ibia who headed the "New Building" department, travelled ten times to each shipyard in South Korea and Yugoslavia, supervising the projects.[104] It also devolved on the technical division to furnish officers and men to man the new ships as they rolled out one-a-month during the delivery period and match them with any immediately available cargo run for the maiden homeward journey. In view of the foregoing transactions, the criticisms that trailed the acquisition of the vessels as impromptu and *ad hoc*, were largely uninformed.

The technical division was headed by an Assistant General Manager (Technical) followed by the Marine Engineer who was assisted by a Marine Superintendent and a Master Mariner. The four section heads were seamen with requisite work experiences aboard the NNSL ships. (See Table 4.4 and 4.5 for NNSL's list of trained marine personnel and Merchant Navy

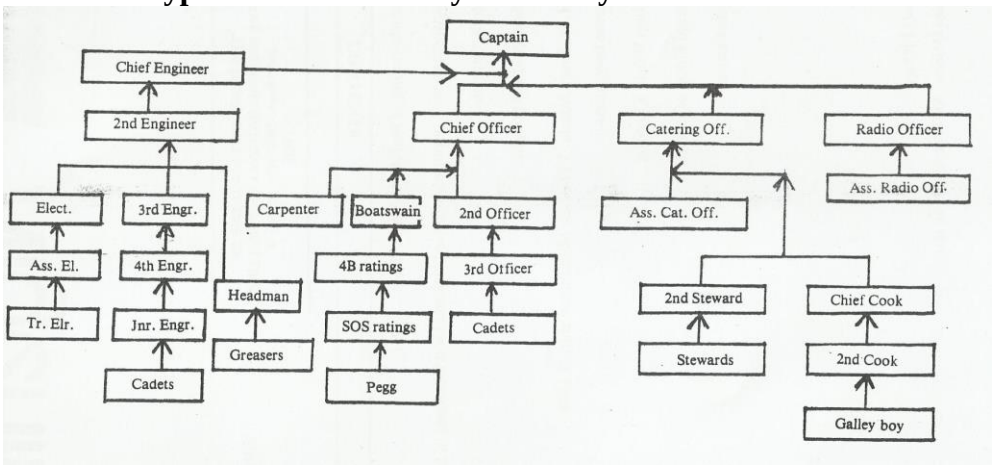
Hierarchy.) The Engineering/Nautical section was responsible for planning and execution of repairs, surveys and maintenance of deck, engine and cabin, including costing and estimates of repairs, damages, alterations and modifications. It also advised management on nautical matters.

Table 4.4: Showing the Trained Marine Personnel of NNSL as at 1992.

Master Marines	64
Chief Officers	68
Second Officers	61
Third Officers	59
Fourth Officers	48
Radio/Marine Communications	68
Catering Officers	60
Chief Engineers	70
Second Engineers	70
Third Engineers	63
Fourth Engineers	70
Junior Engineers	77
Marine Electricians	69
Officer Cadets	450
Total	1297

Source: Oyesiku N.O and Chidi G.N. "Seafarers' Training Programme and Employment Opportunities" in Chris Asoluka (ed) Nigerian Maritime Resources Development: Issues and Challenges, vol II, El-Machi Publishers Nigeria Ltd, 2003.

Table 4.5: Typical Merchant Navy Hierarchy



Source: Nigerline July-September 1982 vol.12 no.3, 2.

The Marine Personnel section, which was in charge of and worked with the disciplinary committee, the standing joint committee, the Nigerian Maritime Board, the Mission to Seamen, the Shipping Agencies Trade Group of the Nigerian Employers Consultative Assembly (NECA). The victualling section was in control of all victualling stores and supplies to ships through Nigerline UK Ltd. in the UK ports and all other general and ports agents worldwide. The victualling section also reported on welfare standards aboard ship and the quality of feeding, appointment and discipline of laundry services, provisions aboard ship, other stores chandlers, adequate inventory relative to surpluses, crockery, cutlery and linen. The Training section was responsible for devising training programmes for new entrants, liaising with educational institutions, advising on suitable training facilities available, and following up the training progress of sea staff in various nautical schools and ships.[105]

The Ocean Traffic Controller (OTC)

A major functionary in the NNSL's business schemata was the ocean traffic controller (OTC) who headed the ocean traffic control section. This department was part of the operations division and formed the bureau from where critical information from the NNSL ships sailing around the world, agents based locally and overseas or information about cargo availability were disseminated to concerned parties. It constituted the nerve-centre of the NNSL as it also acted as the central link between shippers, the NNSL agents and the NNSL ships at sea or ports around the world. The movement of ships were coordinated from this office, which programmed ships and booked cargoes in advance for ships to pick up quickly and return to sea.

The OTC worked in chain formation with Nigerline UK in Liverpool to learn of the positions of vessels in UK and European continental ports. Such information included estimated time of arrival (ETA) in UK or continental ports, date of completion of cargo discharge,

estimated time of departure (ETD) or the date the vessel was expected to be free (if it had no immediate voyage planned), tonnages discharged, and loaded and the appropriate freight earned.[106]

On their part, the ships regularly relayed to OTC and their agents critical information required for the logistic chain of command such as the next port of call after sailing from the UK, their ETAs, details of cargoes and gangs required to work them at the destination ports, or contrarily, any amendments to their ETAs to avoid unnecessary booking of gangs. To complete the chain, the agents advised the OTC of the vessels' berthing prospects and cargo bookings or if there were any changes in berthing arrangements (so that she could take appropriate remedial steps, such as adjusting her speed to arrive just in time). Once the vessel arrived, the ETD was also relayed to the OTC as well as information about tonnages discharged, and loaded so that the agent at the next port of call could be advised with regard to her requirements at that port.[107]

Thus, information was critical for seamless and fast operation. Information to agents, shippers, consignees and others was regularly passed through the so-called Weekly Stem, which was the list of company or conference vessels available in Nigeria for use by the commodity boards, their loading ports, dates of loading and destination. Other methods of channeling information were weekly ship movements, daily shipping positions and ETAs of vessels, southbound and northbound (that is, to and from Europe and West African ports). The OTC used various gadgets for this information network such as telex, radio messages, telephone, cablegram, walkie-talkie, Very High Frequency (V.H.F) radio, and letters from agents and vessels.[108]

Ship Programming: Another function of the OTC was storing information about individual ship's operations in 'voyage cards', which contained a working history of the ship over time *vis-*

à-vis tonnages loaded, ports of call, total number of days spent at each port, money spent on bunker (if any), freight tonnage and earnings in each voyage. The voyage cards also showed at-a-glance the whereabouts of every NNSL ship at any point in time.[109] This function is an integral part of ship programming, which is a system of managing the ships' voyages in such a way as to lift cargoes that would generate the best freight for the company. The OTC collaborated with the NNSL Liverpool office and/or Nigerline UK Ltd. to carry out ship programming.

The major goal of the programme was to minimise delays and costs and maximize profits. Ship programming was usually based on the following factors: (a) the location of all company vessels, owned or chartered, whether at sea or in identified port (b) cargo on board each vessel and their various ports of discharge with dates and details of the consignment for each port; (c) the loading schedule and the ports of discharge; (d) when and where to dry-dock for repairs and how subsequent voyages were likely to be affected with a view to making necessary adjustments; (e) the requirements in UK, if northbound, and in West Africa, if southbound.[110]

The best programming scenario for the UKWAL range was for a ship to load in one West African port for discharge in one UK port, although the challenge here was the availability of sufficient cargoes to be loaded from one port.[111] Mostly, cargoes were loaded from two ports to fill the ship sufficiently for a profitable run to discharge in one UK port. For reasons of coordinating cargo packets from various ports, the Chief Traffic Coordinator of the Joint Line Service managed the cargo bids (cargoes available in each port) and the produce for lifting from the various Commodity Boards in Nigeria. After distributing the available cargoes to member lines, they would draw up their ships' programmes for the month and, thereafter, informed all vessels, agents, shippers and the Liverpool office for their readiness and further action.

In addition to the coordinating roles of the OTC, it also booked cargoes in West African

ports taking the following factors into consideration: the ship's stability, the port's draught, labour situation in the ports of loading, discharging facilities and availability of such labour in the port of discharge, and the economic profitability of the cargo *vis-à-vis* time and cost of loading it.

Conference Cargo Sharing: Different cargo-sharing and revenue pooling arrangements prevailed in the conferences the NNSL belonged to as at 1981. In 1970, the NNSL belonged to only UKWAL and COWAC. After the purchase of the nineteen new ships, it joined FEWAC and MEWAC. In the late 1980s, it concluded membership formalities for AWAFC and BEWAC. While UKWAL shared cargoes on the basis of pre-agreed percentage, sometimes with revenue-pooling agreements, MEWAC and FEWAC operated on the basis of common freight tariff and individual member lines kept their freight earnings. In COWAC, cargo was shared on percentage basis without any revenue pool, with the NNSL being allotted 40%. However, in UKWAL, the line got a much smaller share at 31%.[112] The trade associations and buyers of West African commodities with whom UKWAL, the NNSL and BSL transacted business were Cocoa Association of London Ltd., Food Manufacturers Federation Inc., Grain and Feed Trade Association Ltd., Rubber Growers Association Ltd., Rubber Trade Association Ltd., Timber Trade Federation of the UK Ltd and West African Shippers Association.[113] (See Tables 4.6 and 4.7 for NNSL's foreign exchange earnings from 1975 to 1982 and Volume of Nigeria's cargo throughput between 1999 and 2009.

Table 4.6: ***NNSL Foreign Exchange Earnings Between 1975 – 1982.***

Year	Tonnage	Earnings
1975	416,346	15,315,026
1976	570,601	24,763,226
1977	654,894	33,251,781
1978	650,719	36,857224
1979	641,445	34,233,428
1980	1,440,204	80,370,209
1981	1,858,399	123,276,422
1982	1,420,913	106,964,861

Source: S.O. Kadiri, "The Role of the NNSL in the Commercial, Industrial and Socio-Economic Development of Nigeria" *Nigerline*, January – June 1984, 10.

Table 4.7: ***Volume of Nigeria's Cargo Throughput 1999-2009***

Year	Import (MT)	Export (MT)	Throughout
1999	15,751,331	6,481,605	22,323,936
2000	19,230,496	9,202,384	28,932,880
2001	24,668,791	11,271,901	35,940,692
2002	25,206,380	11,780,861	36,987,241
2003	27,839,293	11,926,652	39,765,945
2004	26,907,075	13,909,872	40,816,947
2005	29,254,761	15,697,312	44,952,073
2006	31,937,804	17,235,520	49,173,324
2007	33,722,488	20,918,560	54,641,048
2008	41,385,973	23,806,946	65,192,919
2009			66,000,000

Source: The Punch, (Lagos) October 15, 2010, 27.

Nigerline (UK) Ltd and African Container Express (ACE): The NNSL's Liverpool office was established mainly for cargo canvassing and management as well as for ship chartering and brokerage. Nigerline UK Ltd. and African Containers Express (ACE) were initiatives set up in the same spirit: for cargo canvassing and management and to respond to the emerging technology of containerization. Nigerline UK Ltd. was formed in 1972 to replace the existing UK branch office of the NNSL with an organisation that would provide wider services and earn its own keep through agency services and cargo brokerage.[114] It was registered to act as general agents of the company in the UK and as port agents for the NNSL ships at Liverpool.

In those capacities, it managed the fleet requirements such as repairs and maintenance so that Nigerline technical staff was deployed to supervise the nitty-gritty of ships engineering problems while trading in Europe. Secondly, it was also tasked with monitoring the cargo market since a huge proportion of the cargoes to and from Nigerian ports were connected with UK ports and a large volume of Nigerian exports also went to UK and European mainland ports.[115] The functions included canvassing for appropriate cargo mix and positioning them for the NNSL vessels, stemming bunkers for the ships and managing the sea staff's manning and training services in Europe so that the ships were always provided with adequate crews.

In addition, Nigerline made positive image for the NNSL in the UK. Lloyds List reported in 1974 that Nigerline had achieved for the NNSL "much closer cooperation and liaison at all levels in the Liverpool port", and noted that it was the second largest operator in the UKWAL joint service.[116] In fact, Nigerline activities assumed wider dimensions thereafter because apart from supervising training programmes for the NNSL cadets in British colleges, paying their school fees and managing their transfers from schools to ships for their sea time, it opened its doors to indigent Nigerian students who needed shipping services. It offered them freight

forwarding facility whereby their personal effects were freighted on credit for collection and payment in Nigeria. Generally, it took at least eight years for navigation and engineering officers to attain their master's or chief engineer's certificate while radio and catering officers usually took three years to qualify as such. [117]

Moreover, Nigerline UK also collaborated with the Lagos-based OTC for ship programming and to manage the NNSL's participation in UKWAL cargo sharing. Based on 40-40-20, the cargo sharing and joint ship programming was a wise way to avoid clashes at the port of loading or jostling for the same cargo or the same dock labour by members of the same conference at Tilbury, Liverpool or Middlesborough ports. Cargoes were shared between the members but the ships to carry them were identified not by their member names but by the conference name – UKWAL. The members contributed ships to the UKWAL pool which they maintained individually. While NNSL contributed four ships to UKWAL, Black Star Line contributed two and Elder Dempster, four. Thus, Nigerline UK served NNSL in very robust ways until it was closed down in 1981. The agency was reverted to Elder Dempster while the former NNSL UK Office was reactivated.[118]

African Containers Express African Containers Express (ACE), on the other hand, was an agency formed by the UKWAL in 1966 to handle the container vessel operations of its members.[119] Containerisation was just beginning to catch on as the preferred new method of handling cargoes in boxed units. The use of containers had many advantages such as no intermediate handling of its contents as it passed through ports or terminals; less labour and less packaging needed, thus saving stevedoring costs; transit times in ports were shorter due to rationalisation of port calls; less risk in case of hazardous cargoes; and the possibility of simultaneous discharging and loading of cargoes. Thus, turnaround times were shortened, a

great advantage to shippers, consignees and the shipping companies.

With headquarters in Liverpool, ACE maintained an operational office at Container Terminal Company, Lilypond Apapa, in Lagos. Once a vessel of the UKWAL was programmed to sail to Lagos, the Apapa office was notified and using the ship's manifest, the ACE notified all consignees and coordinated all arrangements for the latter both to take delivery of their containerized goods and to return the empty containers to Bull Nose (Apapa port) for re-export to the UK. Consignees were required to unstuff the containers and return them in the stipulated times. The ACE monitored them to ensure their compliance and, if in default, charged appropriate demurrage because, technically, the containers were rented from the ACE and did not belong to the consignees.

For this purpose, there was a standing task force set up by the firm to maintain a fast physical flow of containers from the quays to Lilypond Terminal to consignees' premises and back to the quay. Although majority of containers used for imports to Nigeria went back empty, sometimes there were export cargoes to be stuffed in them, which the ACE also handled. The cargoes included cocoa, scrap metals, tin-ingots, kolanut, gum Arabic, burnt cattle bones, burnt cattle horns, empty bobbins (a waste product of textile materials), argon cylinders and chloride, personal effects, and cars for repairs or re-shipment.[120]

While the ACE catered to containers from the UKWAL, the NEPH handled containers from continental Europe, Far East and south of France. As at 1985, 45% of commodities shipped into Nigeria were containerized while the balance comprised break bulk cargoes.[121] Nevertheless, the significance of the vanguard role of the ACE in container shipping was lost when the West African carriers went out of business altogether.

Fleet Expansion

The NNSL had three major episodes of fleet expansion in 1960, 1966 and 1976. These episodes gave rise to new buildings, apart from the acquisition of second-hand tonnage and ships chartered for special contracts like rice haulage on behalf of the Nigerian National Supply Company. At inception in 1959, it acquired two second hand ships, *MV Dan Fodio* on May 25th, 1959 and *MV Oduduwa* on May 28th, 1959 to begin operations, and placed them under the management of Elder Dempster Line and Palm Line, respectively. When the line applied for membership of the WALCON, it was admitted with an allowance to operate "six vessels in 1959, eight in 1960 and ten in 1961".[122] This scheme appeared to serve as a kind of guiderail for the NNSL's eventual fleet expansion programme. The first two-ship fleet was increased the same year by the acquisition of *MV El Kanemi* and *MV King Jaja*, also second hand tonnages. *MV Oranyan* was added to the fleet in October 1959. Of the five ships in the fleet at this time, Elder Dempster managed three while Palm Line managed two.

As at 1962, the line had projected to have 20 ships by 1965 in order to maintain sailings to ports in the UK, continental Europe, Mediterranean and the Baltic.[123] However, this did not materialise as planned but the same year, the company signed an agreement with Swan, Hunter and Wigham Richardson Ltd. of Britain for two new buildings, *MV Nnamdi Azikwe* and *MV Ahmadu Bello*. *MV Herbert Macaulay* and *MV Oba Ovonranwen* were also acquired as second hand tonnage in 1965 and 1966 respectively, bringing the company's fleet to nine. The 1960s were years of ambition in terms of fleet expansion. In 1965, a delegation of the NNSL executives and officials from the federal ministries of Transport, Finance and Justice visited Spain to explore possibilities of building two oil tankers for use in carrying Nigerian crude petroleum, though the plans, just like those of BSL to acquire a tanker in 1975, also fell

through.[124]

Indeed, it was deemed a remarkable feat in 1966, when Oyesiku's management, prepared a loan proposal and cash-flow projection that won a German loan for the construction of the River Class vessels, *River Niger, River Benue, River Ogun* and *River Ethiope*. They were built by Messrs Rheinstahl Nordseewecke Emden of Germany and brought the fleet to thirteen. However, it also brought the company's total loan stock from the federal government to service the German debt to N11,307,613.00 as at 1973.[125] Speaking of the £6.2m German loan in 1971, J.S. Tarka, Commissioner for Transport, confessed that it brought the NNSL's finances to "a very low ebb" mainly because of the upward fluctuation in the exchange rate of the Deutsche Mark.[126] However, the fleet increased to 15 with the purchase of another second hand ship, *MV Cross River*, in 1975.

The next most important fleet expansion programme came up in 1976 with the famous order of nineteen brand new ships, a transaction that is rather controversial following various perceived advantages and disadvantages. By the time all the ships were delivered in 1980, the company's fleet came to a total of 27 ships, the largest in sub-Saharan Africa. However, as the new ships were being delivered, so were old ones also being phased out. Between 1980 and December 1989, the fleet had dwindled to 14 following the sale of many aged ships that were considered uneconomic to maintain and incidents such as the *MV River Gurara* sinking.[127] Tables 4.8 and 4.9 give a graphic view of the fleet and their particulars at the periods being discussed.

Table 4.8: ***Showing the Old and New Vessels of NNSL***

The Old (before 1975)		**The New (1975 - 1980)**	
M/V Dan Fodio	*M/V Cross River*	*River Aboine*	*River Oshun*
M/V Oduduwa	*M/V River Hadejia*	*River Andoni*	*River Osse*
M/V El kanemi	*M/V River Ethiope*	*River Adada*	*River Rima*
M/V King Jaja	*M/V River Ogun*	*River Guma*	*River Oli*
M/V Oranyan	*M/V River Benue*	*River Gurara*	*River Oji*
M/V Ahmadu Bello	*M/V River Niger*	*River Ikpan*	*River Ogbese*
M/V Nnamdi Azikiwe		*River Jimini*	*River Ngada*
M/V Herbert Macaulay		*River Kerawa*	*River Majidun*
M/V Oba Ovonramwen		*River Mada*	*River Maje*

Source: Nigerline, January/June 1984, Vol.14 No. 2, 22.

Table 4.9: ***Particulars of Ships Owned by NNSL as at December 1989***

Name	**Cross Tonnage**	**Summer Load Draft (metres)**	**Speed Knots About**	**Passen-gers**	**Dead Weight**	**Net Tonnage**	**Year Built**
MV. River Asab	10,985.48	8.45m	16 knots	12 Pass	12,000	5,635 Tons	Jul. 79
MV. R. Mada	10,985.48	8.45m	18 ”	Nil	12,000	5,634 ”	Aug. 79
MV. R. Andoni	10,985.48	8.45m	18 ”	Nil	12,000	5,600 ”	Oct. 79
MV. R. Osse	10,985.48	8.45	19 ”	12 Pass	12,000	5,600 ”	Dec. 79
MV. R. Ngada	13,362.58	9.15m	19 ”	6 ”	16,000	6,745 ”	Nov. 80
MV. R. Ikpan	13,362.58	9.15m	18 ”	6 ”	16,000	6,745 ”	Aug. 80
MV. R. Adada	13,362.58	9.17m	18 ”	6 ”	16,000	12,230 ”	May 79
MV. R. Oji	13,165	9.17m	18 ”	6 ”	16,000	12,230 ”	Jul. 79
MV. R. Oli	13,165	9.17m	18 ”	6 ”	16,000	12,230 ”	Sep. 79
MV. R. Majidun	13,165	9.15m	18 ”	6 ”	16,000	12,230 ”	Dec. 79
MV. R. Gurara	13,165	9.15m	18 ”	6 ”	16,000	12,230 ”	Mar. 80
MV. R. Oshun	13,165	9.17m	18 ”	6 ”	16,000	12,230 ”	Apr. 80
MV. R. Ogbese	13,165	9.17m	18 ”	6 ”	16,000	12,230 ”	May 80
MV. R. Maje	13,165	9.17m	18 ”	6 ”	16,000	12,230 ”	Jul. 80

Source: NNSL, Nigerline, January/June 1984, Vol.14 No. 2, 13.

Nevertheless, so much has been written and said about the acquisition of the nineteen ships in one fell swoop to warrant a brief look at the merits of the arguments. Former President Olusegun Obasanjo, under whose administration the purchase was made, has said that he bought nineteen new ships for the NNSL in 1979 and that by the time he came back to power in 1999 as a civilian president, he met only one which, nevertheless, was in the process of being towed to her buyer overseas.[127] Azubuike, in reverse, accused Obasanjo of thoughtlessness or undue interference in not allowing competent professionals to negotiate the technical details of the contract, because, according to him, this caused the NNSL much loss of tonnage freight when the ships began operation with hatches that could not close on three loaded containers.[128] Moreover, the ships were said to be outdated, unfit for competition and expensive to run or maintain. The former president has also been accused of incurring unpaid debts to the company arising from long-term ship charters for salt haulage from Egypt for nine months.[129]

Indeed, the 1976 ship acquisition programme was the most orchestrated and rigorous in terms of general stakeholder input. Paul Erihi Wayo, the NNSL Board chairman in 1974, said during an annual general meeting in 1973 that proposals were made to the Federal Military Government for ten combo and nine conventional new ships to replace overage tonnage and increase the number of company vessels in the UKWAL and COWAC operations.[130] These were accepted and included in the 1975-80 3rd National Development Plan. There were also inputs from the Ministry of Transport and Aviation whose officials interviewed representatives of the shipyards in Lagos. Moreover, drawings from the NNSL's technical department were used during the ships' construction and frequent trips by the head of New Building section, Engr. Ibia, ensured compliance with their designs.[131]

In the lead up to the award of the contract also, eight shipyards from across the world

responded with proposals to build the ships and after the interviews the government decided in favour of Brodograbiliste (Shipbuilding Industry) "Split" of Yugoslovia (to build eight ships) and Hyundai Shipbuilding and Heavy Industries of South Korea (to build 11 ships) for a total sum of N176 million.[132] The Yugoslavs later alluded to the politics of the Non-Aligned Movement *vis-à-vis* their success in the bid,[133] although this element of the deal did not clearly evince any compromise in technical standards.

Moreover, it was also erroneous to insinuate that only the same type of ship was ordered. Two types of conventional vessels were built, namely, nine 12,000-deadweight-ton ships for break-bulk general goods and ten 16,000-deadweight-ton combo ships for carrying a mixture of containers and break-bulk goods. The multipurpose ships that could carry containers were the NNSL's idea of preparing for the emerging technology of container shipping. Although containerisation was emerging, the NNSL top management reasoned that it had not fully taken over the market and Nigerian port facilities were unprepared for the construction of pure container ships. The fault in the composition of the new fleet, nevertheless, was the preference for only two classes of vessels when a more versatile selection could have added bulk carriers and oil tankers to diversify its tonnage and facilitate a fuller coverage of the market for wet and dry cargoes.

However, any arguments of the ships' wholesale inferiority crumble in the face of the reality that after they were sold as scrap in the 1980s and 1990s, some after twenty years of constant use by the NNSL, their new owners still employed them in active trading voyages along the West Africa – Europe route. One of them, *MV River Mada*, which was sold for $500,000 in 1995 and re-christened *Axion II* was later re-purchased in 1998 by some Nigerian agents on behalf of the federal government as a training ship for Maritime Academy of Nigeria Oron at the

whopping price of $4.5 million.[134] Thus, it became clear that poor management and not poor technology was to blame for the clumsy performance of the NNSL fleet of ships.

NNSL AS A MILITARY AND ECONOMIC STRATEGIC GAME PLAYER

Of the many concepts used to justify the establishment of the NNSL, three notions appear apt as a summary of its fate: an instrument of government policy, a foreign exchange earner, and a tool for the implementation of national maritime policy. Compared with profit-seeking carriers from the traditional maritime nations, the NNSL lived up to a narrow agenda enshrined in its memorandum and articles of association.[135] Profitability was a moot issue while political dividends were spelt out in black and white. This hobbled the line's capacity to compete smartly in the international shipping world.

However, its performance at the military-strategic theatre seemed fulfilling. As in most maritime nations, merchant fleets are at the beck and call of the authorities during war or emergencies. During Nigeria's civil war from 1967 to 1970, the NNSL fleet served in various military logistic situations. The *MV King Jaja* was turned into a combatant and support ship fitted with guns. It supported the Nigerian Navy to capture Bonny island from Biafran forces.[136] In addition, *MV Nnamdi Azikiwe*, *MV El Kanemi* and *MV Herbert Macaulay* were deployed by the Navy for ferrying troops, materiel and provisions to the Third Marine Commando under Lt. Col. (later Brigadier) Benjamin Adekunle, alias 'Black Scorpion'.[137]

On the other hand, in furtherance to Nigeria's diplomacy of "Africa as the centrepiece of her foreign policy", the federal government constantly used the NNSL fleet to supply aid to African freedom fighters, in the repatriation of illegal aliens to neighbouring countries and the evacuation of stranded Nigerians from regions of crisis. During the Angolan and Namibian struggles for independence, the NNSL ships were used to channel government aid to their

freedom fighters such as Augustinho Neto and his forces. Again, during the civil wars in Lebanon, Congo and Guinea, Nigerian troops were moved to the war zones in the NNSL ships as part of the UN peacekeeping contingents, just like they were also used to rescue Nigerians later. Two million Nigerian refugees were evacuated by the NNSL ships from three hostile countries during the period under study, namely Equatorial Guinea in 1975/1976 during the repressive regime of Marcias Ngueme; Ghana, during the regime of Kofi Busia; and from Libreville in 1992. [137]

Moreover, the federal government also deployed the NNSL ships in repatriating illegal aliens from neighbouring West African countries on many occasions, such as in 1985 when 25,798 deportees were sent home aboard six ships which made at least two voyages in three weeks to complete the assignment.[138] (See Table 4.10 for the evacuation chart). The vessels of the national carrier were also useful in conveying ECOMOG troops to Liberia and Sierra Leone during the conflicts there in the 1980s and 1990s.

On the economic front, the federal government directed NNSL to lift uneconomic export cargoes such as cocoa or timber, in the national interest, whenever their freight values were below international profit margins because no other carrier would touch them otherwise. In such circumstances, NNSL lifted such cargoes as a loss in obedience to orders from above.

Mention has already been made of how the NNSL's carriage of special project cargoes contributed to rapidly increase the industrial base of Nigeria's economy, such as project cargoes for the Kaduna Refinery; motor assembly plants for Volkswagen, Peugeot, Leyland, Steyr and Fiat; the Petrochemical Complex in Port Harcourt; the Fertilizer Complex in Onne; the Aladja, Ajaokuta and other steel plants around the country; the Aluminium Smelter Complex at Ikot

Abasi; the Egbin Power Station, Lagos; among others. Besides, it was also a dedicated carrier to multinational trading companies such as UAC, PZ and SCOA. (See Tables 4.11 and 4.12 for various aspects of NNSL's cargo haulage operations.)

Table 4.10: ***Showing NNSL evacuation of illegal aliens May 12-23 and June 4, 1985.***

No	Name of ship	No. of passengers carried	Nationality	Date ship sailed
1	River Jimini	1,137	Ghanaians	12/5/85
2	River Oshun	2,103	Ghanaians	12/5/85
3	River Oli	2,747	Ghanaians	13/5/85
4	River Aboine	2,231	Togolese	14/5/85
5	River Guarara	4,827	Ghanaians	15/5/85
6	River Oil (2nd trip)	4,832	Togolese	16/5/85
7	River Aboine (2nd trip)	3,460	Ghanaians	17/5/85
8	River Oshun (2nd trip)	2,567	Ghanaians	18/5/85
9	River Guarara (2nd trip)	827	Togolese	18/5/85
10	River Jimini (2nd trip)	472	Ghanaians	19/5/85
11	River Ikapan	81	Togolese	23/5/85
		260	Ghanaians	
12	River Oli (3rd trip)	146	Ghanaians	4/6/85
		108	Togolese	
		25,798		

Source: *Nigerline*, January-June 1985, 8.

Table 4.11: Showing Ajaokuta special project cargoes Russian run by NNSL

Year	Tonnage	Earnings
1980	26,097	3,720,395
1981	103,539	13,943,257
1982	231,237	27,967,964
1983	73,200	1,295,536

Source: S.O. Kadiri, Nigerline, January – June 1984, 10

Table 4.12: NNSL Share in Nigeria's Overseas Trading Transactions by Merchant Shipping between 1982 -1989.

Year	Nigerian Sea-borne Trade	NNSL Carriage	%
1982	22,611,229	1,420,913	6.3
1983	18,741,209	753, 936	4
1984	14,651,102	827, 546	5.6
1985	16,401,679	971,407	5.9
1986	12,274,579	699,997	5.7
1987	11,537,590	523, 701	4.5
1988	11,283,690	765,759	6.8
1989	7,513,369	643, 965	8.6

Source: Sola Oyesanwo "The Rudiments of Merchant Shipping, NNSL Organisation and its Military Potentials", quoted in Isiaku A.R. Ahutu "Demise of Nigerian National Shipping Line: Implications for the National Economy, unpublished work, nd, 13.

Conclusion.

In the operations of the NNSL and the BSL as SOEs, Africans proved that they could master seamanship skills. However, they failed to master the business as a going concern. Ocean shipping requires huge shore management credentials to be able to turn a profit and only very few of their employees grasped it proficiently. In the midst of baffling problems such as financial fraud, poor record-keeping and office administration, as in the proven case of the BSL, and indiscipline at sea by crewmen of both carriers, those few employees were like lone voices in the wilderness: they achieved little. Moreover, faced with inarticulate and discontinuous political statesmanship, frequent regime change in the wider polity and the intimidating array of armaments and acumen by foreign competitors, the NNSL and the BSL became short-lived. They succumbed to the overflow of adverse administrative and operational issues. In retrospect, the jury appears united in the verdict that such economic nationalism as was practiced in the two national carriers was inherently flawed in concept, *ab initio*, because government tends to be a bad businessman.

Notes.

1. *Ocean Star*, Vol.7 No.16, August 1972, 32; "Our vessels will be manned by Nigerians", *Daily Times*, 15 October, 1970, 3.

2. Whereas NNSL was liquidated alone for insolvency, BSL was liquidated following Ghana's policy of restructuring all state-owned enterprises via privatization or outright sale.

3. UKWAL Annual Report 1972, 1.

4. Oral interview with Mr. G. N. Chidi aged 65, NNSL retiree, shipping consultant, Lagos, 15 February 2011; interview with Engr. Seth Kugblenu, aged 69, retired managing director of BSL, Tema, 30 October, 2012.

5. For more information on Black Star Line formation, see Menson, "The Black Star Line" 13.

6. Mordechai Kreinin, "Joint Commercial Enterprises as a Vehicle for Extending Technical Aid: Israel's Experience in Afro-Asian Countries", *Social and Economic Studies*, Vol.12 No. 4 (December 1963), 459. see also *Middle East Record*, Vol. 1 (London: George Weidenfeld & Nicolson Ltd), 1960, 310.

7. Ibid., 459.

8. *Middle East Record*, Vol. 1 (London: George Weidenfeld & Nicolson Ltd), 1960, 310.

9. Ibid, 311.

10. See Robert Vitalis, "The Midnight Ride of Kwame Nkrumah and Other Fables of Bandung (Ban-doong)" retrieved from http://citation.allacademic.com/meta/ p_mla_ apa_ research_citation/4/1/6/4/2/pages416429/p4642 9-31.php on February 27, 2014.

11. *Middle East Record*, 311.

12. Robert Vitalis, "The Midnight Ride of Kwame Nkrumah".

13. *Middle East Record*, 310; Peter Newall, "The Rise and Fall of Black Star Line" in *Ships in Focus*: Record 38 (2007), 93.

14. "Captain James Hackman (J.H.) TACHIE-MENSON" retrieved from http://www.legacy. com/obituaries/palmbeachpost/obituary.aspx?pid=169722982 on March 4, 2014.

15. Elder Dempster's "Minutes Monday Meetings", 13 January 1958, Liverpool Maritime Museum Archives, 37.

16. Anin, *Essays on the Political Economy of Ghana*, 148; see also Gyimah-Boadi, "State Enterprises Divestiture: Recent Ghanaian Experiences" 194-197.

17. "Second Development Plan: policy statement, 1959" in G.B. Kay (ed), The Political Economy of Colonialism in Ghana: a collection of documents and statistics 1900-1960 (Cambridge: Cambridge University Press), 1972, 103.

18. Oral interview with Ben Owusu Mensah, aged 60, BSL retiree, maritime consultant, Accra, 31 October, 2012.

19. Ibid.

20. Ibid.

21. *Ocean Star*, Vol.8 No.23, July-August 1975, 20.

22. Quoted in Iheduru, *The Political Economy of International Shipping*, 199.

23. *Ocean Star*, Vol.7 No.16, August 1972, 33.

24. *Ocean Star*, Vol.8 No. 23, July/August 1975, 3.

25. Ibid.

26. Mordechai Kreinin, "Joint Commercial Enterprises…", 461.

27. "Black Star Line: 15 Years in the Service of Ghana", *Ocean Star*, Vol.7 No.16, August 1972, 27.

28. Peter Newall, "The Rise and Fall of Black Star Line", 93.

29. *Ocean Star*, Vol.7 No.16, August 1972, 29; Peter Newall, "The Rise and Fall…", 94

30. Menson, "The Black Star Line", 18.

31. Ibid.

32. *Ocean Star*, Vol.8 No. 23, July-August 1975, 3.

33. *Ocean Star*, Vol.8 No. 23, July-August 1975, 4.

34. G.B. Kay, *The Political Economy of Colonialism in Ghana: A Collection of Documents and Statistics 1900-1960*, (Cambridge: Cambridge University Press) 1972, 342.

35. Ibid., 392-393.

36. *Ocean Star*, Vol.8 No.23, July-August 1975, 22.

37. UKWAL Annual Report, 1972, 4.

38. Oral interview with Mr Kwasi Misa, aged 61, BSL retiree, businessman, Accra, 1 November, 2012; oral interview with Ben Owusu Mensah.

39. Public Records and Archives, Accra, RG8/2/536/1970-78, Report of the Committee of Inquiry into the General Administration and Operations of the Black Star Line (1970-78), September 1979, Appendix 11.

40. "Ghana's Other Crops", *West Africa*, No. 2804, 6-12 March, 1971, 273.

41. United States V. Zim Israel Navigation Company 239 F.Supp. 446 (1965), retrieved from http://www.leagle.com/xmlResult.aspx?xmldoc=1965685239FSupp 446_1591. xml&docbase=CSLWAR1-1950-1985 on April 20, 2013.

42. Elder Dempster's "Minutes of Monday Meetings", September 30 – November 4, 1957, Liverpool Maritime Museum Archive, 43.

43. Elder Dempster's "Minutes of Monday Meetings" September 30 – November 4, 1957, Liverpool Maritime Museum Archive, 48.

44. "Lack of Cargo, Arrest of Ships Thwart NNSL Fortunes", *Nigerline*, Vol.16 No.2, July/December, 1986, 16.

45. Menson, "The Black Star Line", 20, 23.

46. Anin, *Essays on the Political Economy of Ghana*, 150; Gyimah-Boadi, "State Enterprises Divestiture…", 197-199. For details of the failed attempt to acquire the tanker "Grube Ove", see Public Records and Archives, Accra, RG8/2/536/1970-78, Appendix 34.

47. For more information on the establishment of NNSL, see Ayodeji Olukoju, "A 'Truly Nigerian Project?' The Politics of the Establishment of the Nigerian National Shipping Line (NNSL) 1957-1959, *International Journal of Maritime History*, 15, no. 1, 2003; Andrew Huckett, "Nigerian National Shipping Line. Part 1", *Ships in Focus* Record 41, (2008), 20.

48. Ahutu, "Demise of Nigerian National Shipping Line: Implications for the National Economy", unpublished papers, 14.

49. *Nigerline*, September 1964, Vol.1, No.1, 3.

50. "Nigerianization Progresses in National Line", *Daily Express*, No. 1404, 6 November, 1964, 2.

51. Oral interview with Engr Ibia, aged 70, retired seafarer, Calabar, 2 March 2011; also oral interview with late Capt F. A. Ebong at Uyo, 17 September 2011.

52. "Our vessels will be manned by Nigerians", *Daily Times*, 15 October, 1970, 3.

53. Oral interview with Engr Ibia.

54. Nigerian National Shipping Line First Annual Report for the Year Ended 31st March, 1962, 2.

55. Ibid.

56. Adedoyin Olubajo, "Reminiscences", *Nigerline* July/December 1984, Vol.14 No. 2, 10.

57. For details of Oyesiku's termination, see Minutes of the 38th Meeting of the Board of Diretors of the Nigerian National Shipping Line Limited held at Development House, 21 Wharf Road, Apapa on Thursday, 9th January, 1969, 6. For the appointment of Henryk Demel, see The NNSL Ltd 1970 Reports and Accounts, 11th Annual General Meeting, December 22, 1971, 5; The NNSL Ltd 1972 Reports and Accounts, 13th Annual General Meeting, 22 March, 1973, 5.

58. The NNSL Ltd 1973 Report and Accounts, 14th Annual General Meeting, 16 July, 1974, 7.

59. Ahutu, "Demise of Nigerian National Shipping Line…", 6.

60. "New order at Nigerian National Shipping Line", *Business Concord*, 24 January, 1986, 5.

61. *Nigerline*, January/March 1988, Vol. 18, No.1, 5.

62. *Nigerline*, July-December 1986, vol.16 no.2, 9.

63. *Nigerline*, April/June 1974, vol.6 no. 2, 10.

64. Oral interview with Gerald Chidi.

65. Paul Gbana, "A Report of the 1981 Management Training Programme", a report submitted to the management of NNSL in partial fulfillment of the 12-month management training programme, n.d., 4.

66. *Nigerline*, April/June 1982 vol. 12 no. 2, 7.

67. Paul Gbana, "A Report of the 1981 Management Training Programme", 4.

68. Ibid.

69. G. N. Chidi, "Operational Highlights of Agencies Division with Particular Reference to Lagos Agency", *Nigerline*, April/June 1982, vol. 12 no. 2, 11.

70. Ibid.

71. Ahutu, "Demise of Nigerian National Shipping Line: Implications for the National Economy", unpublished papers, 13.

72. Remi Idewu "The Contribution of Nigerian National Shipping Line to the Economy of the Nation", *Nigerline*, January-June 1985, vol.15 no.1, 11.

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74. S.O. Kadiri, "The Role of the NNSL in the Commercial, Industrial and Socio-Economic Development of Nigeria", *Nigerline*, January-June 1984, Vol.14 No.1, 11.

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77. Kadiri, “The Role of the NNSL…”, 10.

78. *Nigerline*, October/December 1977, vol.7 no.7, 2.

79. Okechukwu C Iheduru, *The Political Economy of International Shipping in Developing Countries* (Newark: University of Delaware) 1996, 218.

80. *Nigerline*, July/September 1988, vol.18 no.3, 9.

81. “Nigeria, Argentina may sign Merchant Shipping Act”, *The Guardian*, vol.5 no.3751, 20 April, 1988, 16.

82. *Nigerline*, July-December 1986, vol. 16 no. 2, 5.

83. Oral interview with Mr. Azubuike Ikemefuna, aged 63, NNSL retiree, Lagos, 19 July 2011.

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85. “Shipping Line Earns N52.4m”, *Daily Times*, 6 May, 1985, 9.

86. *Nigerline*, July-December 1986, vol. 16 no. 2, 1G6.

87. Ibid.

88. “NNSL okays appointment of 4 directors”, *Daily Times*, November 8, 1988, 32.

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90. Oral interview with Mr. Chidi.

91. “Federal Govt Declares Stand”, *Daily Sketch*, 1 April 1970, 1.

92. Oral interview with E A Adeniyi, aged 71, NNSL retiree, Lagos, 23 August 2011.

93. Sheikh Abutiate, “Nigeria yet to earn good money from shipping”, *The Guardian*, 10 June, 1985, 1.

94. Ibid.

95. Ibid.

96. Ibid.

97. “National Shipping Policy”, *New Nigerian*, 27 May, 1987, 1.

98. “Shipping Policy Decree Becomes Law”, *New Nigerian*, 14 May, 1987, 1.

99. *Nigerline*, October-December 1988, vol. 18 no. 4, 20.

100. Ibid.

101. *The Guardian*, Vol. 5 no. 3735, 4 April, 1988, 11.

102. "The Collapse of Nigerian Shipping Lines: What Loss! What Remedies", *Dredge, Drill & Haul*, 1st Quarter 2009, 22;

103. *Nigerline*, January-March 1978, vol. 7 no. 8, 4.

104. Oral interview with Engr Ibia.

105. Paul Gbana, "A Report of the 1981 Management Training Programme".

106. Ibid.

107. Ibid.

108. Ibid.

109. Ibid.

110. Ibid. 52.

111. Ibid. 53.

112. UKWAL Annual Report 1972, 8.

113. Ibid.

114. Oral interview with Mr. Chidi.

115. *Nigerline*, April-June 1974, vol.6 no.6, 16.

116. "Nigerline (UK) Limited is Acknowledged by All". *Nigerline*, January/March 1974, Vol.6 No.1, 5.

117. Oral interview with Chidi.

118. Ibid.

119. Paul Gbana, "A Report of the 1981 Management Training Programme".

120. Ibid.

121. Remi Idewu, "The Contribution of Nigerian National Shipping Line…" 10.

122. The Nigerian National Shipping Line First Annual Report for the Year Ended March 31, 1962, 2. *Nigerline*, Vol. 1 No. 6, March 1966, 4.

123. Ibid.

124. Nigerline, March 1966, Vol.1 No.6, 4.

125. The NNSL Ltd. 1973 Report and Accounts, 14th Annual General Meeting, 16 July, 1974, 9.

126. "Line 'at a low ebb'", West Africa, No.2833, 1 October, 1971, 1157. See also, Ahutu, "Demise of Nigerian National Shipping Line" 13.

127. Ernest Etim, "FG Moves to Float New Shipping Line", *Freight Monitor*, Vol.6 No.181, 10 September, 2000, 1; Felix Kumuyi, "How NNSL – Africa's Foremost Carrier was Run Aground", *Transquest*, Vol.6 Issue 57, May 2013, 15.

128. Oral interview with Mr. Azubuike Ikemefuna.

129. Conversation with Capt. S.A Omoteso, NNSL retiree, maritime consultant, Lagos, 31 January 2014.

130. The Nigerian National Shipping Line 1974/75 Report and Accounts, 16th Annual General Meeting, May 13, 1976, 7.

131. Oral interview with Engr. Ibia.

132. "MV River Adada Launched", *Nigerline* July/September 1978, Vol.7 No. 10, 2.

133. Ibid.10.

134. Uchenna Enyia, "MV Trainer: NMA to pay Crew Wages", *Freight Monitor*, Vol.6 No.152, 13 February, 2000, 1.

135. Memorandum and Articles of Association of the Nigerian National Shipping Line, incorporated 2 February, 1959, 1.

136. Kadiri, "The Role of the NNSL…"

137. Ibid.

138. Ahutu, "Demise of Nigerian National Shipping Line", 16.

139. Ibid.

Chapter 5

Flags in Distress: The Problems of the BSL and the NNSL

The Black Star Line (BSL) and the Nigerian National Shipping Line (NNSL) and were West Africa's biggest state-owned shipping lines in terms of fleet size, staff strength and operational spread. They had many things in common: tutelage under foreign technical partners; concentration on carrying the bulk of their national raw material output; same types of combo and break-bulk ships in their fleets; preponderance of governmental intervention in their operations; and commonality of the same markets and trade routes, mainly Dakar-Douala range to Europe and *vice versa*.[1]

Consequently, their operational challenges were similar in many respects. With the exception of the recorded incidents and accidents of the NNSL, which far surpassed the experience of the BSL, they shared many similarities in the operational issues, which managements in both organizations grappled with, especially after the full handover of the companies to Ghanaians and Nigerians in the 1960s. We shall analyse these issues under the following headings: managerial inconsistencies, major disciplinary actions, shipping incidents and accidents, cargo insufficiency, ship repairs and arrests/ foreign and local debts, collapse of the conference lines and overseas offices, governmental intervention and the "Big-Man" syndrome, port congestion and stevedore pilferage, the Nigerian civil war, union activities and dock labour palavers, and the effects of changes in shipping technology.

Managerial Inconsistencies

On the fifteenth anniversary of the BSL in 1972, G. K. B. de Graft Johnson, the managing director, said that the public perception of the company was that it was badly run, always

showing losses and its employees were not disciplined.[2] He attributed these ills to the "bad old days" where nepotism, favoritism and party affiliation hallmarked employment and promotion in the company. The party he referred to was the erstwhile CPP led by Kwame Nkrumah, which dumped many of its henchmen who had no shipping skills in the line as payback, thereby fuelling corruption.[3] During the anniversary, the management picked a bone with the BSL's capitalisation which had not changed from the C1,000,000 initial subscribed capital in 1957, although it also admitted that the company had depended on overdraft for many years to meet day-to-day operational expenses and that its audited accounts were three years in arrears.[4]

After the overthrow of Nkrumah's government through the February 1966 coup d'etat, a panel of inquiry set up by the Ankrah military government found inconsistencies and wide-ranging fraud in the managerial activities of the BSL.[5] This led to certain changes in the management of the company. The government took over the external debts of the company and approved the appointment of four German management consultants from Marine Transport Consultants International, who ran the company until 1982 to give it a new lease of life. But when the company was later handed over to Ghanaians, its fortunes dipped again, as entrenched corrupt interests and die-hard union activists tightened their vice-like grip on its finances and activities until the government's order to disinvest from all SOEs, including the BSL.[6]

For the NNSL, on the other hand, the problems identified by its management kept changing with the times. In 1976, in an address to a new board of directors, the transport minister, Col. Mohammed Magoro, listed four main problems of the national carrier. They were, poor financial performance due to the NNSL's weak financial base; repayment of the £6.2 million German loan, which financed the building of the River Class vessels; port congestion,

which led to delays in turnaround time of its ships in Nigerian ports; and the existence of many over-aged ships in its fleet.[7] By 1986, the identified problems had changed in marked ways, according to company and government authorities. Whereas the expansion of the fleet was touted in the mid-1970s as a solution for the poor carrying capacity of the line, the purchase of nineteen new ships in 1977-79 began to be cited in 1986 as the beginning of her problems.[8] According to Gwadabe, the company's managing director:

> The Nigerian National Shipping Line Ltd was established in 1959 with an equity capital of N4 million. It did well under those circumstances until 1979 when 19 ships were dumped upon it without commensurate and adequate working capital. It was since that volte-face that the problems …began which has now eventually become a problem not only to itself but to the Federal Military Government.[9]

He listed other problems, including frustration of company efforts due to government bureaucracy, inefficient running of the company because of its civil service rules and regulations and a debt overhang, which arose and compounded because of reliance on overseas cargo agents and creditors. In his analysis of the NNSL's cash-flow problems, Gwadabe explained that since it did not have money to pre-fund its activities and voyage expenses, its cargo agents and trade creditors extended credit facilities to it against promises to pay from freight earnings. Whenever fluctuations in freight earnings dipped below projections, the creditors were owed and thereby the cycle of indebtedness continued while the debt mountain piled higher. In 1986, it was N26 million.[10] Aggrieved creditors often resorted to the courts, which granted them arrest warrants against NNSL ships in various European courts.

When these problems were appraised, the federal government applied a slew of measures to resuscitate the line. In 1976, it injected N2 million into the company to strengthen its financial base, settled its foreign debt of N6.65 million, approved the sale of its over-aged ships and

embarked on anti-congestion measures including the building of new ports across the country.[11] Similarly in 1986, the Minister of Transport, Major General Jeremiah Useni, announced that the federal government had come to the rescue of the company with a loan of N70 million for the settlement of its external debts.[12] in addition, the federal government upgraded the company from Grade “B” to Grade “A” parastatal status to enhance its capacity for commercial operations as well as to address the identified problem of low staff morale. Whether these measures achieved their goals in the short or long-term is debatable as the NNSL did not eventually survive. However, a recurrence of similar problems and challenges continued until the liquidation of the company in 1995.

Ship Arrests and Ship Repairs /Foreign and Local Debts

Beginning from the 1980s, cargo volumes began to dwindle for the BSL and the NNSL as a result of the global recession, which reduced exports and the subsequent cut-back in importation. The attendant cash-flow problems caused a mounting of their foreign and local debts. The former resulted in the spate of ship arrests, which affected many ships of the BSL and NNSL in foreign ports. A lot of the debts were related to ship repairs because at this time the ships had begun to age, requiring expensive maintenance, dry-dock and repair costs. Some of the arrests were also due to drug-trafficking charges brought against vessels of both carriers. According to Lt-Col. T.T. Kutin, Ghana's Commissioner for Transport and Communication, was quoted to have remarked that "collosal amounts of our hard-earned foreign exchange had been whittled away in senseless fines imposed on the ships" to effect their release.[13]

In response, BSL's managing director, Capt. Tachie-Menson, revealed that the company's security section had acquired trained sniffer dogs which would be used on board ships to sniff for

drugs. The *MV Bia River* was arrested for drug trafficking on her voyage 47/76 to the US and, according to Rey Koranteng, BSL Representative in the US and Canada, it required "substantial amount of our earnings on that voyage to pay the customs fines and penalties before her release".[14] In this way, drug trafficking became an issue that hampered the turnaround time of BSL ships as well as her image and finances, thereby disrupting her role as one of the solid foreign exchange earning agencies of the government.[15]

For the NNSL, drug trafficking also made headline news locally and overseas as its ships were arrested on various occasions. For example, on August 28, 1985 in Antwerp, *MV River Oli* was detained because she carried a container of Indian Hemp said to belong to a "whiteman",[16] although another report claimed that the drug in question was cocaine, with a value of N2.5 million.[17] To address the matter, the Federal Ministry of Transport and Aviation, in 1986, set up a probe panel to assess the veracity of claims that "some staff of NNSL were either peddlers of the drugs or were acting in concert with some exporters, NPA and or Customs and Excise staff".[18]

The inclusion of exporters in the list of suspects was confirmed by Capt O.J. Oyedokun who reported cases of drug trafficking when he was in service onboard *River Karewa* in 1983 and *River Agboine* in 1989. According to him, the drug smuggled onboard *River Agboine* was Indian Hemp while the ones smuggled onboard *River Karewa* were sealed in industrial packets of cocoa butter addressed to a UK consignee and properly manifested as cocoa butter by an Ibadan-based cocoa processing company.[19] On getting to Liverpool, the ship was boarded at mid-stream by some uniformed men who claimed to be Her Majesty's customs officials on routine search of the ship, a disguise, which they used to go straight to the container bearing the

"cocoa butter" packages and discharged them onto some boats they came with.[20] Operating briskly, they were gone in minutes before the port authority was alerted of the operation, signifying that the drug shipment relied on an international syndicate in collusion with the NNSL staffers who must have relayed advance information about the cargo stowage plan to their associates in Liverpool.

In another case, which was widely reported in Nigerian dailies, two NNSL containers carried by the *Armagnac* and *MV River Oji* in February and April 1986 respectively, being used for haulage of Peugeot Automobile of Nigeria CKD parts, were found stuffed with Indian Hemp.[21] The company explained at a press conference that the two containers had been returned empty to Lagos from Kaduna and were transferred to Aeromaritime Container Base for repairs and storage when officials of Aeromaritime discovered the substances. In consequence, the company announced new anti-drug trafficking measures. In future, there would be joint inspection of containers taken to the container base by officials of the two organisations and there would be NPA and Customs joint pre-shipment inspection of containers and inspection seals pasted on cleared containers before loading them.

However, following the ministerial panel of inquiry on drug trafficking, some staff of the company were dismissed including H. A. Ekong, a catering officer, Richard Ejigbado and D. Akpan, crew men while G. A. Benjamin was retired.[22] A few months later, the Minister of Transport, Major-General Useni, told the reconstituted NNSL board of directors that the company had lost over N40 million on account of ship arrests in Europe for drug trafficking and foreign debts.[23] Nevertheless, drug trafficking, being a business by international criminal syndicates, was not fully eradicated by the two carriers as they never quite rid themselves of

recurrences of the menace aboard their ships. They became smeared with its notoriety and the concomitant negative publicity.

The other problem that caused constant arrest of BSL and NNSL ships was debts they owed to ship repair yards, chandlers and other contractors, especially in Europe. This problem grew worse with the advancing age of their fleets. An official of F.W. Hartmann and Company of New York, the BSL's general agent in the US, had to openly complain about the ageing ships and hoped that "new vessels to suit this trade" could be acquired and improved maintenance of the old ones put in place.[24] However, Mr Koranteng, the BSL US representative, was cited to have revealed that their problem with maintenance was that it cost so much to do repairs in the US that he suggested replacing the ageing ships instead,[25] a proposal that got traction a few years later in 1980 when four new ships were built for the company.

One major difference between the BSL and the NNSL in their management of the problem of ageing ships was the low level, in the BSL, of reported incidents of collusion between staff and ship repair yards for personal gains. Perhaps this was because such incidents were rare, subdued or relatively insignificant compared to the rampant cases in NNSL. In fact, it was widely believed that if a BSL ship went to dry-dock and finished with a bill of £200,000 an NNSL ship of same specification would finish with £800,000 in the same dry dock, because of 'padding' by NNSL top officials and other top government officials.[26] The case of *River Ethiope* succinctly showed how ship yards had to resort to withholding valuable machinery and equipment that ought to be installed in the NNSL ships in order to cover up the costs of these "extra-contractual expenses incurred by NNSL managers visiting Germany".[27]

The incidence of the NNSL staff fleecing the company via ship repairs grew gradually from the time of Engineer Ogundipe in the early 1980s who, as marine superintendent, covertly set up a parallel company that secretly carried out minor ship repairs of the NNSL vessels at the Tema shipyard in Ghana.[28] The seamen's union blew the whistle in a newspaper report, which accused top NNSL officials of running private businesses to exploit the company.[29] In one case, Engineer O. Ogundipe was exposed when he insisted on sending a ship tied up at Calabar to the Ghana dry-dock for the repair of a minor valve, a situation that pitted him against the General Manager, Mr Oladipo Oladitan, who wanted the ship to proceed on a voyage to the UK instead. As a compromise, Engineer Ibia was sent from Lagos to verify the matter. He discovered that contrary to Ogundipe's advice, the fault was minor and not likely to affect the trip. Ibia was proven right when the ship sailed safely to Liverpool. The incident caused the superintendent his job.[30]

With time, however, the gravity of fraud and personal aggrandisement by exploiting the loopholes of engineering problems of the ageing fleet began to increase. Collusion between the NNSL staff and repair yards or other service providers became unbearable as it degenerated to ships' arrests whenever the trumped up bills were not settled. The arrests became so rampant that in 1986, the NNSL suspended all sailings to the UK for one year because "several of our ships were arrested in ports in the UK and northern Europe over alleged debts".[31] When the service was restarted one year later, the company stated that most invoices of alleged debts submitted by some of the 157 companies that provided service for the line, were either inflated, duplicated or submitted by ghost companies and master-minded by NNSL staff.[32]

Rear Admiral Ugunna, the NNSL managing director in 1988, explained how the multiplicity of companies went about billing the company. He said the technical department usually gave a long list of faults in the ships to the ship repair yards and private individuals, and that was how the line ended up with "assorted creditors, big bills, small bills, even for frivolous amounts like £5,000. Some individuals claim to have carried out repairs on some equipment and charge £5,000 and when for one year, two years he isn't paid, he takes us to court and a ship is seized".[33] This pile of debt became grist for the mill for unscrupulous NNSL staffers who colluded with the creditors to execute ship arrests. This was despite the fact that the NNSL's account was supposed to be in the black as it was owed over N108 million by local debtors which were mainly government ministries, departments and agencies. (See Table 5.1 and Table 5.2 for profiles of the NNSL's local debtors and creditors as at 1989.)

Table 5.1: Showing NNSL's Debts to Local Creditors as at 1989.

LOCAL CREDITORS AS AT 28/2/89

	TOTAL	N. P. A.	OTHERS
	₦	₦	₦
WARRI	2,313,400.79	1,146,794.73	1,166,606.06
PORT HARCOURT	4,273,560.29	2,780,732.58	1,492,827.71
CALABAR	1,041,632.43	714,053.88	327,578.55
HEAD OFFICE	14,548,502.79	----	14,548,502.79
O. S. N.	36,590,956.91	----	36,590,956.91
LAGOS AGENCY	26,962,513.27	17,349,755.91	9,612,757.36
Bank Overdraft	8,421,373.93	----	8,421,373.93
TOTAL	₦94,151,940.41	₦21,991,337.10	₦72,160,603.31

Source: "Sale of Five NNSL Vessels - Disbursement of Sale Proceeds", letter to the Hon. Minister of Transport, March 10, 1989, schedule II.

Table 5.2: Showing NNSL's List of Debtors as at 1989.

SCHEDULE 111

GOVERNMENT AGENCY DEBTORS AS AT 28/2/89

1.	Ajaokuta Steel Company - Freights -	N96,832,104.23
2.	Nigerian Railway Corporation - Freights	N 1,614,261.00
3.	Nigerian Ports Authority - Freights	N 1,277,186.83
4.	Nigerian National Petroleum Co. - Agency Fees	N 576,367.53
5.	N. Y. S. C. Salaries etc.	N 23,934.68
6.	NICON (Hull & Machinery Claims)	N 1,404,523.75
7.	State House - Dodan Barracks	N 130,335.19
8.	Anambra State Ministry of Health	N 1,926,230.88
9.	Sokoto State Government - Freights	N 78,333.86
		N103,863,277.95

OTHER LOCAL DEBTORS

1.	Warri	N2,388,776.67
2.	Port Harcourt	N 360,756.39
3.	Lagos Agency	N1,429,084.09
4.	Calabar Agency	N 367,375.07
5.	Nigerian Green Lines	N 96,718.52
6.	African Ocean Lines	N 96,146.00
	TOTAL	N4,738,856.74

SUMMARY

GOVERNMENT AGENCY DEBTORS	N103,863,277.95
OTHER DEBTORS	N 4,738,856.74
TOTAL	N108,602,134.69

Source: "Sale of Five NNSL Vessels - Disbursement of Sale Proceeds", letter to the Hon. Minister of Transport, March 10, 1989, schedule III.

The frequent arrests paralysed activities in 1986 and caused reduction in haulage from the projected 1,571,360 freight tonnes to only 490,564 freight tonnes, thereby slashing the target revenue from N89,176,445.00 to N40,065,400.00.[34] Despite the loan of N70 million which the

federal government made out to the company in 1986 "to avoid further embarrassment to the national shipping line" according to General Useni, the spate of vessel arrests was not stemmed. In July and August of 1986 alone, three of the company's ships were arrested, including *MV River Rima*, seized in Liverpool for failure to pay for her maintenance charges.[35] The others arrested on similar charges were *MV River Maje* and *MV River Ogbese*, the former detained at Felixstowe while the latter was held at Liverpool. (Table 5.3 shows the list of NNSL ships' arrests and detentions).

Table 5.3: NNSL History of Ship Arrests, Detentions and Other incidents.

Ship	Port of arrest, detention or lay-up	Date/Duration	Claimant / Cause	Cost	Other incidents or Accidents
Oba Ovonranwen	-	-	-	-	Ran aground 12th May, 1969 at Carpenters Rock, Freetown. Refloated. January 1970, sold and towed to Spanish breakers at Cadiz.
River Ogbese	Liverpool (Arrest)	1986 (duration unknown)	Marine Industrial Hydraulics Ltd, for repairs.	GBP148,700	
River Maje	Felixstowe/Tilbury (Arrest)	1986	United Mersey Supply Company, for supplies and provisions.	GBP418,000	
River Ogbese	Liverpool (Re-arrest)	1986	Tyne Ship-repair Ltd, dry-docking NNSL ship.	GBP95,500	
River Rima	Liverpool (2 Arrest warrants)	1986	Plypano Ltd, repair bill; and Tiphook Container Rental Co. Ltd, damaged cargo claim.	GBP132,000	
River Ogbese	Indian port	2/6/1989 - September 1991	Indian importer	Unspecified	
River Oshun	Laid up in Nigeria, port unspecified.	1991	-	-	-

River Oji	Antwerp (Detention)	1993	Unknown	-	-
River Asab	Dunkirk (Arrest)	1993	Unknown	-	-
River Ngada	Singapore (Arrest)	1993 - August 1994	Salvage bill after fire incident	Unknown	Suffered fire in accommodation cabins while awaiting cargo at anchor. Arrested pending payment of salvage bill. Sold at anchor in Singapore in 1994.
River Majidun	Hong Kong (Arrest)	1993	German repair company, repair bill.	$300,000	Ship ran out of food stores. Ratings were not paid for months and there was no money on board.
River Majidun	Hong Kong (further detention)	1993	Unknown claimants, for damaged cargo	Unknown	-
River Andoni	Ellesmere (England) (Arrest)	1994	Unknown	Unknown	
River Gurara	Espichel near Lisbon. (Sank)	February 1989	-	-	Sank in heavy seas following engine failure.
River Adada	Hamburg (Arrest)	1994 (duration unknown)	-	-	-
River Mada	Tilbury	1994 (duration unknown)	-	-	-
River Ikpan	Tilbury	1994 (duration unknown)	-	-	-
River Oli	Bonny River (Nigeria)	1994	-	-	-
River Majidun	Las Palmas (Liberia) (ran aground)	3/4/1994 - 30/5/1994	-	-	After release from detention in Hong Kong, ran aground in Las Palmas. Her cargo of empty containers were discharged and she was towed out to sea and sunk on 30th May, 1994.

River Ogbese	Las Palmas (Arrest)	May 1994 - 2/4/1995	Liberia Port Authority, as collateral.	Unknown	Sent as accommodation and relief vessel for *River Majidun's* crew, *Ogbese* was held as collateral until cost of services rendered *Majidun* was settled.
River Adada *River Mada* *River Oji* *River Asab*	Sold in 1996	-	Liquidation of NNSL	N.A.	-
River Oli *R. Ogbese* *River Maje* *River Ikpan*	Sold in 2001	-	Liquidation of NNSL	N.A.	-

Source: Andrew Huckett, "Nigerian National Shipping Line Ltd, Part 2", *Ships in Focus Record* 42, March 2009, 93 - 102.

During the first and second quarter of 1986, four NNSL ships were also impounded via court order in different parts of Europe by Hong Kong-based AFEA Line, which claimed $10.2 million demurrage on thirteen ships that carried rice for the Nigerian National Supply Company, a federal government parastatal.[36] While *MV River Adada* and *MV River Oji* were held in Rouen, France, *MV River Majidun* was detained in Liverpool and *MV River Rima* was seized in London. The federal government paid N3 million to secure their release with an agreement to settle the balance in September 1986.[37] Thus, *River Rima* had been seized twice within nine months in the gale of insider-facilitated arrests.

Aside from the AFEA Line affair, another group of foreign ship owners clamped down on four NNSL ships because of demurrage and bunker claims amounting to $18.7 million. They were the owners of *MV Rudo, MV Lorenzo, MV Mullen, MV Eastern Maid, MV Morning Glory, MV Five Oaks, MV Akbar* and *MV Damorda Tasaka*. These ships were chartered by the NNSL to lift rice cargoes belonging to the Nigerian National Supply Company Ltd. (NNSC). One could question why the NNSL had to charter ships to carry rice when it had its own fleet of ships. The

reasons include the fact that rice ships were mainly bulk carriers, which the NNSL did not have.[38]

Secondly, when one considers that the biggest NNSL vessels were 16,000 tons deadweight, it made no economic sense to send them to the Far East (Thailand or Indonesia) when chartering ships of 35,000 tons would be cheaper and more profitable *vis-a-vis* bunker costs, port dues, operational expenses, crew wages and even the speed of delivery. Thus, as long as the NNSL accepted to carry rice from the Far East for NNSC, it had to continue chartering the suitable ship types. It was heartbreaking that at this very time, four of its own fleet were laid up at Warri and Sapele for lack of cargo.[39] This clearly demonstrated the poor judgment about its niche market that went into the fleet expansion programme of the national carrier.

Eventually, the federal government intervened during the first quarter of 1987 and paid the four ship owners and other outstanding creditors N23.3 million for the release of all the ships arrested in 1986: *River Oli, River Ikpan, River Mada, River Aboine, River Jimini* and *River Majidun.*[40] Nevertheless, from 1989 to 1995 when liquidation was ordered by General Abacha, not less than eleven NNSL ships were clamped in long-term arrests and detentions in various European or foreign ports on debt related issues[41]

The BSL ships, too, suffered arrests and detentions even though the incidents were far fewer than those of the NNSL, just five on record, perhaps, because the latter had more ships which were very active during this period in their trading history. Some of the arrests were also for drug trafficking as stated elsewhere, especially of *marijuana*, but the incidences due to debts were much higher. Also, because the average age of the BSL fleet in 1980 was 16 years, half of

them were subject to international restrictions against overage ships and only six of the 16 vessels could legally enter US waters due to anti-pollution regulations.[42]

In an interesting twist of fate, however, there were also attempts at illegal detention of ships, one of which backfired and caused a diplomatic tit for tat between Nigeria and Italy. In 1988, one NNSL ship was illegally detained at the Italian port of Genoa on the orders of an Italian court because the Central Bank of Nigeria (CBN) failed to remit money for goods supplied by an Italian company to a private marble-importing company in Nigeria. This had nothing to do with the NNSL but because the ship was Nigerian, it was so targeted. The NNSL reported the matter to the government, which moved promptly and retaliated by detaining an Italian registered cellular container ship at Tin Can Island Port in Lagos under the guise of "security checks". The Italian Parliament was quickly alerted to the growing face-off and rallied to get the NNSL ship released. The federal government thereafter also concluded its "security checks" and released the container ship.[43]

Major Disciplinary Actions

The major disciplinary actions taken against top officials of the two carriers coincided with changes in government, whether civilian or military. In November 1966, for example, the military regime under General Ignatius Acheampong set up a five-member commission of enquiry headed by a high court judge, George Richard Mc Vane Francois, to look into the affairs of the BSL. The commission established that fraud was perpetrated by the Ghanaian external auditors who took over from the Zim-appointed external auditors in 1961; special rebates charged on all cargoes carried by the BSL were not reflected in any of the account books of the company, and that ex-convicts were placed in "positions of trust in the accounts department".[44]

As a result of these findings, a new managing director was appointed to take over from an expatriate acting General Manager.

In the NNSL, the appointment of Oyesiku, the first indigenous general manager, was terminated in November 1968 because of his questionable handling of the ship building contract of the four River Class vessels. The board of directors discovered that contrary to Oyesiku's letter of assurance to the Federal Ministry of Transport and Aviation, the shipbuilding programme was unaffordable, unnecessary, ill-advised and ill-timed and, in conjunction with the adverse effects of the WALCON freight war with Hoegh Line since 1965, marked the onset of losses for the NNSL beginning from the 1966/1967 financial year.[45] Moreover, he side-stepped the board to issue four memos to the ship builders, Rheinstahl of Emden Germany, to the intent that many operating equipment were deleted from the new ships contrary to the specifications in the shipbuilding contract. To worsen the situation, the board members also discovered that the chief accountant had been “deceiving them” about the "serious financial difficulty" of the company to the extent that he procured unauthorised overdraft from African Continent Bank in excess of £100,000 at 9% interest as against the approved rate of 7%. Subsequently, the general manager and the chief accountant were sent on leave in November 1967. While the general manager was terminated in 1968, the chief accountant resigned in 1969.[46]

The vacancy created by Oyesiku's sack was accentuated by the decision of the expatriate Assistant General Manager, S. Johnson, to operate from Liverpool instead of Lagos, the headquarters. This gave rise to a management crisis, which was resolved when the federal government accepted the secondment of Henryk Dehmel from the Polish government. Thereafter, the line operated in relative quietude until after the collapse of the Second Republic

in December 1983. When Shehu Shagari's government was toppled in 1983 via a *coup d'etat*, the emergent Buhari regime instituted investigations into the affairs of the NNSL, reportedly due to petitions that flooded the Supreme Military Council.[47] Consequently, the general manager who had served the longest in that position, from 1975-1984, Oladipo Oladitan, was retired.

To pave way for further investigations, six top officials, Engr. Ibia (AGM, Technical); Mr. F.C. Onyia (AGM, Owned Agencies); Mr. A. Falase (AGM Finance); Mr M. Sowemimo (NNSL Agent in Hamburg); Mr. L.O. Anagara (senior accountant in Liverpool); and Capt. Osiefa (Line manager in Liverpool) were also suspended.[48] After the investigations, the Ministry of Transport retired them for various infractions. For example, Engr. Ibia was blamed for failure to carry out regular maintenance of the ships, widespread indiscipline of the sea staff who indulged in illegal trading and drug smuggling, and failure to maintain essential equipment such as water processing plant.[49] Although they were interviewed by the panel, the verdicts were not subject to appeal, so they accepted their fate willy-nilly. Nevertheless, Engr. Ibia denied any wrong doing.

The other major shakeups, which led to the sacking of the cream of the NNSL's top management was a fall-out of the AFEA Line affair, after the latter had made the demurrage claim for $10.2 million, as narrated above. After they had arrested five NNSL vessels in different European ports, the federal government suspended the acting general manager, E. A. Adeniyi and four other top officials, namely, Michael Nsuk, Capt. Francis Adegbotolu, Christopher Uzoh and Ibrahim Mohammed.[50] They were subsequently retired one year later. However, Adeniyi, in a recent interview, explained that he and his colleagues were innocent because the NNSL only chartered the ships and did not have power over the proceedings at the Lagos port. According to him, the NNSL became helpless when the consignee, NNSC, began jostling with Government

Coastal Agency (GCA), the official clearing agent of the federal government, over which agency had the right to supply trucks for conveying the rice cargoes out of the port.[51] This face-off caused the delays of the 13 ship voyages in dispute.

To rein in crew trading and drug trafficking in the NNSL, various measures were taken at various stages by the federal government and the military managing directors of the company. These included dismissals, retirements and interdictions for 12 months without pay and administrative punishments such as rustication of cadets for three months. Still, these measures failed to halt the egregious practices.

Governmental Intervention, Big-Man Syndrome and Corruption

The origins of the two national carriers as SOEs and their heavy reliance on government cash injections for ship acquisitions left little room for independent action by their management. At critical junctures in their trading history, they had to wait upon the government for approvals to execute important decisions for the shipping lines' operational activities in a market where competitors made such decisions and executed them minute by minute in response to global developments in the shipping world. The bureaucratic delays cost them huge losses and hobbled their capacity to compete against other lines.

For example, decisions on fleet re-tonnaging in the two companies were adversely affected by governmental delays. The NNSL fleet expansion proposal of the 1970s was put forward in 1972 and got approved and implemented between 1977 and 1980 when some of the ships had lost their winning edge. In 1991, the BSL proposed to re-tonnage by selling two ships and using the proceeds to acquire other suitable vessels but the approval took two years to come and when the ships, *Sissili River* and *Tano River,* were eventually sold by 1994, the proceeds

were caught in a bureaucratic quagmire and could not be used for the purpose initially projected.[52] Moreover, the remaining two ships in the BSL's depleted fleet were commandeered by the government to ferry troops and materiel for the ECOWAS Monitoring Group (ECOMOG) operations in Liberia and Sierra Leone without any financial payments to the carrier.

For both shipping lines, government supervision and intervention were done by their federal ministries in charge of transport and communication (for Ghana) and transport and aviation (for Nigeria). Such interventions, sometimes, yielded positive leverage for the shipping lines via favourable laws and policies such as when the UNCTAD Code for cargo sharing was domesticated. But, at other times, the role of government as the owner of the lines gave its officials unhindered access to help themselves from the resources of the companies, in the form of kickbacks from contractors, job placements for favoured persons, food and drinks on board the ship, payment of school fees or shopping money for Big Men's children or wives on holidays overseas, gifts of luxury cars financed by the lines and even the carriage of cargoes for highly placed government officials without pay.[53] In one case, the secretary of a commission of enquiry into the NNSL activities returned from an investigative trip to Germany with a brand new Mercedes Benz car and could not account for it except to say that it was bought on a loan guaranteed by the NNSL's Hamburg agent.[54]

Furthermore, in the case of the NNSL, especially during the 1980s and 1990s, governmental intervention via the Federal Ministry of Transport and Aviation became known more for disciplinary actions or sanctions against top management decisions. These included the closure of Nigerline UK, sack or retirement of top NNSL officials and setting up panels to investigate allegations of corruption, illegal trading on board ships or drug trafficking.[55]

Accordingly, the turnover of chief executives and ministers was too rapid for sustained progress of the company. From 1984 to 1995 when the company was liquidated, the NNSL had seven managing directors in eleven years. Many of them were mere political appointees with no skills in the shipping industry. One managing director, Chidi, served under five ministers of transport in a two-and-half-year tenure. Chidi added that a disproportionate amount of time was spent briefing new ministers and as each was about to settle down and take positive action, he was moved again to another ministry or retired from the cabinet, leaving the NNSL's projects and issues constantly in limbo.[56]

For example, he said that as at 1992, sequel to his management's proposal on re-tonnaging, the Transport Minister, Engr. Olawale Ige, set up a committee to reappraise the trading-in of the remaining 13 ships on a gradual phase-out where five ships would go first in exchange for three modern vessels: a container carrier, a Ro-Ro ship and a combo ship capable of carrying 800 TEU containers.[57] The rest eight ships were planned to be traded in following the same approach, a proposal which he said many shipyards had indicated interest in. Any shortfalls in value of the old ships for the new ships were projected to be paid in installments from freight earned by the new ships and the government was not required to make any cash injection but only to guarantee the transaction. However, with the displacement of the minister and Chidi himself in 1993, the proposals were dumped in favour of other management paths that culminated in the liquidation of the NNSL in 1995.

Similarly, the BSL suffered from the adverse effects of governmental interventions which culminated in the nationwide policy on divestment from all SOEs, by which the BSL was taken

over by the Divestiture Implementation Committee in 1996. Thereafter, its two remaining ships, *Mv Keta Lagoon* and *Mv Volta River*, were sold to meet its indebtedness.

Further to the excesses of governmental intervention, the story of missing proceeds of sold ships played out in both carriers. The proceeds from the sale of the BSL's *Sissili River* and *Tano River* were not accounted for, just like the proceeds of the five NNSL ships sold by the administration of Engr. Bob Alfa in 1995 were also missing.[58] The NNSL case was blamed on the arcane politics of the Sani Abacha regime, which allegedly positioned a front, a London-based Pakistani ship broker, Shafik Mohammed, to anchor the sale. Thus, between the Transport Minister, General Ibrahim Gumel, Shafik Mohammed, the children of General Sani Abacha and the NNSL MD, Engr. Alfa, the proceeds of the five ships could not be accounted for. The federal government set up an administrative panel of inquiry into the matter. Thereafter, a court case was also instituted against the suspects but judgment was not given before the government directed that the company should be liquidated in 1995.[59]

Shipping Accidents (The *Mv River Gurara*)

The first shipping casualty in the NNSL that became a total loss was *Mv Oba Ovonranwem* which grounded at Carpenter Rock, Freetown, Sierra Leone in 1969. She was laden with 10,000 tons of general goods *en route* Liverpool to Lagos.[60] Two of her sister ships, *Mv King Jaja* and *Mv El Kanemi*, salvaged much of her cargoes to Lagos while the stricken ship was refloated. However, she was too badly damaged to continue in service and was towed to the breakers' yard. Another incident about this time was *MV Dan Fodio* which was affected by fire outbreak in 1969 and had to be laid up for a long time, with a huge repair cost of £106,275.00 as at 1973.[61]

The BSL also recorded a fire incident on board *MV Korle Lagoon* at Apapa port, Lagos in mid-1976. On hand to put off the fire was the Lagos Port Fire Brigade. At the height of the fire, she was rocked by explosion after explosion, which made the fire brigade to cut the moorings and she was towed away from other ships to midstream to burn itself out but the crew bravely put out the fire and returned the ship to its former berth. The other well-publicised fire incident which cost the line much financial loss in shippers' claims and repair bills was aboard the *River Oti* which happened in May 1977 at Tema port.[62]

However, by far the most orchestrated marine incident affecting the two carriers was the sinking of NNSL's *MV River Gurara* near Lisbon, Portugal, in February 1989 after her engine failed and she did not receive the help of a tug boat requested by the captain.[63] The 16,000ton combo vessel laden with 11,000 metric tonnes of export cargo split into two after a tropical storm rammed her against rocks at Cape Espichel, near the village of Setubal in Lisbon Portugal. The UKWAL vessel had loaded 77 empty containers and export cargoes of cocoa beans, beer, rubber and ginger at Apapa port on January 20, 1989 and proceeded to load more cargoes as well at Port Harcourt, Douala, Tema, Abidjan and San Pedro. She was bound for Dublin and Liverpool and sailed from San Pedro on February 17th, 1989.[64]

Three days after sailing from San Pedro, the master, Capt. Tunde Ogundein, called the marine superintendent at the NNSL's Liverpool office to report problems with the main engine oil lubricating system. The ship thereafter diverted course to Lisbon for emergency repairs. Consequently, she could not be steered or stood at anchor and began to drift listlessly, being already afflicted with other problems such as faulty bow thruster and anchor.[65] According to former NNSL employees, the ship drifted for two days[66] before the tropical cyclone which

picked up at sea and rammed her against rocks at Cape Espichel, causing the death of the captain and twenty other crew members.[67] At the first sign of the problem, the captain deployed a rescue plan using the life boat, which saved the lives of all the passengers, mainly the captain's Ghanaian wife, children and family members of other officers. The crew remained aboard ship to salvage her, in the best traditions of professional seamanship. Once the accident occurred, however, a Portuguese frigate and helicopter came to the rescue and helped to save 27 of the 48 crew members before the N25 million combo ship sank to the depths, the first and only time in NNSL's 36-year operational history to record such a constructive total loss.[68]

The *River Gurara* was insured to the tune of £7.895 million with Nigerian Insurance Corporation (NICON) and covered also by London and Liverpool Steamship Protection and Indemnity Association. After the loss was indemnified, the NNSL set aside N2.9 million for compensations and the 27 survivors received compensations ranging from N8,000 to N15,000 for the loss of their personal effects.[69]

Nevertheless, the sinking of *River Gurara* mirrored the internal struggle for life going on within the NNSL as a state-owned national carrier. As the ship failed to withstand the gale force wind of the cyclone when drifted for two days after, so the NNSL also failed to withstand the adverse forces that assailed her corporate existence. Both sank as irrecoverable losses. The company's account of the accident was incoherent and dithered on the causes of the sinking, from month to month. According to the initial press release by the management, *River Gurara* was healthy and in class when she set sail on January 22, 1989.[70] After the federal government sent a fact-finding mission to Lisbon and Liverpool and set up a marine board on the accident headed by a representative of the Attorney General of the Federation, Mrs. G. E. Ade-John, more

facts began to emerge and the management's position began to shift, to the extent of doubting the professional competence of the ship's crew.[71]

The five-man marine board interviewed Pinto Bastra, the NNSL's agent in Portugal. They also visited the village of Setubal, near Cape Espichel, where Gurara sank on February 26, 1989 and held discussions with the harbour master of Lisbon port and the naval men who conducted the rescue operations with a frigate. In Liverpool, the board held public sittings where employees and former employees at the NNSL Liverpool office testified. In Nigeria, it held public sittings at Marine Road, Apapa, where serving and former NNSL employees, including the managing director, Rear Admiral Ugunna, the chief marine superintendent, Captain Saidu Otaru, Captain Akabom Bassey, Capt. N. C. Orazulume, Engr. Bob Alfa, Saliu Olokoba, Capt. P. T. Olukotun testified. The following survivors, Engr. J.O. Chugbo, E. Dean, Godfrey Ozumba Mbachu, P. E. Ekong, and E.P. Allenubhi also testified.[72]

First, it emerged that a long list of faulty parts in the ship was submitted to the management for repairs as far back as November 1987, which the engineer considered critical for the safety and seaworthiness of the ship, including a Lloyd's surveyor's report calling for dry-docking of the vessel. Some of these repairs had not been done by the time the ship sailed in mid-January 1989. Moreover, there were conflicting accounts about the bunker supplied *River Gurara* at Lagos: while some alleged it was adulterated, others, including the London solicitors, hinted at "barratry", that is, stealing of some of the bunker, which caused a shortage of lube oil and triggered the engine to stall.[73] Another source said that the engineers aboard noticed that the sump was broken and ocean water was seeping into the engine, which mixed with the lubricating oil and turned it into a whitish substance.[74]

The doubts on the quality of the lube oil was connected with the company's insolvency. Otherwise, the major oil marketers used to bunker the line's vessels. The NNSL was so heavily indebted to Zeek Nigeria Ltd, the latter-day traditional supplier of lube oil to the company's ships at Lagos, that further credit facility was suspended.[73] This gave rise to less credible suppliers who would supply on credit. Moreover, the insolvency of the company affected the management's response to the ship's “save our souls” (S.O.S) message, as it was widely known in the industry that the NNSL was defaulting in protection and indemnity (P and I) insurance cover for its ships. Insider reports blamed the owners of the tug boat that was secured to assist the ship, *Telco Commander*, for delaying steaming to the vessel from 20.45hrs to 02.30hrs the following day. Thus, doubts about NNSL's capacity to pay the agreed USD10,000 per day for the salvage might have resulted in the salvage company developing cold feet to embark on the project. Unfortunately, although NNSL's agent Pinto Bastro Navigacao informed the Portuguese Naval Authorities about the distressed ship off her coast and was told that a frigate was in the area, this war ship, *N.R.P Hermenegildo Capelo*, reached the location, circled the vessel and stood off for two hours when the vessel was drifting towards the rock coast. She offered no assistance, except to take in the survivors after *River Gurara* hit the rocks.[76]

In hindsight, the managing director's attribution of the sinking to "a combination of heavy seas and machinery breakdown" and insufficient training of the crew at Maritime Academy of Nigeria, Oron,[77] seemed like a kneejerk response, if not an afterthought. For, had the tug boat reached the ship by 23.00 hrs as initially arranged, *River Gurara* could have been saved from sinking. Moreover, considering that the same crewmen had been manning the ships in the preceding 30 years with a fleet of 28 ships at its peak, without any similar accident, Rear

Admiral Ugunna's allusion to poor crew training and carelessness on the high sea flew in the face of the facts on the ground as an attempt to shift blame to the dead.

As to the treatment of the dead, the management ensured a quick repatriation of all the survivors and the family members of the dead sailors before the arrival of the bodies by air. Apart from the compensations for loss of personal effects, the bodies were conveyed to their villages by delegations of the NNSL staffers who joined in the burial ceremonies. As the first and only time for such a tragedy to befall the national carrier and the country, it took a long period of mourning and activities for the company to achieve official closure on the incident.

Discipline / Union Activities

The challenge of managing labour union activities was more catastrophic for the BSL than for the NNSL. The Ghana Merchant Navy Officers Association's four-month wage strike of June 1980 led to the disposal, as scrap, of 16 conventional ships in BSL's fleet because their gears and machinery were left unattended during the strike, and therefore, ossified beyond use.[78] The way the strike was called by the union executives meant that all ships were abandoned wherever they were. Thus, even ships that just called into port with cargoes were caught in the work-to-rule whereby no stevedores worked on them as the junior sea staff observed sympathy strike with their senior colleagues. As a fall-out, all afloat officers of the company were sacked. Even though the sack was later reversed, the damage had been done to the fleet. Some of the idle officers later joined other shipping lines outside Ghana. This was not the first time the BSL staff went on strike although this had the worst effect because the company never recovered from the crippling condition of losing 16 ships in one fell swoop.

Even when they returned to work, majority of the sea staff had no ships to go on and were left idle. The four remaining ships in the fleet were the new buildings, which had not been allowed to sail into Ghana because of the strike.[79] They were placed on long-term charters to foreign shipping lines while the company grappled with life in Ghana with no ships to run but hundreds of staff to maintain. On its own part, the NNSL did not have similar strike problems.

However, one problem of discipline that affected both carriers was the long delay of their ships whenever in home ports. Normally, break bulk and general goods took an average of two weeks to discharge unlike containerised cargoes, which could take two or three days. But the cases of the two carriers were compounded by the crews' trading or other personal matters. First, the sale of "gbagbati" (Yoruba word for 'all kinds of things') by the crew, including second hand fridges, fairly-used television sets, used tyres and food items such as "cow tail", for example, delayed work on board the company's ships, especially in home ports, and affected turnaround times. Sometimes, the captains carrying lots of *gbagbati* made arrangements with their customers for midstream discharge before they berthed.[80] At other times, once the ships berthed, one could see tyres and television sets being hauled overboard for their customers to take out of the port by any means possible, mostly evading customs and other authorities. If, as in most cases, their scheduled departure times were unfavourable for them to finish trading and collect their money from customers, their engineering colleagues had been known to report phantom faults so as to put off the sailing dates to more favourable times. Thus, the BSL and NNSL ships staying four or six weeks in port was common.[81]

Sometimes, the ships were diverted to suit the captain's personal pleasure such as the BSL captain that diverted to Dakar to pick up his herd of cattle or the NNSL captain who instead

of berthing at Lagos as scheduled steamed first to Port Harcourt to discharge personal goods before steaming back to Lagos. In all such cases, the huge cost of bunker, port dues and all other ancillary costs expended on the personal voyages were charged to the shipping line, aside from the negative impact on crew discipline at the lower cadre and the erosion of customer confidence *vis-à-vis* the competing lines where such anomalies were nonexistent.[82] Some notable cases drew orchestrated sanctions and punishments while other examples were notorious though without any known punishment. For example, Capt Akabong Bassey at one time brought one million cans of beer smuggled onboard his ship but because of advance information, he was apprehended when the ship berthed at Apapa port; some NNSL staff led a team of the Presidential Task Force on Smuggling to seize the cargo.[83] Other masters specialised in bulk purchases of items such as "cow tail" and used tyres, which they got at ridiculously cheap prices in Europe and commandeered large hatch spaces in their ships to bring them into the country. The captain that traded in used tyres was said to even pay for the spaces used although the main point was the disproportionate amount of time spent tending to his trading activities, which meant that cargo care for the NNSL's other customers was sacrificed in the resultant conflict of interest. These were some of the acts of misconduct that attracted interdictions and similar sanctions.[84] The BSL crew members were not left behind in crew trading activities although again as usual, it appeared to be more subdued and not blatant as in the NNSL.

Port Congestion

Congestion at Apapa port was a major problem for the BSL and the NNSL beginning from the 1970s. After the end of the civil war in Nigeria, the Nigerian economy picked up again. Due to the closure of the eastern ports during the war years, Apapa became practically the sole

maritime gateway into the country. In the 1969/1970 accounting year, five months were affected by congestion delays in which voyages lasted, on the average, between 122 and 137 days instead of 80 days in normal time.[85] In monetary terms, NNSL lost £30,000 per voyage during the congestion months. Nigeria being the epicentre of the Dakar-Douala range in maritime trade, any congestion at a major Nigerian port such as Apapa ramified widely because goods going to Gabon, Guinea, Dahomey and some North African countries such as Niger passed through it. Furthermore, the road and rail connections to the hinterland as well as the road to Benin Republic were in disrepair and cumbered with customs checkpoints. The 1970 congestion, which precipitated the so-called "cement armada" when over 400 ships queued at anchor off Apapa port was caused by various combination of these factors coupled with inadequate port infrastructures.[86]

First, the Gowon regime had issued frivolous local purchase orders (LPOs) to import huge quantities of cement in excess of the space, equipment and manpower capacity of the Nigerian Ports Authority to handle at the time. Second, foreign ship owners had exploited the opaque nature of the transactions to enter into dubious charter parties with rickety ships and junks, most of them already programmed for the breakers' yards. Their game plan was just to arrive Lagos anchorage and join the queue of ships awaiting berthing space and thereby qualify for demurrage claims from the federal government.

As the port commandant appointed by the federal government to clear the congestion, Brigadier Benjamin Adekunle, found out, tough tactics had to be deployed to dissuade diehard foreign ship owners and masters from scheming to fleece the country of foreign exchange. For example, six months prison terms at Kirikiri Maximum Prison Lagos were handed to many

captains whose ships failed to start or whose gears could not work when it came time for them to berth and discharge.[87] According to Adekunle, who was dreaded because of his nickname as "Black Scorpion", some urchins, "wharf rats" and other culprits were flogged 24 lashes on bare buttocks as discouragement from perpetrating crime at the ports during the four months it took to fully cleanse the Augean stable.[88]

Moreover, Adekunle identified cheating by stevedores as a reason for the congestion because of their indulgence in the fraudulent "akube" system whereby they clocked in 21-man gangs in the morning only to secretly withdraw half or more of them before midday and still claimed full payment. This practice fraudulently slowed down the rate of loading and offloading the ships, thereby prolonging the port congestion. As a solution, Adekunle also sent some stevedores to prison, including the chairman of S. B. Bakare and Sons whose prison sentence was commuted at the last minute, due to old age. He was, instead, fined based on the calculated shortages of gangs he had supplied the Nigerian Ports Authority.[89] Other solutions to clear the congestion included ship diversions to Calabar, Warri and Port Harcourt ports.

Nevertheless, the congestions elicited frantic attempts by the conference lines to levy surcharges. For example, in 1974, COWAC informed shippers that the member lines could not continue to "bear alone the heavy burden" of waiting times "in excess of 25 days", and announced a 30% surcharge for shipments to Lagos/Apapa on vessels sailing on or after 15th November 1974 from Continental and Scandinavian berth ports.[90] A similar surcharge was mooted for Port Harcourt port if its 8-day waiting time deteriorated. We have already treated in chapter four how these surcharge bids were countered and the extent of the success the NNSL and the BSL achieved as buffers against freight rate hikes of this nature by the foreign lines.

However, the congestions also caused other challenges for the carriers. For example, the Ghana Merchant Navy Officers Association based part of their grouse against the BSL management on the lack of compensation for suffering boring months on Lagos anchorages in 1974 while water was rationed to one hour per day and food, drugs and slop-chest items were scarce.[91] Eventually, the union resorted to strike actions which proved debilitating to the operational and financial wellbeing of the company. Thus, port congestion in Nigeria was a serious challenge to the viability of both lines. In fact, the BSL was compelled by the union to curtail Lagos sailings, with all the revenue losses this entailed. As it turned out, not just Nigerian ports were affected but coastwise services from Ghana to ports in Togo, Dahomey and Cameroon were suspended because of "the ever-increasing delays caused by congestion in Nigerian ports".[92]

Collapse of the Conferences / The Closure of Nigerline UK Ltd.

Following the collapse of the conferences and the closure of Nigerline UK Ltd., there ensued a decline in the national carriers' capacity for cargo canvassing and consolidation. The UK was the single largest market for Nigeria and Ghana as a result of the long colonial experience. The UKWAL especially, and the other five conference lines, dominated the shipping trade of the region. The membership of the BSL and the NNSL in the conferences assured them of constant cargo volumes to maintain their market shares, small though they were. With the collapse of the conference lines, however, both carriers found it difficult to continue coping with the competition. Even though their general agents in Europe continued to function, the managerial inconsistencies of the carriers at home began to affect ship programming so that advertised voyages were not always honoured.

For example, the BSL was once ordered by the government to withdraw a ship that was long scheduled to take VALCO's aluminum ingots from Ghana to Rotterdam at the last minute for the benefit of the ECOMOG troop movement.[93] As a former BSL officer who was in the commercial department put it,

> Where is Kaiser [owner of VALCO] going to find another vessel at that time? It was too much trouble… At a period we saw that we were losing all our good clients because there were good clients in the UK who had given directives to their agents not to use BSL or NNSL, they will disappoint you, because of this kind of attitude. Because of this, the British lines were picking the cream of the cargo. It wasn't daily occurrence but for a serious shipper, you offend once and they are finished with you. Because the kind of cost some of them incur by not meeting their contractual needs is so high that when you let him go through it once they won't listen to you again.[94]

A similar thing happened to the NNSL when Nigerline UK Ltd was shut down. The Minister of State for Transport, Garba Wushishi, told the bewildered staff of the NNSL subsidiary that a board decision precipitated the shutdown though other sources revealed hidden motives such as envy of those Nigerians who worked at Nigerline UK and called the shots from Liverpool, coupled with partisan political jostling in Nigeria.[95] With the closure, the white faces who managed it and hitherto shielded the company from the impact of racist or negative market attitudes were sacked. Subsequently, the deficiency of cargo marketing by Nigerian employees became apparent as well as managerial incapacity to maintain advertised sailing schedules.

Moreover, the lack of cohesion between the NNSL's technical department and the operations department *vis-à-vis* prompt positioning of ships to convey cargoes already secured and booked for haulage eroded market confidence in the line. Shippers and cargo agents got tired of promises of ships that never came as promised, sometimes for months at a time.[96] Thus, the collapse of the conference lines and Nigerline UK became ominous signals of the impending collapse of the shipping lines.

Landed Property: Residential and Office Accommodation

The two national carriers operated, to various degrees, on rented property although the BSL seemed to have achieved more in this area. Whereas, the NNSL only managed to complete foundation piling at its proposed Apapa head office site and never built the structure, the BSL built a six-storey office complex at Tema Harbour and a Beach Office and residential bungalows in the same town, a workshop at Takoradi and a rest house at Kumasi.[97] On the other hand, the NNSL bought 53 flats at the Ipaja Housing Estate in Lagos which it assigned to some of its staff. In 1988, it put its asset base at N300 million, made up of 19 ships and some owned houses at London, Liverpool and Hamburg.[98]

To satisfy their need for essential office accommodation, the two carriers relied on renting. As at 1984, the NNSL expended N671,772.68 annually on rent for its 16 offices around Nigeria and in Europe, one each in London and Hamburg.[99] To hire five floors of office spaces at its Development House head office in Apapa, Lagos, the NNSL paid Wemabod Ltd., the landlord, N292,249.00 annually while four other rented offices and a residential house around Apapa cost it N364,669.00 annually.[100] Its offices outside Lagos such as Bonny, Warri, Port Harcourt, Calabar, Kano and Maiduguri offices were also rented at a total cost of N57,208.00 per annum while the London and Hamburg offices cost the equivalent of N4,000 each to rent per year,[101] huge sums that added more to the line's overhead cost profile than were generated by some of them.

Insufficient Cargo

Even by 1962, with only seven ships in its fleet, the problem of insufficient cargo for the NNSL ships had become evident as the board chairman lamented.[102] By shipping economics, a 12,000-

ton ship leaving the UK with 5,000 tons of cargo bound for Calabar port, for example, was considered unprofitable when the cost of bunker, crew wages, port dues, wear and tear, and other incidental expenses were added up. And there were many such trips, according to an NNSL chief officer, Uchenna Okore, who admitted sailing from Lagos to Tokyo in ballast to go and lift a cargo which had been lifted by others by the time they reach Japan.[103] To worsen matters, the ship sailed in ballast back to Lagos without a single freighted cargo onboard. Such trips, which smacked of managerial incompetence, became rather frequent during the struggling days of the carrier in the 1990s. As a result of the cargo scarcity, many NNSL ships were laid up at Sapele and Warri.

Moreover, there were allegations by top staff from other departments that the operation department was tolerating a situation where the UKWAL high-freighted cargoes were reserved almost exclusively for European shipping line members whereas low-freighted cargoes found their way into the BSL and the NNSL bottoms, a scenario that robbed the latter of much revenue. On the other hand, government officials in both countries starved the national carriers of cargoes generated by public sector contracts contrary to official directives. In Ghana, as in Nigeria, top government officials simply used other carriers when certain lucrative shipments by the government were being made.[104] Under Mamman Makele, Nigeria's former Minister of Steel, the NNSL's attempts at securing full carriage of project cargoes for Aladja Steel Plant and Ajaokuta Steel Rolling Mill were frustrated. In fact, the General Manager of Aladja Steel, in the process of the cargo canvassing, called the NNSL director chasing the cargo a good administrator but a bad politician for his seeming inability to proffer the demanded kickbacks that would have assured the NNSL more cargoes *vis-à-vis* the competition from rivals.[105]

Gwadabe also accused "selfish and unpatriotic officials" of denying the NNSL the

carriage of government-generated cargoes because they preferred to line their private pockets through kickbacks they got when they gave the allocations to other carriers.[106] And this was the case despite government's directive in 1986 that the NNSL should be the sole carrier of all project cargoes. Gwadabe revealed that during the era of countertrade, Brazilian officials not only got more than Nigeria but by "greasing the palms of government officials, they literally carried 90% of the proceeds on shipment".[107] He cited other cases such as the carriage of the NNPC pipes and CKD parts from Italy where the NNSL was also shortchanged.

For the BSL, sufficiency or insufficiency of cargo was connected, in the first instance, to the dynamics of the Nigerian economy. Before the formation of the NNSL, the BSL had a field day from 1957 to 1959 when it had a good deal lifting much of the cargoes generated by Nigeria's international trade as the Nigerian line was yet to be set up. As the first state-owned national carrier in West Africa, the BSL joined the WALCON in November 1957 and got allowance to run four ships in the conference. This gave it buoyant leverage to carry a lot of Nigeria's cargoes. However, as more national carriers began to join the trade, including the NNSL, Camship, CMZ and SITRAM, the cargo offerings were split among the contenders, the advanced foreign lines included.

The resultant cargo insufficiency led to layups for many BSL ships including *Otchi River, Birim River, Afram River* and *Nasia River.* They were anchored at Takoradi and Tema ports, especially during the 1980s. (See Table 5.4 below for the BSL's history of ship arrests, detentions, incidents and accidents.)

Table 5.4: **BSL's History of Ship Arrests, Detentions, Incidents and Accidents.**

Ship	Port of arrest, detention or lay-up	Duration	Claimant / Cause	Cost	Other incidents or Accidents
Otchi River	Takoradi (lay-up)	6/8/1982 - 5/2/1984	Nil	Nil	Laid up at Takoradi, then sold to Desguaces Heme S.A., Gijon.
Offin River	Avonmouth (England) (Arrest)	6/10/1981 - 19/9/1983	Unspecified creditors	N.A.	Laid up under arrest, then sold by creditors to Desguaces y Salvamentos S.A. and towed to Aviles.
Nasia River	Tema (Lay-up)	2/3/1980 - 16/2/1984	Nil	Nil	Laid up. Then sold to Desguaces y Salvamentos, Spain.
Birim River	Tema (Lay-up)	30/4/1980 - 16/2/1984	Nil	Nil	Laid up. Then sold to Miguel Martins Pereira, Vigo, Spain.
Afram River	Takoradi (Lay-up)	29/6/1982 - 4/12/1983.	Nil	Nil	Laid up. Then sold to Desguaces y Salvamentos, S.A., Spain.
Kulpawn River	Avonmouth (England) (Arrest)	14/11/1981 - 21/9/1983	Unspecified creditors	N.A.	Laid up under arrest. Then arrived at Vigo under tow, sold by creditors to Gomez Jose Oliveira.
Sakumo Lagoon	Takoradi (Laid up)	11/6/1983 - 4/4/1984	Nil	Nil	May 1984, while being towed Takoradi to breakers, ran aground off Forcade Point near Aviles after tow broke from Spanish tug Aznar Jose Luis. Wreck abandoned.
Korle Lagoon	Amsterdam (Arrest)	4/5/1983 - 14/9/1984	Unspecified creditors	N.A.	Sold to Desguaces y Salvamentos S.A.
Oti River	Hamburg (Arrest)	2/4/1982 - 17/4/1984	Unspecified creditors	N.A.	Sold to Desbar S.A.
Nakwa River	Hamburg (Arrest)	4/2/1982 - 4/4/1984	Unspecified creditors	N.A.	Sold to Desbar S.A.

Source: Peter Newall, "The Rise and Fall of Black Star Line", *Ships in Focus Record 38*, November 2007, 96-101.

The scarcity of cargoes was not caused solely by stiff competition but also because of the worldwide recession of the 1980s, which saw reduced importation by import-dependent West African countries.

Global Shipping Logistics/Containerization, Manpower Deficits and the Nigerian Civil War

The other factors that posed challenges for the carriers can be divided into two sub-categories, namely external and internal. The external factors included: the global logistics of shipping and changes in shipping technology and management while the internal factors included the manpower deficits and the Nigerian civil war. West Africa's distance from the metropolitan economies constituted a global logistics problem *vis-à-vis* the competition to supply raw materials to buyers in the industrialised countries of Europe, North America and Asia, with special reference to competitors from developing Asian countries like Indonesia, Malaysia, India or the Philippines. In a price war, palm kernel suppliers, for example, from a closer proximity quoted cheaper prices and won the bid against West African competitors. This contributed to loss of cargo volumes for the BSL and the NNSL.

Secondly, when the technology of shipping was overtaken by containerisation and International Shipping Management (ISM) procedures, which were adopted by lines from the advanced nations, the BSL and the NNSL were still restricted by red-tape and bureaucratic/governmental interventions to move with the times. Whereas the new ships managed fuel better and stayed shorter periods in ports, the fleets of the two carriers were still bound to old engine types that guzzled much bunker, required more expensive maintenance and repair costs and stayed weeks in port discharging break-bulk cargoes. These translated to huge operational costs that were too unprofitable for the competition. Even when the NNSL combo ships were delivered in the late 1970s and early 1980s, there was no order for containers, which at first had to be rented.[108]

Moreover, the similarity of exports and imports amongst West African countries meant the existence of intra-regional competition for markets and a de-emphasis on intra-regional

shipping which did not augur well for economic growth in the sub region. To worsen matters, the business plan of the companies *ab initio* was restrictive because cargo catchment strategy was narrowly defined as "carrying a substantial proportion of cargoes" generated by their economies.[109] This was contrary to the business focus of successful lines from the traditional maritime nations which targeted global trading and diversified their armaments to better harness all viable opportunities to serve the global market. The examples of Elder Dempster, Palm Line, Guinea Gulf Line and Zim Line, which had notable longevity in the West African and other global routes were patterned after this global concept and diversified armaments.

Other challenges the carriers had to grapple with included manpower deficit and the Nigerian civil war. Both issues caused operational constraints, the former on a long-term basis while the latter for the duration of the war, 1967-1970. Although aggressive manpower development saw to the rapid training of Nigerian and Ghanaian seamen in the skills of seamanship, the shore management aspect of the business lagged behind and became the Achilles heel which militated against the longevity of their operations. In view of this, Major Gwadabe bemoaned the "managerial and stratification" problems at NNSL,[110] while Misa, an ex BSL commercial officer, confessed the ignorance amongst his colleagues of such basic transactions like ship chartering and calculation of voyage profit and loss accounts, after more than eight years on the job.[111] He said it was after an overseas short course on shipping management that he understood what chartering meant mainly because the BSL hardly chartered ships and if it did, it was done at such top levels that middle managers such as him were not involved.

On the other hand, the constraints of the Nigerian civil war affected the voyages of both lines to the eastern ports. It hardly affected their Lagos operations because Apapa port became the main gateway for Nigerian maritime trade during the war years. For the NNSL, however, the

war had the additional effect of depleting its fleet that was available for commercial operations. For example, *MV King Jaja* and *MV El Kanemi* were requisitioned for war duties. Moreover, NNSL also lost some of its staff who relocated to the Biafran enclave, even if temporarily. However, to make up for the shortfall in its fleet, NNSL was forced to charter replacement tonnage, though at "unprofitable hire rates".[112] With the policy of no victor, no vanquished after the war, however, the line's staff of former Biafra origins rejoined its service and the eastern ports were also opened to ship calls during the 1970s cement armada problems as a relief for the congested Lagos port.[113]

Conclusion

The challenges and problems that beset the BSL and the NNSL can be divided into two major categories. First, the internal managerial and operational problems. Second, the challenges that arose from the external environment, such as global recession, containerisation and the attendant fluctuations in their national incomes. The former were more and varied, and if well managed, could have controlled the effect of the latter on the shipping lines. Again, majority of the managerial and operational problems could be said to have been man-made or amenable to superior acumen were this to have been available amongst the top management echelons of the two national carriers. Such acumen also would have managed the problems from the external environment better. But apparently, the lack of competent hands-on managers was possibly the single most potent deficiency they suffered while personal aggrandisement, fraud and corruption were the most pervasive tendencies that hindered their long-term gestation into going concerns. However, these were the typical malaise of state-owned enterprises, the reasons they hardly achieved longevity.

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Chapter 6

Liquidation of the BSL and the NNSL

Ghana's Divestiture Programme and the Liquidation of the Black Star Line.

The Black Star Line was one of the state-owned enterprises (SOEs) affected by Ghana's government policy in 1990 to disinvest from direct participation in the market place. By 1994, one hundred and three such divestments, as the programme was called, had been achieved in the form of outright sales of companies, sales of their shares, joint ventures, leases and liquidations.[1] The programme was a part of the Economic Reform Programme, which was a subset of the IMF-dictated Structural Adjustment Programme of the 1980s, a veritable aspect of the dependency theory effect on African and developing economies.

Divestiture yielded substantial sums of money to the Ghana government. This was to the tune of GHC134.2 billion or about US$58 million as at 1996 and sought to free the state from the financial and labour burdens of running the hundreds of SOEs, which Ghana governments eagerly set up since the post-independence Nkrumahist era of aggressive economic nationalism.[2] The procedure for divested companies was for government to assume responsibility for accruing liabilities such as payment of salaries or end-of-service benefits and severance awards.

Of the 103 successfully divested SOEs, 30 were outright sales while shares were sold in 23; 11 became joint ventures, four companies were leased out, while 35 SOEs, including the BSL, were liquidated.[3] Thus, unlike NNSL whose liquidation order was an isolated event traceable to corporate insolvency and corrupt management practices, the BSL's liquidation was the fallout of an economic restructuring progamme. All the listed SOEs had fallen on hard times, became insolvent to various degrees, and some had ceased to function for many years before the

policy affected them in various ways.

The Failure of the BSL

When the BSL failed to pay its way as a going concern, it was not immediately liquidated but was passed to the Divestiture Implementation Committee (DIC) for divestment. It was the inability of the DIC to find an acceptable core investor that sealed the fate of the shipping line via liquidation. However, an understanding of how the BSL failed would show that, like the NNSL, it fell on hard times as a result of operational, managerial and technological challenges as discussed in Chapter 5. Almost all the operational difficulties experienced by the NNSL with regard to running ageing ships, which were obsolete *vis-à-vis* new technology, the change to containerisation, poor financial and credit profile to pre-fund its operations, insufficient cargoes to fill the ships and restricted tonnage types for venturing into lucrative sectors of the shipping market, were also experienced by the BSL.

The reasons for this are not far-fetched as the two lines had identical ship types, of the same age and technology and nearly the same fleet size: 20 for the BSL and 26 for NNSL at their peak period in 1980 and 1981. Also, the BSL, like the NNSL, did not have tankers or bulk carriers that could have enabled them to diversify cargo carriage and offset losses in one sector by gains from another. This was in turn the product of a faulty definition of their original business plans, which narrowed them to carrying export raw materials such as cocoa, groundnut, palm produce, timber and rubber on the northward voyage and imported manufactures on the southward runs.

Secondly, the BSL suffered the same type of managerial deficiencies arising from poor or nonexistent skills base, coupled with partisan and governmental interferences for personal aggrandisement. The outcome of such managerial problems gave rise to fraud, corruption and

siphoning of the company's earnings, on the one hand. On the other, indiscipline became rife and manifested in unruly, disruptive labour union activities, which hindered the smooth operations of the company. In fact, after the 16-month drawn-out strike by afloat officers of the BSL in June 1980, conditions of most of the vessels had deteriorated so much that they were no longer seaworthy; twelve of them were subsequently sold as scraps.[4]

In 1991, the BSL board of directors proposed to the government a way forward for the company, which involved selling the four new ships recently added to its fleet and the purchase of more suitable second hand ships to enable the line continue trading.[5] The proposal was approved. In 1993 and 1994, *MV Sissili River* and *MV Tano River* were sold as a first run. However, the proceeds from the sale were not applied, as initially projected, into purchase of more second-hand tonnage. Thus, the BSL fleet was not increased but comprised only the remaining two new ships, *MV Keta Lagoon* and *MV Volta River*, which were placed on time charter in the Far East at the rate of US$6,500 and US$5,700 per day respectively. Moreover, another hobbling factor for the BSL operations was disruptive governmental interferences. For example, the two remaining vessels in the fleet were subsequently commandeered for carrying the ECOMOG troops and war materiel during the Sierra Leonean and Liberian civil wars from 1989 – 1994, without any pay to the BSL. During these distressing years, the management of shipping line was put in the most difficult of situations to run a shipping line without ships and still meet company expenses and staff emoluments. It was in the midst of this quandary that the nationwide policy of disinvestment from SOEs affected the BSL. It was listed for divestiture and its board of directors was directed to cooperate with the DIC for the purpose of divesting government shareholding in it.[6]

The Divestiture of BSL and Countdown to Liquidation

In 1996, the DIC directed one of its consultants, Parnell Kerr Forster and Associates (PKF), to disinvest the BSL. PKF promptly sold the last two ships in 1997 as part of measures to settle BSL's trade creditors and other liabilities and to make it attractive to core investors. However, by that particular sale, Ghana's national shipping line, the first to be formed by Africa's first independent nation, lost its entire fleet. Thus, forty years after it opened its doors to the carrying trade with a second hand ship named *Volta River*, the nation closed the chapter on ocean shipping with the sale of its last ship, also coincidentally named *Volta River*.[7]

However, the immediate problems encountered by the DIC when it embarked on the divestiture of the BSL were its insolvency, its liabilities in Ghana and overseas, and the acquisition of title deeds to the company's ten-storey office building at Tema Port. Hopes of recouping proceeds from the sale of the edifice vanished when Ghana Ports and Harbour Authority (GPHA) made claims on the DIC with regard to the BSL's operational debts which amounted to US$7.8 million.[8] Due to this heavy debt, the GPHA refused to release the title deeds to the highly-prized property and it was decided to forego it in lieu of the debt. In the same way, the DIC and its consultants soon realised that other hopes of getting money to divest the shipping line via asset sales or by robust core-investor financing were futile as the asset base was small.

In a critical report to the DIC after trying in vain to sell the BSL to investors for three years, PKF wrote to the Transport and Communication Minister through the DIC, that the high level of BSL's liabilities and the difficulty of obtaining title deed of its 10-storey office complex at Tema Port stultified efforts to move the divestiture forward. It put the indebtedness at US$18.1 million including bills from GPHA (US$7.8 million), Ghana Shippers Council loan

(US$1.5 million) and government loans and grants (US$3 million). According to the DIC, the difficulty of finding funds to free the company of these debts and encourage investors left no other option but to liquidate it, although any mention of liquidation would conversely bring negotiations with potential investors to a halt.[9]

So, the Committee treaded cautiously and instead submitted three options advanced by its consultant, PKF, to the government, for further directives. The three options were:

(1) for all creditors to receive 100% of their monies - meaning that government should bear the cost of such payment;

(2) for a government fiat to cancel all the debts, and

(3) for a straightforward liquidation, which would afford creditors a share of the proceeds realized from the sale of assets, on a pro rata basis.

In the circumstances, only the third option was feasible. This option was made imperative, according to the DIC, because further delay meant continuous accumulation of expenses such as salaries of the Task Force which was looking after the remaining assets of the company. Moreover, continuous deterioration of the remaining assets was also a cogent concern. Thus, the liquidation of the BSL followed the inability of the DIC to find an acceptable investor. But the assertion of unavailability of an investor was contested by two firms, which put in bids for the line and failed, namely Adonten Lines and its sister company, the NESSCO Lines. Nothing came of their spirited attempts, in their own words, "to keep the name of BSL alive".[10] A detailed analysis of their bids and subsequent petitions to the Ghana presidency will be presented shortly.

However, once the liquidation option had been sealed, the DIC formalised the decision, for record purposes, in April 1999, during a board meeting. Before then, the Deputy Minister at

the Ministry of Transport and Communication, M. A. Hammah, held meetings with the relevant stakeholders to discuss the wider implications of the liquidation. In attendance at these meetings were the Chairman of the BSL Board, the Managing Director of the BSL, Mr. T.B. Owusu, the DIC Desk Officer for the divestiture of the BSL, and Ohene Obeng from the Registrar-General's Department. It was at the meeting of November 19, 1998, that a consensus was reached that the liquidation option presented the best proposal for the final management of the BSL as a distressed SOE.[11]

To kick-start the liquidation, a special resolution of the company dated July 16th 1999 was passed, which declared that the BSL was officially being liquidated. By virtue of section 7 of Act 180 of the Laws of the Republic of Ghana, the Registrar of Companies was recognised as the official liquidator. With the liquidation decision taken, notices were published in national dailies, first announcing that the BSL was being liquidated and subsequently informing creditors to lodge proof of their debts on or before September 13, 1999.[12] Similarly, all former employees of the company were notified to update their service records for the purposes of end of service entitlements.

The Task Force

Of the entire workforce of the BSL, which at a time numbered 894,[13] only a small crack team called the "Task Force" was retained when the rest were paid off. According to Capt. V. N. Attuquayefio, the erstwhile managing director of the BSL, who transformed to Head of the Task Force, membership of the team was "restricted to staff who would man strategic positions and were versatile; not to mention predetermined staffing levels".[14] In all, the "Task Force" numbered 24, selected from all the branches of the BSL worldwide. For example, only one staff, J. C. K. Sherbrah, was selected from Tema Branch "because of his experience on the job". After

the composition of the “Task Force”, the rest of BSL employees were laid off with a total severance package of GHC887,888,700.50 (about US$404,000) in March 1998, paid by the DIC.[15]

In contrast, the salaries of the “Task Force” and cost of basic operation during the liquidation period came to an estimated GHC10,702,460 (about US$4,864.00) per month, for which it depended fully on the DIC because the BSL was no longer earning any income. It was a hard time for the crippled national carrier. In a letter of November 17, 1998, the Head of the “Task Force”, Attuquayefio, pleaded with the Executive Secretary of the DIC to approve a monthly subvention of GHC11 million for salaries, administrative and other expenses of the team for a period of five months (November 1998 to March 1999), "totaling GHC55m [about US$25,000], as the end is not yet in sight".[16] The Committee, nevertheless, considered the package too expensive for "an organization that was not earning any sales income". It asked the “Task Force” to reduce its staff composition to manageable levels.

This hardship from the DIC was not the first time. In January 1997, soon after the BSL was placed on the divestiture programme, the company wrote to the DIC to request a short-term financial support of US$1.2 million in order to meet insurance claims, local and overseas operational expenses for six months and to dry-dock *MV Volta River*.[17] It explained that without the funds, the company would lose insurance cover, vessel classification and risk arrest or seizure of the vessels in foreign ports, which could lead to an auction and a loss to Ghana. The management argued further that following the placement of the company on the divestiture list, the national carrier "...lost all credit worthiness. For the past 18 months, the company has had to transact business on cash basis thus putting unbearable pressure on cash flow".[18]

It, therefore, pleaded with the DIC to request the Ministry of Finance to release the

requested money from the BSL's ship sale fund kept by the Ministry against the proposed sale of one BSL vessel, which had already been put on the market. Although the said fund had a balance of GHC2.5 billion (about US$1.136 million) as at July 1998,[19] neither the principal sum nor a smaller fraction requested for urgent voyage-related expenses was released by the DIC. Thus, both the erstwhile BSL management and the successor Task Force had an uneasy time coming at the operational funds they needed to run the company during the sunset years of the shipping line.

Assets, Liabilities and the BSL Liquidation Process

The assets of the BSL were its fleet of oceangoing ships, landed properties in Ghana, UK and Nigeria and a few operational plants and vehicles. As stated above, the 10-storey office complex at Tema Port was the star landed property but was held by GPHA on account of the BSL's indebtedness.

The liabilities, on the other hand, were mainly debts owed in local and foreign currencies. As at June 1999, a total of US$939,947.00 was owed to more than 28 separate foreign creditors, including Hong Kong Telecom (US$12,396.11), Cobenam of Benin Republic (US$13,847.00), Empressa Mambisa (US$118,204.00), Nigerian Ports Authority (US$190,987.00), National Maritime Authority of Nigeria (US$85,732.00), Delmas (US$121,000.00) and CMZ Containers (US$49,380.00).[20] Local creditors during the same period were owed GHC6.5 billion (about US$3m) and a dollar component of US$10,780,644.00.[21]

When it was given the mandate to divest the BSL to the extent of liquidation, the DIC deliberated on the matter during its 40th Regular Meeting held in April 1999 and formally approved the liquidation of the company, even though the processes had begun well in advance. The official reason given for the liquidation was to mitigate losses that would have accrued to the

state if a formal divestment was undertaken. The rigorous approval process for the liquidation was due to the lingering interests of potential investors such as Adonten Lines but as the Committee concluded, "while the company's liabilities totaled about US$15.0m, the best offer received from investors is about US$1.5m".[22] Thus, although the decision was unpopular with potential investors, the die was cast due to the BSL's poor financial standing.

The first major payment of the liquidation was the negotiated severance package of GHC896 million paid to the BSL's ex-employees in April 1998. Many of them complained bitterly about the miserly sums of money, which they were made to accept as severance benefit. Some even refused to go for the cheques because , as one of them put it, "the money could hardly pay to fuel the car to go for the cheque".[23]

Meanwhile, the DIC's consultant, PKF, proceeded with the divestment-cum-liquidation processes of realising the BSL's assets and reconciling debts, which was necessary before creditors could be paid. However, in September 1999, the Registrar-General's department formally asked PKF and the DIC to hand over the affairs and assets of the BSL to it in furtherance of its role as the official liquidator.[24]

Litigations in the BSL's Liquidation

Judging by the number of court cases in these shipping line liquidations, company winding down processes seem to constantly engender litigations. For example, the BSL's residential properties became the subject of many court cases and petitions to higher authorities, especially when time came to eject ex-employees from their residential quarters. One BSL ex-employee, Albert Eric Kobina Ofori, sued the Registrar General's Department for preventing him from buying a house he had lived in while working for the BSL, contrary to an agreement between the Maritime and Dockworkers Union (MDU) and the DIC, that in the event of the sale

of the BSL houses, former employees should get first right of refusal as sitting tenants.[25]

However, according to the liquidator, although Ofori's colleagues benefitted from the agreement, he lost out because he failed to meet the terms of the agreement for the sale of the property and did not attend the meeting called for all interested ex-employees. In the interim, the house was sold to someone else as the liquidator made haste to finish the liquidation. The new owner, with the help of the BSL's solicitor, obtained a Tema High Court order of eviction against Ofori in respect of the house, H/No. 24 NIC 2, Community 2, Tema and a cost of GHC500,000 fine against him (Ofori) as well. In order not to be outdone, Ofori presented other arguments besides, including a letter that alluded to the liquidator's reluctance in the past to accept money before the court settled a case involving the BSL. He, therefore, dug in and the MDU General Secretary, K. Owusu Afriyie, waded in to try and prevail on the liquidator to withdraw the quit notice.[26] This was one of the simpler disputes which the liquidation team had to settle in the course of the programme.

A more complicated one was the ejection of BSL ex-employees from ten houses used as official quarters of the employees when the company was in operation. When the dispute developed into court cases, some of the occupants claimed that the houses belonged to them by virtue of their service to the shipping line and as sitting tenants who should have right of first refusal in the event of sale. Others had special reasons for resisting their ejection, which we shall come to shortly. Kwasi Misah, a BSL Traffic Manager, who was also retained as a member of the Task Force, explained that the ten houses in dispute were first acquired around 1980 and given out to some BSL staffers as official quarters while the shipping line paid the tenement and ground rents to the Tema Development Corporation (TDC). When BSL's fortune plummeted, it fell back in the payment of these bills from the TDC. The occupants, desirous of keeping the

houses, took up the challenge of paying the rents and tenement bills up till the period when the divestiture programme affected the BSL in the mid-1990s. Incidentally, the DIC consultant in charge of the BSL, PKF, reckoned all the houses as part of BSL asset, a view challenged by the occupants, some of whom went to court to seek various reliefs.[27]

In one special case of a claimed life-and-limb settlement, John M. Tamakloe, a first-class marine engineer, occupant of House No. C/10/24/91 at Community 10 Tema, sued Atlantic Port Services, V. K. Johnson and DIC in respect of title to his residence which he claimed was allocated to him by the BSL as part of "lifetime settlement" after a workplace accident aboard BSL ship, *MV Klorte Lagoon*, in 1979.[28] The accident resulted in the amputation of his right leg, 32mm above the knee, according to his statement of claim. He averred that the BSL, thereafter, approved a rehabilitation and resettlement package, which included: "free housing and transport facilities, specialist periodic reviews and maintenance of the prosthetics and an alternative employment for the purpose of ultimate integration into society".[29]

According to the claim, House No. C10/24/91 was the one allocated to him in pursuit of the rehabilitation and resettlement package "with the intent of specifically precipitating a change in ownership" to serve as a symbolic memorial for the plaintiff's 31-year working relationship with the BSL and for making life "emotionally and physically worthwhile" for him. Thus, when the divestiture process started in the BSL, Tamakloe petitioned the Ministry of Roads and Transport for an outright purchase of the house. The request was granted by the DIC with a corresponding letter to the Ministry to exclude the house from the list of BSL assets and sell same to him. The letter was also copied to other authorities including the President, Flight Lieutenant Jerry John Rawlings, the Head of BSL Task Force, Messrs Parnell Kerr Forster and the Sector Minister.[30]

However, trouble started when on Monday, October 25, 1999, the second defendant, V. R. Johnson, an auctioneer commissioned by the Deputy Sheriff of the High Court Accra came to the Plaintiff's house and "within five minutes, conducted what he claims to be an auction sale in which the house was purportedly sold to someone at the price [of] [GH]C98m".[31] Upon further inquiries by the plaintiff the second defendant explained that notices were not placed on the walls of the house because he published the sale in the *Ghanaian Times* of Saturday October 23, 1999 and that the sale was in satisfaction of a judgment entered for the first defendant, Atlantic Port Services, in an Accra High Court.

The plaintiff, in conclusion, averred that while he did not oppose any judgment procured by the first defendant against the BSL, House No. C10/24/91 no more existed as a property of the shipping line to be proceeded against by any judgment creditor. He maintained that "the purported sale was misconceived, unlawful, unjustified, inequitable, null, void and of no effect" and sough an order to that effect. He also asked for a declaration that the house had become removed from BSL's assets and an injunction compelling the DIC to sell the house to him at a favourable price in view of his special circumstances. The DIC, while affirming the truth of Tamakloe's depositions explained that it "could not sell the house to him as it was unable to conclude the divestiture with the investors".[32]

Aside from Tamakloe, other occupiers of BSL houses across the nation stood up to stake their claims, either through the courts or by petitions to higher authorities. G. K. B. Taylor-Appiah, the branch manager of the BSL at Takoradi, for example, petitioned the Office of the President in respect of the Manager's Bungalow and Guest House at No. 15 Chapel Hill, Takoradi, because, according to him, he had been living in the house and had "worked with BSL as a senior member of staff since 1973" and had a short period of time before retirement. He

stated that he had applied in 1997/1998 to the DIC to purchase the same house but was told that because BSL was being sold as a "holistic shipping package, it was not possible for individual members of staff to benefit". The instant petition was a reiteration of his interest in the house since the divestiture programme had metamorphosed to liquidation with the consequence of possible sale of individual assets. He therefore applied for a "private internal sale" of the property to him based on right of first refusal as the sitting tenant and as the manager of the station.[33]

He also appealed for the same treatment for the benefit of two of his staff members who lived at House Nos. C7 and C8. About two weeks later, DIC replied to the matter via the Special Assistant to the President since the Presidency had referred Taylor-Appiah's petition to the Committee for comments. It informed him that the BSL was undergoing liquidation and the DIC had little control over the activities of the liquidator in view of the laws on insolvency. The Committee argued that the shipping line's creditors would resist the liquidator if he tried to sell assets outside the rules of transparency, which would maximise sales proceeds. As to the fate of the petitioner, the DIC revealed that the matter had been discussed by the two agencies and if the liquidator decided "to sell BSL assets in units rather than as a single business entity, then sitting tenants including the Petitioner, would be given the first option to purchase their respective houses at the highest bid price".[34]

Nevertheless, the paradox of the DIC's position on asset sale at this juncture inheres from the fact that it had been nearly six months since the BSL was officially removed from the divestiture list and programmed for liquidation. Thus, adverting that the BSL was being expected to be sold as a single business unit was a misrepresentation of the facts on the ground, which, in itself, may be a sign of the uneasiness or desperation of the DIC whereby it was torn

between foreclosing on the BSL because of its mounting liabilities and the utopia that a core investor would somehow emerge to beat the previously rejected bundle price of US$1.5 million offered by Adonten Line.

In comparison, the NNSL liquidation team had also found themselves at a similar desperate point in 1999, as narrated below, when the lack of a sale for a long time pushed them to offer four ships on the market at well reduced prices just to clinch a deal by all means. The situation was eventually saved, in the case of the NNSL, by the cash advance of US$1.5 million which the Federal Ministry of Transport approved for the National Maritime Authority to loan them. For the BSL, however, no such loan was available to the DIC or the Registrar-General and the liquidation process suffered such stagnation at a point that the lead consultant, PKF, applied to withdraw its services.[35]

Meanwhile, the complex web of indebtedness, which culminated in the purported auction sale of the ten BSL houses in Tema and the subsequent court case, was a common feature of the line's distress in its latter years. The first defendant in the case, Atlantic Port Services (APS), was a stevedore retained by the BSL for many years at various Ghanaian ports. Its outstanding bills were for operations on four BSL vessels as follows:

MV Sissili River, US$44,902.38 on February 17, 1989;

MV Tano River, US$2,935.33 on November 12, 1989;

MV Volta River, US$20,570.91 on November 16, 1989;

MV Volta River, US$51,202.62 on November 23, 1990; and

MV Keta Lagoon, US$18,505.62 on April 19, 1991.[36]

According to APS, of the total debt of US$138,116.86, BSL paid only US$5,000 on account, leaving a balance of US$133,116.86. Although the APS had continued to work for BSL

in the hope that it would settle the bill, it later went to court and obtained a judgment by default against the shipping line on June 7, 1999. With BSL's liquidation well underway, the stevedore sued BSL at the High Court of Justice in Accra on July 14, 1999 to recover the judgment debt of GHC509 million made up of the principal debt of US$133,116.86 plus interest on the sum at the prevailing bank rate from February 17, 1989 to date of judgment on June 7, 1999. The suit was made in line with a Fi-Fa clause, which meant that all the assets of the sued company (including the ten houses in Tema), were attached in the suit to be sold until the debts were recovered. The court gave APS favourable judgment and also awarded it costs to the tune of GHC15 million. Thus, after obtaining the judgment, it sought to auction the houses located in Tema and the others at Accra and Sakumo.[37]

Although the Head of the Task Force quickly requested PKF as DIC's retained legal consultant to act against the intended auction in order to forestall other creditors from taking similar steps, the deployed counter measures, if any at all, did not avail. Subsequently, the houses went under the auctioneer's hammer resulting in the suit by Mr. Tamakloe. When the liquidation formally passed to the Registrar-General's Department, all pending court cases were transferred to that office. As at June 2014, some of these suits were still going through the slow processes of court, including the only class-action suit filed against BSL-in-liquidation which reached Ghana's Supreme Court.[38]

The National Union of Seamen Suit for Ex-Gratia Award

This was a class-action suit, which originated through a plea for ex-gratia award by the National Union of Seamen (NUS) to the Minister of Ports, Harbours and Railways on October 6, 2003.[39] In this case, the NUS was out to promote the interests of ratings who, according to it, had been serving the country even before independence and continued such service in the

employ of the BSL until the shipping line ran into difficulties and ended in liquidation. No sum of money was mentioned in their demand letter but "anything you will give each of our members (seamen) [who] numbered about 2,000 men out of which about 75% are still employable".[40] However, only 257 seamen were listed in the court papers as beneficiaries of the suit.

In view of the huge sum of severance pay made by the DIC to the BSL ex-employees in April 1998, this emergent plea from the NUS was viewed with reservation and skepticism by the Committee. In a riposte, a DIC internal memo noted that since the BSL was under liquidation, the Committee was not the right authority to receive such request. Secondly, the memo noted that "SSC [State Shipping Corporation] was bedeviled by such huge liabilities that it had to undergo liquidation" and some creditors even wrote off "astronomical sums" as bad debt and concluded that it would be "unconscionable" to award the petitioners any other compensation on ex-gratis when they were paid severance benefits earlier.[41]

However, after making several appeals and petitions to higher quarters without avail, the petitioners, under the aegis of "Ex-Employees of BSL", went to court in March 2006 to compel the government to grant them the ex-gratis awards. The Registrar-General, as the liquidator of the BSL, contested the action up to the Supreme Court with judgment still pending as at June 2014.[42]

Settlement of Other Liabilities

In total, the major assets of the BSL, which were put on the market during the divestiture-cum-liquidation comprised two ships: *MV Keta Lagoon* and *MV Volta River*, which were sold in November 1997 for US$3.7 million; two London houses, which were sold in January 1998 for £251,000; and the Osu headquarter office of BSL at Accra, which was sold to the Internal Revenue Service in September 1998 for GHC850 million (about US$364,806).[43] Some of the

payments made to clear the BSL's liabilities included: the negotiated severance payments to BSL ex-employees, payments to lawyers and the fees of the divestment consultants, PKF. These amounted to GHC1,775,009,573.00 (about US$806,822.00).[44]

However, no information could be found on any payments made to settle the overseas and other creditors who were owed the US$15 million acclaimed BSL liability. Perhaps, such records would be contained in documents restricted from us and from the public domain since much of the financial details of the BSL's foreign exchange operations, DIC's transactions and the liquidation team's activities, were routinely restricted and hidden to the extent that it elicited serious debates in parliament and from the maritime community.[45] The best information on the subject divulged on foreign payments was that creditors were paid the dollar equivalent of whatever proceeds from asset sales that were allotted to be shared amongst them. George Bekai, a retained lawyer for the liquidator said that:

> Once it is pro rata, if it is that everybody should get GHC20m, we would change it to dollars and wire it to them. I think there were some shipping lines in London or so, so we made a publication in the Lloyds newspaper…. We did a publication because we had claims from outside. We just settled and wired the money to them and told them that this is how much we have for now. [46]

Reactions to the BSL's Liquidation

Several stakeholders from the maritime community registered their views about the divestment and liquidation of the BSL in many ways. In addition to the petitions and court cases brought by creditors such as the APS and former employees such as John Tamakloe, the BSL board of directors voiced opposition to the winding down. In 1995, when the distress of the BSL was just coming to limelight, the directors appealed to the government through their chairman, Magnus Addico, not to bow to "…any pressure to sell the corporation" and assured that the line was turning around and "could be on its feet within five years" and also revealed an ambitious

plan to buy three new ships of 8,200-deadweight tons each, which would carry 534 containers and be cheaper to run than the old BSL fleet of 16,000 tonners.[47] But the appeals did not change the slide to liquidation.

Other reactions came from potential investors such as Adonten Lines and sister company, NESSCO Line. In July 1999, D. K. A. Ofori-Nuako, the chief executive of New Star Shipping Company Ltd (NESSCO Line), wrote a petition to the President, John Atta Mills, complaining that the BSL was being liquidated despite their winning bid of "US$1.5m for 75% of the total value"; that most of the assets, especially the ships had already been sold; that the main head office at Tema (the 10-storey office complex) "is gone to Ghana Ports and Harbour Authority..."; and, that their (NESSCO Line) due diligence team had discovered that the remaining assets were not worth their bid of US$1.5 million. Moreover, the petitioners complained that DIC failed to facilitate their request for GPHA to rent them the first floor of the 10-storey Tema office, "...so that when investors come we will be recognized as a truly genuine shipping company to be dealt with", despite the "heavy expenses" they had incurred in starting shipping operations by engaging some of the former BSL's local and foreign agents as their agents for imports and exports.[48]

In an earlier letter to the DIC, Ofori Nuako, who was also the managing director of Adonten Line, had requested the Committee to “overcome the delay” in turning over a list of BSL assets, which they, Adonten Lines, required to continue the carrying trade in the spirit of maintaining indigenous shipping participation. The list included the Beach Office at Harbour area, four articulated trucks and two Duty Post houses at Community 10.[49] In view of similar interests expressed by BSL’s ex-employees to be considered to purchase some of these residential properties on the basis of right of first refusal, coupled with the conclusions of DIC

that Adonten Lines' bid of US$1.5 million was too paltry for the assets of the distressed shipping line, the core investor's push to take over BSL did not succeed, despite other efforts it claimed to have made to emplace financial and managerial resources in readiness for operations.

In the instant petition to the president, therefore, NESSCO Line reminded him of Government's policy "to assist and encourage privatization to become the engine of growth for the economy" and appealed that DIC should be ordered to liquidate BSL "as a package" sold to NESSCO Lines for the purpose of renewing a pro-national line to replace former Black Star Line".[50] However, no such direct order was eventually given in favour of the petitioners.

Similarly, the banner of nationalism was also exploited by another core investor, which harped on keeping the spirit of local maritime trade alive. Messrs Transpet Chartering Ltd (TCL) notified DIC of intent to purchase *MV Keta Lagoon* and *MV Volta River* in league with Venture Fund Management Company Ltd, a consortium of Ghanaian investors and financial institutions. They promised to "keep the vessels under Ghanaian management, control, flag and crew".[51] Nevertheless, the ships were sold to non-Ghanaians who were the highest bidders, ostensibly in DIC's bid to solely maximize its financial capacity to pay off BSL's creditors. *MV Volta River* was sold in January 1998 to Altex Shipping Co. Ltd. Nicosia Cyprus and renamed *Toledo* while *MV Keta Lagoon* was sold the next month to Medong Shipping Co. Ltd. Nicosia Cyprus and renamed *Ilion*.[52]

A Protracted Liquidation

Overall, the failure to secure core investors in the BSL led to a protracted winding up and much frustration expressed by the divestment-cum-liquidation consultant, PKF. In fact, soon after the decision to liquidate the company, the PKF, on May 14, 1999 applied to the DIC for a termination of its contract. It complained that having discharged BSL's core assets with realised

proceeds being grossly inadequate to meet the liabilities, it had no other task to accomplish since it had not found a buyer for the core business.[53] The core business was the trading name, identity, conference memberships and other international registrations of the BSL as a recognised shipping line, which had access to many routes of global sea trade. It was this particular asset that formed the subject of the NESSCO Line's petition to the president and Adonten Line's demands to be allowed to assume ownership of various BSL assets listed above.

But the PKF had adjudged both bidders' offers as below the value of the shipping line. In its application to terminate its contract, the consultant summarised total earnings from sale of BSL assets as US$4,286,439.30 from which it requested payment of an agreed success fee at 1.25% (that is, US$53,580.00).[54] Its contract sum for the divestment of the BSL was US$345,700 of which the DIC had paid up US$260,775 as at the time it requested to pull out of the project. In PKF's final report to DIC, however, it predicted that the liquidation of BSL would be inconclusive because the national carrier's high level of indebtedness needed "financial intervention by the official receiver", that is, indirectly, the State, and that because "BSL was not properly registered, technically it should not be possible to liquidate it".[55] This assertion might be a reference to the colonial registration of the BSL made by the Nkrumah Government in 1957. Subsequently, however, in September 1999, the Registrar General's Department, as official liquidator of all state-owned enterprises, asked PKF to handover "all [BSL] properties of whatsoever description" being held by the consultant or any third parties on its instruction for the purpose of [realising] the assets [and for] eventual distribution to the creditors or shareholder (sic)".[56]

After an assessment of the shortage of realised proceeds from asset sales *vis-à-vis* the liabilities of trade creditors, the liquidator suspended payouts to creditors and temporarily

invested some of the proceeds in the stock market and other short-term securities for the purpose of earning interest on the monies that could augment the distributable proceeds.[57] All creditors were put on notice of this development and the liquidation process became deliberately stagnated, even if irreversible, leaving mainly the court cases, which continued to run according to the judicial calendar. As of June 2014, the situation was unchanged.

Background to the Liquidation of NNSL

The liquidation of the NNSL was undertaken under the regime of General Abacha, when Nigeria was regarded as a pariah in the comity of nations, for the hanging of Ogoni environmental rights activist, Ken Saro Wiwa on November 10, 1995 and the continued detention of M. K. O. Abiola, the presumed winner of the 1993 presidential election. Sequel to the nationwide political crisis, general disenchantment and assassinations of prominent politicians such as Alfred Rewane, the National Democratic Coalition (NADECO) frontline member, General Abacha ruled with unprecedented repression and brooked no sort of challenge.

This was the mood of the nation when the management of the struggling national carrier, the NNSL, made the second attempt to draw more money from the public treasury to continue running the shipping line. The first tranches of intervention funds were made on the orders of the federal government by the following establishments between 1993 and 1995: National Maritime Authority (NMA) as loans, totaling $45 million; Ministry of Commerce and Tourism through NICON, US$8 million; and, NICON Insurance Plc, US$6.2 million.[58] The funds were meant to bolster the NNSL's capacity to clear debts owed foreign and local creditors, insurance companies, Protection and Indemnity (P & I) Associations and to pay for the release of arrested ships. But the money was misappropriated to the tune of $26 million by eight management staff whom the federal government later arraigned in court.[59] Still, handicapped by financial problems,

the NNSL management requested an extra sum of $25 million for the same purpose of defraying local and foreign debts. It was later revealed that NNSL's actual need to offset all debts was $5 million instead of the $25 million request[60] which drew the ire of the federal government and justified the order for liquidation.

Nevertheless, when the request for extra funds was sent to the Presidency, General Abacha concluded that since the first cash injections did not salvage the line, further injections would not avail. In August 1995, he directed that the company be liquidated on the justification that it had become a drain pipe for fraud. Before this time, the managing director, Bob Alfa, was sacked and prosecuted for fraud and embezzlement. He spent four years in detention at Gashua Prison, awaiting trial.[61] In his place, General Sule Kaltungo was appointed as the sole administrator of the company, to turn it around.

However, the administration of General Kaltungo did not register much success as the spate of vessel arrests in Europe increased. In order to forestall further arrests, all NNSL ships were commanded to set on an immediate return course to Nigeria and they were laid up at Warri, Sapele and Port Harcourt ports. Unfortunately, this directive was belated for five of them, namely, *River Mada*, *River Adada*, *River Andoni*, *River Asab* and *River Oji*, were arrested in different European ports, much to the discomfort of the federal government.[62] Thus, the liquidation order by General Abacha was also rationalised as a measure "to bail out Nigeria and indeed the federal government from further embarrassment and financial responsibility".[63]

However, part of the outstanding issues that dogged the liquidation exercise for many years was traceable to a previous ship sale. In 1992, an approval was given to the NNSL's management by former transport minister, Olawale Adeosun, to sell five of its ageing ships,

which were guzzling more bunker and were also more costly to maintain due to outdated technology. The appointed agent for the sale was Mutual Ltd, a London-based ship brokerage firm owned by Shafik Mohammed, a Pakistani, who was said to be a front for the Abacha family.[64] After the sale, the proceeds differed markedly from the expectation. Whereas the federal government was expecting about $17 million, Mutual accounted for only $8 million for the five ships, a situation that triggered the federal government to set up a panel of enquiry headed by retired Rear Admiral Samuel Atukum to investigate the transaction.[65] It also sued the ship broker and the alleged vessels' buyers.

This particular ship sale was the most contentious in the history of the NNSL and dogged the liquidation exercise for many years before it was totally discharged via out-of-court settlements.[66] The last four ships belonging to NNSL sold under the liquidation exercise were bought by Grier Olubi of New York for $1.2 million and they were towed out to Indian breakers in April 2001.[67] Their successful sale and delivery was hailed as a particular success because Shafik Mohammed, smarting from old grievances, had vowed that the remaining NNSL vessels would not be bought by anybody due to the adverse reports he spread about encumbrances against them.

The NNSL Liquidation Policy and Implementation

At the onset of the liquidation programme, the government set a framework for its implementation. According to the terms of reference for the liquidation exercise given to the liquidator, Capt. Cosmas G. Niagwan, the liquidation panel was "to identify, evaluate, dispose of and use proceeds of same to pay salary arrears, set up a pension scheme and pay trade creditors".[68] Once the notice of the intended asset sales was circulated, many estate valuers

applied to be appointed agents to value the property. The Federal Ministry of Transport (FMOT) evaluated the applications and approved a list of companies, which valued them. Next, auctioneers were appointed to sell them to the highest bidders. At all stages, appropriate public notices were placed in local and foreign publications in line with legal stipulations.

However, the implementation of the liquidation was afflicted by the vagaries of politics and bureaucracy, especially when the initial *dramatis personae* passed from the stage. The first transport minister who signed the liquidation proclamation was General I.D. Gumel, followed by others such as Rear Admiral Festus Porbeni, Kema Chikwe and Ojo Maduekwe. While the programme ran hitch-freely during the tenures of General Gumel and Maduekwe, it came to a halt and was nearly reversed under the tenures of Rear Admiral Porbeni and Chikwe. For instance, Capt Niagwan claimed that Porbeni wanted to re-buy one of the NNSL houses that had already been sold but when he insisted on due process by not revoking the sales as Porbeni wanted, he (Niagwan) entered the bad books of the minister.[69]

Subsequently, the progress in the liquidation process was slowed to snail speed. The next transport minister, Chikwe, halted it altogether following petitions from various quarters about the way it was being carried out. Added to the petitions was a proposal by retrenched NNSL seamen that the line should be refloated. However, when the legal and financial implications were considered, including possible fresh claims by the defunct company's creditors that they be paid the several hundred million dollars, which were discounted because it was a liquidation, government developed cold feet. In August 2000, the Minister of State (Transport), Isa Yuguda, said that the liquidation was nearly complete when it was stopped because "there were reports and petitions on liquidation approach"[70] At last, however, the liquidation was concluded during

the tenure of Maduekwe as transport minister in 2001, six years after the commencement in 1995.

The NNSL Liquidation Process

To wind up the company, a formal voluntary winding-up resolution and appointment of a liquidator was required in line with the Companies and Allied Matters Act 1990. This resolution was passed on August 28, 1995 and lodged at the Corporate Affairs Commission, Abuja. The appointed sole administrator and liquidator was Niagwan. On September 25, 1995, he was given power of attorney by Gumel, the transport minister, for the liquidation exercise with the following terms of reference:

1. take possession and sell existing assets of the NNSL situated in Nigeria and abroad.
2. utilise the proceeds of the sale to settle all verified liabilities in favour of foreign and local creditors, and
3. settle the terminal and other benefits of all NNSL employees and establish a staff pension scheme.[71]

The liquidation exercise involved administrative and legal processes in Nigeria and other national jurisdictions such as U.K., Germany, France and Belgium, where the company had branch offices or substantial commercial liaisons. As it involved the use of professionals such as accountants, solicitors, estate surveyors, valuers and auctioneers, with various peculiarities, several amended rules and guidelines were adopted. For example, the peculiar nature of U.K. national laws resulted in a court-ordered separate liquidation of the NNSL

(UK) with the appointment of a separate provisional liquidator, Messrs Huttington Moore, to sell all NNSL assets in the UK and settle all verified claims.[72]

In Nigeria, the process was different. The NNSL officially had two shareholders, namely: Federal Ministry of Transport and the Federal Ministry of Finance Incorporated. Sequel to the federal government's decision to wind-up the company, the two shareholders held an extra-ordinary general meeting at the Federal Ministry of Transport headquarters, Marina, Lagos on August 28, 1995 and passed three resolutions as follows:

1. that the company be wound up voluntarily for failure to profitably realise the objects for which it was set up;

2. that Capt. Cosmas G. Niagwan be and is hereby appointed liquidator for the purposes of the winding up and that his appointment be advertised; and

3. that the company shall, from the commencement of the winding up, cease to carry on its business except as may be required for the beneficial winding up thereof.[73]

The advertisement of the winding up appeared in Nigerian dailies and notified all creditors to submit their claims in writing to the liquidator.[74]

Assets and Liabilities

As at August 1995, the debt profile of the ailing company was "in the region of US$10 million and N1.5 billion", while its assets included ten houses in London and Liverpool and four houses in Hamburg, Germany; five ships, which were under arrest in London, Liverpool, Antwerp, Hamburg and Dunkirk and four others, which were laid in Nigerian ports. It also

owned landed properties, buildings, containers, power generators, forklifts and other miscellaneous items around Nigeria. The company's holdings in Lagos included six locations of residential houses, lands and estates. It also had one undeveloped plot of land in Warri; three locations of residential houses and undeveloped land in Calabar; three properties in Port Harcourt and one undeveloped plot of land in Kano.[75]

The NNSL ships listed for sale during the liquidation exercise were (i) *MV River Mada* at Tilbury (London) (ii) *MV River Adada* at Hamburg (Germany) (iii) *MV River Maje* at Sapele (iv) *MV River Ikpan* at Sapele (v) *MV River Ogbese* at Sapele (vi) *MV River Oli* (vii) *MV River Andoni* at Liverpool (viii) *MV River Asab* (ix) *MV River Oji* at Antwerp. To facilitate the liquidation procedures, the liquidator was authorized to retain the services of accountants, estate surveyors and solicitors. To this end, Messrs Anthony Akika were appointed solicitors to handle the 'Nigerian Liquidation'. Messrs Abuka, Ajegbo, Ilogu and Nwaogu were retained as solicitors to coordinate the 'Overseas Liquidation'. Messrs Akintola Williams & Co. were also retained as accountants while Messrs Diya, Fatimilehin & Co., and Empire Ventures Ltd were appointed as estate valuers.[76]

In addition, the Transport Minister also approved a negotiating team of five members to handle settlement of foreign debts. They were Capt. Niagwan, the Liquidator; A. Shobayo, representative of National Maritime Authority (NMA); Ibrahim Hassan, representing NICON Insurance; and L.C. Ilogu, Solicitor to the Liquidator. The team was later reduced to three members namely: Capt Niagwan, B. B. Yusuf, Legal Adviser at the Federal Ministry of Transport (FMOT) and Ilogu. With the death of Yusuf in 1998, Mrs. Carol Ndaguba replaced him on the committee when she became the legal adviser at FMOT.

Initial Working Capital for the Liquidation Exercise

Since the NNSL was insolvent, the FMOT directed some of its parastatals to fund certain initial expenditures that got the liquidation exercise rolling. For example, the NMA was directed to provide N13,175,836.95 to pay for the four months' (June-September 1995) salary arrears owed the NNSL staff while the Nigerian Ports Authority (NPA) was directed to provide N173,375,999.98, which was used to pay their terminal and other benefits.[77] The NPA also made available, following ministerial directive, £638,898.17 for payment of salary arrears and terminal benefits of overseas staff of the company, a subhead under which NMA made additional disbursements of £78,203.82.[78]

To avoid the NNSL creditors pouncing on the funds being aggregated for these salary and benefits, the NMA Overseas Office in London handled the transactions. Moreover, NMA also advanced other funds used by the liquidation team as working capital and for settlement of some trade creditors in Germany, France and Belgium as we shall show below.

Sale of the NNSL Assets

All the developed and undeveloped, movable and immovable, property of the company locally were sold by public auction to the highest bidders, with the exception of four ships (*River Maje*, *River Ikpan*, *River Ogbese* and *River Oli*), an uncompleted container depot at Calabar Export Processing Zone and the fifty-two houses and flats at Federal Housing Authority, Gowon Estate, Ipaja in Lagos, which were occupied by ex-NNSL staff. The fifty-two houses became the subject of a protracted court case as the ex-staff laid claim to them. However, auction sale of the NNSL's fixed assets in Nigeria amounted to N144,032,405.50 while other receipts such as loans,

interests from banks and refunds totaled N416,050,593.84 and when added to recovered funds from other local sources amounted to N560,082,999.34. (See Table 6.1 for a summary of the auction sale of fixed assets and other receipts in Nigeria).

Table 6. 1: Summary of Auction Sale of Fixed Assets and Other Receipts in Nigeria

		N
1.	LAND AND BUILDINGS	127,226,960.50
2.	MOTOR VEHICLES	2,991,595.00
3.	CONTAINERS	7,925,000.00
4.	GENERATORS	2,131,895.00
5.	FURNITURE, FITTINGS & EQUIPMENT (OFFICE AND HOUSEHOLD)	2,315,260.00
6.	FORKLIFTS & SPEEDBOAT	1,075,000.00
7.	SHIPS STORES & LUBRICANTS	366,695.00
	TOTAL	**144,032,405.50**

OTHER RECEIPTS IN NIGERIA:

		N
1.	LOAN FROM NP PLC	173,375,999.68
2.	INTEREST FROM BANKS AND OTHER INCOME	
3.	REFUND FROM FORMER MINISTER OF TRANSPORT, ALH. BASHIR DALHATU	194,430,375.00
4.	ITF LOAN	6,000,000.00
5.	FUNDS FROM NMA	13,175,836.95
6.	BALANCE B/FORWARD CBN	2,210,405.72
	TOTAL	**416,050,593.84**
	GRAND TOTAL	**560,082,999.34**

Source: Executive Summary of the Liquidation of NNSL Ltd Presented to the Honourable Minister of Transport, Chief Ojo Maduekwe, Federal Ministry of Transport, Abuja, n.d., 5, .

Similarly, the NNSL houses in London, Liverpool and Hamburg were disposed through open market operations although with much court involvement. Its four houses in Hamburg were sold at open market prices for a total of DM2,100,000 while its houses in London and Liverpool were sold by the court-appointed UK Liquidator for £2,835,203.38. (See Tables 6.2 and 6.3 for summary of receipts in the Germany and UK respectively).

Table 6.2: Summary of Auction Sale of NNSL Fixed Assets and Other Receipts in Germany

S/No	Assets	DM
1.	Sale of *River Adada*	1,672,700.00
2.	Sale of Properties	2,100,000.00
3.	Transfer from NMA	551,803.00
4.	Transfer from NNSL	15,196.26
5.	Transfer from NNSL French Solicitors	90,000.01
6.	Refunds from NNSL Staff Re: Sale of *River Adada*	178,124.71
7.	Other refunds from various authorities	203,779.66
8.	Interest Received	9,004.67
		4,820,609.17

Source: Executive summary of the Liquidation of NNSL Ltd Presented to the Honourable Minister of Transport, Chief Ojo Maduekwe, Federal Ministry of Transport, Abuja, n.d., 6.

Disbursement of Recovered Funds

Of the total sum of N560,082,999.34 realised from sales and receipts in Nigeria, N517,472,605.72 was spent by the liquidator on pension and gratuities, professional fees, vessels expenses, sea staff salaries, administrative expenses, bank charges, payment to creditors and commissions on auction sales.[79] In the U.K., of the total sum realised from sales and other receipts, £2,165,860.38 was spent to defray liquidation expenses and to pay secured creditors in full; unsecured creditors were paid interim dividends of 50 pence in the pound, with a further 10 pence in the pound dividend projected at the conclusion of the UK liquidation.[80] (See also Appendix 4 for a summary of receipts and payments in the UK).

Table 6.3: Summary of Auction Sale of NNSL Fixed Assets and Other Receipts in UK

S/No.	Assets	£
1.	Cash on Commencement US$ (A/C)	746.87
2.	Sale of *River Andoni*	933,984.18
3.	Sale of *River Mada*	482,386.19
4.	Sale of Property 3 Gwent Close Liverpool	26,525.92
5.	Sale of Other Landed Properties	720,500.00
6.	Insurance Claim	480,901.22
7.	Balance Transferred from Provisional Liquidator	157,252.20
8.	Council Tax Refund	43.52
9.	Sale of Taishat	3,256.00
10.	Office Furniture & Equipment	2,000.00
11.	Utility Refund	65.84
12.	Net Interest	27,541.44
		2,835,203.38

Source: Executive Summary of the Liquidation of NNSL Ltd Presented to the Honourable Minister of Transport, Chief Ojo Maduekwe, Federal Ministry of Transport, Abuja, n.d., 5.

In Germany, the total receipts from sale of houses and other properties was DM4,820,669.17 and was used to pay all trade creditors on a negotiated discount basis by the NNSL Hamburg solicitors.[81] The balance was applied to defray liquidation costs in Germany and thereafter the exercise in the country came to a conclusion.

In France and Belgium, the NNSL solicitors received funds from the NMA and other sources to settle trade creditors there. The French solicitors received FF3,761,380.50 from the NMA, the NNSL Antwerp Solicitor and Marine Mutual Ltd. to settle the NNSL creditors in

France while the solicitor in Belgium received US$805,000.00 from the NMA, the NNSL (Atukum Panel Recovery Account) and the NNSL Solicitors in Germany to settle the company's creditors in Belgium.[82] As at June 1999, all foreign trade creditors of the NNSL had been paid the agreed settlements at the discounted premiums; only payments to Nigerian creditors and other issues within Nigeria remained unresolved. (See Table 6.4 for details of unresolved issues in the Nigerian liquidation exercise as at June 1999).

Table 6.4: Unresolved Issues and payments in NNSL Liquidation Exercise June 1999.

		N
1	Staff Pension Scheme	1,582,789,340.44
2	Outstanding Gratuity to Seamen and	
	Overseas Staff Allowance	30,666,123.40
3	Local Creditors (verified and still unverified)	95,246,073.25
4	Pre-Liquidation Outstanding Legal Fees	5,917,500.00
5	Professional fees to retained consultants	43,000,000.00
6	Sale of 3 remaining NNSL vessels and	
	other Assets	100,000,000.00
7	Recoveries from former NNSL Management	
	Staff through the Special Tribunal	3,200,000,000.00
8	Utilization of N177,519,699.79 recovered	
	from Alh Bashir Dalhatu, former Minister of	
	Transport.	
9	NNSL Property at Ipaja	NOT SOLD

Source: Executive summary of the Liquidation of NNSL Ltd Presented to the Honourable Minister of Transport, Chief Ojo Maduekwe, Federal Ministry of Transport, Abuja, n.d., p. 8.

One of the contentious issues in the NNSL liquidation exercise was settlement of outstanding bills and invoices. Once the order for the liquidation was set to be implemented, the Liquidator, who was also designated as sole administrator of the company, set up a corporate body known as NNSL-in-Liquidation, for the purpose of effecting the corporate transactions of

the company being liquidated. It undertook a long and rigorous process of vetting the tendered bills and invoices. Some of them resulted in court cases. The last batch of accredited genuine creditors paid during the final wind down numbered 536 while the total audited indebtedness of the company to local creditors was N319 million.[83] The vetting and clearance for payment were done in phases.

As at June 1999, the auditing process cleared accepted invoices from local trade creditors to the tune of N51,623,753.75 while disputed invoices amounted to N43,622,319.50.[84] Although some of the disputes were in court being argued by lawyers and auditors, the NNSL-in-Liquidation still made provision for paying them if they won their cases. Over all, payments to local trade creditors was based on pro rata vis-à-vis recovered funds, as follows:

(i) Creditors with bills between N1.00 and N50,000.00 were to be paid in full.

(ii) Creditors with bills in excess of N50,000.00 were first to be paid N50,000.00 and pro rata of the balance of their bills when more funds were obtained.[85]

Issues in the NNSL Liquidation

Disposal of the NNSL Property in UK and Germany.

All the houses in the UK and Germany were originally mortgaged to NICON Insurance. Therefore, to clear the huge loan sums being owed NICON of over US$6.2 million, it was decided to pass on some of the houses to it. The four houses in Germany were about to be passed to the insurance company to pay for the NNSL Pension Scheme when it was discovered that because of a local law in the German statute books called section 419, which mandated that with transfer of such assets to NICON, all the liabilities of the NNSL would also be transferred to it, NICON refused to accept the houses. Consequently, they were sold through open

competitive bids by the NNSL's Hamburg lawyer, van Brevern. The proceeds were, thereafter, applied to pay NICON and some German creditors.[86]

Disputed Debts, Credits and Forgeries

The management of the NNSL-in-Liquidation also went to work on some key activities to bring the liquidation into effect, including the selective retrenchment of staff, negotiations with all third parties such as creditors, debtors, sister MDAs and other corporate bodies. In addition, the special purpose vehicle also undertook the final preparation of accounts of the defunct company, receipt of incomes, and payments of bills and invoices. For the verification of bills and invoices, an investigation team, which comprised lawyers, auditors, accountants and police intelligence officers, was set up. The team cross-checked documents tendered by creditors against documents in the files of the defunct company.

After the vetting of the account books, the NNSL-in-Liquidation announced that "59 different Nigerian and foreign companies in the various seaports in Nigeria" indulged in dubious practices against NNSL to the tune of N354 million.[87] Some of the perpetrators were chandlers, bunker suppliers and ship-repair companies who, although awarded contracts of supplies never supplied the goods and services but were paid. Some colluded with the NNSL accounts staff to dupe the company. In addition, twenty-three management staff of the NNSL were indicted by the team for fraud to the tune of $26.5 million and N963 million; only eight of the management staff were responsible for the dollar component of the fraudulent transactions.[88]

The fraud by suppliers was committed using forged ships' stamps, without applying the stipulated financial stamps. For example, the financial stamps normally read: 'Master: River Adada' or 'Chief Engineer: River Adada' or 'Catering Officer: River Adada'. But the forged ordinary stamps only read: 'Mv River Adada' with port of registry, GRT, NRT, official number,

etc. So, by cross-checking for these discrepancies in stamps, the forgeries were discovered. After the investigations, twenty-three ex-NNSL top officials, both sea staff and office personnel, and one former Nigerian ambassador, Yusuf Y. Mamman, Nigeria's Ambassador to Spain, were shown to have defrauded the company to the tune of N3.2 billion.[89] The alleged fraudulent activities took place in Nigeria and abroad and revolved around the operations of the NNSL ships, bunkering, cargo claims, repairs, public relations for chasing payments from debtors and management of ship arrest warrants, among others.

The Ambassador to Spain, Mamman, for example, was wired a total of $2.1 million in early 1995 for him to intervene in the arrest crisis of *MV River Majidun* and *MV River Ogbese*. However, after the controversies arising from the expenditure of the money without any accounting to the NMA, Mamman forwarded a statement of account to the Transport Minister on August 24, 1996 for a total sum of $1,391,674.84.[90] The NNSL-in-Liquidation team of lawyers, auditors and accountants held Mamman responsible for unaccounted funds in the sum of $1,057,000.00 and recommended that legal action should be taken against him to recover it.[91] Another example was Engr. Alfa, the last managing director, who was also held responsible for misappropriating $14,690,102.45 and N60,479,178.50.[92] This formed part of the charge sheet against him in court when his case commenced to be heard in 1999.

Another group of indicted actors in the NNSL liquidation saga was contractors who were awarded contracts to supply bunkers to the NNSL vessels. Whereas they did not deliver the fuels, they were fraudulently paid, according to the findings of NNSL-in-Liquidation. In all, 59 such contractors were compiled with a total sum of N74,020,803.36 paid to them.[93] Other indictments included eight contractors who were not issued LPOs at all and did not supply any bunkers but were paid a total of N9 million; fourteen contractors, including major oil marketing

companies such as Unipetrol Nigeria Ltd, Total Nigeria Ltd and Texaco Nigeria Ltd, which were found to have been overpaid for bunker supplies between 1992 and 1994 to the tune of N8,631,840.00; and eleven ship chandlers who were overpaid with N4,982,864.53 for food items supplied to the NNSL vessels and guest house.[94]

The liquidation team produced many bound volumes of these accounting discrepancies that verged on fraud, corruption, and insider-facilitated financial crimes. They added to the litany of indiscretions and self-aggrandisement that spelt mismanagement and caused the failure of the shipping line. In total, 164 contractors were implicated in the list of overpayments and non-executed but paid jobs whose combined value amounted to N354,953,070.80.[95] The final outcome of the court cases was not clear-cut but the proceedings suffered from what the Liquidator lamented as 'frequent adjournments'. Apart from the pre-trial detention of the top five NNSL officials, including the managing director, at Gashua Prison, no other arrests were made locally, no imprisonment ever was recorded as a fallout of the liquidation indictments and no funds were recovered from any of the accused. The most that was done were litigations, all of which ended inconclusively in long adjournments.

Reactions to the Liquidation

We have already noted the flurry of petitions against the NNSL-in-Liquidation by various aggrieved parties and stakeholders in the defunct company's activities. One of the interested parties, the NNSL Pensioners Welfare Association, called on the federal government to reactivate the line. The president, Joseph Adepoju, claimed that the liquidation rendered over 2,000 staffs jobless and while pleading for a proactive pension scheme for them, called for the carrier to be reactivated "so that Nigeria could regain her proper place in the comity of maritime nations".[96]

Subsequently, a NICON pension scheme worth N268.3m to serve 1060 NNSL

pensioners, was set up by the NNSL-in-Liquidation, in August 1997, with a seven-member board of trustees.[97] The scheme functioned until 2000 when the NICON suspended payment to the NNSL pensioners due to the inability of the Sole Administrator to fund the account. In April 2000, the federal government came to the rescue and approved additional N100 million for the scheme, which restarted it although with frequent hitches along the line.[98]

Conversely, the Nigerian Merchant Navy Officers Association (NMNOA), as its own reaction to the liquidation saga, proposed to the federal government to refurbish the remaining four NNSL ships laid up at Sapele and Port Harcourt and use them to refloat the company. Claiming a membership of 8,000 "well-trained merchant navy officers who were made jobless by the liquidation of NNSL", they passed their proposal through the House of Representatives Committee Chairman on Transportation, Okey Udeh.[99] However, the transport minister, Maduekwe, on being apprised of the proposal, promised to study the possibilities of available support but contended that the issue of the NNSL was a "sour talk in the ministry [of Transport]" and argued that because of this situation, the liquidation exercise, once commenced, should be left to run its full course before a new chapter could be opened.[100] Surprisingly, however, when the federal government floated its next shipping line, called Nigeria Unity Line (NUL), it still did not do things differently but used fronts to acquire a lone ship *MV Abuja* for the national carrier.

Liquidation Litigations and Issues.

Prison Term For Engr Bob Alfa, Others.

When the federal government directed that the NNSL be liquidated, a simultaneous order was given for the arrest of the managing director, Engr. Alfa and four others, whom the police indicted in their investigations. They were Tunde Abdulkareem, Rasaq Yusuf and Shehu Musa, the former general managers of finance, audit and Europe office of NNSL, respectively; and

Emmanuel Adegbeyeni, former director of maritime services at Federal Ministry of Transport. They were charged to court, accused of defrauding the company of N17.9 billion, for which they were detained at Gashua Prison, Yobe State, from 1995 to 1999 when their trial started.[101] To secure bail, the Recovery of Public Property Special Tribunal in Lagos set various financial and other conditions for the accused persons, of which Engr. Alfa paid N30 million bail bond while others paid lesser sums.[102]

Court Case By Ipaja Estate Occupiers

One of the drawn-out litigations in the NNSL liquidation exercise was a court case brought against the NNSL-in-Liquidation by a group of fifty-two ex-NNSL retirees who occupied the company's houses at the Federal Housing Authority's Gowon Estate at Ipaja in Lagos. The Liquidator had made efforts to put the houses on the auction block but was challenged by the occupiers who argued, on the basis of right of first refusal, that the houses should be sold to them at the lower price they bade instead of the authorised auctioneer's valued price, which was higher. On this contention, the retirees went to court with a prayer that the court should uphold their offer, even though it was lower. The Liquidator, on the other hand, insisted on a public sale for the higher price, and to press his case, withheld the pensions of the affected retirees.

In October 2000, the NNSL-in-Liquidation, being pressed to conclude the liquidation, which was being prolonged by the case, made new offers, as follows: to pay 50% of the ten months' withheld pension of the retirees, that is, from August 1997 to June 1998; to give them one month's further notice to quit the houses; and, a promise of no arrears of rent charged from 1995 to 2000.[103] The idea was to get them to vacate the houses to enable the Liquidator to sell them, after which the balance 50% of their pension arrears will be cleared with part of the

proceeds. Of the 52 retiree-occupiers, only 25 were physically living there while the rest put theirs to rent, according to the Liquidator.

The houses at Gowon Estate were acquired by the NNSL in 1981 and allocated to its staff as residential quarters. Sequel to the dispute with the Liquidator, the retirees formed an association for the purpose of pursuing their case to pay a concessional total price of N14.1 million for all the houses instead of the auctioneers' valued price which was N9 million each.[104] Their secretary-general, Augustine Aniawn, pleaded with the federal government to direct the NNSL-in-Liquidation to consider that they had been living with their families at the estate for 12 years and had served the defunct company "for an average of 22 years without blemish".[105] Contrary to the claim that 25 of the houses were rented out, he said that 42 retirees were living at the estate while the rest who did not live there had jobs in locations far from Ipaja. To the Liquidator's offer to pay 50% of their pension arrears on condition that they vacate the flats, Anianw pleaded that the condition should be withdrawn to allow them continued possession of their houses because they were "the only thing we have got for long service to the nation in NNSL".[106]

At first, the 53 retirees had petitioned to the Head of State, General Abacha, to order the Liquidator to sell the houses to them at the total price of N11 million.[107] They failed to get it. But the independent valuers' total rate of N63m for them was more attractive to the NNSL-in-Liquidation because they were looking forward to maximise earnings from the assets and had the mandate to sell to the highest bidder. In fact, one early buyer of the flats, Diya Fatimilehin, had paid N9 million for two of them before the sale was cancelled following the emergent dispute. The Liquidator had also applied to the Rent Tribunal to forcefully eject the occupiers before their petition to General Abacha forced the former to stay action pending further directives from

higher quarters.

However, the eventual resolution of the matter, out-of-court, led to a winning situation for the petitioners. After the protracted petitioning and litigations, Mrs Mariam Abacha to whom one of the petitions was sent directed the Federal Ministry of Transport to reconsider the petitioners' case on compassionate grounds. The Ministry, thereupon, instructed the NNSL-in-Liquidation to comply with Her Excellency's wishes. Subsequently, the Liquidator accepted the surveyor's revalued prices for the flats and sold them at the rate of N900,000.00 for the terrace houses, N600,000.00 for the big bungalows and about N250,000.00 for the smaller bungalows.[108]

Court Case over Calabar Container Depot

Another court case that involved the NNSL liquidation exercise concerned a failed container depot project. The NNSL had entered into an agreement with Eburutu (Nigeria) Ltd. to build a container depot in Calabar sometime in the 1980s. However, according to the sources from the NNSL, it was found later that the contractor lacked the competence to complete the project after receipt of the mobilisation fee and failure to complete the construction work. Unfortunately, the NNSL's management failed to terminate it until the federal government ordered its liquidation. Thereafter, Eburutu applied to the NNSL-in-Liquidation for settlement of purported debts arising from the contract, to the tune of N9 million. Sequel to disagreements by both parties, Eburutu went to a Calabar High Court and sued the NNSL for the above claim in Suit No. C/52/92 before Her Lordship Hon. Justice Philomena M. Ekpe. Subsequently, the court granted the plaintiff its prayers and claims. Unsatisfied by the ruling of Justice Ekpe, however, the NNSL-in-Liquidation headed to the Court of Appeal in July 2000 to overturn the judgment of the lower court. After long twists and turns, with Eburutu deploying lobbying and interventions from high quarters, the NNSL-in-Liquidation entered into negotiations with the company and the case was

settled out of court in its favour, and payment was made to them *pro rata* the sum available for distribution to creditors. However, the land remained unsold because its location around a major erosion site discouraged prospective buyers.[109]

Managing the Litigations in the NNSL Liquidation

By far the most frequent transactions of the NNSL's liquidation exercise was settlement of disputed accounts, legal interpretations of documents and resolution of court cases. The cases brought by creditors in Nigeria and overseas engaged the solicitors of the liquidation for the better part of three years, especially after the local and international advertisement of the intention to wind up the company and the call for submission of claims. Messrs Tony Akika, the solicitors for the local liquidation handled about 200 matters connected with the exercise over a three-year period in Nigeria while Hill Dickenson Davis and Campbell (HDDC) Solicitors handled 47 of such cases in Europe.[110] Messrs Akika summarized their roles to include advising the Liquidator on all legal matters; examination of all such matters pending in court; liaising, negotiating and recommending fees payable to solicitors of the liquidation; recommending cases for out-of-court settlement and negotiating terms of such settlements; entering appearance and defense on behalf of the liquidator for matters in court relating to "suits in torts, for cargo claims, debts, contracts, trespass and recovering debts owed the NNSL.[111]

Types of Suits

The cases varied widely, including a demand for 1995 ground rent from Eti-Osa Local Government (N54,692.56); advert permit claim of N60,000.00 from the same local government; two suits for N9.8 million and N4.2 million claims from Industrial Training Fund (ITF) against NNSL Ltd; and, a N22.6 million suit by NNSL against African International Bank (AIB) over the

inability of the latter to pay the company excess commission on turnover.[112] Many cases bordered on payment or lack thereof for supplies of bunker to the NNSL ships; a dispute about the revocation of Certificate of Occupancy of the NNSL's undeveloped land in Kano; suits against charterers of NNSL ships who owed the company various sums of money such as Commodities International (N7,640,362.42); Obasanjo Farms Ltd (N1,320,373.00); Ajaokuta Steel & Co. Ltd (N165,000,000.00); Nigeria Railway Corporation (N10,320,000.00); Rabo Farms (N18,954,627.00).[113]

Some of the cargo claims included a suit brought by Purification Technologies to recover $1,162,027.22 following the alleged short-landing of 73 bundles of metal coils imported by the plaintiff on NNSL's *MV River Oli* on July 9, 1992.[114] Although the liquidator's solicitors held a negotiating meeting with a certain Mr. Ogundipe who represented the plaintiffs and agreed that the Hague Rules should be used to settle the matter in the sum of N10 million as full and final settlement, E. L. Chami and Habibu Isa later showed up and disowned the actions of Ogundipe and claimed that the latter had no mandate to concede to the Hague Rules. They made counter-offers which the liquidation solicitors thought were "disadvantageous" and, therefore, the matter became prolonged.[115] Similar cargo claims and other litigations occupied the attention of the legal team for the better part of the liquidation exercise until all were sorted out, giving rise to the 538 accepted local creditors mentioned above.

Complications of the NNSL Liquidation in Other Jurisdictions

The fact that a military regime was in place to order the NNSL liquidation in Nigeria seemed simple and straightforward when compared with the practice in other countries where rule of law and civilian democratic practices held sway. This was demonstrated by the attempt to liquidate the company in the UK. The NNSL had quite substantial assets and liabilities in the UK by virtue

of being the single biggest overseas branch operations of the company. Moreover, being a global centre of shipping and ship brokerage services, many of the claims by the NNSL creditors were domiciled in the UK, especially London and Liverpool. However, company liquidations follow a different route in the UK than the proclamations of a powerful military ruler such as General Sani Abacha in Nigeria or Fl. Lt. Jerry Rawlings in Ghana. The NNSL winding up proclamation was not effective in the UK because there was no treaty in force between UK and Nigeria that allowed the UK courts to recognise the Nigerian liquidation of the NNSL in relation to the assets of the latter in the UK *vis-à-vis* its trade creditors.[116]

Thus, a Provisional Liquidator, appointed by a court in the UK, to work in complementary capacity with the NNSL Nigerian Liquidator was recommended by the NNSL's UK solicitors and accepted by the Nigerian Government. To achieve this, a "friendly UK creditor" was needed to agree to cooperate with officials of the liquidating company to approach a court with the winding up application, and not from a hostile disposition. From the list of UK creditors, Messrs J. P. Lamb & Co. were identified as most suitable to fulfill the role. Its managing director, Sir Trevor Jones, was approached. After discussions with the NNSL team from Nigeria, Jones agreed to initiate the proceedings in Liverpool through his solicitors.[117]

On March 12, 1996, following the Creditors' Winding Up application brought by J. P. Lamb and Sons, a commercial court in Liverpool ordered that the NNSL (UK) Ltd "be wound up" and the same order stipulated the terms and conditions for the appointment of Joint Provisional Liquidators, to whom all assets of the company in England and Wales would repose. The Joint Liquidators were appointed as Guy Huttington and David Moore of Messrs Huttington Moore Chambers in Liverpool. The Joint Liquidators worked with the NNSL's UK Solicitors of 20 years, Hill Dickinson Davies Campbell (HDDC), for the UK liquidation. They compiled a

list of claims from UK creditors and passed them over to the Joint Liquidators for action and settlement in liaison with the Nigerian Liquidator.[118]

Foreign Litigations: Sale of the NNSL Ships

The most engaging and inter-jurisdictional cases of the NNSL's liquidation was an overflow from the company's pre-liquidation activities. The antecedent began in 1993, when the managing director, Engr. Alfa, was given an approval by the federal government to sell five of its vessels considered uneconomic for continued operation. They were *MVs River Oshun*, *River Asab*, *River Oji*, *River Osse*, and *River Ngada*. NNSL, thereafter, appointed a UK ship brokerage firm, Mutual Ltd., to sell them and apply the proceeds to settle trade creditors in Europe. However, on September 26, 1995, further to an original writ issued on July 25, 1995, a suit was brought in London by the NNSL and the government of Nigeria as plaintiffs against Mutual Ltd. (represented by Shafiq and Vass) as defendants, on the matter of the five ships.[119]

The plaintiffs alleged that, by the terms of an agreement with the defendants, Mutual Ltd. had agreed to obtain the best possible market price for the five vessels; set up an escrow account into which the proceeds of sale would be paid; discharge all encumbrances on the vessels from their own funds before the sale, and, thereafter, be reimbursed by the NNSL from the proceeds of sale and all, for a commission of 5% of the proceeds. The NNSL and the government of Nigeria claimed $17,700,000 as the adjudged value of the ships or, in the alternative, a return of the five ships.[120] The plaintiffs further alleged that Mutual Ltd. breached the agreements and implied duties in the following ways:

(a) sold the vessels at undervalued prices to associated parties namely Cantwell, Likeo, Atmos, Albatross and IMS, despite higher tenders and without disclosing its relationships with the buyers;

(b) failed to establish an escrow account;

(c) failed to discharge encumbrances on the vessels; and

(d) made a secret profit and/or took bribes in connection with the transactions.

However, following a technical default by Messrs Ned Nwoko, the solicitors who handled the NNSL suit in London, the matter was struck out and a contempt of court judgment was delivered against the plaintiffs (in particular the NNSL and Musa Shehu, an NNSL London-based staff, who coordinated the company's response in the UK), because the NNSL failed to comply with an Order to provide Further and Better Particulars of the Statement of Claim.[121]

In its counter suit, Mutual Ltd. claimed that they were appointed as brokers for the sale of the five vessels on terms that promised them 5% commission of the sale prices. They also claimed an agreement with the NNSL to perform other services to settle debts and encumbrances for a further fee of $200,000 and alleged that they found buyers for the five ships at a total amount of $US8,050,000, and were, therefore, owed $US402,500. Their claim for the additional services was another sum of $200,000. However, in addition to the contempt of court verdict against the NNSL, a default judgment was given in favour of Mutual Ltd. in the sum of $602,500 plus interest and costs because the NNSL failed to enter a defense. Furthermore, Cantwell and Likeo applied for an injunction in July 1995 under the terms of the Memorandum of Agreement for the sale of *MV River Asab* and *MV River Oji*, and sought damages and an indemnity in respect of two arbitration proceedings brought by IMS against them for failure to deliver the two ships to it (IMS).[122]

In retrospect, the NNSL's initial legal efforts in these litigations were a completely costly failure as an allowance of 24 hours in which to lodge response in court for the first suit was stretched, at the NNSL's request, to ten days, yet without avail.[123] Moreover, aside from the loss

of the case, the financial cost of the losses were quite substantial. It included £65,000 "security for costs, including the monies already in court by way of initial security", which was provided by the Nigerian Ambassador to Spain, Yusuf Y. Mamman; legal costs for the interlocutory proceedings "in the region of £100,000", and an interim payment of US$250,000 ordered by the court, for damages.[124]

Part of the complications that resulted in the contempt of court judgment against Nigeria and Shehu Musa related to the action of the federal government/NNSL when it made arrangements and formally arrested *MV Windfall* (formerly *MV River Oshun*) in Senegal, Dakar, on July 21, 1995. On August 11, 1995, Mr Justice Mitchell ordered Nigeria/NNSL "to use all best efforts to procure the release of the vessel m.v. Windfall". However, for reasons that might have been connected with the controversies and out-of-court altercations between the NNSL management and Shafiq Mohammed of Mutual Ltd., this court order was not only disobeyed but a subsequent order of the London court on October 2, 1995 for the NNSL to apply to the Judge in Senegal "within Seven days for the release of the vessel" was also disobeyed.[125]

Instead, the court held that Shehu Musa forcibly removed the ship's crew by using an armed Nigerian crew, "purporting to act on behalf of NNSL and with a Police escort". It was based on these findings that Mr. Justice Clarke made the October 27, 1995 order, which held both the NNSL and Musa in contempt of court and that the latter be committed to prison for three months as a punishment. With the NNSL's failure to provide "Further and Better Particulars" of their points of claim, the court ordered the shipping line and Nigeria to lodge a further £50,000 failing which proceedings would be stayed. NNSL/Nigeria failed to comply with both orders and thereby prompted the matter to be struck out. This case, although preceding the federal government directive to liquidate the NNSL, was inherited by the NNSL-in-

Liquidation and was passed on to the company's UK solicitors, HDDC.[126]

The other collateral court case that fell to the management of the NNSL-in-Liquidation was the arrest, in 1996, of *MV Abuja* in France by creditors of NNSL who laid claim to her as ransom because she was owned by the successor Nigerian state-owned shipping line, Nigerian Unity Line (NUL). These two court cases were, by far, the most contentious and most expensive litigations of the NNSL liquidation saga. The following paragraphs show how they were resolved.

Firstly, when the sale of the five vessels was deemed fraudulent, the federal government set up the Atukum Administrative Panel of Inquiry headed by retired Rear Admiral Samuel Atukum, the managing director of the NUL. The panel indicted Mutual Ltd. and some top officials of the NNSL, including the managing director, Engr. Alfa, for various misdemeanours . It was based on this indictment that the London case was brought against Mutual Ltd. and the other buyers of the five ships. Secondly, after the failure of the first litigation against Mutual Ltd. and the success of Mutual's case against the NNSL and the government of Nigeria, even though it was not easy to enforce, the federal government adopted the legal advice of HDDC to abandon the defective application and instead to challenge the judgment by using a fresh application.

While this was being prepared, Shafiq Mohammed, on behalf of himself and the other defendants, namely: Mutual Ltd., Chris Vassilopolous, Cantwell Ltd. and Likeo Ltd. made representations and requested an amicable settlement of the whole controversy. Consequently, the Minister of Transport, Major General Ibrahim Gumel directed the NNSL negotiation team to go with the acting Permanent Secretary of the Transport Ministry, Mr. Silas Mshelia, to a meeting in London with the other parties to the case. The meeting took place on May 3, 1996,

where the parties finally agreed to "waive all court cases and claims against each other in the spirit of an amicable settlement" as follows:[127]

(1) the NNSL would bear and settle the outstanding port charges and all other claims in Antwerp and deliver *MV River Oji,* which was still under arrest at Antwerp to Cantwell Ltd., who paid for the vessel but could not take delivery due to several arrests on the vessel since 1994;

(2) Mutual/Likeo were to discharge all outstanding port charges in Dunkirk, France, in relation to *MV River Asab* still under arrest there, approximately US$355,000 less the agreed sum of US$150,000 which was to be borne by NNSL. However, in view of the sum of US$115,000 held by IMS to the credit of NNSL following an existing arrangement related to the sale of *River Asab* with Mutual Ltd., it was agreed that NNSL should only contribute US$35,000 towards the said port charges. It was also agreed that Mr. Shafiq, Mutual Ltd., and the others were to take steps to recover the sum of US$115,000 from IMS for the NNSL account and credit same towards payment of the accrued port charges. NNSL was to discharge all other claims by the crew, its agents, Socapao Group ad Sogetra so as to ensure that the *River Asab* was released from arrest and delivered to Likeo Ltd who had paid for the vessel but could not take delivery because of the arrests imposed on the vessel by the port and these other creditors;

(3) Mutual Ltd. was to abandon the UK Judgment in Suit No. 1995 Folio 1428 in which it was awarded US$612,535.80 as damages and interest against the NNSL as unpaid brokerage commission. The NNSL would pay costs to Mutual Ltd in the sum of US$200,000 on or before 30th June, 1996;

(4) parties agreed to discontinue and withdraw all claims/suits against each other and to consider all disputes relating to the Mutual-NNSL Agency ended. The parties executed a Memorandum of Agreement (MOA) dated May 4, 1996.[128]

Further to the MOA agreed with the parties, the creditors' claims against the vessels were decided as follows:

1. Nord Natie and Vandosellaere & Achten claims were negotiated for settlement in Antwerp following which the arrest on *River Andoni* by both creditors were lifted. Thereafter *River Andoni* and *River Mada* were sold by the UK Liquidators and the proceeds used to settle trade creditors in the UK. Outstanding crew wages on *River Andoni* were also settled by the UK Liquidators.
2. *MV River Asab* and *MV River Oji* were sold by the courts in Dunkirk and Antwerp, respectively and used to settle NNSL trade creditors there.
3. NNSL's UK houses, which were mortgaged to NICON because of loan issues were sold with the latter's consent and the proceeds given to them. All tenants living in any of the houses were ejected by due legal processes.[129]

Sale of the Remaining Ships

After the amicable resolution of the subsisting court cases on the sale of the five NNSL ships, the fleet remained four vessels, namely *River Ogbese*, *River Maje*, *River Oli*, and *River Ikpan*, which were yet to be put on the market. From the list of many firms, which applied for the brokerage services for the sale, the Minister of Transport approved Mr. Rodney Cook of Messrs Marine Agency (Eastern) as the appointed broker. All prospective buyers who submitted bids in line with the tender conditions were invited for negotiations in London on May 8 and 9, 1996. The first negotiations did not result in any sale and a second tender notice was issued.

The list of prospective buyers comprised mainly foreign firms with a few local companies, as follows: Haske Enterprises (local); Hellenic Star Shipping Co.; Drydon International; Jay Shipping; Brawal Shipping (local); Damoh Trading; Olivemanuel (local);

Tristar Trading; IMS Shipping; Global Trading; Charky Shipping; Chemical and Fertilizers Ltd (local); and, Kenwest Investments/Medafret (local). They turned in several bids ranging from $1,100,000 to $1,710,000 for the four ships. While some bids were for all four vessels, a few were interested in only one or two. However, despite several attempts at concluding memoranda of agreement, there were persistent nonperformance and last-minute withdrawal of interest by would-be purchasers, to the extent that the liquidation team was hard-pressed for funds to continue the exercise in Europe. The negotiation team became desperate to make a sale. Consequently, it decided to offer the vessels to any buyer who could pay in full for at least one vessel.[130] This happened to be Messrs Jay Shipping Ltd. who offered to pay fully for one vessel within three days of executing the MOA, on the condition that it be allocated at least two of the vessels being offered for sale. To match the attractive offer, the negotiating team offered Jay Shipping *River Ikpan* and *River Maje* at $1.62 million and $1.65 million, respectively, because they were the highest bidders, namely.[131]

It was also decided that *River Ogbese* be offered to IMS Shipping, who turned in the highest offer of $1.6 million. Since IMS also desired more than one ship, the team decided to offer it *River Oli* for $1.5 million and if it declined, then to offer her to Jay Shipping at the price of $1.45 million, which was the highest bid for the vessel. Nevertheless, after all the rigorous procedures of obtaining ministerial approval and signing the MOA by the NNSL Liquidator for Jay Shipping on May 8, 1996, the would-be buyer failed to complete and deliver the documents as scheduled to take place at Hamburg on May 23, 1996. Throughout the year, no further progress was made on the sale of the ships despite the desperate moves and offers by the negotiation team. The desperation of the liquidation team to make a sale arose from pressing claims of creditors in Europe who had started linking NNSL to NUL's sole operating vessel, *MV*

Abuja, for purposes of court arrest. To solve this problem, the Transport Minister approved the NNSL Liquidator's request for a cash advance of US$1.5m to settle urgent creditors' claims in Belgium, Germany and France. Although this step gave *MV Abuja* liberty for the moment, she was still arrested before the liquidation was completed in circumstances which we shall explain below.[132]

Meanwhile, in the UK, *River Andoni* and *River Mada* were sold through the UK Admiralty Marshall for $1.55 million and $785,000, respectively.[133] The NNSL 9-man crew on board *River Andoni* comprising the master and eight other seamen were settled as per emoluments and transport fare for themselves and their container of personal effects back to Lagos.

As at January 1997, the four NNSL ships on the market were still unsold. Consequently, Mr. Cook, the broker was mandated to re-advertise them and receive bids on behalf of the NNSL Liquidator. This time, however, there was a caveat. The federal government, through the Ministry of Transport, directed that two of the ships should be sold to local interests to enhance the indigenous shipping industry. As a result, the bid by the National Maritime Authority for *River Maje*, which it proposed to use as a cadet training ship was considered together with another bid from Freight Ocean Transport, an indigenous shipping company, for *MV River Ikpan*.

The bidders from overseas were shortlisted into three prospective buyers, namely Yong Feng Intertrade, Viking Maritime Inc., and All Trust Co. S.A. After negotiations, the final and firm offers received and accepted by NNSL were as follows:

(i) *MV River Ogbese* and *MV River Oli* for $1.1 million net each to Yong Feng Intertrade;

(ii) *MV River Ikpan* for $1.2 million net to Freight Ocean Transport Ltd; and

(iii) *MV River Maje* for $1 million net to National Maritime Authority.[134]

Unfortunately, only the NMA bid for *River Maje* succeeded as a sale in the end; the other buyers defaulted even after the Liquidator had signed MOA and granted two requests for extension of time within which to pay. The contracts were subsequently cancelled and the vessels continued to be tied up in Nigerian waters while the liquidation team turned their attention to other pressing matters.

Other Major Claims and Outstanding Matters

A few other claims by several interested parties, including Atmos Navigation, UKWAL/Elder Dempster Agencies, NMA (for $45m), and Charky/Adriatic Shipping Co., were made on the UK and Nigerian liquidators of the NNSL, which remained to be sorted out by the end of 1997. The outstanding matters included: settlement of UK unsecured creditors and a claim on *River Ogbese* in India for which the federal government's guarantee of $250,000 was tied down in State Bank of India, UK. The Atmos Navigation claim arose from the first court case over the sale of five ships by Mutual Ltd. Atmos refused to settle with the other parties and continued to insist on a debt of $2,787,689.11 granted it by a UK court as damages from the alleged detention of *MV River Oshun* (renamed *MV Windfall*) in Dakar, Senegal, from July to November 1995 by NNSL, pursuant to a Mareva Injunction.[135] A Mareva Injunction was a court order preventing a defendant from transferring assets until the outcome of the associated law suit was decided. Thus, the case remained pending.

The Arrest of *MV Abuja*

In December 1995, four creditors lodged claims at the Antwerp Admiralty Court and thereupon obtained a court order to detain *MV Abuja* because it was owned by the NUL, a Nigerian state-owned carrier just like the NNSL. The claimants were Van Doosellaere and

Achten ($2.8 million); Navarma ($1.5 million), later reduced to $461,191.00; Saint Marine ($120,000.00) and Antwerp Port ($250,000.00). The Federal Ministry of Transport directed the NMA to provide bank guarantees that led to negotiated settlements as follows: Van Dooselleare and Achten ($564,516.00); Antwerp Port ($229,341.00); Navarma ($354,838.70), and Saint Marine ($92,000.00).[136] After the payments, *MV Abuja* was released.

UKWAL/Elder Dempster Settlement

The NNSL was a member of the UKWAL Conference and further to interlocking operational dealings, the SITRAM made claims against the NNSL UK-Liquidation account to the tune of £749,902.65.[137] Eventually, Delmas (which had bought over Elder Dempster, the leader of the conference) represented the conference in the ensuing negotiation. It entered into an agreement on behalf of itself and the other members, namely: African Container Express, Black Star Line, Brawal Lines, Camship, Cobenam, Elder Dempster Lines (UK) Ltd. and SITRAM. In the final agreement made on March 18, 1997, UKWAL agreed to limit its claim in the UK Liquidation to £200,000 and in the Nigerian Liquidation to £200,000, a sum of £400,000 being paid to Delmas, for full settlement of all claims from UKWAL and its subsisting members.[138] In an interesting twist of fate, Oyesiku, the first indigenous general manager of the NNSL, appeared with David Paterson during the negotiations to represent UKWAL against the NNSL.[139]

The NMA Claim and Other UK Creditors

Much has been said of the initial cash injections via loans from the NMA to salvage the NNSL in the early 1990s, as directed by the federal government. During the liquidation, the NMA put up claims for $55,902,444 and £209,000 to be settled by the UK Liquidation.[140] Subsequently, it did not pursue the claim when questions arose whether the entire sum advanced

for its worldwide operations could be proven to have been utilised within the UK jurisdiction alone, to justify being settled by the UK Liquidation. Nevertheless, the rest of the verified unsecured creditors received interim dividends of 50 pence in the pound after the summary of receipts showed a total of £2,632,036.12 from which £1,598,130.53 was removed for sundry payments and VAT.[141]

Charky and Adriatic Shipping Companies

These two buyers aborted their 1996 bid for *MVs River Ikpan* and *River Maje* after paying the 10% mandatory deposit of $336,000.00 held in an escrow account by the NNSL's Hamburg Solicitors. Thereafter, they equally failed to commence arbitration to recover their monies. Instead, they offered the Liquidator $100,000.00 out of the funds as settlement, an offer that was rejected in favour of the strict terms of the MOA, which stipulated equal sharing between the parties, while the interest accrued to the buyers. At last, settlement was agreed on equal sharing of the principal sum and the interest going to the buyers.

Brief Summaries of the Liquidation in Germany, France and Belgium

The speed of the liquidation exercise in Nigeria and overseas differed remarkably due to the ministerial changes that followed the death of General Abacha in June 1998. As stated elsewhere, the successor regime under General Abdulsalam Abubakar appointed Read Admiral Porbeni as the Transport Minister in 1998. When his personal interest in buying one of the already sold houses of the NNSL was frustrated by the Liquidator's insistence on due process, he stalled the liquidation exercise as a reprisal by refusing approvals for its continuance as narrated above.

Moreover, he instituted discreet investigations of the exercise further to petitions which had been sent to him by aggrieved parties. Similarly, when the civilian administration of

Olusegun Obasanjo came to power in May 1999, the new Transport Minister, Kema Chikwe, for undisclosed reasons, continued to stall the completion of the exercise in Nigeria even though, by 1998, the liquidation programme had been completed in Germany, Belgium and France, as could be seen below.

In Hamburg, Germany, the NNSL maintained a branch office for Europe and had four residential houses and some fulltime employees there. When the liquidation commenced, all the employees were disengaged except for Engr. Richard Owolabi, who was retained to assist the Liquidator in Germany. The NNSL negotiation team met with the NNSL's Hamburg Solicitor, Hartmut von Brevern, and reviewed all pending issues. The two major NNSL creditors in Germany were VereinsUND West Bank (which was owed DM800,000) and the Port of Hamburg (which was owed DM400,000) for port charges of the arrested NNSL ship, *MV River Adada*. When all the company's property were sold, with other receipts, DM5,530,168.68 was realised. (See Appendix 1: The Liquidation of NNSL in Germany). As at October 1997, the solicitors had negotiated and settled all secured creditors and negotiated with all other claimants who were also paid in full as at March 31, 1998.[142]

In Antwerp, Belgium, the NNSL only maintained an agency office in Antwerp but due to its location as a major centre of shipping in Europe, much activities and many creditors were domiciled in the port city. These creditors were responsible for the arrest of *MV River Oji* in Antwerp. The NNSL negotiation team met with the line's solicitors who handled the liquidation there, Luc Keyzer of Rosendaal Keyzer, and reviewed all pending claims and met with the creditors. The major creditors submitted their invoices through the NNSL's former Agent in Belgium, Messrs Vandoselaere & Achten. When the statement of account was reviewed by the NNSL's negotiating team, it was discovered to contain several duplicated entries from claimants

such as Nord Natie, Saint Marine, the Antwerp Port Authority and excessive agency fees for services rendered to *MV River Oji* while under arrest. Upon reconciliation with their solicitor, Luc Wyfells, the Vandoselaere & Achten claim of US$2.5 million, for example, was brought down to US$564,516 in full and final settlement. Other bills negotiated downwards included claims from Saint Marine (US$92,000); Nord Natie Terminal Ltd; which rented out containers to the NNSL and was in custody of 362 such containers (US$118,845); Port of Antwerp Authority, for port charges when *MV River Oji* was under arrest, (BFR7m); Belgian Oil Services for bunker supplied to *MV River Oji* under arrest, (US$30323); Navarma and its associate, Marine Repair Services, for alleged repairs on the NNSL ships for which they arrested *MV River Oji*, (BFR11,000.00); *River Maje* cargo claim about damage to various parcels of wood products carried on board the ship from Takoradi to Antwerp in 1990 (US$18,468); and, Antwerp Port Authority claim for damage to its quay by *MV River Asab* (US$17,500).[143] (See Appendix 2 for details of NNSL Liquidation in Belgium.)

In Dunkirk, France, the NNSL maintained an agency office in Dunkirk. At the onset of the liquidation exercise, some creditors sued the company and arrested *MV River Asab* at the Dunkirk Port. The NNSL negotiating team travelled to Dunkirk and met with its solicitor, Axel Engelsen Esq. of Bouloy Grellet & Associates, on February 22, 1996. It also met with Maitre Carlier, solicitor to most of the creditors. During negotiations, it emerged that *River Asab* was arrested at the instance of Dunkirk Port Authority, Socapao Group, Sogetra and two Nigerian cadets of the NNSL, who were assigned to look after the vessel when the rest of the crew were withdrawn.[143]

It was then agreed by all parties that *River Asab* should be sold through the court to "avoid its further deterioration, accumulation of port charges and interest charges on claims".[144]

The creditors' lawyer, Maitre Carlier, was therefore mandated to effect the sale by court auction for an updated value in the sum of between US$1.8 million and US$2 million, to be lodged at National Bank de Paris. Payments to the creditors were agreed to be made by the Court Bailiff. Most of the claims were brought by the NNSL's former agents in France and French-speaking West African countries.[145]

However, Maitre Carlier failed to sell the ship due to various legal obstacles. The NNSL Liquidator, thereafter, transferred the sum of US$450,000 from the working capital advanced by NMA to settle the outstanding claims as negotiated by lawyers from both sides. Those paid were: Dunkirk Port Authority, FF1,240,000.00; two crew members of *River Asab*, FF452,637.77; Sogetra, FF271,917.79; Socapao Guinee, FF47,483.36; SDV Guinee, FF79,546.07; Socapao Cameroon and Ivory Coast and SDV Ivory Coast, FF1,124,571.85.[146] Thus, in July 1996, with a total of FF3,216,956.84 paid to all verified claimants in Dunkirk, the NNSL liquidation exercise in France was concluded and surplus funds in the French Solicitor's custody amounting to FF305,933.24 (US$59,472.19) was transferred to the account of the NNSL Solicitors in Hamburg to assist in settlement of debts in that jurisdiction. (See Appendix 3 for the details of NNSL Liquidation exercise in France.).

Sale of the Remaining Four Ships

Of the four remaining NNSL ships, *MVs River Ikpan*, *River Ogbese*, *River Oli* and *River Maje*, the last was bought by NMA for cadet training purposes in 1998 for US$1 million but it caught fire before it could be towed from the Naval Base at Sapele, Delta State, where it was tied up. The NMA, therefore, mandated the NNSL Liquidator to sell her off with the rest of the ships. After the lull in the liquidation exercise, which lasted from 1998 to 2000, it kick-started again with the appointment of a new Transport Minister, Maduekwe, who reviewed the issues at

stake and authorised the conclusion of the exercise.

The Liquidator, thereafter, re-advertised the vessels and various offers were received from local and foreign buyers. In August 2000, the NNSL Overseas Liquidation Team comprising the Liquidator, Capt. Niagwan, the Legal Adviser of Federal Ministry of Transport, Mrs. Carol N. Ndaguba and the Solicitor for the Overseas Liquidation, Mr. Chidi Ilogu, interviewed five Nigerian bidders who had put in bids. They were: Freight Ocean Transport Ltd who bid US$800,000 for the four vessels; Kittie Nigeria Ltd bid US$900,000 for the four vessels; Elohim Cargo Vision Ltd bid US$900,000 for the four vessels; Seven Seas Shipping Co. Ltd. bid US$720,000 for the four while Sokonez Shipping Co. Ltd bid US$800,000 also for the four.

From overseas, six prospective buyers put in their bids as follows:

1. Anselm Shipping Ltd, Gibraltar, US$965,020 for all four ships.
2. Wirana Shipping Ltd, Singapore, US$979,866 for all four ships.
3. Regency Projects Ltd, UK, US$1m for all four ships.
4. Vail Ship Management, Chicago USA, US$1,010,000 for all four ships.
5. South West Marine Ltd, New Jersey, USA, US$1,020,000 for all four ships.
6. Global Marketing Services (USA) Inc., US$1,200,000 for all four ships.
7. Jay Shipping Ltd, US$859,000 for all four ships.

On September 28, 2000, the Transport Minister approved the sale of the four ships to Global Marketing Services (USA) Inc. for offering the highest bid of US$1.2 million for all four ships and the best terms to evacuate them from Sapele and Port Harcourt before the end of January 2001.[147]

Global Marketing paid the agreed 10% commitment deposit on each of the ships in line

with the MOA followed by completion payment also as scheduled. Thereafter, title documents of the vessels were delivered to the buyer's representatives at Hamburg in March 2001. After some initial logistic problems relating to the towing tug boats and customs and immigration formalities, the vessels were towed away from Nigeria between March 21, 2001 and April 4, 2001, bringing an end to the liquidation exercise of the NNSL. Thereafter, its name was expected to be formally struck out of the register of companies in Nigeria.

Assessment of the Liquidation Processes.

The liquidation of the two shipping lines, although varying in methodology and scope, engendered broadly similar results in the two countries. Hundreds of skilled seafarers and shore-based shipping professionals were thrown into the job market in Nigeria and Ghana. Many smaller businesses such as chandlers, bunkering and fender suppliers and ship repair firms were also left high and dry for lack of patronage. Since the liquidation happened in the two countries within the same period, there was no opportunity for possible re-employment by seafarers or alternative markets for dependent businesses in West African shipping trade as national shipping lines of the smaller states were also distressed. Some of the retrenched workers who could afford it went to Europe and Asia in search of similar jobs; others joined the private sector of the local maritime industry and a few switched careers, via re-training, into areas such as teaching.[148]

Commenting on the liquidation of African shipping lines, Magnus Addico, the BSL board chairman in 1995, accused the competing European lines as the forces behind the liquidation or distress of African shipping lines. He said that “foreign interests were hiding behind local front men to buy national shipping lines to kill them to avoid competition”, and cited the examples of Senegal, Gabon and Togo as countries where this had happened.[149] At the time of his speech in 1995, the shipping lines of Ghana, Nigeria, Cameroon and Cote d’Ivoire, which he exempted

were still trading, although in desperate financial straits. However, within two years, almost all of them declared insolvency and were either liquidated outright or bought over by foreign lines in an arrangement, as in Cote d'Ivoire and Cameroon where SITRAM, Sivomar and Camship entered into joint ventures with major French lines as junior partners. The serial failures of the shipping lines defy the attributes of a single causative factor but rather underscores the possible impact of associated market forces and other constraints beyond the control of West Africa's shipping managers.

Thus, with the collapse of the shipping lines, the maritime sector of West Africa changed so dramatically that ocean shipping in the region was no more in the control of the local population but was gobbled up by the mega shipping lines such as Maersk, MSC, CMA-CGM and Grimaldi while West Africans played various agency or middleman roles. In itself this syndrome of widespread liquidation and a takeover of the industry by stronger shipping lines attested to the manifestation of dependency theory where weaker nations of the West African region buckled under harsh operating environments and the fierce competition from the industrialised nations despite their initial assertions of economic nationalism.

The future of sea trade for West Africans, therefore, tends to lie in a re-definition of roles where African shipping concerns would fit into niche markets in coastal shipping logistics for providing ancillary or complementary services such as transshipment, passenger shipping or other vertical or horizontal integrations that align with operations of the mega shipping lines, which have come to dominate the global carrying trade.

Notes

1. "Divestiture Programme", *Business and Financial Times*, No. 109, July 2 to 8, 1994, 2.

2. Albert K. Salia, "Divestiture fetches C134b", *Daily Graphic* (Accra) No. 14630, December 22, 1997, 1,3; for an analysis of the divestiture of Ghana's SOEs, see T.E. Anin, *Essays on The Political Economy of Ghana*, 141.

3. "Divestiture Programme", 2.

4. Menson, "The Black Star Line", 23.

5. "Don't Sell BSL - Directors", *Ghanaian Times*, No. 11,723, March 11, 1995, 7.

6. Menson, "The Black Star Line", 28.

7. Ibid., 24.

8. Letter from K. Abbey Sam, chief director, Ministry of Transport and Communication, ref. SCR.7182/SF/29.Vol.3 to the Executive Secretary of DIC, 24 February, 1999. DIC papers. (in author's possession)

9. Letter from DIC to the Honourable Minister Transport and Communication dated 8 August, 1999. DIC papers.

10. Letter from James Q. Bampoe-Addo, managing partner at Parnell Kerr Forster to E.A. Agbodo, Executive Secretary, DIC dated 14 May, 1999. DIC papers.

11. Letter from K. Abbey Sam.

12. *Daily Graphic*, 27 August, 1999, 27.

13. Report of the Committee of Inquiry into the General Administration and Operations of the Black Star Line (1970-78), Appointed under Executive Instrument No. 167 of 1978, September 1979, 4.

14. Letter from Capt. V. N. Attuquayefio, Head of Task Force, ref. MD.4/70 of 17 November, 1998 to the Executive Secretary of DIC. DIC papers.

15. Statement on Payment of Severance Package to BSL Staff, March 1998. DIC papers.

16. Letter of Capt. V.N. Attuquayefio to Executive Secretary DIC ref. MD.4/78 dated 17 November, 1998. DIC papers.

17. Letter of Capt. V.N. Attuquayefio to Executive Secretary of DIC, ref. MD.16/10, dated 30 January, 1997. DIC papers.

18. Ibid.

19. "Divestiture of State Shipping Corporation Properties: Gross Proceeds". DIC papers in author's possession.

20. Black Star Line Ltd, Overseas Creditors as at June 1999. DIC papers in author's possession.

21. Black Star Line Ltd, Local Creditors as at June 1999. DIC papers in author's possession.

22. Letter of Executive Secretary of DIC to Honourable Minister of Roads and Transport dated 7 May, 1999. DIC papers in author's possession.

23. Oral interview with Kwasi Misah, aged 63, BSL pensioner, Accra, 2 November, 2012 and 23 June, 2014; Interview with Ben Owusu Mensah, aged 58, BSL pensioner, maritime consultant, Abuja, 15 August, 2011.

24. Letter of the Registrar General to Parnell Kerr Forster , ref. C63.484/SF.1 dated 17 September, 1999. DIC papers.

25. "Ex-Employee Cries Foul Over Sale of Black Star Line Property", Public Agenda, 27 August, 2001, retrieved from http://www.modernghana.com/news/16585/1/ex-employee-cries-foul-over-sale-of-black-star-lin.html on 26 January, 2011.

26. Ibid.

27. Oral interview with Kwasi Misah.

28. John M. Tamakloe Vrs Atlantic Port Services, V.R. Johnson and Divestiture Implementation Committee, CS235/99. DIC papers.

29. Ibid.

30. Letter of T.B. Owusu, ref. DIC/126/152 dated 22 November, 1999 to the Official Liquidator, Black Star Line Ltd. DIC papers.

31. John M. Tamakloe Vrs Atlantic Port Services.

32. Letter of T. B. Owusu.

33. Letter of G.K.B Taylor-Appiah dated 24 September, 1999 to The Office of the President. DIC papers.

34. Letter of E.A. Agbodo, Executive Secretary of DIC, ref. DIC/126/152 of 26 October, 1999. DIC papers.

35. Letter of James Q. Bampoe-Addo.

36. Statement of Claim in APS Vrs BSL. DIC papers.

37. Ibid.

38. Oral interview with Joseph Harley, the Registrar General, aged 61, Accra, Monday 16 June, 2014.

39. Letter from L.V. Mensah, General Secretary, National Union of Seamen, ref. NUS/N3/AD.3/35 to Honourable Minister of Ports, Harbours and Railways dated 6 October, 2003. DIC Papers.

40. Ibid.

41. A DIC internal memo of November 2003. DIC papers.

42. Oral interview with Joseph Harley.

43. "Divestiture of State Shipping Corporation: Gross Proceeds", DIC papers.

44. Schedule of Payments. DIC papers.

45. See C.S. Buabeng, "B.S.L Motion Rejected", Daily Graphic No. 9582, 21 August, 1981, 1,4; "4 BSL Ships Sold for $4.4m", Daily Graphic, No. 9583, 22 August, 1981, 16; "Don't Sell BSL - Directors", *Ghanaian Times*, No. 11,723, 11 March, 1995, 1; Albert K. Salia, "Divestiture fetches C134b", Daily Graphic No. 14630, 22 December, 1997, 1,3.

46. Oral interview with George Bekai, aged 47, legal practitioner, Tema, 2 November, 2012.

47. "Don't Sell BSL Directors", 1.

48. Letter of D.K.A Ofori-Nuako to H.E. Professor J.E. Atta Mills, ref. NESSCO/VP/99/Vol.01 of 19 July, 1999. DIC papers.

49. The other items include the Branch Manager's Residence at Community 2, four fairly-used cars, three forklifts, one Pickup truck, managing director's residence, Takoradi Branch Manager's residence, two junior staff residences at Takoradi, Takoradi main office, two single-storey semi-detached sandcrete buildings at Kumasi, BSL head office building (in Accra), BSL container depot and BSL's Takoradi Marine Workshop and Beach Office. DIC papers.

50. Letter of D.K.A Ofori-Nuako…

51. Letter of Allan Willimot, Director of Harley Mullion & Co Ltd to DIC, dated 4 February, 1997. DIC papers.

52. Peter Newall, “The Rise and Fall of Black Star Line”, 100-101.

53. Letter of James Q. Bampoe-Addo.

54. Ibid.

55. Ibid.

56. Quote letter of Registrar General asking for the handover from PKF.

57. Oral interview with George Bekai.

58. “Don’t Sell BSL – Directors”, 1

59. Executive Summary of the Liquidation of NNSL Ltd presented to the Honourable Minister of Transport, Chief Ojo Maduekwe, Federal Ministry of Transport, Abuja, n.d., 2. See also, Draft Final Report on the Liquidation of Nigerian National Shipping Line Ltd (NNSL), Vol. 1 Nigerian Liquidation, August 1995 – August 2001, 3,4.

60. Edmund Chilaka, "Government was right to halt liquidation...", *Freight Monitor*, Vol. 6 No. 155, 5 March, 2000, 11; see also Edmund Chilaka, "The Liquidator signs off at last...", *Freight Monitor*, Vol.7 No. 207, 22 April, 2001, 9.

61. Oral interview with Bob Alfa, aged 64, NNSL pensioner, Lagos, 9 October, 2012.

62. Edmund Chilaka, "I should have finished liquidation in 1998", *Freight Monitor*, Vol. 7 No. 207, 22 April, 2001, 12.

63. See Vol. IV Final Report on the Liquidation of Nigerian National Shipping Line Limited, Annexures to Overseas Liquidation Report, August 1995-August 2001, 10.

64. "Government was right to halt the liquidation of NNSL...", 10.

65. Oral interview with Alhaji G.B. Liman, retired civil servant, 56 years old, maritime consultant, Lagos, 28 March, 2011.

66. Vol. III Draft Final Report on the Liquidation of Nigerian National Shipping Line Ltd. (NNSL), (Overseas Liquidation) August 1995 – August 2001, 5; see also Edmund Chilaka, "I should have finished liquidation in 1998", 12, 13.

67. Vol. IV Draft Final Report on the Liquidation of Nigerian National Shipping Line Ltd. (NNSL), (Annexure to Overseas Liquidation Report) August 1995 – August 2001, 108.

68. Vol. IV Draft Final Report of the Liquidation of NNSL Ltd., 209.

69. Ibid., 1.

70. Edmund Chilaka, "I should have finished liquidation in 1998", 12, 13.

71. George Ayoade, "FG Approves N.1b for NNSL Pensioners", *Freight Monitor*, Vol. 6 No. 178, 20 August, 2000, 5; see also Edmund Chilaka, "FG Orders NNSL Final Windup", Freight Monitor, Vol. 6 No.171, 2 July, 2000, 1.

72. Vol. IV Draft Final Report on the Liquidation of NNSL Ltd., 1.

73. Executive Summary of the Liquidation of NNSL Ltd, 3.

74. Vol. IV, Draft Final Report on the Liquidation of NNSL Ltd., 1.

75. See *New Nigerian*, 7 November, 1995, 2.

76. Vol.111 Draft Final Report on the Liquidation of NNSL (Overseas Liquidation), 2.

77. Executive summary of the Liquidation of NNSL Ltd., 5.

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80. Executive summary of the Liquidation of NNSL Ltd., 7.

81. Ibid.

82. Ibid.

83. Ibid.

84. Edmund Chilaka, "Govt Has No Business With Shipping - Capt. Niagwan", *Freight Monitor*, Vol. 6 No.187, 22 October, 2000, 11; see also Freight Monitor, Vol. 7 No. 211, 17 June, 2001, 6-10.

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94. Vol. II, NNSL Ltd (In Liquidation), Funds to be Recovered from Contractors Awarded Contracts by NNSL Between 1993 and 1995, 165-172.

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109. Oral interview with Paul Gbana, 56 years old, NNSL pensioner, Lagos, 15 April, 2011.

110. *Freight Monitor*, Vol. 6 No. 173, July 16, 2000, 5.

111. Vol. IV, Draft Final Report on the Liquidation of NNSL Ltd., 15-35.

112. Vol. II, Draft Final Report on the Liquidation of NNSL Ltd, Summary of Court Cases (Nigerian Liquidation), August 1995 to August 2001, p. v, vii.

113. Ibid., 1, 4, 6.

114. Ibid., 11, 16, 24, 25, 26, 51.

115. Ibid., 12.

116. Ibid.

117. Vol.111 Draft Final Report on the Liquidation of NNSL (Overseas Liquidation), 11.

118. Ibid.

119. Ibid.

120. Vol. IV Draft Final Report on the Liquidation of NNSL Ltd., 41 to 44.

121. Ibid.

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123. Ibid., 96-106.

124. Ibid., 55.

125. Ibid., 44.

126. Ibid., 47.

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128. Vol. III, Draft Final Report on the Liquidation of NNSL (Overseas Liquidation), 10.

129. Ibid.; See also Vol. IV, Draft Final Report on the Liquidation of NNSL Ltd., 44.

130. Vol. III, Draft Final Report on the Liquidation of NNSL (Overseas Liquidation), 13.

131. Ibid., 26.

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133. Ibid., 16.

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138. Vol. III, Draft Final Report on the Liquidation of NNSL (Overseas Liquidation), 14.

139. Vol. IV, Draft Final Report on the Liquidation of NNSL Ltd., 118-120.

140. Vol. III, Draft Final Report on the Liquidation of NNSL (Overseas Liquidation), 14.

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Chapter 7

Summary, Conclusion and Recommendations.

This study has looked at the establishment, operation and eventual collapse and liquidation of the BSL and the NNSL. Some observations are apt as we come to the concluding part of the analysis.

Summary

The BSL and the NNSL gave to the young men and women of Ghana and Nigeria the platform to sail around the world, meet peoples on other continents and learn the hitherto unknown seamanship skills that distinguished European, Asian and North American peoples from Africans. King Affonso of the Kongo, in the 16th century, begged the King of Portugal to send him shipwrights or to sell him a ship for ocean going, but was contemptuously rebuffed.[1] King Kalonga Mzura also tried, one hundred years later, to build a vessel that could sail on Lake Malawi but failed to receive the European carpenters he requested.[2] But during the 1960s, the newly-independent West African countries of Ghana and Nigeria quickly achieved parity of prestige with the long-established maritime nations in flag-waving, as fleet owners which owned or controlled oceangoing shipping tonnage and whose citizens mastered the skills of ocean navigation.

If these were the only indices for success in sea trade, Ghana and Nigeria could be said to have succeeded as active maritime nations. But sea trade, as a factor of economic nationalism, diplomacy, national power or military strategy required more than the quick-fix of registering state-owned shipping enterprises. Inter-generational seafarer skills, managerial acumen and political leadership are the least of the fundamental elements for success in ocean-shipping if it is

to be harnessed as a national power resource, as exemplified by the histories of European powers, the US and the “Asian Tigers”. The rise of South Korea and Singapore as established maritime nations, after the Second World War, was facilitated by remarkable display of tough politico-economic fiscal wizardry, which exploited a combination of cheap labour, closer geographical location to the Western industrialised countries and stable social order to achieve the feat.[3]

In summary, the history of West Africa's premier national carriers, the BSL and the NNSL, shows the epic struggle of two developing countries to develop management strategies and domesticate technologies traditionally used by the industrialised North to dominate global trade. Their failure also underscored the frustrations of African and other Third World societies which are continually labouring under the status of "developing countries" without achieving the catalytic leap forward envisaged by their nationalist leaders. Nevertheless, a closer reading of the nitty-gritty of these "development" attempts shows serious operational gaps, which accounted for the failures, aside from the concomitant dynamics of international political economics whose impact manifested in a world market too skewed and competitive for developing countries. Overall, certain conclusions can be drawn from their track record.

Although West African leaders sought early industrialisation of their economies partly through a transfer of shipping technology and purchased much tonnage for ocean shipping, the culture of industrialisation was not as quickly imbibed because it was contentious. Integration among the productive sectors of the post-colonial economy was absent and economic linkages among neighbouring countries in the sub-region for an expanded market was also lacking. This was one way the dependency syndrome manifested through what Ake has aptly described as the disarticulation of the post-colonial economies, whereupon the individual post-colonial economies

had more integration with industries in the metropolis than with the economies of sister states or even with other productive sectors in the same nation.[4] Instead, their shipping trade, for example, flourished on a single track for many years mainly between West Africa and European, especially British, markets, almost in isolation from the local economy or other economies.

It was not until the late 1970s that the NNSL began to harness the Far-East or Mediterranean routes and although the BSL made initial runs to the US Great Lakes and other US ports, the routes were soon abandoned due to lack of profit and other difficulties. It would appear that the BSL's first trips were merely flag-waving prestige voyages, which, although unprofitable were undertaken mainly for political or diplomatic showmanship. Furthermore, the lack of integration of their young shipping sectors with the rest of their national economies demonstrated the difficulties of domesticating foreign technology.

Usoh has argued that a shipbuilding economy must be based on adequate supply of local flat iron sheets, the local production of welding electrodes, the easy availability of oxygen, compressed air and nitrogen from local manufacturing plants and, of course, the dry docks.[5] But here was a situation of virtual absence of any of these implements. In fact, the significance of dry docking for the two lines was highlighted when the NNSL's managing director said in 1989 that the company had thirteen ten-year-old ships all due for dry-docking – in European shipyards.[6] Each dry docking exercise cost the NNSL around US$800,000 while it cost the BSL around US$500,000, the difference being the varying levels of corruption-induced padding to the bill.[7]

Although Ghana later established a shipyard at Tema, it could not handle major repairs, just like Nigeria's start-up dry-dock, Nigerdock, also could not repair oceangoing vessels up to the internationally acceptable Lloyds certification standard. Thus, with regard to the

industrialisation agenda in founding the shipping lines, both nations were frustrated because the shipping companies could neither kick-start nor generate whirlpools of industrialization as some of the nationalist politicians envisioned.

However, the case has been made that the companies aided the rapid industrialisation strides of the two nations. For example, the NNSL from the 1970s was instrumental to the carriage of many project cargoes for steel works, oil refineries and petrochemical plants, eight vehicle assembly plants scattered all over Nigeria as well as construction materials for the seaports in Lagos, Warri, Calabar, Sapele and the Egbin Thermal Power plant, to name just a few. The BSL, on the other hand, performed similar feats for Ghana including haulage of the building materials for the all-important power-generating Akosombo Dam project, for which a ship, *MV Korle Lagoon*, was specially built. The Ghanaian national carrier also took part in the carriage of construction materials for Valco Aluminum plant, the multimillion dollar joint project between Ghana and a consortium of US companies. Thus, the shipping lines saved the two young nation-states billions of dollars of freight, which would have accrued solely to foreign shipping lines.

The companies also played strategic economic roles by lifting the export produce of Nigeria and Ghana such as cocoa, timber, palm produce, groundnut and rubber overseas, sometimes at uneconomic rates, whenever they were rejected by foreign carriers for poor freight values. As a corollary to this point, this 'rescue' mission was run using ships manned by wholly indigenous crews. In fact, the inception of the NNSL and the BSL marked the beginning of a massive skills training programme, which saw the two nations churn out thousands of skilled and semi-skilled navigators, mariners and sundry seafarers in all grades of the profession. Today, West African seafarers are employed by ships sailing to all parts of the world and on all types of ships, thanks to training and skills development programmes anchored on these carriers' four

decades of activities.

Restricted Field of Operation

Viewed holistically, however, BSL and NNSL had a restricted field of operation in spite of an open market that was wide and free for service provision in the shipping sector. The problem was inherent in the poor vision of the shipping business encapsulated in the original business plan which set out to mainly serve Ghana's Cocoa Marketing Board and the Nigerian Produce Marketing Board by carrying their export products and bringing back imported consumer goods.[8] The primacy of these two institutions in founding the shipping lines explains their large shareholdings in them. In the end, those stakes affected their concept of a successful maritime nation because it gave rise to an unviable shipping tonnage structure. For example, both lines did not have tankers or bulk carriers even though crude oil had been discovered in commercial quantities at Oloibiri by 1956 and the two nations needed huge quantities of fertilizers to be imported for farming.

Moreover, by the time the reality of these illusions sank in, many years later, the field had been overpopulated and even what was rightfully theirs became subject to competition by scores of foreign shipping lines some of which bought allegiance of local bureaucrats through bribery. For example, it was not until 1983, twenty-four years after inception, that the NNSL, in its desperation for cargoes to fill its ships, reached out to the Federal Ministry of Agriculture to carry its fertilizer imports, buoyed by a federal government directive that all public sector cargoes should be carried by it (NNSL).[9] To this, the Director of Fertilizer Procurement, O. E. Etuk, informed the line that "fertilizer contract is on “C & F” basis and as such control of shipment is under the umbrella of the shippers" and that there was no chance of "changing the current contract… [unless] a directive in writing from the government and not any white

paper".[10]

In a follow-up letter, the Ministry of Agriculture simply asked the NNSL to enter "meaningful discussion" with it in the hope for inclusion in the next invitation-for-bid document. However, this did not materialize as the traditional carriers were too well-entrenched to be displaced by the NNSL.

A similar experience was recorded by both lines in the tanker trade. The NNSL, like the BSL, did not have tankers despite various attempts to acquire some. The federal government delegation that visited Bremen in 1966 to negotiate the building of the four River Class ships of NNSL also went to Spain in a bid to acquire two tankers just like Ghana made similar attempts for the BSL.[11] As at 1971, the NNSL board devoted much time to discuss the tanker trade and relished the news from the General Manager that the line had been appointed agent for the tanker, *Lisbet Terkol*.[12] However, in the end, both lines failed to acquire tankers.

As at 1991, the management of the NNSL quietly supported a media campaign by a group of private indigenous shipping lines to demand federal government support to lift crude oil based on the provisions of the National Shipping Policy Decree 10 of 1987 which stipulated that 50% of all Nigerian cargoes be set aside for indigenous shipping lines. Again, like their fierce grip on fertilizer shipments, the traditional foreign carriers of Nigerian petroleum products, such as Glencore, Vitol and Trafigura,[13] dug in and the campaign did not produce the desired result. The Nigerian National Petroleum Corporation (NNPC) officials responded to their demands for inclusion in petroleum lifting with well-honed excuses meant to keep out newcomers, namely, that the products were sold on F.O.B basis, which meant that the buyers provided the shippers. Secondly, and evidently, the Nigerian carriers did not have the tankers nor the managerial skills suitable for delivering the products overseas, and since the trade was too delicate to the

environment and too sensitive to the Consolidated Revenue Fund of the Federation, which finances the annual federal budget, it could not be consigned to green horns in the carrying trade.

Thus, the BSL and the NNSL never operated the lucrative bulk shipping and tanker trade whose high freight earnings could have lifted their aggregate incomes to offset losses from break-bulk, general cargo shipping. As well, they also did not develop the container trade to any full extent by acquiring complete container ships on the excuse that the West African market was not ripe for full-scale container shipping. Their highest attainment in this subsector was ownership of combo vessels which carried mixtures of break-bulk cargoes and about 600 to 800 containers.

Hang-over from Nationalist Preferences and Positive Discrimination

The practice of selling cargo, which was deplored as an aberration during the dying days of the NNSL had a precedent in the days when the Nigerian Produce Marketing Company (NPMC) allocated 50% of its export produce exclusively to the NNSL. Due to the lack of sufficient fleet size to lift it all, the NNSL carried about 18% and yielded the rest to the WALCON cargo pool to be shared by other members in exchange for 15% compensation in southbound cargoes from WALCON.[14] This arrangement had many implications.

Firstly, it created a precedent for cargo manipulation and exclusivity, which many years down the line, gave rise to the conference lines muzzling non-conference carriers, a practice that became corrupt and favoured mainly French shipping lines that were in bilateral agreements with ten West and Central African countries, including Nigeria. This cartelisation triggered a petition by the Danish Shipowners Association and the Danish government on behalf of Maersk Line to the EC Commission in the early 1990s.[15] Subsequently, the Commission found that cargoes were moving only around conference members as French lines carried all their quotas as well as the

unused quotas of African conference members, to the total exclusion of all non-members.[16] The million-dollar fines imposed on the culprits led to the collapse of the West African conference lines and the subsequent fall of all the West African carriers.

Secondly, the seeming windfall of cargoes allocated mainly to the NNSL and the BSL from Nigerian Produce Marketing Board and the Cocoa Marketing Board, respectively, for their growth, appears to have worked in reverse. The practice exposed their softly underbelly as lines that lacked independent managerial acumen for expansion since, otherwise, its shortage of tonnage, ordinarily, could have been remedied by chartering, if they had competent indigenous management free from the apron strings of the erstwhile technical partners. Chartering could, in turn, have expanded the operational field of the young lines early and diversified their carriage portfolios. But this was not done, reflecting the diffidence that flowed from lack of skill or the master-servant relationship forced on Africans as a result of the dependency syndrome. After all, NNSL's top managers for the first ten years, such as L. Passage, D. H. Tod, S. Johnson and Nelson Oyesiku, were sourced from Elder Dempster and Palm Line. As such, the line operated under subtle or remote influence of Elder Dempster and Palm Line managers as indicated by the NNSL's acquiescence in Elder Dempster's leadership positions both in WALCON and the emergent UKWAL in 1967.

Another pointer to this subservience was that the NNSL took sides with the British lines during the freight war with Hoegh Line in 1966 even though this was hurtful to its finances. As the commercial manager informed the NNSL Board in 1967, "with effect from second half of 1965 when continental money pool was disbanded and the Hoegh freight ‘war' was launched", the company's difficulties began to mount.[17] The accountant informed the Board that "from the 31st March 1966, the company earned much less than in previous years…".[18]

Moreover, the practice of the NNSL exchanging some of its NPMB cargo allocation for 15% compensation seemed to have set a precedent that exchange of cargoes, either for commissions or other compensations, was acceptable as a business technique. However, this practice was strange to the competitive spirit amongst shipping lines from the traditional maritime nations. Even the NPMC was against the practice of giving up this allocation. In 1966, for example, it tied its support for a fleet expansion loan proposal from the NNSL to a proviso that the line should promise to lift all of its cargoes allotted to it.[19] Thus, when the National Maritime Authority began cargo allocation as an official policy in 1988, the practice of swapping cargo allocations for commission reared its ugly head again, and the NNSL indulged in it especially in the early to mid-1990s when she was struggling for life because its ships were laid up in Nigeria for fear of arrest in European ports.[20]

Even private sector shipping lines and influential Nigerians joined the bazaar of selling cargo allocations for commission. In fact, one did not have to be a shipping line or to have any ship to be allocated the cargo by the NMA which was then sold to the European shipping lines for commissions, sometimes ranging up to tens of thousands of US dollars, depending on the bargaining power of the holder.

The Problem of Crew Trading

The habit of crews of both shipping lines helping themselves freely to the spaces of their ships for carrying private goods for resale in Nigeria and Ghana was a major issue which worsened as the companies' financial difficulties deepened. It was intensified by what Capt. Awuletey called "management-induced indiscipline" as crew salaries began to be delayed; it became "an excuse to justify their consciences".[21] The case of the NNSL was amply covered in the previous chapters. For the BSL, some highly publicised cases, covered by the national

dailies, proved that crew trading was hard to cure for both shipping lines. For example, two vessels, *MV Keta Lagoon* and *MV Oti River*, were caught loaded with 215 refrigerators stowed free of charge by their crews and Mr. F. K. Nuako, the chief steward onboard *MV Oti River* was caught with one freezer, five fridges, three deep freezers, six television sets, one radiogram, two radio cassettes, three dressing mirrors, a washing machine, cookers, three sets of mattresses, provisions and a carpet.[22]

The chief officer of *MV Kulpawn Rive*r, A. A. Saifaa, brought in 100 bags of caustic soda as personal effects. In fact, the level of crew trading aboard the BSL vessels was considered so pervasive that it was made a condition by the government that returning workers after the 5-month strike of 1980 should pay freight and customs duty on the trade goods impounded from them by the Ghana Navy in the heat of the strike action.[23] The prevalence of crew trading in the two shipping lines obviously justifies a survey into its root causes.

One possibility is rank poverty in society, which pushed the seamen to make extra money to cater to the financial needs of their families. Moreover, such desperate levels of poverty and the urge to live European-style modern life made second hand goods purchased in Europe, Asia and North America, or even castaways which were discarded in dustbins, to be carted away to the ships and offloaded in West African ports where there were ready markets for many buyers. One chief executive of BSL admitted that in the early 1980s, when the Ghanaian economy was in the doldrums, he imported shiploads of second hand tyres which were picked off the streets of the UK and used the proceeds from their sale to pay staff salaries of the struggling shipping line.[24] Such official policies tended to indicate to the mariners that the latitude of self-help was wider than the written code of permissible conducts for seamen.

Although, the NNSL did not resort to such desperate measures as selling used tyres to

raise staff salaries, the ailing Nigerian economy which forced President Shehu Shagari to impose austerity measures in 1982, engendered mass poverty that made second hand goods smuggled in by seamen cheap, attractive and in high demand – an incentive for the seamen.

'Politics of the Belly' versus Shipping Lines as Viable SOEs

Evidently, the failure of shipping lines in Africa was not isolated from the failure of other SOEs which suffered from the same effects of 'politics of the belly'. The prevalence of crew trading and other instances of personal aggrandizement in NNSL and BSL clearly showed that African countries could not run shipping lines profitably as SOEs. Obviously, the management of the carrying trade as SOEs was constrained by the drawbacks of bureaucracy and the prevalence of "politics of the belly" tactics. These constraints caged such companies' capacity to cut their coats according to their cloth. For example, when NNSL had 19 ships in the early 1980s, it had a staff strength of 1,500.[25] Ten years later when its fleet had reduced to 13 ships, it was still saddled with the salary burden of the same staff strength because of the difficulty of getting government's approval to retrench unproductive staff or to trim departments whose roles had reduced.

In the BSL, the work force had risen from 894 in 1978 to 1,236 in 1981 even though the German management consultants who were retained by the Ghana government to take over its running recommended that the work force should be pared to 650 when its fleet size dwindled to single digits.[26] By 1983, the work force had risen to 1,500 shore staff, excluding the people on the ships, which carried about 40-50 people each.[27] The proposal to revamp the company at that stage was to cut the shore staff to 300 and put the sea staff on contract. Unfortunately, this could not be done due to the collective bargaining power of the BSL workers union who formed the bulk of the Maritime and Dockworkers Union, MDU. The line continued to struggle with this

handicap until the end. The pathetic state of affairs as painted by Seth Kugblenu, two-time chief executive officer of the company, deserves the long verbatim quote as he struggled to capture the desperate circumstances of BSL under the management of Zim Lines versus that of Ghanaians:

> Zim was a joint venture. They had come in to operate and make money. So, it was business. There wasn't government interference. Government was not appointing managing directors. Even if there was a managing director or chairman, he was just a figure head. You see shipping operation is totally different from any other business operation. You get cargo, you carry it from A to B, your freight is paid, you pay for your expenses, and also have some money down for other things. In most cases, for shipping you have to do what is called amortization so that when your ship is old you can replace it and so on. Zim were the managers when the operation was going on, which means they were charged on the final score and they had to make sure the books are balanced… But when it became Ghanaian-owned under Ghanaian management, that concept of running a business died out because it came down and everybody thought, "Oh it's Ghana. If you can, make sure you get money out of it". Not the money that is perhaps being earned but the money that we can fraudulently take out of whatever it is. So that when you say that, oh somebody should go and buy, say food for the ships, you take half of the money and put half of the food on. Or when you send a ship for repairs, or something like that, you go and tell the other person, oh make the price so so and so, and we then share the half and the work has not been done. So, corruption set in. And once you have people who are operating on the concept of trying to make money for themselves out of business, instead of the business making money for itself so that the business can expand or grow, then you have already decided that the business is going to fail.[28]

Thus, African countries with maritime endowment can hardly feature successfully at the upstream of highly competitive sea trade, especially with the takeover of the global shipping market by mega shipping lines. With some adjustment of their policies, they would only be able to support the operations of their indigenous private sector shipping lines in coastal and transshipment trades.

The Limits of Pragmatism and Economic Nationalism

Former employees of the two shipping lines spoke at length about the achievements of the national carriers, with the observation that, perhaps, the West African shipping lines have served

their time. Obviously, the shipping lines were formed when the newly-independent states needed ships to ship their exports, mainly raw materials, overseas, at freight rates deemed by the European carriers as low and mostly unattractive. The cargoes were rejected sometimes by the European lines, a practice that posed a serious danger to the national budgets of these new states. Thus, the new shipping lines were a major buffer against such fearful scenarios.

Therefore, based on such pragmatism, there is far less regret about the fate that befell the shipping lines since, in all reality, they recorded huge milestones of achievement technologically, occupationally, by conserving scarce foreign exchange, by avoiding existential threats to the economic wellbeing of the new nation-states, and as vehicles of upward mobility for thousands of West Africans and their families who migrated to Europe, Asia and North America on the basis of employment or association with employees of the shipping lines. Even though the NNSL never played the role of cash cow to Nigeria, the BSL, on the other hand, was, at one time, one of the very few foreign exchange earners for Ghana.[29] Thus, having played those foundational roles, the shipping lines' passage into history, in a sense, appears like a normal sequential occurrence since most of the primary products formerly being shipped overseas in raw form are now being utilised or consumed in one form or the other by industries in the producing countries.

Cocoa, Ghana's major export crop which used to be wholly exported is now partially used to make chocolates and other semi-finished products in Ghana. In Nigeria, palm produce, groundnuts, cocoa and other forest produce have fallen drastically from their erstwhile positions as major exports, giving place to crude oil and gas, and many other minor industrial products like plastics, lubricants, adhesives, foam products and alcoholic beverages exported mainly to West and Central African countries.[30]

Perhaps, this shift in the economy accounted for the hesitancy by Ghana and Nigeria to

pass the fleets of the distressed carriers at reduced prices to their indigenous carriers to encourage them to continue in sea trade, as was projected at various stages of the liquidation processes, despite the massive unemployment of trained seafarers which liquidation of the two carriers caused in the two countries. Probably the latter-day leaders of West Africa's maritime nations considered the difficulties of indigenous participation in ocean shipping from the perspective of globalisation economics as opposed to the harsher realities of colonial and post-colonial straitjackets that spurred the floating of the national shipping lines.

In fact, the precarious financial standing of the two countries had telling effects on the overall performance of the shipping lines as the salvage measures deployed to revamp the latter or even to retonnage their fleets were altogether weak. For instance, a review of the circumstances leading to the sinking of *MV River Gurara* showed that the financial difficulties of the NNSL could have been a factor in the late arrival of the salvage tug operators to the distressed ship. *River Gurara* became a constructive total loss and the biggest maritime shipping casualty ever to be suffered by any West African country. The loss was clearly the result of the dithering by the Dutch tug boat in proceeding to the rescue by 11 p.m. as initially arranged. If it had set sail by that time, it could have reached the ship three hours later, well before the rise of the typhoon, Euroclydon, that smashed her against the rocks by 3 a.m. The delayed departure was caused partially by arguments on payment methods for the salvage operation – arguments, as noted by Hill Dickinson, that were most likely based on the widely-known poor financial standing of the NNSL at this time.[31] An additional factor was the delay by the Portuguese authorities to clear the tug boat to sail. Thus, a few hours' steaming made the difference between the salvage of *River Gurara* and her eventual loss at sea with 21 lives and cargo claims estimated at up to £5 million.[32]

Conclusion

Emphatically, it must be stated that certain conditions and market forces, which came into predominance in both regional and global shipping circles since the early 1980s affected the maritime environment of the two national carriers. The most important of these scenarios was the trend of mega shipping line consolidation by the European carriers such as Maersk Line, MSC and CMA CGM, and their consequent takeover of West Africa's ocean shipping and container carriage market. This trend forced all operators, for the sake of viability, to adjust their operating benchmarks. The market was greatly redefined, to a large extent.

Secondly, there were higher level ministerial moves by 1999 for the two countries, Nigeria and Ghana, to explore the prospects of running a joint shipping line. High-level talks were held in Abuja by transport ministers of the two countries towards this objective. What kind of shipping line would have emerged was open to question but if it was floated along the lines of the BSL and the NNSL, as a state-owned enterprise, it would have, most likely, ended up generally in the same kind of financial and operational doldrums of their predecessors. On the other hand, there have been plans for coastal shipping services by private-sector operators in an effort to tap into a niche market that was deemed to be too narrow and unprofitable for the mega carriers to compete.

Several indigenous operators had mounted coastal shipping services in the sub-region in the past. East-West Coast Marine Services operated *MV ECOWAS Trader* and *MV Hope of ECOWAS*. A passenger service was run by A & C Engineering and Marine Services Ltd while two 550-TEU self-loading feeder vessels were introduced into the route by Ecomarine Seatrade International (ESI), all in the 1990s. Ecomarine, which was based in Lome, Togo, planned to run goods and passenger shipping services from Dakar to Luanda, as a joint venture between the

Organized Private Sector led by Alhaji Bamanga Tukur of Nigeria and the ECOWAS, in order to reactivate coastal shipping as a natural choice for the movement of goods and travelers in the sub-region. All the shipping entrepreneurs claimed to be interested in propagating sub-regional coastal shipping business in order to stimulate intra- regional trade and boost integration objectives of the community.

However, in 1992, Engr. Kugblenu was hired by UKWAL to undertake consultancy studies for a coastal service to run in the same range, Senegal to Luanda. He visited all the countries of the sub-region that had maritime boundaries with the Atlantic Ocean and concluded that this was the future of West African shipping because it catered for the steady market that should be there naturally such as ferrying trader-passengers who would prefer the sea route to the various countries because of the logistic problems on the poorly developed international highways and the absence of international rail lines.

The concept was to establish a coastal ferry service with about 100 containers and catering to passengers traffic. Thus, with a fleet of four ships, for example, the operating company could do weekly services between Dakar and Douala, calling at each port, sailing in the evening and arriving at the next port in the morning. According to the consultant's finding, the coastal shipping service, even though viable, failed to take off earlier because of the prevalence of military rule across West Africa and the incidence of civil wars and other social conflicts. By inference, the absence of these hurdles and the changing landscape of global maritime trade tended to point indigenous shipping operators towards the coastal trade.

Further ramifications of the current trend of global shipping on the West African market became evident with the intervention of the capital market. During the first decade of the new millennium, another consultant, Mr. Ben Owusu Mensah, was engaged in a similar study of the

prospects of the coastal shipping trade. Funded by NEXIM Bank and the Federation of West African Chambers of Commerce and Industry (FEWACCI), it was geared towards floating the Regional Sea Link Project, estimated to cost $61.5 million at startup. The project was founded to harness the intra-regional shipping market whose indices showed that it was cheaper to ship a container from Lagos to any European port than to ship the same container to any West African port. This was because of the logistics of mega shipping whereby the mega shipping lines first consolidated cargoes in their European hub ports before programming their delivery to individual West African ports.

This situation underscored the disadvantages of the poor maritime interconnection among West and Central African countries, such as prohibitive cost of freight services, currently the highest in the world. For example, it cost $2,500 to ship a container load of cargo from China to Lagos and $3,000 to ship the same consignment from Lagos to Douala and "whereas a shipment by sea from US to Lagos might take 10 days, cargoes sent from Apapa Port in Nigeria to Tema Port in Ghana will take a minimum of 45 days" because of lack of direct sea link between the two countries. These factors were seen as pointers to the necessity and viability of the sea link project which was originally conceived to provide maritime links between the ECOWAS member countries but was later extended to cover the Central African sub-region following strong expressions of interest by Cameroon and Ivory Coast.

The NEXIM-FEWACCI Sealink initiative was, therefore, based on the calculation of a lucrative regional shipping market if a private sector-led coastal service was properly put in place. For example, intra-ECOWAS trade grew from 4.7 million tons in 1998 to 13.2 million tons in 2008 without any corresponding road or rail infrastructure upgrades, an indication that growth and expansion was intrinsic but had been held down by social factors.

Nevertheless, the trend towards development of deep-sea ports in the sub region in the second decade of the new millennium, indicated the viability of the coastal and transshipment trades for West and Central Africa. Nigeria, alone, accounted for about 160 million of the estimated 400 million population of the sub-regional market as at 2013. Deep-sea ports have been identified as the solution of choice for choked national river ports in the Dakar-Luanda range since multiple ship calls by the mega shipping lines could be eliminated by few calls to the deep-sea ports. For example, Maersk Line's *Maersk Cadiz*, an Aframax vessel capable of carrying 4,500 containers, began a weekly run from the Far East direct to Lagos, Tin Can Island and Onne ports in April 2014. This service catered to Nigerian and other consignees and importers from the sub-region whose destination ports in the sister countries could be reached via coastal container feeder services – the proposed niche market for emergent West African coastal shipping lines.

From a holistic view point, however, the setting up of national shipping lines by Ghana and Nigeria in the 1950s was a culmination of the spirited efforts of nationalist politicians to mitigate the burdensome freight rates and other effects of the dependency syndrome in their international trade. The shipping lines collapsed due to adverse domestic and foreign factors, especially incompetence and mismanagement coupled with competition from foreign lines and the weak grasp of shipping technology.

The roles of Elder Dempster and Palm Line during the era were peculiar. Being European carriers of long repute, they were nominally competitors against both the NNSL and the BSL. At the same time, however, they were technical partners and shipping managers to NNSL and subsequently the leader of UKWAL, whose membership included the NNSL and the BSL. Thus, they were "competing partners". Nevertheless, using the West African Lines

Conference (WALCON) and latterly UKWAL, Elder Dempster maintained a leading role and an 'umbilical cord' to West African shipping trade and the West African carriers.

Overall, the experiment to develop European-style shipping and maritime business by the two nations ran into a hitch. In view of the rising profile of their economies, nevertheless, and the need to own and control their shipping sectors in order to stem capital flight, the option of a joint private sector-led sub-regional coastal shipping line appears imperative. In the case of the Asian Tigers, the political leadership in South Korea and Singapore compelled their indigenous maritime operators to pool resources against their rivals from the developed maritime nations and provided them requisite tax holidays, financial subsidies and port operating incentives which nurtured their maritime trade. Similarly, the West African states should encourage their private sector maritime operators to form and operate a joint coastal shipping line which, with the aid of government incentives, would stand better chances of success against the extant competition.

Recommendations

The West and Central African Sea-Link Project

In view of the harsh realities of fierce competition in global sea trade and the failure of West African SOEs in the ocean carrying trade in the last forty years, private sector-led coastal and transshipment services were proposed to hold more promise of viability and profitability in the long term. Intra-ECOWAS trade witnessed a 35.6% rise in volume between 1998 and 2008 with average GDP growth rate of 5% for many African countries in the decade ended in 2013,[33] despite several constraints which militated against the high potential of the regional market.

For example, existing road network infrastructures have decayed or are insufficient, worsened by road blocks along the international highways by Customs, Immigrations and Police formations which frustrate the movement of persons, goods and services beyond national

boundaries. The existing state-owned rail networks are inadequate and restricted within national boundaries. The major air lines of the dominant economies in the region, Nigeria and Ghana, have also collapsed. Consequently, as at 2013, whereas intra-ECOWAS trade was a paltry 10%, intra-Africa trade hovered around 12% while intra-EU trade, comparatively, was 50%, a clear indication of the poor development of West Africa's regional trade.[34] Furthermore, African container traffic, as at 2013, was less than 1% of the 400 million global container traffic, [35] despite the largely import-dependent economies that abound in the region. Thus, there was a crying need for the coastal shipping service which was projected to increase intra-regional trade by 15% annually.[36]

A major merit of the proposed coastal service is quick turn-around of vessels. This was one of the envisaged advantages of a coastal shipping service, especially if run as a private sector initiative without the bureaucracy and geriatric strictures of officialdom. The speed of cargo delivery and quick vessel turn-around time were noted as strong points vis-à-vis the mega shipping lines' services whose operating schedules would involve taking such cargoes first to their European hubs for sorting before routing it back to West Africa for landing. The African service would take days to complete while the European service could take weeks, at the earliest.

In 2011, the ECOWAS Commission backed the Sea Link project because it was seen as facilitating the actualization of some of its objectives under the 1979 Protocol on Free Movement of Persons, and the Right of Residence and Establishment across West Africa. Some advantages have accrued to the Sea Link Project following this support of the ECOWAS Commission, including its lobby of regional Heads of Governments to address piratical attacks on ships in the sub-region and the provision of priority berthing in national ports for Sea Link vessels. Other regional organizations which have endorsed the project also known as "Eco Sea Link" include

the Maritime Organization of West and Central Africa (MOWCA), Union of African Shippers Council, African Development Bank, ECOWAS Bank for Investment and Development, and the West African Development Bank.

Nevertheless, it is uncertain at the outset how the age-old Anglo-French rivalry and divisive politics which have vitiated regional integration agenda within the West and Central African sub-region would affect the project. Or, for that matter, how resentments about the perceived hegemony of Nigeria in the sub-region might influence its wholesale acceptance. But these concerns could be addressed by the interplay of shareholding by corporate titans from the sister states and governmental interventions by shareholding countries whenever necessary.

Funding and Operation of the Sea-Link Project.

The major kickoff programme of the Sea Link Project was the plan to raise $61.5m for equity and debt capital for the special purpose vehicle (SPV) which would operate the shipping line. Of this sum, $1.5m would go into setting up the SPV, embarking on feasibility studies in the various countries, organizing board meetings and interfacing with the various governments; $36m would be used for the procurement of vessels, equipment, office space and other infrastructure, while $24 million, which would be sourced as debt, would be used as working capital to cover general and administrative expenses.[37]

The lead partners for the project were NEXIM Bank, Federation of West African Chambers of Commerce and Industry (FEWACCI) and Transimex, a Cameroon-based integrated logistics services provider. NEXIM Bank's vision of the Sea Link Project benefits were multifaceted, including the mobilization of Nigerian private sector participation in the scheme in order to increase market access for Nigerian manufactured goods in West and Central Africa.

In addition, it foresaw the opening up of greater raw materials sources from neighbouring

countries for Nigerian manufacturers as well as new opportunities in the maritime sector for indigenous operators, thereby creating more employment and reducing the wholesale capital flight estimated at $5b in annual freight charges.[38] To cap it all, sub-regional integration at various levels would also be boosted by a successful pan-regional coastal shipping service. Thus, the Sea Link project would provide maritime transportation for producers, manufacturers and traders across 25 countries of the West and Central African sub-region which constitute a market of over 400 million people.

Three passenger-cargo ships were initially proposed for the coastal shipping line. They would undertake passenger service, break-bulk and container carriage within ECOWAS and ECCAS states. The passenger and break bulk services were designed to cater to the idiosyncrasy of local traders to travel with their trade goods while the container service would serve the transshipment market. Projected cargoes included yams, plantain, pineapple, water melon, vehicles, automobile spare parts, clothes and textiles, manufactured products, building materials, solid minerals and plastic products. The Seth Kugblenu study foresaw several other advantages including wider and quicker circulation of the abundant food and fruit resources across the sub-region. As regards competition, the mega shipping lines were not likely to compete in these sub-regional transshipment markets because they offered uneconomic returns for their gigantic operations.

Moreover, the potential abounds for enhancing food security in the sub-region, whereby food production disparities, due to climatic and cultural conditions, could be harmonized by selling the surplus in each country to drought-stricken or impoverished neighbours and the elimination of wastages of perishable goods via coastal shipping. In this general direction, Nigeria plans “to achieve non-oil exports to ECOWAS from the present nine per cent to 20 per

cent by 2015, with the ultimate goal of increasing the value of Nigeria's recorded export to ECOWAS from $276.5m in 2011 to $706.1m in 2015"[39]. Thus, the goal of economic integration of the sub-region would be fast tracked by the operation of coastal shipping activities which serve both the oil, gas and non-oil export market.

On the other hand, programming ships' voyages of "Eco Sealink" vessels was also conceptualized to be best premised around the day-and-night cycles for sailing and for port activities of passenger and cargo handling. For example, the Seth Kugblenu study proposed that cargo loading and embarkation of passengers should take place in daylight hours while the night time should be devoted mainly to sailing between countries. In all the studies on the project, priority berthing and governmental facilitation of customs and immigration papers were taken for granted as anything short of this would be too daunting for the delicate project to withstand.

In summary, whereas NNSL and BSL, as government-backed carriers, fared poorly against the competition from European sea traders for ocean shipping to serve the world, indigenous operators from the sub region could now pool resources to run a private sector-led coastal shipping service devoted to serving solely their own peoples and countries from a closer range – a niche market where success is more assured.

Historical Analysis

The operational track record of the two shipping lines, NNSL and BSL, showed that they were overly spoon-fed by government patronage for too long. The major improvement in their affreightment history was the shift from shipping merely raw materials and primary products, such as cocoa, timber, palm produce and groundnuts, to the carriage of project cargoes in the 1970s and 1980s. In the former dispensation, they were heavily patronized under the regulatory work of the Nigerian Produce Marketing Board and Ghana's Commodity Marketing Board from

the late 1950s to the 1960s, with zero competition from foreign shipping lines. The voyages were south to north, from West African ports to mainly European and North American ports.

In the early 1960s, when the independent nations began various industrialization drives and electricity projects, for example, the pattern of the shipping lines' operations became enlarged to include project cargoes from north to south, again with a controlled environment of competition because the carriage contracts were provisions of bilateral agreements with the supplying countries. This arrangement covered such projects as the Egbin Power Plant; road and seaport construction projects in Lagos, Warri, Sapele, Calabar and Port Harcourt; and, the refinery and petrochemical projects, in Nigeria. In Ghana, bilateral carriage arrangements also covered such projects as the Akosombo Dam, Valco Aluminium Corporation and Tema Shipyard. The rest of the cargo supply for NNSL and BSL was assured under the operation of the conferences, so that the African carriers faced few instances of real competition for cargoes.

As a corollary of this heavy leaning on governmental support, the two carriers never merged with others even when faced with crippling financial problems that made other European and Asian shipping lines to merge as a strategy to consolidate strength or to weather operational storms. This pattern was consistent with their status as state-owned enterprises which were under bureaucracy and governmental control. They had little latitude for independent action or recourse to expert professional advice, except when German and Polish expatriates were engaged by the government for BSL and NNSL, respectively.

The effect of this control was obvious in the red-tape, lethargy, corruption and nepotism which depleted their viability. The incapacity of the company managements to stem the tide of mismanagement was attributable to self-preservation and the so-called ‘politics of the belly' whereby appointed officials looked out first and foremost for their own welfare and that of their

family members and friends. Consequently, the company executives or the ship captains, even if they chose to be altruistic, faced various risks to their positions if they wanted to enforce discipline, proper work ethics or to sanction corruption. Capt Herbert Anara, a Nigerian master mariner employed by BSL, found this out the hard way. His insistence on doing the right thing concerning usage of the ship's spaces led to a nationwide strike and the union's insistence that he must be sacked for obstructing them.[40] He was sacked while crew trading continued.

However, some of the factors that supported crew trading emanated from the larger society, such as, mass poverty in Nigeria and Ghana,[41] and the culture of impunity which protected the culprits from higher quarters. Overall, a few observations are pertinent on this score. Firstly, the emergence and persistence of crew trading postdated the tenures of the foreign technical partners, Elder Dempster, Palm Line and Zim Lines, because of their uncompromising approach to running the shipping lines. As a result, the two lines made profits only during the years the companies were run by the technical partners.

Secondly, the incidence and intensity of crew trading increased as the shipping lines encountered financial difficulties and insolvencies from the 1980s, to the extent that some staff began to justify the recourse to it as a last resort in the face of delayed salaries or non-payment of salaries for several months.[42] However, ex-NNSL and ex-BSL seafarers who joined foreign lines such as President Lines of Singapore or the national carriers of Egypt and Iran admitted that they refrained from crew trading there because of the strict working environments in those lines, which included the rendering of profit-and-loss accounts after each voyage. In NNSL and BSL, officers and crews never had anything to do with rendering financial accounting of their voyages and were, thus, somewhat isolated from the financial plight of the companies.

Moreover, poor maintenance culture engendered willful negligence of the expensive fleets of ships by their crews, as exemplified by the officers strike of 1980 in Ghana, which could be compared to the ill-advised order of nineteen new vessels of the same type and specifications in one fell swoop by NNSL and the absence of amortization regime for replacing the ships, contrary to best shipping practices worldwide. After the officers' strike, the BSL fleet was depleted to only eight while the rest were sold as scraps. For the NNSL, the order for nineteen ships in one fell swoop compounded maintenance problems as the dry-docking of one ship gulped about £500,000 and ten fell due for dry-docking in September 1989.[43] Again, the lack of amortization meant that the ships had no replacement value nor was any of the lines' ships ever replaced based on amortization.

Furthermore, their poor cargo management policy proved to be the second most deadly loophole after the lack of competent administration. It is doubtless that the shipping lines were set up mainly to carry raw materials and primary products without a plan to harness other aspects of shipping. When they tried to diversify in the 1980s, the decisions became dogged by financial difficulties and the fierce competition of their more experienced rivals who had established turf in the carriage of the more profitable cargoes. Moreover, due to the political instability in the two countries, decisions on the shipping lines' operations were often subject to the approval of military juntas whose sources of advice were jaundiced, selfish and unprofessional.

Research Findings

The study has made important findings, which have refined the understanding of indigenous shipping development in West Africa and perspectives on government-controlled businesses. In relation to the research questions, the findings are as follows:

a. the study has established that national prestige, the quest to overcome high freight bills, capital flight and discrimination by the European carriers as well as to train their nationals in the rudiments and economy of ocean shipping prompted the formation of the NNSL and the BSL, a development that was considered inimical to the interest of established European shipping lines;

b. the work established that despite the criticisms against cartelisation, the shipping conferences were NNSL's and BSL's best assurance of staking their claims to cargoes in the 1960s and 1970s;

c. the study also established that the collapse of the conference lines was an avoidable historical trend from the 1960s and 1990s whereby Danish carriers (led by Hoegh Line and Maersk Line) recurrently destabilised shipping conferences, including WALCON, UKWAL, COWAC and MEWAC, through freight wars and by instigating punitive fines;

d. the research has demonstrated that external factors such as nepotism, big-man syndrome, unprofessional and undue governmental interference, corruption and ineffective administrative policies played significant roles in the collapse of the NNSL and the BSL.

e. the study established that internal factors such as mismanagement, manpower deficit, indiscipline, lack of technical know-how, crew trading and incapacity to cope with technological advancement such as containerisation as well as poor maintenance culture and rigid union activities were major challenges to the success of the two national carriers;

f. comparatively, the study found that the two shipping lines experienced similar problems of excessive and unprofessional governmental interferences, the menace of crew trading, fierce foreign competition and incapacity to manage technological change whereas their

differences were mainly concerned with rigid labour union activity in the BSL and excessive corruption in the NNSL; and

g. the study also found that based on the experiences of the NNSL and the BSL, West Africa's best chance to participate in its sea trade would be through a regional joint venture coastal shipping line managed by the private sector.

Contributions to Knowledge.

The research made the following contributions to knowledge:

1. the study has filled an important gap in the literature on Africa's shipping development by contributing to the comparative understanding of Nigeria and Ghana's management of state-owned enterprises in the maritime sector;

2. the comparative approach adopted in the study of the NNSL and the BSL has helped to establish the common features in their management styles such as nepotism and excessive governmental interference, which ultimately led to inefficiency and eventual collapse;

3. the study demonstrated the close nexus between politics, economics and culture in Africa's maritime sector as recurring decimals in developing societies or newly-independent countries such as Nigeria and Ghana; and

4. available evidence has been adduced to support the strong recommendation that, due to fierce competition in the global shipping arena, only a private sector-led West African joint coastal shipping line can operate efficiently and profitably in the new millennium, in preparation for possible wider ocean shipping in the future.

Notes.

1. Usoh, *The Politics of Shipping and the Nigerian Economy*, 319.

2. Ibid.

3. Iheduru, *The Political Economy of International Shipping in Developing Countries*, 219-226; see also, Ayodeji Olukoju, "Economic Nationalism and Decolonization: West Africa in Comparative Perspective", Hagar: Studies in Culture, Polity and Identities, vol. 9, no.2, December 2010, 134-153.

4. Claude Ake, *A Political Economy of Africa*, (Essex: Longman Group Limited), 1981, 88.

5. Usoh, *The Politics of Shipping and the Nigerian Economy*, 306.

6. "Managing Director at Concord Forum", *Nigerline*, Vol.19 No.3 July-September 1989, 10.

7. Interview with Mr. Azubuike Ikemefuna, aged 63, NNSL retiree, Lagos, 19 July 2011; Interview with Ben Owusu Mensah, aged 58, BSL pensioner, maritime consultant, Abuja, 15 August, 2011.

8. "Nigeria's Shipping Line Board Meets", *West Africa*, No. 2185, 28 February, 1959, 211; see also The Nigerian National Shipping Line Limited Information Pamphlet, np, nd, 3.

9. "Report of Our Official Visit to Metroline (Nig.) Ltd and Federal Ministry of Agriculture on Tuesday, 21st February 1984 Canvassing for Cargo", 6 March, 1984. NNSL papers in author's possession.

10. Ibid.

11. See "Expansion of Line's Fleet", *Nigerline*, Vol. 1 No. 6, March 1966, 4; BSL's attempts to acquire tankers were narrated by Mr Kwasi Misah, ex-BSL staff, during an interview with the author at Accra, 30 October, 2012.

12. Minutes of the 48th Meeting of the Board of Directors of the Nigerian National Shipping Line Limited Held at Development House, 21 Wharf Road, Apapa on Wednesday, 14 April, 1971 at 11.15 A.M., in author's possession.

13. Muhammad Bello, "Bern Declaration: NNPC Confirms 9 Per Cent of Oil Deal With Trafigura, Vitol", retrieved from http://www.thisdaylive.com/articles/bern-declaration-nnpc-confirms-9-per-cent-of-oil-deal-with-trafigura-vitol/172397/ on 26 August, 2014.

14. Minutes of the 31st Meeting of the Board of Directors of the Nigerian National Shipping Line Limited held at Development House, 21 Wharf Road, Apapa on Wednesday, 27 September, 1967, 10.

15. Usoh, *The Politics of Shipping and the Nigerian Economy*, 235.

16. Nick Maltby, "EC Commission Fines Euro-African Shipping Conference", Business Law Review May 1993, p.118 retrieved from http://www.kluwerlawonline.com/abstract.php?id= BULA1993048&PHPSESSID= c5i0son397rpca504r6t2s0sp5 on 12 August, 2014.

17. Minutes of the 33rd Meeting of the Board of Directors of the Nigerian National Shipping Line Limited, held at Development House, 21 Wharf Road, Apapa on Thursday, 23 November, 1967.

18. Ibid.

19. Minutes of the 30th Meeting of the Board of Directors of the Nigerian National Shipping Line Limited held at Development House, 21 Wharf Road, Apapa on the 30 May, 1967, 4, 5.

20. Interview with Mr. Azubuike Ikemefuna.

21. Interview with Capt O.A. Awuletey, aged 55, ex-NNSL staff, Lagos, 12 March, 2011.

22. "BSL – Home of 'Kalabule'", Daily Graphic, No.9256, 30 July, 1980, 1.

23. "BSL Ships to Set Sail", Daily Graphic, No. 9350, 17 November, 1980, 1,4.

24. Interview with Engr. Seth Kugblenu, aged 69, retired managing director of BSL, Tema, 30 October, 2012.

25. "Managing Director at Concord Forum", Nigerline, Vol.19 No.3, July – September 1989, 11.

26. "BSL Has a Bright Future – Bene", Daily Graphic, No. 9589, 29 August, 1981, 16.

27. Interview with Engr. Seth Kugblenu.

28. Ibid.

29. Interview with Ben Owusu Mensah, aged 60, BSL retiree, maritime consultant, Accra, 29 November, 2012.

30. "List of Exported Manufactured/Semi-Manufactured Products", retrieved from http://nigeriaexport.com/products/ on 14 August, 2014.

31. Letter of Hill Dickinson & Co. to Liverpool and London P and I Management Limited (Ref: MJM pfm) of 9 May, 1989, 4.

32. Ibid.

33. Roberts Orya, “A Practical Framework for Boosting Intra-Africa Trade”, Ignite, No. 03, July – September 2013, 12.

34. Ibid.

35. Osagie, “NEXIM, FEWACCI to End Europe's Control of African Shipping” .

36. Ibid.

37. Ibid.

38. Ibid.

39. Ifeanyi Onuba, “Non oil exports to ECOWAS may hit N116.5bn – FG”, retrieved from http://www.punchng.com/news/non-oil-exports-to-ecowas-may-hit-n116-5bn-fg/ on 28 August, 2014.

40. Interview with Engr. Seth Kugblenu, aged 69, retired managing director of BSL, Tema, 31 October, 2012.

41. Joshua Bolarinwa, “A History Of Development Initiatives In Africa,1975-2010” (Ph.D dissertation, University of Lagos, 2014) 3,4.

42. Interview with Capt O.A. Awuletey, aged 55, ex-NNSL staff, Lagos, 12 March, 2011. Also, interview with Engr Bob Alfa, aged 59, ex-NNSL MD, Lagos, 9 October, 2012.

43. “Managing Director at Concord Forum”, *Nigerline*, Vol.19, No. 3, July-September 1989, 10; interview of Mr. Gerald Chidi, aged 63, ex-NNSL MD, Lagos, 15 February, 2011.

Appendices

Appendix 1: NNSL Liquidation Exercise in Germany.

GERMANY

NIGERIAN NATIONAL SHIPPING LINE IN LIQUIDATION
SUMMARY OF RECEIPTS AND PAYMENTS ACCOUNTS FOR THE PERIOD
1ST MARCH 1996 TO JUNE 1999 FOR OFFICE IN GERMANY.

RECEIPTS	DM	
SALE OF *RIVER ADADA*	1,672,700.00	
SALE OF PROPERTY: 3 IN MICHERSTASSE & 1 IN ADICKENSTRASSE – HAMBURG	2,100,000.00	
TRANSFER FROM N.M.A		551,803.86
TRANSFER FROM N.N.S.L		15,196.26
TRANSFER FROM NNSL FRENCH SOLICITOR	90,060.01	
REFUNDS FROM JUSTIZBEHORDE FOR NNSL STAFF RE: SALE OF *R. ADADA*	178,124.71	
OTHER REFUNDS FROM VARIOUS AUTHORITIES	203,779.66	
INTERESTS RECEIVED	9,004.67	
	4,820,669.17	

PAYMENTS	DM	DM
ADMINISTRATIVE COST RE: SALE OF *R. ADADA*	23,630.65	
COURT FEES	49,152.03	
NOTARY PUBLIC FEES	9,581.76	
LEGAL FEES	510,738.66	
REMOVAL OF OILY BILGE SLUDGE *R. ADADA*	107,996.41	
TAX RE: SALE OF *RIVER ADADA*	8,400.00	709,499.51
PAYMENT TO CREDITORS		
CREW WAGES	118,244.36	
SECURED CREDITORS – PORT COSTS	446,713.00	
SECURED CREDTORS – 4 HOUSES	2,021,640.73	
SECURED CREDITORS – *RIVER ADADA*	883,554.23	
UNSECURED CREDITORS	593,951.55	
POLICE INVESTIGATIONS	3,000.00	
FLIGHT TICKETS – OWOLABI	1,233.50	
CREW – MEDICAL	12,270.97	
OVERSEAS ALLOWANCE – KARAYE	10,000.00	
BANK CHARGES	590.00	4,091,198.34
		19,971.32
		4,820,669.17

Source: Volume III, Draft Final Report on The Liquidation of Nigerian National Shipping Line Ltd (NNSL) (Overseas Liquidation), August 1995 - August 2001, p.81.

Appendix 2: NNSL Liquidation Exercise in Belgium.

BELGIUM

SUMMARY OF RECEIPTS AND PAYMENTS OF NNSL CREDITORS IN BELGIUM

RECEIPTS		US$
TRANSFER FROM N.M.A		650,000.00
TRANSFER FROM NNSL (ATUKUM PANEL RECOVERY)		100,000.00
TRANSFER FROM NNSL SOLICITORS IN GERMANY		55,000.00

		805,000.00

PAYMENTS		
PORT AUTHORITY MS R.OJI (BF461,667.00)	14,747.26	
ADVANCE ON BELGIUM LAWYER'S INTERIM DISBURSEMENT ACCOUNT	45,000.00	
BANK CHARGES	1,118.74	
NOORD NATIE	118,845.00	
ME ENGLESEN – CLAIMS SETTLEMENT	275,000.00	
HILL DICKINSON	40,000.00	
FLIGHT TICKETS AND TRANSPORT EXPENSES CREW MEMBERS	2,728.00	
MR. L.C. ILOGU (LIQUIDATION TEAM EXPENSES)	200,000.00	
CARGO CLAIMS – MS *RIVER MAJE*	18,468.00	
PORT AUTHORITY – MS *RIVER ASAB*	17,500.00	
ROOSENDAAL KEYZER (FINAL BILL)	20,000.00	
BOS	27,000.00	
CREW MEMBERS	24,593.00	805,000.00
	---	---
BALANCE IN HAND		0.

Source: Volume III, Draft Final Report on The Liquidation of Nigerian National Shipping Line Ltd (NNSL) (Overseas Liquidation), August 1995 – August 2001, 80.

Appendix 3: NNSL Liquidation Exercise in France.

FRANCE

NNSL LTD IN LIQUIDATION: SUMMARY OF RECEIPTS & PAYMENTS IN 1996 FOR NNSL CREDITORS IN FRANCE

RECEIPTS	USD	FF
TRANSFER FRO N.M.A.	450,000.00	
TRANSFER FROM NNSL ANTWERP SOLICITOR	75,000.00	
TRANSFER FROM NNSL ANTWERP SOLICITOR	209,000.00	
TRANSFER FROM MUTUAL LTD	5,000.00	
	$739,000.00	APPROX. 3,761,380.50

PAYMENTS	FF
COST OF LIQUIDATION	194,033.01
LEGAL FEES	
PAYMENT TO UNSECURED CREDITORS & NEGOTIATIONS BY NNSL FRENCH SOLICITOR	
DUNKIRK PORT AUTHORITIES	1,294,290.44
2 NIGERIAN CREW	452,637.77
SOCOPAO GROUP	1,124,571.85
SOGETRA	271,917.79
SDV GUINEA	79,546.07
SOCOPAO GUINEA	47,483.30
BALANCE TRANSFERRED TO NNSL SOLICITORS IN HMBURG GERMANY - - - - USD90,060.01	296,900.27

	3,761,380.50

Source: Volume III, Draft Final Report on The Liquidation of Nigerian National Shipping Line Ltd (NNSL) (Overseas Liquidation), August 1995 - August 2001, p.79.

Appendix 4: NNSL Liquidation Exercise in UK.

UNITED KINGDOM

THE NIGERIAN NATIONAL SHIPPING LINE LTD – IN COMPULSORY LIQUIDATION
SUMMARY OF RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD, 20TH MAY 1996 TO 8TH SEPTEMBER 1998 IN THE UK.

		£
Cash on commencement of liquidation (US$ A/C)		746.87
Receipts		
Sale of River Andoni		933,984.18
Sale of River Mada		482,386.19
Sale of Property 3 Gwent Close, Liverpool		26,525.92
Sale of other Properties		720,500.00
Insurance Claim		480,901.22
Balance transferred from Provisional Liquidation		157,252.20
Council Tax Refund		43.52
Sale of Tailshaft		3,256.00
Office furniture and equipment		2,000.00
Utility Refund		65.84
Net Interest		27,541.44
		£2,835,203.38
Payments:		
Cost of Liquidation		
Liquidator's Remuneration (on account)	115,393.25	
Provisional Liquidator's Remuneration	34,092.50	
Agents Charges	312.89	
Bank Charges	9.28	
Brokers Charges re: Insurance Claim	27,512.20	
Brokers Charges re: Sale of River Andoni	14,903.85	
Brokers Charges re: Sale of River Mada	7,548.08	
Company Search	20.00	
Department of Trade Statutory Fees	91,864.28	
Statutory Advertising	20.90	
Law Cost of Petition	9,915.55	
Law Cost of Provisional Liquidation	42,262.82	
Legal Fees	165,893.46	
Accounting Fees	1,200.00	
Incidental Outlay	1,940.65	512,889.71
Cost of Possession and Maintenance of Estate viz:		
Council Tax	150.00	
Fuel and Provisions	5,887.71	
Essential Repairs to River Mada inc. Berthing charges	1,500.00	
Insurance	5,132.14	
Tailshaft Storage Charge	2,195.00	
Container & Shipping Fees	2,790.00	17,654.85
Payment to Creditors viz:		
Admiralty Marshall's Charges	216,670.35	
Crew Wages	38,466.00	
Secured Creditors - River Mada	26,527.98	
- River Andoni	546,550.58	
- NICON	720,500.00	
	3,929.07	
Preferential Creditors – Paid in Full		
Unsecured Creditors – Interim Dividend on 50p in the £	612,168.82	
		2,164,812.80
VAT		1,047.48
Balance in Hand		138,798.54
		2,835,203.38

Source: Volume III, Draft Final Report on the Liquidation of Nigerian National Shipping Line Ltd (NNSL) (Overseas Liquidation), August 1995 - August 2001, 78.

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2.	Mr. Gerald N. Chidi	70	NNSL Pensioner	Lagos	15/2/2011
3.	Engr C.I.U. Ibia	70	Retired Sailor	Calabar	2/3/2011
4.	Capt. O.A. Awuletey	55	Retired Sailor	Lagos	12/3/2011
5.	Alhaji G.B. Liman	56	Maritime Consultant	Lagos	28/3/2011
6.	Mr. Paul Gbana	56	NNSL Pensioner	Lagos	15/4/2011
7.	Azubuike Ikemefuna	59	NNSL Pensioner	Lagos	19/7/2011
8.	Mr. Ben Owusu Mensah	61	BSL Retiree	Abuja, Accra	15/8/2011, 31/10/2012.
9.	Capt C.G. Niagwan	70	Retired Sailor	Abuja	15/8/2011
10.	Dr Uchenna Okore	56	Lecturer	Oron	16/9/2011
11.	Capt Francis A. Ebong	69	Retired Sailor	Uyo	24/9/2011
12.	Mr. E.A. Adeniyi	75	NNSL Pensioner	Lagos	23/11/2011
13.	Mr D.O. Sowande	72	NNSL Pensioner	Lagos	10/6/2012
14.	Engr Bob Alfa	66	Retired Sailor	Lagos	4/8/2012
15.	Engr Seth Kugblenu	68	Retired Sailor/ Consultant	Tema	31/10/2012
16.	Capt. Robert Fiawoo	68	Retired Sailor	Tema	31/10/2012
	Mr. Kwasi Misah	68	BSL Retiree	Tema	31/10/2012
17.	Mr. George Bekai	49	Lawyer	Tema	1/11/2012
18.	Dr. Asoma Banda	73	Ship Owner	Accra	2/11/2012
19.	Dr. Nicholas White	46	Lecturer	Liverpool	23/5/2013
20.	Rev. Ian Morris	62	Part-time Researcher	Liverpool	23/5/2013
21.	Mr. Joseph Harley	61	Civil Servant	Accra	16/6/2014

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