THE BLACK STAR LINE OF GHANA
FROM 1957 TO 1997

BY

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DECLARATION

I declare that with the exception of references and quotations which have been duly acknowledged, this dissertation is my own original research work done under the supervision of Dr. Kwadwo Kwabia and Captain Aaron Turkson. This work has neither been submitted in whole or in part for the award of any Degree.

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Co-Supervisor; ..................................... Date 27/05/09

Dr. Kwadwo Kwabia
DEDICATION

This work is dedicated to all the crew of the last Black Star Line vessel, M.V. Volta River. I remember when a weak portion of the main sea water pipe line got cracked which resulted in profuse leakage of sea water into the engine room in December 1996, in the middle of the Pacific Ocean. Although it was a real emergency situation that necessitated the stopping of the vessel, which drifted because it could not be anchored in the bottomless sea, twelve hours of your tireless and sleepless efforts were enough to bring the ship back to seaworthiness.
ACKNOWLEDGEMENTS

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I would like to give my special thanks to Gladys my wife, whose patient love enabled me to complete this work.

May the Good Lord bless you all.

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ABSTRACT

The end of the Second World War was characterized by the attainment of independence of many colonized countries. Most of these countries established state owned shipping lines as a demonstration of their newly found autonomy and prestige. Ghana was one such country that took interest in the maritime industry by setting up the Gold Coast Shipping Line in 1957. This research investigated the Ghana Black Star Line or the Gold Coast Shipping Line: how it came about and what led to its demise. The Shipping Line was a joint venture with Zim Shipping Company of Israel. It purchased its first vessel, originally named “SS Marsdale” on the 30th of November, 1957 and renamed it “SS Volta River”. It started as the only Black African shipping line in competition with foreign lines in the region.

The Gold Coast Shipping Line was set up mainly to carry national cargoes and to provide liner services between West Africa and Europe, the Mediterranean, and North America.

The Company acquired several other ships such that by 1980 it had a fleet of twenty (20) vessels. Competition became very keen when other West African shipping lines started operating on the same routes alongside the BSL and foreign lines. BSL ships could therefore not get full cargo to and from West Africa. This situation among others resulted in loss of earnings.

In 1994, a policy of divesting all State owned Enterprises by Government led to the services of Pannell Kerr Forster and Associates (consultants) to assist the Divestiture Implementation Committee to divest the BSL. In 1997 the last two vessels of BSL were sold off. (Coincidentally, the last BSL vessel sold, M.V. Volta River, had the same name as the first one commissioned, S.S. Volta River, exactly 40 years earlier.)

The research relied heavily on two main sources of information.
1. BSL documents found from the libraries of the author, a one time Marine Engineer of the Shipping Company, and friends, the Public Records and Archives Administration in Accra and BSL office in Tema.

2. Survey and interviews of the opinions of stakeholders and people knowledgeable in shipping and shipping organizations found in the city.

The survey investigation involved 79 respondents, and 4 top management officials of the erstwhile Black Star Line who were long involved in the operations of the Line.

The investigations revealed that mismanagement, government interference, inadequate cargo in the face of stiff competition and failure to acquire suitable ships were the major causes of the collapse of the Black Star Line. Many respondents however felt that it was necessary for Ghana to have a national shipping line. They based their recommendations on consideration of national security, employment generation and conservation of foreign exchange. They however wished that government could provide a private investor with the necessary support (financial, registration, etc.) to establish the national shipping line.
1.0 INTRODUCTION

1.1 Beginning of maritime transportation

Black Star Line was a shipping company owned jointly by the Ghana Government and the Zim Shipping Company of Haifa, Israel. The history of the shipping line would not be complete without linking it with the history of transportation (and maritime transport in particular). Transportation is defined as the movement of people and goods from one location to another by land, water or air. The economic wealth and military power of many nations have been closely tied to efficient methods of land transportation. It provided access to natural resources and reduced costs of transporting them to production sites, and moved finished goods to markets. It has also been used to facilitate a nation’s war efforts. The rapid movements of troops, equipment, and supplies have often been a deciding factor in winning battle or wars.

Two-thirds of Earth’s surface is covered by water, so the progress of civilization is naturally tied to the ability to move over water. Some of the greatest achievements in transportation therefore relate to methods of crossing water. (Microsoft Encarta premium 2006; 1). It is believed that the first water transport was a log used to cross a stream. That journey may have taken place during the Ice Age or much earlier (Oceansatlas, 2007:1). The floating log and paddle of the primeval fishermen was attributed to the beginning of merchant shipping. It progressed from early rafts and canoes, propelled with poles or paddles. As boats became larger, a more powerful form of propulsion became necessary. By 3000 BC the Egyptians had replaced paddles with oars, essentially long paddles fastened to the side of a boat so they can pivot. Oars allowed the user to push, or row, against the water, thereby increasing power and speed. Sailing ships appeared to
have emerged during the early Roman’s time (C.BC4). They used the power of the wind to propel ship through water. By utilizing the power of the wind, early merchant ships were able to travel greater distances than they could do by sheer muscle power using oars and paddles. (Plate 1.1 is an example of a sailing ship propelled by winds.)

Steam ships replaced sailing ships in the 18th Century. They were propelled by steam engines or steam turbines. Steam ships provided improvement in propulsion. The name of steam ship was often prefixed by the letters SS (meaning “steam ship” as in SS “Volta River. (Plate 1.2 illustrates the structure of a steam ship.)

Motor-ships provided further improvement in propulsion and replaced steam ships. They propelled ships by engines, usually diesel engines. The name motor ship (or vessel) was often prefixed by MV or M/V (meaning “motor ships”) as in. Motor Vessels (Plate 1.3) became the predominant power plant for military equipment at sea during World War II. Since then it has been adopted for use by ocean going vessels. (Encyclopedia Britannica 2006).
Shipping is a highly competitive service industry. The activity of the industry is divided into several categories, including liner service, from which emerged container ships, and tramp shipping. Liner service consisted of a fleet of ships, with a common ownership or management, which provided a fixed schedule, at regular intervals, between named ports, and offered transport to any goods in the area served by those ports and ready for transit by their sailing dates. (Stopford, 1997; 343). They played a central part in the world trading network, carrying over 60% of the value of goods carried by sea. They provided fast, frequent and reliable transport to almost any destination at a predictable charge.

In the 1950s and 1960s, when the world economic growth became rapid and shippers needed fast, reliable and secure transport systems, the shortcomings of cargo liners became evident. The major disadvantages were the cost, complexity and poor delivery performance. Shippers did not want to wait while their cargo made a leisurely progression around so many ports, often arriving damaged. Liner companies realized that running cargo liners had become unrewarding (Stopford 1997, 338-340).

When the costs of shipping escalated rapidly in the United States, in the 1950s, studies showed that labor constituted over 50 percent of the rising costs. Dockworkers spent five
days or more unloading a large cargo ship and the same amount of time loading it. The shipping companies paid port authorities large fees for each day they spent docked in port. An American trucker, Malcolm McLean, offered a solution to this problem when he introduced the concept of containerized shipping. He proposed the use of standardized shipping containers to integrate truck, train, and ship transport. (Microsoft Encarta-2006).

The shipment of cargo in prefabricated steel containers with standard measurements reduced labor costs and port fees significantly. The use of containerized shipping rapidly expanded, and today, ships, trains, and trucks are loaded and unloaded using huge mechanical cranes that unload and load a ship in just 24 hours.

Container capacity is measured in twenty-foot equivalent units (TEU). A twenty-foot equivalent unit is a measure of containerized cargo capacity equal to one standard 20 ft (length) × 8 ft 6 in (width) × 8 ft 6 in (height). Containers are also designated 2 TEU, meaning one forty-foot equivalent unit (FEU). These two terms of measurement are used interchangeably. Containers produced a huge reduction in port handling costs, contributing significantly to lower freight charges and, in turn, boosting trade flows.

Almost every consumer product, (imported or exported) spends some time in a container. It was an important element of the innovations in logistics that revolutionized freight handling in the 20th century. In a few hours, container ships could be filled with containers destined for another port (and can be under way). Further, because each ship could make more trips than before, container fleets require fewer vessels. There is also less pilferage and, hence, lower insurance rates. The cargo is not visible to the casual
viewer and thus is less likely to be stolen; the doors of the containers are generally locked
(or rather "sealed") so that tampering is more evident. Another advantage is the assurance
to the shipper that the shipment would not require any further handling until it arrived at
its destination. Again, container ships are moderate-size merchant vessels built for speeds
greater than about 20 knots. Much use is made of small, compact, diesel power plants to
provide more space for containers. Special equipment includes mooring winches to
ensure accurate positioning of the ship under cranes in port and special tanks to list (tip)
and trim (level) the ship to permit a symmetrical loading or unloading without excessive
list or trim (Microsoft Encarta 2006).

Among the disadvantages is the fact that each ship does not carry quite as much total
volume of cargo with containers as with regular bulk stowage, because the containers
themselves take space and, since they are square in shape, do not fill in all the nooks and
crannies created by a ship-shaped hull form. Also, a rather substantial capital investment
is needed in port facilities, such as special berths, weight-handling equipment, storage
areas, and links to land transportation, all of which must be made by the ports that receive
or ship via container ship if its full potential savings are to be realized. (Plate 1.4 is a
container vessel).

Plate 1.4: a container ship
Tramps, known also as general-service ships, maintain neither regular routes nor regular service. Usually tramps carry shipload lots of the same commodity for a single shipper. Such cargoes generally consist of bulk raw or low-value material, such as grain, ore, or coal, for which inexpensive transportation is required.

Ghana had for a long time been engaged in commerce with her neighbours on the African coast. Our history talks of trade with the Phoenicians when ivory and gold were battered for clothing and other foreign products. But it was not until 1858, that a shipping line called the *African Steam Ship Company* began trading in Ghana. The company later became *Elder Dempster line*. Following Elder Dempster, other ships began their trading in Ghana. Some of these were *Palm Line* of Unilever group, *Woermann Line*, *Holland Line*, and the *Guinea Gulf Line*. (Commission Report 1970, 4, 5).

However, not until the 1900s, the entire shipping world was dominated by Europeans. Marcus Garvey, black Jamaican born in the United States, launched a first non European shipping company in the 1920s and named it *Black Star Line*. Marcus Garvey knew that by putting a ship on the high seas, he was going to attract the attention of black people all over the world. As he anticipated, Black Star Line attracted many Black sea-men who were earnest towards their work because for the first time they were sailing their own ships and seriously were responsible for all positions onboard. (Microsoft Encarta 2006).

The Black Star Line started in Delaware in the United States on June 23, 1919, with a maximum capitalization of $500,000. The Line did surprise all its critics when, only three months after being incorporated, the first of four ships, the SS *Yarmouth* was purchased.
The ship was a coal boat during the First World War, and was in poor condition when purchased by the Black Star Line. Once reconditioned, SS Yarmouth proceeded to sail for three years between the U.S. and the West Indies as the first Black Star Line ship with an all-black crew and a black captain. The line collapsed in February 1922 due to thievery by its employees, overcharging by the engineers and the deliberate acts of infiltration and sabotage by the Bureau of Investigation. Nevertheless, it was regarded as a considerable accomplishment for African Americans of the time.

1.2 Problem Statement

The Black Star Line in Ghana was established by the first Prime Minister of the Gold Coast, Dr. Kwame Nkrumah on the September, 1957. It operated until 1997 when it met its demise. Some of the challenges adduced to explain the demise are akin to those of its Jamaican counterparts — corruption and deliberate acts of sabotage. However, no empirical study has been undertaken to collaborate on the perceived causes of the collapse of the Ghana Black Star Line. This research seeks to document what knowledgeable people of the BSL thought were the real causes of the collapse of the national line.

1.3 Objectives

The objective of the study was to determine the real causes of the collapse of the national line and suggest lessons that could inform or guide future attempts by investors and decision makers intending to establish and or manage a national shipping line in Ghana.

7
1.4 Research Questions

Some of the questions that informed the data collection from respondents were;

1. Do you know that there was a national shipping line in Ghana?
2. Are there any advantages of having a national shipping line?
3. Do you know why the Black Star Line was established?
4. What problems accounted for the collapse of the national shipping line?
5. Do you recommend the establishment of another shipping line in Ghana?

1.5 Justification of the study

Findings of this research would serve as a beacon in any future attempts at establishing and managing a national shipping line. Other nations in the region whose shipping lines collapsed like the BSL stand to benefit from the lessons learnt from the study. Students of maritime administration could benefit from the literature and education provided by the result of this study.

1.6 Scope of the study.

The study was done in Accra and Tema where most of the stakeholders operated. They included organizations and individuals associated with the BSL or, knowledgeable in the affairs of the line. The organizations included the Regional Maritime Academy, Ghana Merchant Navy Officers’ Association, Ghana Maritime Authority and Ghana Freight Forwarders Association. Individuals included a former Managing Director of the Black Star Line. The study covered the period of 40 years: from the time of its inception in 1957 to its demise, in 1997.
1.7 Limitations

I had thought that my acquaintance with three former Managing Directors of BSL could help me obtain information that could fill some gaps in what information the Padmore library, Public Records and Archival Administration, Daily Graphic publications and other such sources could not provide. Unfortunately, the last Managing Director I had contacted on efforts being made to revamp the BSL during its last days died through a motor accident on the Tema motorway. May he rest in peace. The second MD, a marine engineer by profession lives in London, and comes down to Ghana only occasionally. All efforts to get him during his last visit to Ghana proved futile. The last MD, also a master mariner stays in the USA. He could not be of much help as expected due to old age and ill health.

1.8 Organization of Chapters

This study was organized in five chapters.

1. Chapter One presented the history of maritime transport in general and also an outline of the study, its objectives, justifications, scope, limitations and organization of chapters.

2. Chapter Two reviewed separate literature on emerging or developing shipping lines after World War Two and the Black Star Line.

3. Chapter Three presented the Methodology for the research. It covered the study area, population and sampling and data collection and techniques.

4. Chapter Four presented the data collected from knowledgeable respondents about the national shipping line. Seventy nine of them were issued with a
questionnaire, and diagnostic interviews were given to four former senior employees of the Black Star Line.

5. The concluding chapter gave a summary of the challenges and prospects that confronted Black Star line. It also included recommendations that could guide decision makers and investors on the prospects of setting up a future national shipping line.
2.0 LITERATURE REVIEW

2.1 Introduction

The literature on the subject is summarized under four sections. Section 2.2 discusses the emergence of developing countries and their shipping lines. Section 2.3 discusses the Black Star Line of Ghana from its inception in 1957 to its demise in 1997. Section 2.4 summarises the experiences (opportunities and challenges) that the Black Star Line went through during its 40 years of its existence. Some of the issues in section 2.4 had been mentioned in Section 2.3. The summary provides a comprehensive view of the opportunities and challenges the National Shipping Line faced during its 40 years history.

2.2 Developing countries and shipping after World War Two

After the end of the Second World War, a number of emerging independent countries saw the need for a national shipping line to demonstrate their sovereignty and pride. (Farthing and Brownrigg, 1997:81). Farthing and Brownrigg said that all nations saw shipping lines from their own perspective, and they cited examples of the United States, Greece and Norway to buttress their position. The United States, at the turn of the 19th century, regarded shipping as an *industry* and determined to maintain it “at any price” if it were to benefit from international trade. Greece and Norway, both giants in shipping, also used the industry to promote and maintain open-trading and free enterprise.

The philosophy of using the shipping industry to promote national interest in world trade is now held by many nations the world over. This has been particularly so in the developing countries which since the 1960s had expressed concerns about their international trade. The concerns led to a full fledged conference in 1974 specifically
devoted to tackling the problem and identifying appropriate international action. The establishment of the group of 77 and the UN Conference for Trade and Development (UNCTAD) were direct outcomes. UNCTAD championed the interest of developing countries in international trade, and launched the Convention of Code of Conduct for Liner Conferences, to strengthen the ability of developing countries to maintain national merchant fleets. But it took almost a decade for the UNCTAD 1974 Code to become effective in 1983.

The objectives of the conference included an orderly expansion of World Sea borne trade, stimulating the development of regular and efficient liner services and ensuring a balance of interests between suppliers and users of liner shipping services. These developments led to the withdrawal of the shipping lines of the established maritime nations from their traditional sea lanes during the Second World War and encouraging formation of national merchant marines among newly industrializing and developing nations. But that maritime industries in the developing countries could not compete with the well-established ones of the developed countries, and needed support of their national governments to be able to do so. Hence national shipping fleets of the newly developing countries became largely or wholly state-owned.

UNCTAD, recognizing the limited access developing countries had in international shipping trades, proposed that the national products of developing nations, normally raw materials and primary commodities should be carried in their own vessels. It initiated a 40:40:20 scheme whereby 40% of cargoes were reserved to the exporter nation’s tonnage, 40% to the importer’s with the remainder (20%) available to any carriers.
The International Monetary Fund (IMF) and World Bank held a contrary view with regard to formation of State owned National Shipping Lines and imposed certain conditions on loans and structural adjustment programmes for borrowers. The conditions were based on a strategy called neo-liberalization, which aimed at promoting free-markets or trade liberalization, and privatization of government enterprises. These conditions amounted to detailed instructions on what developing countries had to do to bring their economies under control. They included shrinking of the role of government, reducing taxes and cutting back on publicly provided services. (Microsoft Encarta 2006-globalization; 3).

Neo-liberal policies resulted in greater poverty, inequality and social conflict. They were blind to the fact that developed countries, such as the United States, Germany, and Japan succeeded not solely on free trade but also on protectionism and subsidies. Again successful economies of South Korea, Taiwan and China have promoted strong state-led development strategies and not neo-liberalization. Thus government encouragement of industries just beginning to develop could enable a developing country to become internationally competitive. (Microsoft Encarta 2006- globalization; 7)

2.3 The Black Star Line (BSL) of Ghana

The story of the BSL is summarized under four (4) historical epochs. In addition, the period 1963-1967 that marked the turning points of the shipping line is discussed. These are BSL(1957-1963), BSL (1963-1966), BSL (1967-1980) and BSL (1980-1997). The years 1957 and 1997 marked the beginning and exit of the BSL, respectively.
2.3.1 BSL 1957 - 1963

The BSL might have benefited from the UNCTAD initiatives after World War Two and Marcus Garvey's attempt to establish a shipping line owned and managed by black people in the 1920s. However, economic nationalism and national pride for Gold Coast, a nation on the threshold of attaining political independence, could have been paramount. The manifesto of the then ruling party, the Convention Peoples' Party (CPP), had proposed the need for a Gold Coast Shipping Company before 1957, when the country attained independence. In April 1953, the party mandated the Gold Coast Cocoa Marketing Board, to examine possibility of taking more direct part in the shipment of cocoa. The Board's proposed the establishment of a subsidiary company which would own and operate its own ships. In October 1954, a cabinet Committee approved the establishment of a Gold Coast shipping line.

The Black Star Line was established as a cargo carrying liner service under the Gold Coast Companies Ordinance. The liner service started as a joint venture between the Government of Ghana and the Zim Israel Navigation Company of Haifa. The Government of Ghana held 60% of the equity shares of the line while Zim held 40% and the management. (see Appendices F,G,H,I,J). In November, 1957, a second hand ship, S/S “MARSDALE”, was purchased and handed over formally to Black Star Line at Liverpool. The ship was renamed SS “VOLTA RIVER” (see Appendix N), and started its maiden voyage from London with foreign crew and officers. In December 1957, the ship arrived in Ghana and was welcomed by Dr. Kwame Nkrumah, the Prime minister. Ghana thus became the first Black African State to join the World Shipping industry. Before then African nations relied on foreign shipping companies operating in West Africa to
carry imports and exports. Below is a remark by an excited Ghanaian young third officer then serving on a foreign ship on its way to the United Kingdom from West Africa in 1957.

"I can vividly recall the day when as a young Third officer on the Elder Dempster Passenger Line the m.v. 'Accra', we overtook a south bound vessel with a yellow funnel and unfamiliar green and red horizontal stripes on it. As we drew almost abeam in the first dog watch, we noticed a strange star on the funnel within the border formed by the stripes. The chief officer with whom I was standing watch on the bridge even remarked about the peculiar funnel markings and, in particular, the strange star which was quite distinctive and far different from the blue, white and orange stars we were used to meeting on the high seas. It was not until we returned to Takoradi on our north bound voyage that I realized that that was the SS (steam ship) "VOLTA RIVER", the first ship of the Black Star Line, doing her maiden voyage. I remember how with a gait in my step, and my chest stuck well out, I walked up to my Chief Officer, brandishing the newspapers which were full of reports and photographs of the welcoming ceremony performed by President Kwame Nkrumah, and exclaimed proudly and excitedly: 'that was our ship'." (Ocean Star 1977;volume 8 no.30 page 4)

On its establishment the Black Star Line became a member of several conferences, such as the American West African Conference in November 1959, and Italian West African Conference in 1962. In 1958, the government approved the purchase of three more second-hand ships: SS Tano River, Ankobra River, and Densu River. The three ships and the SS Volta River, had the capacity of 10,000 DWT each. National and International enthusiasm promoted steady growth of Black Star Line and the Ghana shipping industry (Ocean Star 1977 vol. 8; 9). Thus in 1961, the President again demonstrated his commitment to promotion of the Ghana shipping industry by purchasing four new vessels (see table 2.1). This opened the door to a new era of fast, modern fleet, an essential requirement to enable BSL face keen competition offered by the older and more experienced foreign shipping companies. The National Shipping Industry was transformed from eight (8) knot tramp ships to an era of fast, 16 knot, modern cargo
liners, an achievement that took the older maritime nations decades to accomplish. Due to the increasing number of foreign ships in our waters, and the increase in trade it soon became evident that more ships had to be purchased.

Table 2.1: List of BSL ships by 1980

<table>
<thead>
<tr>
<th>Vessel</th>
<th>Year Built</th>
<th>Built by</th>
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<td>1. Pra River</td>
<td>1961</td>
<td>De Schelde - Holland</td>
</tr>
<tr>
<td>2. Offin River</td>
<td>1961</td>
<td>De Schelde - Holland</td>
</tr>
<tr>
<td>3. Otchi River</td>
<td>1961</td>
<td>LMG –Germany</td>
</tr>
<tr>
<td>4. Birim River</td>
<td>1962</td>
<td>De Schelde - Holland</td>
</tr>
<tr>
<td>5. Nasia River</td>
<td>1962</td>
<td>L.M.G. – Germany</td>
</tr>
<tr>
<td>6. Affram River</td>
<td>1962</td>
<td>De Schelde - Holland</td>
</tr>
<tr>
<td>8. Lake Bosumtwe</td>
<td>1963</td>
<td>De Schelde - Holland</td>
</tr>
<tr>
<td>10. Korle Lagoon</td>
<td>1964</td>
<td>Swan Hunter – UK</td>
</tr>
<tr>
<td>11. Oti River</td>
<td>1964</td>
<td>Uraga – Japan</td>
</tr>
<tr>
<td>12. Bia River</td>
<td>1965</td>
<td>Uraga – Japan</td>
</tr>
<tr>
<td>13. Nakwa River</td>
<td>1965</td>
<td>Swan Hunter – UK</td>
</tr>
<tr>
<td>14. Benya River</td>
<td>1965</td>
<td>Swan Hunter - UK</td>
</tr>
<tr>
<td>15. Subin River</td>
<td>1969</td>
<td>Matagorda – Spain</td>
</tr>
<tr>
<td>17. Keta lagoon</td>
<td>1980</td>
<td>South Korea</td>
</tr>
<tr>
<td>18. Tano River</td>
<td>1980</td>
<td>South Korea</td>
</tr>
<tr>
<td>19. Volta River</td>
<td>1980</td>
<td>South Korea</td>
</tr>
<tr>
<td>20. Sissili River</td>
<td>1980</td>
<td>South Korea</td>
</tr>
</tbody>
</table>
2.3.2 BSL: 1963 - 1966

On 1st March, 1965, the President established the State Shipping Corporation by legislative instrument- LI 434. The State Shipping Corporation (SSC) was gazetted on the 16th March 1965. The objectives of the SSC included:

a. Taking over the assets and liabilities of the Black Star Line Limited
b. Performing such other functions as the sector Minister might from time to time assign.
c. Carrying on any other activities as might appear to the corporation to be incidental or conducive to the attainment of its overall objectives.
d. Generating revenue for the State coffers.

The State Shipping Corporation Act and expansion of trade made it imperative for more ships to be purchased. The Government, therefore, launched a crash programme of expansion of the fleet between 1961 and 1965 resulting in the acquisition of fourteen (14) fast modern cargo vessels (see Table 2.1). The original four second-hand vessels were
sold. The period between 1963 and 1966 marked the turning point of the BSL for a number of reasons:

1. At the height of its peak, the BSL plied the following routes.
   - The United Kingdom – West Africa Line (UKWAL). They included London, Middlesbrough, Avonmouth, Liverpool, Newport, Swansea, Glasgow, and Hull. Vessels plied these routes from West Africa once a month.
   - West Africa – North Europe Line- Vessels plied Rotterdam, Amsterdam, Bremen, Hamburg, Antwerp, Rouen, Dunkirk, Bordeaux, and Bilbao from West Africa twice every month. Sailings followed a regular pattern of mid and end of each month.
   - Mediterranean Line- Vessels loaded from Naples, Genoa, Leghorn, Marseilles, and Barcelona for West Africa once a month.
   - United States and Great Lakes- Loading ports included New York, Philadelphia, Norfolk, Hamilton, Baltimore, Charleston, Savannah, Montreal, Toronto, Thunder Bay, Milwaukee, and Buffalo, among others, for West Africa.
   - United States Gulf Ports- These included Jacksonville, New Orleans, Galveston, Houston, Mobile, Freeport, and Corpus Christi.

Operations followed a reverse pattern to UK, Europe, Mediterranean, Canada and Great lakes. Main West African loading ports included Douala, Lagos/Apapa, Port Harcourt, Sapele, Warri, Takoradi, Tema, Abidjan, Monrovia, Freetown, Banjul and Dakar.

2. The State Shipping Corporation belonged to freight conferences, which regulated trade on the routes plied by the Line’s vessels, namely the United Kingdom West Africa Lines Conference-UKWAL) – Liverpool, the Continental West African Lines Conference
3. The outward cargoes carried from West Africa to Europe, the Mediterranean, Canada and the United States were mainly forest products (logs, sawn timber and veneer), minerals (manganese, bauxite) and raw materials such as coffee, and cocoa and its products (Cocoa powder, cocoa butter and cocoa cakes). Inward cargoes consisted of manufactured goods, consumer goods, building materials such as iron and steel products, and vehicles.

4. The State Shipping Corporation had its head office in Accra (later Tema) with branches at Tema and Takoradi. It had offices in London, Hamburg, Rotterdam and New York. It also had a number of agencies located throughout the world. It maintained about six (6) administrative departments namely, control department, marine department, supply and inventory department, insurance and claims department, traffic department and accounts department. (Commission Report, 1970; 5).

5. The government of Dr. Kwame Nkrumah was toppled by a military coup d'état in February, 1966. In November 1966, the military Government of the National Liberation Council, appointed a Commission of Enquiry to enquire into the affairs of the Black Star Line (see Appendix M). The five member Commission was headed by a High Court judge (Mr. George Richard McVane Francois).

6. The Commission's Report findings included:
i. The first external auditing company of the BSL appointed by the junior partners, Zim, was not re-appointed in 1961; instead a Ghanaian external Auditing Company was appointed. The General Manager of the foreign External Auditors explained to the Commission that on several occasions his Company refused various Ministers’ instructions to fiddle with Government’s accounts to suit their whims and caprices. He states:

“At one time we were the only firm in Ghana and we did all the Government work in Ghana. We started losing a lot of work in Ghana because of certain differences between ourselves and various Ministers at that time. Because we would not send the report they wanted us to send. If we told the truth, sometimes they wanted us to change it and we refused.” Commission Report (1970; 7)

ii The Ghanaian External Auditors at the early stages of their tenure showed their avaricious tendencies by raising their auditing fee of £900, fixed for the 1960-61 year. The fees went up to £1,200 at the end of their assignment. The Commission’s report showed that increases in audit fees charged by the external auditors for four consecutive years were; £300 (1960-61), £1,000 (1961-62), £3000 (1962-63), and £4,500 (1963-64).

iii The Commission reported that the mess in the Black Star Line accounts started when the Zim accountants left the Corporation in 1963. It noted, for example, that special rebates were practically paid on everything that was conveyed on BSL vessels and that no proper records were kept on the rebates by the local agency in Accra. The Board of Directors’ approval also was never sought before granting those rebates.

iv Other astounding evidence included the appointment of a number of ex-convicts in the
employ of BSL. Many of the ex-convicts were also noted to have been placed in positions of trust in the accounts department (Commission Report, 1970: 118-119).

The Commission declined to endorse the recommendation of the sale of BSL ships as appeared in the Lloyd’s list and shipping gazette of 9th August, 1968, notwithstanding the damaging findings about the corporation. It said “we can hardly recommend the sale of a BSL ship” (Commission Report, 1970; 90). The Committee recommended increasing the share capital of BSL from NC1 million to NC3 million, 40% Ghanaian public participation and 60% government share.

2.3.3 BSL: 1967 - 1980

On the basis of the favourable recommendations of the Justice Mc Van Francois’s report two more new ships were acquired from Spain to increase the fleet to sixteen (16) in 1969 (see Table 2.1). All the ships carried out liner services. A new Managing Director was also appointed to take over from an expatriate acting General Manager.

From 1969 to 1973, during the tenure of office of this management, all outstanding bills were paid and the Company’s finances were in a healthy state. The final accounts which were about six years in arrears were brought up to two years arrears.

The company also moved from its rented offices in Accra and Takoradi to its own buildings. Several houses also were acquired for staff. Staff welfare buses and canteen facilities were provided. The Company re-opened its accounts offices in Germany, Holland, France and the United States of America. At the end of its tenure of office in 1973 of the Board, there were substantial funds available in all these foreign accounts.
Again serious attempts were made during this period (1967-73) to instill discipline into the Company. The staff was reduced to size (Graphic 1/6/80, 3).

However it was during this period (1967-73) that some countries in the sub region had started their own National Lines. Notable among these were Nigeria, Cote D’ivoire, Cameroun and Zaire. With these National Lines operating on the same routes alongside those of the developed countries such as Elder Dempster Lines, Delmas, Woerman Lines, Holland-West Africa Lines and Delta Lines, competition became keen and the Black Star Line ships started to experience reduced cargo-load to and from West Africa. The Black Star line also could not acquire container vessels that could withstand the competition in the advent of containerization. It was not until 1980 that the company acquired four multi-purpose vessels from South Korea, each of capacity 16600DWT to increase the fleet to twenty (see Table 2.1). These vessels were capable of carrying 500 twenty-foot equivalent units of containers (TEU’s). Buying new vessels without acquiring containers created a logistic problem, making the company lose high freight containerized cargo. Most of the ships also were over fifteen years old by 1980, and were becoming very expensive to maintain. The sixteen (16) conventional dry cargo ships the company owned by 1980 were aged between 11 and 19 years, and the average age of the fleet at the time was therefore 16.4 years. The internationally acceptable useful working life of a cargo ship is 20 years.

The resultant drawbacks of the ageing ships included the following:

1. Frequent breakdowns became a regular feature of BSL operations. Some of the ships hardly completed a round voyage without undergoing some major repairs either
in port or in dry-dock. The resulting delays hardly enhanced the efficient performance of the ships and militated against the smooth running of the vessels.

2. Repair costs were exceedingly high and escalated daily. The situation was aggravated by the fact that some essential spare parts were not readily available and on some occasions had to be manufactured specially for the company.

3. More than 50% of the fleet was subject to restrictions by national and international regulations that affected over-aged vessels. As a result, in 1980, only 6 out of the existing 16 ships could enter the United States of America waters, due to anti-pollution standards regulations. The other vessels could only meet those standards by undergoing expensive modifications and alterations. Graphic (May 10, 1980, 14).

Industrial action by officers over wage dispute added to the woes of the ageing vessels. In June 1980, an industrial dispute on wages between afloat officers and management resulted in dismissal of all afloat officers. Although the matter was settled, some four or five months later, conditions of most of the vessels had deteriorated so much that they were not seaworthy. All the first sixteen dry cargo ships were therefore sold, leaving the four multi-purpose vessels acquired in 1980 (Table 2.1). Even then, the four remaining vessels had to be put on charter until the line was re-admitted into the various Conferences.

2.3.4 BSL: 1980-1997

The affairs of the BSL remained without much change until August 1990, when a new management team was appointed and charged with the responsibility of turning round the fortunes of the company. This new management had the four remaining ships to manage.
This researcher, then a Chief Engineer with the Company, served on the MV Volta River, the last of the ships to be sold in 1996. He was privileged by his position to learn some of the measures that were taken to turn round the fortunes of the company.

In 1991, the Board presented a recommendation on the way forward for the corporation to Government but it was not until 1993, that government acted on the recommendations by authorizing the Board to recapitalize and retonnage (acquire new vessels). The government authorized the Board to sell the 4 ships and use the proceeds to retonnage. Thus in 1993 and 1994, two of the vessels, Sissili River and Tano River were sold respectively. But monies that accrued from both sales were not used for the intended retonnaging by government, putting an end to the recapitalization programme. Coupled with this was the National Assignments for the two remaining vessels, to carry Economic Committee of West African States Monitoring Group (Ecomog) troops and logistics to and from Monrovia during the Liberian Civil War.

Even though the Board and Management became disturbed by these developments, it did not lose hope and continued relentlessly at retonnaging the line. There were trips to several ship yards in Spain, Poland, South Korea, and the United Kingdom to inspect and arrange financing for the purchase of three modern ships. However, in the latter part of 1994, government decided to divest itself of all state owned enterprises and directed the Board of BSL to co-operate with a Divestiture Implementation Committee (DIC) which had been set up to sell state enterprises. In 1996, the DIC engaged the services of Pannell Kerr Forster and Associates as consultants to divest the company, and in 1997, the last two vessels (M.V. Keta Lagoon and M.V. Volta River) were sold. Ghana became a shipless state, 40 years after its shipping industry was founded.
2.4 Some BSL Experiences

According to Tetteh (1999:79), a nation wishing to establish its own merchant navy to export its products to other lands ought to begin first by putting its young generation, its future leaders, under seafaring culture. He added that Ghana is the only nation in the world whose shore is the meeting point of the two centers of the world, the Equator and the Meridian. Therefore Ghana needed a National Shipping Line, and a thorough knowledge of its shores obtained through its own experience. But the Black Star Line was born not only to master the mysteries of its golden shores, but also to take its flag of freedom and peace to distant shores. Ghanaians, who lived far away from the coast, and had never seen the sea, became naval men, found on their own shipping line sailing to all parts of the world. Thus the national shipping line brought to the nation skills, knowledge and experiences, which citizens gained through involvement in their national shipping line. At the end of the day, it could well be said with pride and confidence that, the country had the men with the requisite skills and know-how to do the job in time of war or natural disaster. Merchant marine was essential but navigational and engineering skills and well maintained ships, which took time to acquire, were more important in times of war. Merchant ships could easily be turned into troop and supply ships during hostilities or wars. Many national ships played such a role during the Second World War. It was, therefore, imperative to have such a pool of skills and vessels at hand in any country.

2.4.1 Important National Roles played by BSL.

The BSL played many roles during its 40 years of existence. Some of these important roles are as summarized below:
1. It trained afloat officers for the company’s ships at the then Ghana Nautical College, founded for that purpose by the Ghana Government in 1958. It trained cadets and officers in navigation and marine engineering not only for Ghana but for other African countries such as the Gambia, Sierra Leone, Nigeria, Ethiopia, Kenya, and Tanzania (Ocean Star 1977 vol. 8 no 30; 8).

2. The national shipping line also was used to serve many national interests, such as evacuation of Ghanaian citizens from Nigeria in 1983. (see Appendix O). In 1960 the first ship of the National Shipping Line, SS Tano river, was used as a troop and supply ship in carrying Ghanaian (United Nations) troops and essential supplies to Congo (now Zaire) during that country’s civil war (Daily Graphic, 10/9/1982; 4).

3. The Black Star Line again played an important role during the construction of the Akosombo Hydro Electric project. All the turbines were carried by M.V “Lake Bosumtwi” (see plates 2.2 and 2.3 in Appendix P), one of the National Line ships, and the only ship at the time on the West African waters with a crane of 120 tons lifting capacity.

4. As a National Shipping Line, BSL ships were ready on call to national assignments. This included diverting some of BSL vessels to Senegal and Nigeria to bring in much needed cattle for food at a time when meat was in short supply in Ghana (Ocean Star vol. 8 no. 30 page 34).
5. The corporation engaged the services of over one thousand two hundred (1,200) employees by 1982 in Ghana. Thus the BSL also served as a major source of employment for Ghanaians from diverse background and with diverse skills.

6. During the best runs (1967-1980) the BSL contributed immensely to the Country’s balance of payment. The Daily Graphic (10/9/82, 4) reported that a country’s balance of payment was the most essential statistical tool for analyzing its international monetary transactions and the most profitable and advantageous trade to the country was the one which earned or saved the country most foreign exchange.

7. National pride could be said to be one of the important benefits derived from the BSL. The Ghanaian National Flag was well known the world over, whilst the naming of our ships after rivers, lagoons and lakes emphasized the Company’s indigenous authenticity. The delicious Ghanaian foods served regularly and the saloons and lounges decorated with Ghanaian murals, carvings, pictures and paintings portrayed the rich cultural heritage of the country (Ocean Star, Vol.8, no. 30 page 30).

8. According to Acquah (1996, 53) the BSL management at one time or the other put in some innovations that improved greatly on the financial situation of the company, namely:

   a. **Trading:** In the period between 1985 to 1989, when BSL was experiencing some of its lowest capacity utilizations, Management, capitalized on the acute shortage of vehicle tyres in the country to fill unbooked spaces on its vessels with used vehicle tyres, which were sold on the Ghanaian market. Even though this was a non core business, she noted
that it proved a profitable business, generating much needed cash to subsidize the running of the vessels.

b. **Diversification**: As part of its restructuring activities, in 1994, the BSL established a container haulage and leasing division with 3 articulator heads and 6 trailers, together with a depot for storing empty containers. The use of the leasing division greatly reduced port charges as the company’s empty containers were hauled into the company’s depot by its own trucks.

c. **Chartering out**: Being unable to withstand the pressure from competition the BSL placed its last two vessels (*Keta Lagoon* and *Volta River*) at its disposal on time-charter. The hire was at a daily rate of US$6500 and US$ 5700 respectively. This was a ‘tacit’ withdrawal from the West African trade in avoidance of competition.

d. **Repair and maintenance**: In 1993, BSL established a marine repair workshop at Takoradi to enable less specialized repair works on its ships be carried out locally and cost effectively.

### 2.4.2 Challenges and constraints against the BSL

In spite of the important role of the national shipping line in the development of the country, there were some challenges and constraints which militated against the existence of BSL. Some of the challenges worth noting encountered by the shipping line of Ghana were:

1. The national shipping company was plagued by debts, obsolete vessels, and labour disputes. (Encyclopedia Britannica 2006).
2. The allocation committee of the Cocoa Marketing Board sold to foreign shipping lines cargoes meant for Black Star line. Sometimes the chairmen of the Ships Allocation Committee gave preferential treatment to the foreign shipping companies in which they were share holders (Graphic;11/1/1980- 16).

3. Frequent changes in management battled the BSL between 1966 and 1980. Boatey(1980,7), in an article captioned “Publish BSL Report now” said that as many as eight (8) Managing Directors, seven (7) Chief Accounts/Financial Controllers, two (2) Chief Personnel Officers, three (3) Administrative managers, six (6) board chairmen, and uncountable number of Directors had been changed between 1966 and 1980. He suggested engagement of shipping experts from the United Nations or from one of the old Maritime nations like Germany, Britain, or Holland on technical cooperation basis for at least five years.

4. Industrial disputes took their toll on the BSL. One such dispute was the strike action by afloat officers in 1980 (Graphic 24th June, 1980; 1, 4 and 5).

5. The effects of containerization and emerging globalization required changes in the fleet of BSL vessels. In 1974, the Commissioner for Transport and Communications charged the Board to expand to enable the Black Star Line meet increasing trade. He said the time had come for the acceleration of in-depth studies and implementation of schemes not only to revitalize the fleet but also to meet the demands of increasing trade. (Ocean Star, 1975, vol. 8, no.22, p13). But it was not until 1978, four clear years after the Commissioner’s advice, that four new multi-purpose ships capable of carrying a maximum of 500 twenty foot containers, were ordered for the Black Star Line (see Appendix K). The ships
came at a time when the traditional maritime nations had switched over from multi-purpose ships to fully containerized vessels.

6. Misuse of special rebates: Even though special rebates to shippers were inducements to retain their businesses it was grossly abused after Ghana assumed full ownership of the BSL as was noted in the Commission of Enquiry's report (1970:20).
3.0 RESEARCH METHODOLOGY

3.1 Introduction

The methodology discussed the study area, population and sampling and data collection methods and techniques.

3.2 Study Area

The study included the following organizations:

1. The Regional Maritime Academy is the training institution for sea farers and shore-based personnel for the shipping industry. It is located on the beach of Nungua, Accra.

2. The Black Star line former offices. The head office was located in Tema. The other offices were in Accra, Takoradi and Kumasi. The study included both management staff, sea-going officers and ratings.

3. The Ghana Merchant Navy Officers' Association (GMNOA). The union of all Ghanaian sea going officers. Its office is located in Tema. It seeks and protects the interest of afloat officers. It has been in existence for over 30 years and was often involved in settling disputes between (respective) shipping companies worldwide and their respective Ghanaian afloat officers. On a number of occasions in its history, the GMNOA had mediated between the BSL and its afloat officers.

4. The Ghana Maritime Authority (GMA). It was established by an Act of Parliament 630 (2002). It has oversight responsibility on all shipping activities in the country. It took over from the former Shipping and Navigation Division of the Ministry of Transport under which the BSL operated. Though it was not in existence during the period in which BSL operated, the study identified GMA as a major stake holder
based on its members expertise in shipping. Some officials of the GMA, also were former employees of the BSL.

5. The Freight Forwarders Association. It is the union of all freight forwarders in the Country. The freight forwarders are the experts in clearing and forwarding of cargo to and from ships calling at Ghana’s sea ports. Most of the freight forwarders had the opportunity of dealing with BSL vessels.

3.3 Population and sampling

The population of the study comprised students and lecturers of the RMA, staff of erstwhile BSL, members of GMNOA, officers of GMA, and members of the Freight Forwarders Association of Ghana. The RMA has about forty (40) lecturers and about one thousand (1000) students.

Out of the 1000 students there were about fifty (50) upgrading students available on campus at the time of the study. Some of these had had opportunity of working with the BSL. The study, therefore, used the purposive sampling method in identifying a sample size of 40 from the 50 students. The purposive sampling method was again used to select a sample size of 10 lecturers, all of whom were former employees of the BSL and experts in shipping.

The GMNOA had about 400 members. Out of this number, about fifty (50) officers had not gone to sea. Even then, the locations of these people could not be easily found as GMNOA had no current information on the whereabouts of their members. Therefore, the tracer, or snow- ball method was used to select a sample size of 30. The Association of Freight Forwarders had about one hundred (100) officers. The purposive sampling method was again used in selecting a sample of 15 members. The GMA who had about
10 officers out of which a sample size of 5, made up of BSL officers and officials of the erstwhile Division of Shipping and Navigation was selected by the purposive method. The former BSL had over one thousand workers comprising ratings, shore based staff and afloat officers scattered all over the country. The snowball method again was used to select a sample size of 10.

3.4 Data collection

The questionnaire and in-depth interviews were used to collect data. The size of the sample interviewed, (75) necessitated the use of the questionnaire. Only 4 respondents were interviewed on one-on-one basis.

A sample size of 110 was anticipated but the researcher had 79 (about 72%) respondents, 75 of them were by the questionnaire.

Table 3.1 Summary of Population, Sampling and Data collection methods and Instruments

<table>
<thead>
<tr>
<th>Stakeholders/organizations</th>
<th>Population</th>
<th>Proposed sample size</th>
<th>Sampling Procedure used</th>
<th>Instruments used</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Questionnaire</td>
</tr>
<tr>
<td>RMA students</td>
<td>50</td>
<td>40</td>
<td>Purposive</td>
<td>35</td>
</tr>
<tr>
<td>RMA lecturers</td>
<td>40</td>
<td>10</td>
<td>Purposive</td>
<td>7</td>
</tr>
<tr>
<td>Black Star Line</td>
<td>1000</td>
<td>10</td>
<td>Tracer</td>
<td>6</td>
</tr>
<tr>
<td>GMNOA</td>
<td>400</td>
<td>30</td>
<td>Tracer</td>
<td>15</td>
</tr>
<tr>
<td>GMA</td>
<td>10</td>
<td>5</td>
<td>Purposive</td>
<td>3</td>
</tr>
<tr>
<td>FFA</td>
<td>100</td>
<td>15</td>
<td>Purposive</td>
<td>9</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>100</td>
<td></td>
<td>75</td>
</tr>
</tbody>
</table>

Four top management officials of the erstwhile Black Star Line were given interviewed to encourage in-depth discussion of the problem under study (and also because of their long involvement in the operations of the line). The researcher used prepared questions which
were not necessarily followed in order but serving as a guidance for the interview. All the other stakeholders were served with the questionnaire; two of them by e-mail.

Response levels for the questionnaires were as follows; 35 for upgrading students, 10 for former office employees of the erstwhile Black Star Line, 15 for members of the Ghana Merchant Navy Officers’ Association, 3 for officials of the Ghana Maritime Authority, nine (9) for freight forwarders and 7 for lecturers of the Regional Maritime Academy. Population, sampling and data collection methods and Instruments are summarized in Table 3.1
CHAPTER 4.0  PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

This chapter analyzes data collected from the questionnaire administered to respondents, and interviews of four former senior employees of the Black Star Line. A total of 110 questionnaires were administered and 79 (i.e. about 72%) of them were returned. Two of the questionnaires were returned by e-mail, the rest were returned personally. Four in-depth interviews were conducted.

4.2 Questionnaire responses

The presentation of the questionnaire responses is grouped into demographic background, knowledge, aptitude and perception, and suggestions by respondents.

The research into the demographic background indicates interestingly an average age of 40 years for the respondents. It also showed that 56% were employed and 44% were unemployed. Educational background showed 20% secondary, 78% tertiary and 8% post graduates.

Awareness of respondents about the existence of a National Shipping Line in Ghana is as shown in Figure 4.1

All the respondents except five (93.8%) knew about existence of a National Shipping Line. Those respondents who had no idea about the existence of a shipping line (6.2%) were all below forty years of age, they were not born when the first Shipping Line in Ghana –Black Star Line was established. Yet majority of those who said “yes” were below 40 years.
Figure 4.1. Awareness of existence of a national shipping line by age

For knowledge of names of national shipping lines by respondents, the survey revealed that about 80% of respondents who were aware of the existence in Ghana of a national shipping line knew of Black Star Line as the only National Shipping Line. This is not surprising because even a lot of knowledgeable Ghanaians define a national shipping line as that owned by the state.

About 11% of total respondents knowledgeable about existence of a national shipping line in Ghana knew of both Black Star Line and Volta line. Only 1% knew about another national line called Kaddas Line in addition to the Black Star Line and Volta line. The survey therefore shows how popular and important Black Star Line was to Ghanaians.

The breakdown of the knowledge by percentage is shown in Figure 4.2

Figure 4.2. Knowledge of names of national shipping lines in Ghana
For knowledge of advantage(s) in having a national shipping line, 66 respondents (83.5%) said there were advantages whereas 11 (13.9%) did not know any advantages in having a national shipping line. (Two respondents did not answer this question).

**Figure 4.3. Advantages in having national shipping line by age**

For reason(s) of establishing Black Star Line by age, 45 (57%) of respondents knew why Black Star Line was established, whilst the rest (43%) did not know. It is evident from the survey that only respondents below 30 years of age had little knowledge about the reasons of the establishment of BSL. This is not very surprising because they were too young when BSL came into being and not so matured when BSL became defunct. The 33% of this age group who knew the reasons were those in the maritime industry. The age group 30 to 39 years had more respondents (56%) who knew why BSL was formed than the percentage that did not know (44%). The 40 to 49 age group had 53% of its respondents who knew the reason for forming the BSL. The 50 to 59 and over 59 age brackets had 82% and 75% respectively of their respondents who knew why BSL was formed. (The percentage in parentheses in Table 4.1 indicates the percentage of responses to the population in each age category).
Table 4.1. Knowledge of why Black Star Line was established

<table>
<thead>
<tr>
<th>AGE</th>
<th>Knowledge</th>
<th>No knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Abs.</td>
<td>%</td>
</tr>
<tr>
<td>20-29</td>
<td>17</td>
<td>21.5 (33%)</td>
</tr>
<tr>
<td>30-39</td>
<td>5</td>
<td>6.3 (56%)</td>
</tr>
<tr>
<td>40-49</td>
<td>8</td>
<td>10.1 (53%)</td>
</tr>
<tr>
<td>50-59</td>
<td>9</td>
<td>11.4 (82%)</td>
</tr>
<tr>
<td>60 and above</td>
<td>6</td>
<td>7.6 (75%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>45</td>
<td>57</td>
</tr>
</tbody>
</table>

Abs. = absolute frequency; % = percentage frequency

For reasons for establishing Black Star Line, the survey revealed that 50 respondents (63.3%) knew economic as a reason for establishing the National Shipping Line. The economic reason is the mode of reasons because of its primary contribution to the nation's balance of payments. Twelve (12) respondents (15.2%) mentioned security; fourteen (14) (17.7%) mentioned prestige as another reason; and two (2) respondents (2.5%) gave other reasons for establishing the national shipping line as, black man being capable of managing his own affairs and political reasons respectively.

The Venn diagram in Figure 4.4 clearly shows that 31 respondents gave economic as the only reason for establishing the Black Star Line, 12 respondents gave security only as their reason for formation of the Black Star Line, and 13 respondents gave prestige as their only reason for establishing Black Star Line. Five (5) respondents gave both economic and security reasons for forming the Black Star line, whilst six (6) and eight (8)
respondents gave both economic and prestige; economic, prestige and security as their reasons for the establishment of the Black Star Line, respectively.

For causes of collapse of the Black Star Line, 54 respondents (68.4% of total) answered this open-ended question.

This survey revealed that 45 people representing 57% of respondents indicated mismanagement as the cause of collapse of BSL.

Three (3) people representing 4.0% stated corruption as the cause of collapse; 3 people also representing 4.0% stated government interference as the cause of collapse; one (1) person representing about 1.3% said the change over to containerization was the cause; one (1) person, 1.3%, mentioned unfair competition from liner cartels caused BSL’s collapse and finally one (1) person, also representing 1.3% said lack of government’s commitment caused the collapse of the Black Star Line. Two respondents cited both mismanagement and government interference as their reasons for the collapse.
Table 4.2; Causes of collapse of Black Star Line

<table>
<thead>
<tr>
<th>Causes of Collapse</th>
<th>No of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mismanagement</td>
<td>45</td>
<td>57</td>
</tr>
<tr>
<td>Corruption</td>
<td>3</td>
<td>4.0</td>
</tr>
<tr>
<td>Government interference</td>
<td>3</td>
<td>4.0</td>
</tr>
<tr>
<td>Changeover to containerization</td>
<td>1</td>
<td>1.3</td>
</tr>
<tr>
<td>Unfair competition from liner cartels</td>
<td>1</td>
<td>1.3</td>
</tr>
<tr>
<td>Lack of government commitment</td>
<td>1</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Black Star Line could have been salvaged according to 87% of respondents of the sample. All who thought it could not be salvaged were respondents below the age of thirty (30) forming about 5% of sample. Six respondents from age groups 20-29, 30-39 and 60 and above forming a total of 7.6% did not answer this question (Figure 4.5.)

![Salvaging of BSL](image)

Figure 4.5. Possibility of salvaging Black Star Line
For recommendation for another shipping line in Ghana, 73 respondents (92% of sample) answered in the affirmative whilst 6 (8%) did not recommend as illustrated in Figure 4.6. All respondents between ages 30 to 39 and 50 to 59 recommended the establishment of another shipping line in Ghana; about 92% of those in the 20 to 29 age bracket recommended the establishment whilst 87% and 88% also recommended same in the age groups 40 to 49 and over 60 years respectively.

![establishment of a shipping line in Ghana](image)

**Figure 4.6. recommendation for another shipping line in Ghana; percentage by age.**

**Reasons given for recommendation of another shipping line.**

For respondents who recommended the establishment of another shipping line in Ghana their reasons were the same as those given in B5: security, prestige, economic and others.

For the respondents who gave reasons for not recommending the establishment of another shipping line one respondent was very explicit and gave the following two reasons which were also the elaboration of reasons given by the others who did not recommend:

1. "State ownership in a typical commercial oriented venture like shipping will be at variance with Government policy of divesting itself from commercial ventures and
rather encourage the private sector to take up the task with government creating the enabling environment for its survival.

2 However consideration could be given to the formation of a shipping line should our export volume grow to guarantee the viability of such a venture without government interference”.

4.3 INTERVIEWS

A total of four interviews of former high profile BSL employees (2 Captains and two senior office staff) were conducted.

4.3.1. Interview with former Chief Personnel Officer of the BSL

On the question of whether it was necessary to have a National Shipping Line, he was of the view that it was very necessary. His reasons were that in a situation of national emergency, national line vessels could be commandeered to serve that purpose. He cited example of a situation when in 1960 the company’s vessel SS Tano river was deployed as a troop and supply ship to carry Ghanaian (United Nations) troops and essential supplies to Zaire during the civil war in that country. He also mentioned that in 1983 the company’ vessels were used to evacuate millions of Ghanaians from Nigeria when they were deported by the Government of that Country.

On the question of the extent of government’s involvement in the national shipping line he was emphatic that government should have not more than 30% shares in the company. On contributions expected from Government, he proposed that government should come out with rules and regulations that would attract private investors to invest in the industry.
When asked about his contribution as a member of a proposed Ship Management Team to make a national shipping company commercially viable, he stated the following;

1. The development of Coastal Shipping (cabotage).

2. Acquiring oil tankers for the fleet, especially now that oil in commercial quantities has been discovered in Ghana.

3. Board membership should be constituted with 60% of members who have shipping expertise and the other 40% being drawn from people with economic, financial and management background. He also emphasized on 30% government share and 70% private joint ownership, with the private partner being responsible for management.

He was the Chief Personnel Officer when the officers went on strike in 1980. When asked of what led to the strike action he said it was very unfortunate because he foresaw it and advised management but they did not heed to his advice. He further stated that “It could never have happened in a private company where there is no interference from government. The fact is that on the ship there are two categories of workers, the officers and ratings.

The officers are the senior members comprising of the captain, who is the master of the ship, the Chief engineer, and other supporting officers.

The ratings are the junior members comprising the bosun, donkeyman and others.

The lowest paid officer's salary is universally higher than the highest paid rating, and it was also so with Black Star Line. In 1980 the ratings' collective bargaining agreement was approved by management. It so happened that the ratings emoluments with the newly agreed wages were going to be more than that of most officers. I saw this anomaly and drew the attention of management. I advised that the salary increase of the ratings, which
was about 55%, should be implemented concurrently with that of the officers to avoid obvious problems. I therefore refused to sign the agreement in my capacity as the Chief Personnel Officer. The general secretary of the ratings' union reported me to the then Minister that I had refused to sign my portion of the agreement. The Minister then ordered me to sign but I was adamant. I was asked to proceed on leave. The Minister then instructed the acting Managing Director to sign which he did.

When the agreement was signed and implemented and the officers saw the disparity in the salaries and its implications, they also demanded the same percentage adjustment. I was vindicated. In fact some officers even made a joke that they would rather like to become ratings. They therefore demanded that the same percentage adjustment in salaries be paid to them but the government refused; this eventually led to the officers' strike action”.

To avoid government’s interference, he was of the view that even though there was the need to have a National Shipping Line, government should always hold a minority share and appoint a competent person to represent it on the Board. Government’s role should only be that of finance; management should be left to the competent management as already proposed.

As to why the company was running at a loss he gave one example where instruction came from the government for one of BSL ships, M.V. Affram River to proceed to Italy to load 1000 tonnes of government cargo. Management explained to government that it was not economical since the ship would incur financial loss. Management gave an alternative of chartering a vessel but government insisted on using Affram River. He
explained that it is the cumulative effect of such interferences from government that contributed to the collapse of the company.

4.3.2 Interview with a former Captain of BSL.

He had commanded BSL ships for over ten years. He was trained by Black Star Line. When asked about his opinion on establishing a national shipping line, the former captain was very emphatic that it was very necessary. His reasons were security and economic. He said Ghana should not rely solely on foreign vessels, but our own National Line. However the captain did not recommend government as a share holder. He said it should be 100% privately owned, with government providing the funding. Government should provide the enabling environment for the private sector to establish shipping lines so that it collects taxes. This would avoid unnecessary interference.

4.3.3 Interview with a former accountant of BSL

She worked as an accountant in Black Star Line from November 1981 to February 1998 when the company was finally liquidated. When asked about her opinion on the cause of collapse of BSL, the former accountant indicated that most political decisions concerning BSL, particularly the timing of sale and purchases did not auger well for competitiveness. She stated that the fleet expansion from four to sixteen between 1960 and 1965 was not based on regional market developments, but at a period when other indigenous national lines were springing up in the sub region to take part in their respective national trade. She stated that the ensuing intense
competition caused by over capacity in the trade led to a fall in the capacity utilization of the BSL and with it, its earnings.

The competition became stiff for Black Star Line from the early 1970’s due to the fact that the newly established West African indigenous State owned shipping lines also joined in the same trade alongside the traditional shipping lines like Elder Dempster, Delmas, and Woermann Lines. Another problem she mentioned was that all the vessels had become old, on average about 15 years old and therefore very expensive to maintain. The company’s sixteen vessels, according to her were eventually sold as scrap by 1985, leaving behind accumulated heavy losses and debts which had to be serviced.

4.3.4 Interview with a former Captain and Marine Superintendent of BSL

This captain, who was also the marine superintendent and master of the last vessel sold, Volta River, was of the opinion that several factors including indiscipline on the part of both office staff and crew, unnecessary government interference, mismanagement, corruption and lack of vision contributed to the collapse of the BSL.

He noted that cargoes that were meant for BSL were diverted to foreign vessels resulting in non availability of enough cargo; also longer stay in port waiting for cargo for BSL vessels, both of which consequently caused financial loss to the company.

On government’s interference he noted that not all were bad but the irresponsible ones were really detrimental to the commercial viability of the company. When asked to cite an example of each, he stated that a very necessary interference by government was when management was found wanting and government had to intervene when the afloat officers presented their new conditions of service for approval in 1980, a situation that
led to their strike action. He further explained that even though the intervention by government was commendable, certain members of management misled the government to take drastic measures that resulted in the strike action. He stated that the substantive management had just been replaced; the acting new management, in trying to win favour from government to secure their new positions, gave bad and irresponsible advice. He said that it was no wonder that when the government realized its mistake it re-instated the dismissed afloat officers.

The captain said that the main cause of collapse of BSL was lack of vision. He did not blame anybody but said the company should have had a strategic planning outfit to monitor current trend in shipping. He commended the Commissioner of Transport and Communications for charging the new Board he inaugurated in 1974 to acquire vessels suitable to acquire certain types of cargo such as bauxite, alumina, and oil. He said the then government did not just end there but went ahead in its five year development plan to include BSL, a situation that eventually led to the acquisition of the famous four "multi-purpose vessels", which were delivered in 1980 (see Appendix K). However, the then Supreme Military Council government in which the visionary and dynamic commissioner served, had lost power in 1979. The captain noted that when these vessels were delivered the developed traditional maritime shipping companies had switched over to containerization. He said the advanced companies had good research outfits whose strategy always put their less advanced competitors in West Africa, especially the State owned national shipping lines behind. Over-aged and obsolete vessels operated by state owned shipping lines were the main cause of their collapse. Whilst the shipping lines in the sub-Saharan Africa were expected to take advantage of containerization to replace
their ageing vessels, they drastically reduced their fleet as happened with BSL, leaving their external trade to be carried by lines that operated modern vessels.

When asked by the researcher about what must be done to establish a viable line in Ghana, he said Government should have no direct involvement in shipping operations.

The government should create the enabling environment by enacting laws conducive enough to attract the private sector to invest in shipping.

The captain said he was involved in the establishment of a shipping line in Ghana but all efforts to have it take off proved futile due to financial constraints.
CHAPTER 5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter summarizes the objectives and findings of this study, and draws its conclusions therefrom. Some recommendations are made for possible policy formulation with regard to addressing the challenges and shortcomings of a State owned national shipping line. They would also serve as a guide for stakeholders who may decide to invest in shipping in Ghana.

5.2 Summary
The main objective of this study was to determine the circumstances that cumulatively contributed to the demise of the Black Star Line in Ghana. The major findings based on the research from secondary sources were as follows:
1. The problems of BSL commenced after the government of the First Republic of Ghana bought all the 40% shares from the Zim Navigation Company of Israel, the foreign partners in 1961, making it a 100% State owned shipping corporation.

2. Not all personnel were employed on merit but based on political allegiance. For example a number of unqualified employees secured their jobs through their membership of the then ruling party. Some of such employees were placed in positions of trust such as in the accounts department regardless of earlier conviction for fraud and misappropriation of funds (appendix M), a situation that became a real stumbling block to effective management.
3. The study revealed that most people regarded a national shipping line as state owned, like the BSL. UNCTAD code definition indicated clearly that a national
shipping line included a shipping line flying the country's flag with its headquarters in the country (UNCTAD, 1974).

4. A key finding of the study (Commission report 1970:7) was that the foreign external auditing company contracted by the then junior partners, Zim Navigation Company of Israel, discharged its duties more satisfactorily than the Ghanaian external auditing company that replaced it.

5. Besides, there was a high level of political or ministerial interferences regarding the auditing of the company. For example, the previous external auditing company was not re-appointed even though it discharged its duties more efficiently and at lower costs to the company. They had refused some Ministers' instructions to manipulate Government's accounts in the various Ministries they served. With their exit, Management then had the chance to deliberately create conditions that were exploited by the local External Auditors to the detriment of BSL. Between 1957 and 1960 when the BSL's accounts were audited by the external Auditors, the Company's accounts were never in arrears and the Auditor General's reports were submitted to the BSL's Annual General Meetings promptly and regularly in accordance with the provisions relating to submission of BSL accounts.

6. The unhealthy state of BSL accounts started in 1963 when the last foreign accountants left BSL. Management was fully aware of the unsatisfactory state of
1963-64 accounts, which had been managed for only one year by the local accountants but did nothing about it.

7. At its inception, when the BSL faced stiff competition from existing and more experienced foreign shipping lines, the managing agents, Zim, resorted to the rebate system, which was a special inducement to shippers to retain their businesses. From 1961 to 1965 this rebate system was seriously abused to the detriment of BSL. It degenerated completely into paying special rebates practically on everything conveyed on BSL ships but no proper accounting records were kept of these rebates.

8. A greater portion of cargoes earmarked for BSL were diverted to other rival foreign companies by some top management of the Ships’ Allocation Committee of the Cocoa Marketing Board. Foreign exchange, which the BSL should have earned for the country, therefore, went to those foreign companies.

9. Even though there were diverse opinions of the respondents on the reasons that caused the collapse of BSL, a majority of respondents mentioned mismanagement as the main cause. Other reasons mentioned included corruption, government interference and the changeover to containerization. The rest were unfair competition from liner cartels, and lack of government commitment.

10. Majority of respondents agreed that the BSL could have been salvaged. Only 5% of respondents, all aged below 30 years, thought the BSL could not have been salvaged.
11. Another observation from the study was that the BSL had no research department as existed in all the traditional maritime national lines.

12. Other factors that led to the demise of BSL was that majority of BSL’s fleet as at 1982 were old, slow, small and obsolete. In consequence they attracted low freighted cargo with resultant loss of earnings.

5.3 Conclusions

One might conclude, therefore, that the incorporation of BSL into a State Corporation in 1965, as per the Statutory Corporations Act, 1964 (Act 232), backed by legislative instrument LI 434, was pre-mature because it gave too much power to the sector Minister, which might have precipitated the demise of BSL.

The State Shipping Corporation (SSC) took over the assets and liabilities and carried out the objectives of the BSL. It was clearly spelt out in the Statutory Corporations Act that the Corporation should perform other functions from time to time as the Minister might assign it. This particular clause, in the author’s opinion, was the determining factor for efficient performance of management or mismanagement depending on the knowledge and capability of the sector Minister.

A case in point was the stering leadership qualities exhibited in 1974 by the then Commissioner of Transport and Communications, whose tenure of office enabled BSL to benefit from the 1975 – 1979 five year development plan that ordered four new multi-purpose ships to enable BSL stay in competition with its rivals operating similar vessels in West Africa. There were also plans to include bulk carriers and oil
tanker. Unfortunately, that regime lost power, thus those plans were not realized.
(Ocean Star 1975, vol. 8; P13)

The then Sector Minister exercised his powers arbitrarily, and Management faced many problems of interference from government. It was no wonder that various Managements and Boards of Directors, after the Government took over full ownership of the National Shipping Line, could not do their work efficiently and effectively. This led to the Strike action in 1980 by the afloat officers- a situation that could have been averted by a more prudent leadership.

5.4 Recommendations

Some of the initial reasons put forward for the establishment of Black Star Line, like security, employment generation and conservation of foreign exchange are still valid as indicated by a majority of respondents. It is the government’s responsibility to provide security for its citizens; it is also its responsibility to provide an enabling environment for the private sector to grow so as to create and provide enough jobs to complement its efforts at solving the unemployment problems in the country.

It is therefore recommended that-

1. Government should once again initiate the establishment of a National Shipping line guided however by hindsight so as not to repeat the mistakes that led to the demise of the Black Star Line.

2. Like the Presidential Special Initiative, Government should provide the private investor the required financial capital to establish a National Shipping Line once again in Ghana. Government may decide to retain a certain portion of the shares of
the line. However, it would be advisable to limit government participation to minority shareholding in order to reduce the risk of potential conflict of interest between the government and the private sector. The government could be a minority shareholder and gradually sell off its share when the company finds its feet.

The Ghana Shipping Act 2003, which improved upon the Shipping Act 1963 sought to abandon the restrictive approach to registration of ships in Ghana that enabled only Ghanaian citizens and companies incorporated under the companies code, 1963 (Act 179) to register ships in Ghana. It was thought that the restrictive approach enshrined in the previous Act was mainly responsible for the limited number of national lines in Ghana. However, the current Merchant Shipping Act 2003 has been in use for over three years now but is yet to achieve its main objective of encouraging the formation of private shipping lines in Ghana. The author, therefore, recommends the encouragement of the private sector for investment in the maritime transport in Ghana by taking the following into account:

1. The government’s encouragement to enable the private sector to operate shipping lines in Ghana as indicated in the Ghana Shipping Act 2003 should be backed with financial support. It should provide tax concessions for the private investors interested in operating ships.

In fact, the clause in the Act that indicates that government can commandeer a national shipping line implies that the government recognizes the importance of a
national shipping line. There are interested persons eager to invest in shipping operations, like the Captain and Marine Superintendent of BSL (4.3.4), but lack of capital was their main constraint. Macro-economic policy should be geared towards the reduction of cost of capital and other incidental costs in relation to vessel acquisition. Government could stand as a guarantor for the private investor to secure a finance leasing for the acquisition of ships.

2. There is also the need for a strategic planning outfit (research unit) under the sector ministry to monitor current trends in shipping to enable the company keep abreast with innovations in the shipping industry.

3. A new national shipping line may not be able to start and compete on the same level as the established and more experienced ones that existed before BSL but may start from a humble beginning in a different business area such as the coastal trade. Intra-regional trade has been traditionally overland, but poor infrastructural development within the sub-region makes movement of freight and passengers cumbersome and expensive. For example, goods from Nigeria would have to go through several check points at four different national boarders before, finally, reaching their destination in Ghana. A Ghanaian national shipping line should be greatly patronized since such a service would facilitate trade in the region from the northern part of Africa down to the South.
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APPENDICES

APPENDIX A

QUESTIONNAIRE ADMINISTERED TO RESPONDENTS

REGIONAL MARITIME ACADEMY
DEPARTMENT OF MARITIME STUDIES

Dear Sir/Madam,

I am a graduate student of the above named institution conducting a survey on the need to have a National Shipping Line in Ghana. My target groups are students, clearing agents, public servants, shipping companies, importers, exporters, lecturers, and teachers. This study is a pre-requisite for obtaining the MA degree in Ports and Shipping Administration. I therefore need your cooperation in this exercise. You are assured that information from this questionnaire will be used solely for the intended purpose. Your confidentiality is therefore assured. Thank you in advance for your cooperation.

SERIAL NUMBER {   }

Demographic Background.
1. AGE 1. {20-29} 2.{30-39} 3.{40-49} 4. {50-59} 5.{Over 60}
2. SEX 1. Female 2. Male

3. PRESENT EMPLOYMENT
   1. Employed
   2. Unemployed
   3. Student
   4. Retiree

4. POSITION IN PRESENT EMPLOYMENT  ........................................

5. MARITAL STATUS...1. Married 2. Single

6. EDUCATIONAL BACKGROUND
   1. Secondary
   2. Tertiary
   3. Postgraduate
KAP OF A NATIONAL SHIPPING LINE

1. Do you know that there was a national shipping line in Ghana?  1. Yes  2. No

2. If yes which of the following former national shipping lines do you know?
   1. Black Star Line  2. Volta line  3 both

3a. Are there any advantages of having a National Shipping Line?  1.YES.  2.NO

3b. If yes please state any two of advantages

   1. ............................................................................................

   2. ............................................................................................

4. Do you know why the Black Star Line was established?  1. Yes  2. No

5. If yes which of the following were the reasons?

   (Circle the number for Yes(1) and No(2) as appropriate)

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Economics</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>5.2 national security</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>5.3 national Prestige</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>5.4 Any other (please specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. What problems accounted for the collapse of the national shipping lines?

   1. ............................................................................................

   2. ............................................................................................

   3. ............................................................................................

7. Could the Black Star Line have been salvaged?  1. Yes  2. No
8a. Do you recommend the establishment of another shipping line in Ghana?

1. Yes  2. No

8b. Give two (2) reasons for your answer

1. ........................................................................................................................................

2. ........................................................................................................................................

APPENDIX B

INTERVIEW SCHEDULE WITH A FORMER CHIEF PERSONNEL OFFICER OF BLACK STAR LINE

Some of the questions asked during the interview were:

1. Please is it necessary at all to have a national shipping line?

2. To what extent do you recommend Government’s involvement in this?

3. What contribution do you expect from the flag state? (To ensure its viability).

4. What were some of the challenges that confronted you whilst in BSL’s employ?

5. If you were appointed a member of a non-governmental ship management team to run a newly formed National Shipping Line for the country, what ideas would you put forward as your contribution to make the company commercially viable?

APPENDIX C. AN INTERVIEW WITH A FORMER BSL SHIP’S CAPTAIN

Some of the questions asked during the interview were:

1. Please is it necessary at all to have a national shipping line?
2. To what extent do you recommend Government’s involvement in this?

3. What contribution do you expect from the flag state? (To ensure its viability)

APPENDIX D. AN INTERVIEW WITH A FORMER SENIOR ACCOUNTANT OF BSL.

Some of the questions asked during the interview were:

1. Please may I know how long you worked with BSL?

2. What in your opinion were the factors that contributed to the collapse of BSL?

APPENDIX E. AN INTERVIEW WITH A FORMER CAPTAIN AND MARINE SUPERINTENDENT OF BSL.

Some of the questions asked during the interview were:

1. Sir, as captain and former superintendent of BSL, what in your opinion were the factors that contributed to the collapse of BSL?

2. If you were appointed a member of a non-governmental ship management team to run a newly formed National Shipping Line for the country, what ideas would you put forward as your contribution to make the company commercially viable?
GHANA'S SHIPPING LINE TALKS BEGIN TODAY

By John Alidji

TALKS are expected to begin in Accra today about the possibilities of establishing a joint Ghana-Israeli Shipping Line.

Yesterday, a three-man delegation of Zim-Israeli National Shipping Company Limited—now to Accra to hold discussions with the Government on the proposed shipping line which will be known as "The Black Star" Shipping Line of Ghana.

The delegation is headed by Dr. K. Wydler, General Manager of the Israeli Shipping Company. Other members are Mr. S. Weil, and Mr. S. Freidman, legal advisors.

"Past would be signed"

Soon after their arrival, members of the delegation drove to the Achimota Hotel, here. Then the legal adviser stated that after negotiations had been completed, a pact would be signed for the new company. It was added that the delegations would stay in the country for about two weeks, during that time they would travel.
The picture shows Mr. Kojo Botsio, Minister of Trade and Development, signing on behalf of the Government yesterday a pact for the establishment of an Israeli-Ghana Shipping Line to be known as the “Black Star Line.”

Mr. Botsio's right are Mr. F. E. Ansu, Minister of Communications, and Mr. W. H. O. Halo, Chairman of the Industrial Development Corporation. Both men also signed the agreement on behalf of the Government.

Board of Directors

Those who signed for the Zim Israeli Navigation Company were Mr. S. Wyzyh, General Manager, (seen in the picture from the right side are Mr. S. Wyzyh, Chairman of the “Black Star Line.”)

Mr. Wyzyh, in the name of the agreement, the “Black Star Line” will be established with the initial capital of $400,000. Only part of this capital will be subscribed by Ghana and the rest by Israeli sources.

The “Black Star Line” will operate at the Port of Haifa with Mr. Halo as president. Other members are Messrs. S. Wyzyh, F. E. Ansu, Dr. Wyzyh, Dr. Wyzyh, and Mr. Wyzyh.

It is understood that the “Black Star Line” will operate directly with European and African ports, and indirect with North Africa and West Africa. It is believed that the agreement will be favourably received.
THE Block Star Line was the name chosen by Marcus Garvey in 1919 when he founded the Universal Negro Improvement Association which aimed, among other things, at gaining political, economic, social and cultural freedom for Negroes. The Block Star Line was to play an important part in the plan, which he envisaged for improving the lot of American Negroes. When UNIA failed, enemies of Negroes everywhere rejoiced. But, the Block Star Line was re-born!

BIRTH OF THE ‘BLACK STAR LINE...’

A Special Correspondent

The Block Star Line was re-born! The name chosen by Marcus Garvey in 1919 when he founded the Universal Negro Improvement Association was later revived by a group of Negroes who were determined to carry on the work of promoting the welfare of Negroes.

The Block Star Line has been reorganized and will be a powerful ally of the UNIA, which plans to use it for the propagation of the Negro cause. The line will be in the hands of a reputable Negro shipping company, and will operate under the direction of the UNIA.

The Block Star Line will operate on the West African coast, and will also have a branch in the United States. It will be used for the transportation of goods and passengers, and will be a powerful ally of the UNIA in its efforts to promote the welfare of Negroes.

Modern preachers and modern methods will be used in the propagation of the UNIA’s work. The line will be used to transport Negroes to and from the United States, and will also be used to carry supplies to the various Negro communities in the West African coast.

The Block Star Line will be a powerful ally of the UNIA, and will be used to carry on its work of promoting the welfare of Negroes. It will be a symbol of the struggle of the Negro for freedom, and will be used to carry on the work of the UNIA in the propagation of its aims.

The UNIA plans to use the Block Star Line to carry on its work of promoting the welfare of Negroes, and will use every means at its disposal to ensure that the line is successful.

The Block Star Line will be used to carry on the work of the UNIA, and will be a powerful ally of the organization in its efforts to promote the welfare of Negroes. It will be used to transport Negroes to and from the United States, and will also be used to carry supplies to the various Negro communities in the West African coast.

The Block Star Line will be a symbol of the struggle of the Negro for freedom, and will be used to carry on the work of the UNIA in the propagation of its aims.
Mr. W. M. Q. Halm, president of the board of the first Ghana shipping company, the “Black Star Line,” will leave Accra at the week-end by air for the United Kingdom to acquire ships for the company.

In Britain, Mr. Halm will join Dr. H. Wydra, Manager of the Zim Israeli Navigation Company, which signed a pact with the Government for the establishment of the “Black Star Line.”

Dr. Wydra left yesterday for the United Kingdom to make arrangements for the negotiations.

Suez Canal

An official statement issued by the Ministry of Trade and Development, after the signing of the pact, said that it was proposed to start the “Black Star Line” with one ship which would ply mainly between Mediterranean-European ports and West Africa.

The first vessel was expected to make its maiden voyage in the next few months.

Mr. Halm also expressed the hope that negotiations for the use of the Suez Canal would be completed before operations were begun.

The head office of the shipping line will be opened shortly in Accra with another office at Takoradi at a later date.

The Accra office will comprise a manager, who is Mr. R. Wertheimer, the only expatriate staff, an assistant manager, secretary, accountant and a messenger.

From the beginning, qualified Ghanaians will be recruited for work on the board of the “Black Star Line” vessel as service and other personnel. Plans are also being made for Ghanaians to be trained abroad to enable them to man all posts on the ship as soon as possible.
'BLACK STAR' SHIP SAILS IN NOVEMBER

The first vessel of Ghana's new shipping line—the "Black Star Line"—is expected to make her maiden voyage early in November. This forecast was given in London yesterday by Mr. W. M. Q. Halm, president of the line.

Mr. Halm arrived in Britain last week to join Dr. H. Wydra, Manager of the Zim Israeli Navigation Company—which signed a pact with Ghana for the establishment of the line—to secure ships for the company.

Mr. Halm explained that although negotiations had been opened, the company had not yet concluded the purchase of its first vessel. He hoped it would be possible to buy one of them during the next few days.

Three more ships later
Four new multi-purpose vessels are to be built for the Black Star Line within the next twelve months.

The contract to this effect was concluded between the State Shipping Corporation (Black Star Line) and Messrs Hyundai Shipbuilding & Heavy Industries Company Limited of South Korea in Accra on Friday, 10th February, 1978.

Commander J. D. M. Boham (Rtd) Chairman of the Black Star Line signed for Black Star Line while Mr. Y. K. Eum, Executive Director of Hyundai signed on behalf of the builders.

Each of the new vessels will have capacity for carrying 300 containers, an average deadweight of 16,000 tons and a guaranteed service speed of 18 knots when fully loaded.

It is expected that the first delivery will be made in June, 1979. Black Star Line currently operates 16 ships and it is hoped that the acquisition of the additional 4 vessels will enable the Line to cope with the keen competition offered by other Lines which are using more modern and better equipped ships to capture the more attractive and high freighted cargo they are able to carry in containers. It will also enable the Line to fulfil its role effectively in the UK/West African Lines Conference where only multi-purpose ships are operated on the express service.

Hyundai Shipbuilding & Heavy Industries Company Limited whose shipyard is located in ULSAN, South Korea is regarded as one of those miracles in the shipbuilding histories since the ground breaking in 1972, the company started to build 260,000 dwt VLCC and within only five years since then, they have contracted over 100 vessels and successfully delivered over 50 to the owners all over the world including the Nigerian National Shipping Line and Palm Lines which operate in West Africa.

The Company has five large drydocks and one slipway in Mipo Bay of ULSAN, four of them are for new buildings while two of them are for ship repairs.

Hyundai Group is the largest private group company in Korea, within the group are ten companies mainly engaged in heavy industries such as construction, shipbuilding, motor car assembly plant, etc.

Source; Ocean Star volume 8 No. 31 page 13
APPENDIX L

M.V. Keta Lagoon – one of four BSL’s multi-purpose ships

Appendix M.

Terms of reference of the Commission of enquiry into BSL affairs after 1966.

a. To inquire into the circumstances leading to the payment of €16,800.00 (£7000) to a Ghanaian external Auditor in respect of finalizing and auditing of Black Star Line’s accounts for 1963 – 64.

b. To inquire into the payment of special rebates to shippers as an inducement to retain their businesses from 1961 to 1965.

c. To inquire into the circumstances surrounding the purchase of ships by the Black Star Line and the payment (if any) of commissions in relation thereto;

d. To inquire into any other matters relating to the financial operations of the Black Star Line which in the opinion of the commission ought in the public interest to be inquired into.

e. To inquire into any other irregularities in the management and operation of the Black Star line which in the opinion of the commission should be investigated into, and
f. To report its findings and recommendations to the National Liberation Council.

Commission report (1970; 1)

APPENDIX N

S/S 'Volta River' the first ship of the Black Star Line (November, 1957)
ERE was a pathetic scene at the Apapa port in Nigeria on Wednesday when a Black Star Line ship "Silkissi River" docked to acclimatize some of the more than 300,000 Ghanaians who had hurriedly converged en route back home before the January deadline set by the Nigerian government aliens to quit. As some of the people attempted to climb the ropes to get onto the ship while their luggage fell into the sea.

BSL ship on a national assignment
Plate 2.2:- M.V. LAKE BOSUMTWI (Source Ocean Star vol. 8 no. 30 page 31)

Plate 2.3:- One of the heavy transformers for the Akosombo power project is discharged from Lake Bosumtwi. In all Black Star Line carried eight of such heavy loads for the Volta River Authority, during the construction of the Akosombo Dam.
(Source: Ocean Star vol. 8 no. 30 page 34)