

Francisco Soberón Valdés

GREEK SHIP OWNERS: A VIEW FROM AN OUTSIDER



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Index

Introduction	9
The beginning: A Daring Cooperation	13
The Right Ships at the Right Time	19
Pride In Good Performance	23
Greek Ship Owners In London: My First Experience	27
The Seventies: Unconventional and Friendly Ship Owners	29
Back in London: A Light from Above	33
Kardamyla: Finally Understanding Greek Shipping	39
The Sea Gets Sick but Never Dies	49
Epilogue	53

Introduction

As a student in secondary school in Cuba, during the late 1950's, I was captivated by my lessons in ancient Greek history. I was particularly fascinated by the way the Greek heroes felt and reacted towards their Gods, and the emotions and complex situations derived from such relations. I enjoyed reading about the Greek-Persian Wars, especially the battles of Thermopylae and Salamis; the Peloponnesian Wars and the life of Alexander the Great.

As far as Greek shipping was concerned, at that time, my only knowledge was an article I read in a Cuban weekly review in which they informed and analyzed the rivalry between Aristotle Onassis and Stavros Niarchos. To me this was a very exotic story - that stimulated my curiosity, but that was far from my immediate day to day reality.¹

At the time, I would never have believed that just a few years later, I would be involved in a lasting relationship with a very important area of Greek society: its shipping community.

As a result of the Cuban Revolution that came to power in 1959, the United States established the blockade against Cuba (they called it "embargo") and regular shipping lines that served the Cuban trade ceased coming here. The Government then created a shipping company named

1. Later on, I had the possibility to know much more about Mr. Onassis' life and way of conducting his business, and I found especially interesting his 372 page biography by Nicholas Fraser and others - published in London by Weidenfeld and Nicholson in 1977.

Empresa Cubana de Fletes (Cuflet) in order to find alternatives to ensure that the flow of foreign goods to Cuba did not stop. It was March 1961.

Four months later, I was working at Cuflet, sharing the time between my studies (at night) and my work. I was 17 years old and started as an office boy. But given that at the time, events in Cuba were developing so rapidly, I soon found myself assuming new and increasingly more important responsibilities in Cuflet.

There was not much time for doing otherwise, since as part of its blockade, the United States set up the so called "Black List" of ships that would call at Cuban ports and established strong sanctions against their owners, including a prohibition for their ships to call at United States Ports. The name "Black List" was initiated by a news bulletin published regularly by the Treasury Department of the United States, which identified ships calling to Cuban Ports that were then forbidden to call at United States Ports or to have any dealings with US companies and they were also subject to other sanctions. To this day, the blockade is still in full force, despite the fact that in December 17th 2014, both the US and Cuba decided to start a process to normalize their diplomatic relations. This has severely harmed Cuban society and its people for over half a century. (See Appendix No. 1)

The rigorous way in which the United States inflicted and controlled its blockade against Cuba is clearly reflected in an article of the Chicago Tribune dated December 17th 1963. The article informs that at the time there were 198 ships blacklisted, that shipping to Cuba was showing a sharp decline, and that during the first 11 months of 1963, merchant ships made 345 calls at Cuban ports, as compared with 911 calls in the first 11 months of 1962. The article informs that the only way a shipowner could get his ship off the blacklist was to pledge that all of his fleet would stay out of Cuban trade. Four British shipping firms which had 27 vessels on the blacklist at the time, had given their assurances to the US government that

they would stop coming to Cuba, in an effort to have their ships “deleted” from the black list. (See Appendix No. 2- CIA Report dated May 1964 - declassified in 2006).

Cuba had no merchant marine at that time - only 14 ships with about 58 000 tons dwt in total, so the course of action to be followed by Cuflet was rather obvious: To go to the international freight market to charter tramp tonnage - done through London - in the beginning with the valuable help of the powerful Soviet Chartering Organization (Sovfracht) which had an office there, and soon thereafter on our own. Originally, ships were chartered for individual voyages but within months, Cuflet began to charter and operate an important fleet of ships under time charter. At its highest point, Cuflet's chartered fleet had more than 100 time-chartered vessels with over one million tons dwt.

On the other side of the Atlantic, after World War II, the Greek merchant fleet which was badly hit during the war, had experienced an impressive growth. By 1949 it was already in ninth place globally, while two years later it soared to third place. In 1957, every three and a half days, one new ship was added to the Greek fleet, which reached 12,2 million tons equivalent to 10 % of the world capacity. In the 1960s, it doubled its capacity and in 1969 it ranked first in the world, ahead of countries such as Japan, the United States, Great Britain and Norway. (See: Eleni Manta: *100 Centuries at Sea*, Aegean Maritime Museum, 2003 pages 181-183). Furthermore, most Greek ship owners operated their vessels on the tramp market. It was clear then that the huge and efficient Greek merchant marine with its bold and capable ship owners were the main source of the tonnage that Cuba badly needed.

Right from the start, I was so attracted to this new world, that it felt more like I was taking part in a marvelous adventure, rather than working. I was convinced that I had had the good fortune of being at the right place at the

right time. A few other young colleagues and I were trying to learn as much as possible about the Greek shipping world. We were impressed by the fact that based on the total tonnage controlled by Greek parent companies (which sometimes registered their vessels in so called “flag of convenience countries”) Greece – being a small country in area and population – was probably operating the largest merchant marine of the world. I soon realized that with 15 000 kilometers of coast and surrounded by about 6 000 islands, Greece had to be strongly linked to the sea since ancient times. I remember being surprised to learn that Solon, whose activity as a lawmaker and a statesman was a subject in my history lessons, was also a ship-owner and according to Plutarch when he was anxious “(.....) *to escape the fault finding and the captious criticism of his fellow countrymen (.....) he made his commercial interest as a ship owner an excuse to travel and sailed away after obtaining leave of absence from the Athenians....*” (Plutarch: *The rise and fall of Athens*, Penguin Classics, 1960, page 68).

Very briefly, that is the background of my long standing relationship with Greek shipping. Most of the European ship owners that used to operate their ships on the Cuban trade stopped doing it, and the majority of ships chartered by Cuflet were Greek, at first under Greek flag, then under Lebanese flag and finally under Cypriot² and Maltese flags to avoid the United States blockade rules and the decision of the Greek Government to prohibit Greek flag vessels to participate in the trade with Cuba.

2. From a historical point of view it is also interesting how hard the United States tried to pressure Cyprus to take action in order to deter Cypriot flag ships from trading with Cuba. See Appendix No. 3: Excerpts Memorandum from the Assistant for National Security Affairs Henry Kissinger to President Richard Nixon suggesting that he relay this matter at a meeting to be held with Archbishop Makarios in October 1970.

The beginning: A Daring Cooperation

The first vessels chartered by Cuflet were some of the famous 10 500 dwt Liberty Ships built in the United States. More than 2 700 of these ships were built hastily during World War II at a construction cost that ranged from about 1,5 to 2,0 million dollars per ship. I recall that these vessels were described in the Charter party as *"capable of steaming about 10 knots in good weather and smooth water on a consumption of about 24 tons of Bunker C"*.

The construction of these Liberty ships and the way they were acquired by Greek ship-owners is a historic event closely linked to World War II, and is comprehensibly explained in the website *The Greek Shipping Miracle*. I have included herewith below a few excerpts:

"The decision taken for their construction was a result of the on-going losses of Allied Forces' ships operating in the Atlantic convoys, carrying the valuable supplies needed for the successful outcome of the war. The need for the rapid replacement of the lost ships led to the adoption of the welding process in their construction. Welding was not employed on any scale until then with the majority of ships built using the traditional riveting method. (.....).

"Shortly after the end of World War II, 98 Liberty-type merchant ships were registered, almost en masse, under the Greek flag. These ships were

sold by the United States government to Greek ship-owners under the Merchant Ship Sales Act of 1946. Established a year after the end of the war, the act allowed the sale of US-flag ships to foreign countries in order to facilitate their maritime post-war reconstruction.

Of the 98 ships, 14 were already under the Greek flag, having raised the flag since as from their delivery from the shipyards they had been sailing under Greek management through a special agreement. Their sale to Greek interests together with the other 84 ships formed the foundation of the post-war reconstruction of the devastated Greek-flag fleet. The ships were acquired at a mean price of about \$600,000 each, with 25% of this paid in cash by the individual owner and the remaining in instalments over a long term at low interest rates –under the guarantee of the Greek government as requested by the sellers.”

(.....) “Between December 1946 and April 1947, the 98 Liberty ships, along with two smaller cargo liners built as the CI-M-AVI type, were acquired and delivered to Greek interests, marking the start of one of the most important and interesting chapters in modern Greek maritime history, the legend of the 100 Liberty ships.”

Another article on the same subject, explains that between 1946 and 1949 Greek ship-owners purchased an additional 300-odd Liberty ships, which they registered under the most favorable authorities and which went on to bring them record earnings, especially thanks to the high freight rates during the Korean War. *“The purchase of the Liberties became key to the development of the Greek fleet. The Korean War in the early 1950s, which stoked fears of another world war and catapulted freight rates to great heights, brought record gains to Greek shipowners, both those who were already established as well as newcomers to the industry. That was the golden era of Greek shipping and it was during that time that Greeks became the best customers of European and Japanese shipyard” (See*

Gelina Harlaftis: Cornerstone of Greek shipping: 100 Liberties, Life, Piraeus, 19th July, 2012).

The first Liberty ships chartered by Cuflet were owned by Alexander G. Tsavlis, a Greek ship owner who after 1964, entered the salvage business by founding a salvage company. Today, this is one of the most reputable and well respected companies in the industry. In an interview in July 2014, one of Mr. Tsavlis' sons referred to those old times of his father's career: *"The roots and the background behind the establishment of Tsavlis Salvage Group goes back to the early 1920's, when the founder, our father, Alexander G. Tsavlis, arrived in Piraeus as a refugee from Asia Minor and began working on a small harbor tug, which triggered a life time ambition to be actively involved in salvage and towage. Young Alexander (with his brothers and uncle) bought a small wooden coal-burning tug of about 10hp, which they named Alecos.*

Our father founded his first shipping agency company in London in 1939, named Tsavlis Shipping Ltd. A few years later, in 1956, he established a ship management company in Greece called Tsavlis Hellas Ltd. By the mid-1960s, after tireless and persistent efforts, he had managed to create a fleet of 17 dry cargo ships, which included Liberty vessels. During the period of 1962-1963, the company worked with the Cuban state charter company, Cuflet, which adopted all the sugar export trade of Cuba, and the import trade of agricultural machinery and fertilizers. This cooperation was innovative and daring, particularly under the given political circumstances. Our father signed the first long 'contract of affreightment', which was extremely profitable for the company, creating a platform to expand into further projects.

I still remember the name of at least three of those Liberty Ships: *New Grove, New Hill and New Heath*. One of them ran aground near the south east coast of Cuba and probably was the reason why Mr. Tsavlis himself

travelled to Cuba in 1962. He was the first Greek Ship-owner I ever saw. I say "saw" because at the time I was just an office clerk and I did not meet him officially. One day, a fellow young colleague divulged to me with a sense of mystery and admiration: "This is Mr. Tsavlis" and pointed to a very serious man, dressed in a white shirt, no tie, who just came out of Cuflet's Chartering Manager's office, to ask the Department Secretary to help him place a long distance phone call – quite a heroic task in Cuba at that time!

I do share the views of Mr. Tsavlis that this was a daring decision on behalf of his father. I would even add that it was a very brave and courageous decision– few people could dare to get involved in a relationship with a Cuban company, during the year of the Missiles Crisis of 1962, which brought the world nearer to a nuclear war than it had ever been before and has not been since then.

Five decades later, in May 2016, I had the opportunity to personally meet George A. Tsavlis, one of the three Tsavlis sons, a humble man, very down to earth, eccentrically intelligent and positive in nature. During our long conversations, I was impressed to learn about the way his father was able to develop such an important shipping company literally from scratch, simply by conceiving a project, working tirelessly and encompassing all his intelligence, efforts and time to reach his goal. I was equally amazed to learn how his mother had to assume the "heroic" responsibility of taking care and educating three boys almost all on her own, given that her husband's time and effort had to be dedicated to maintaining and progressing his business in such challenging times. The couple shared a kind of "silent" pact that is usually behind the great accomplishments of extraordinary people.

It is also a great achievement that the three Tsavlis brothers: Nicholas, George and Andreas, have managed to keep the family business united and

running so successfully, despite the very complicated role of shipping in the world economy and the tensions that frequently arise in any family relationship.

It is worth noting that the accomplishments of their father, Mr Alexander Tsavlis, were so outstanding that he is one of the selected group of inductees of the ***Greek Shipping Hall of Fame***.

Going back to the early sixties, the relationship that developed with the Tsavlis family would form the introduction for the recently created Cuflet -to the world of Greek Shipping and the complexities of international shipping.

M/V Free Trader – One of the Liberty ships built in the US in 1942 owned by Tsavlis.



The Right Ships at the Right Time

The list of Greek shipowners entering the Cuban trade business after Tsavlis was growing gradually, albeit much slower than we wished, but in the mid-sixties no other shipping company had a more important presence in our trade than that of Franco Shipping Co. and its brilliant founder Dr Achilles Frangistas. This company operated since 1948 and during the sixties owned several dry cargo ships, including fifteen war-built Liberty ships.

Our connection with Dr Frangistas came through the Soviet Union since the Franco Group had several business dealings with the Soviets and in 1965 signed a substantial contract to build 33 ships in Soviet shipyards, as reported at the time. Finally, according to the Group's history as it appears in its web page *"In a pioneering agreement with the USSR, a series of ten ships of various types were constructed at the Nikolayev Shipyards and subsequently came under the group's management."*

We initially chartered three very old ships from the Frangistas Group –built in 1929– called *Katerina*, *Mousse* and *Sophia*. We time chartered one of its first vessels built in the Soviet Union, called *The Efthyhia* and thereafter kept chartering many Frangistas vessels. At one point, we had about 15 Frangistas vessels on time charter, most of them had names of flowers: *Azalea*, *Begonia*, *Camellia*, *Gardenia*, *Magnolia*, *Petunia* and *Salvia*. The close relationship which developed with Dr Frangistas at the time, can easily be discerned from the amount of business we conducted together.

The great involvement of Dr Frangistas in Cuban trade did not go unnoticed by the Greek and American authorities. An article in the Chicago Tribune dated October 13th 1966 depicts how complicated Dr Frangistas' situation had become, as a result of his links with Cuba:

"Greece has been given notice that all United States military and economic aid may be cut off this year if Greek ships continue to trade with Cuba.

This followed approval of the United States foreign aid bill, which incorporates restrictions for countries failing to take steps to keep their ships from trading with Cuba and North Viet Nam.

Greece has banned by royal decree all maritime trading with those two countries for ships flying the Greek flag. But at least one ship owner has continued to trade with Cuba in defiance of the 1963 ban clamped down at the request of the United States.

The ban which went into effect in September, 1963, excluded only ships that were on time-charter contracts at the time. All time charters have now expired.

Achilles Frangistas, a leading Greek ship owner, said tonight he still had a time-charter contract to deliver 12 more shiploads of goods to Cuba-roughly 120,000 tons. Fourteen of his ships have been in and out of Cuban ports in the last two months.

(.....) The Greek government has taken legal action against Frangistas for defying the ban. He is liable to imprisonment up to six months and a fine."

It was evident that Dr Frangistas knew how to handle these 'restrictive' situations and he did so very well: He kept trading with Cuba, he did not go to prison and he was not penalized with any fines.

By the late sixties and early seventies, I was already involved in Cuflet's chartering activity, and I clearly recall the close business relationship we had with Franco Shipping and with Dr Frangistas in particular. The reason why I refer to him as "Dr" in this text is because I had heard it said in Cuflet that he was a physician, something I never asked him.

The experience of dealing with Dr Frangistas is the kind of life marking event that one never forgets. He was the type of person that was born to do great things. Not concerned with minor details, Dr Frangistas' success in the shipping business was based on the fact that he could always come up with the kind of ships you were looking for, at the right moment, ready to conclude a business deal at any given time. It goes without saying that one had to pay for it –and had to pay well. However, he carried himself with such class and charm, that the idea of negotiating with him could almost be considered a sin. Of course being in my twenties, I rather enjoyed being a little "sinful" and taking on the challenge of tough and at times, almost ruthless negotiation, but I must confess that Dr Frangistas was patient enough to let me do my job. I recall that after an exhausting discussion in London, he finally agreed to conclude an important block-deal to charter 10 ships to Cuflet on the basis that I was proposing as a "final offer". Laughing and gesturing in a friendly way, he said to me in an assertive voice: *"Ok, Soberon, let's do it. I am a toy in your hands!"* As a matter of fact, although I was very young, I was not inclined to take his words as a compliment. It was quite clear to me that Dr Frangistas was not a toy in anyone's hands. On the contrary, one could be doing exactly what he wanted, without even realizing it.

Dr Frangistas revealed to us many of the attributes that we would thereafter come to observe in other Greek ship owners, which make them very successful in business: Extremely bold, quick decision makers with an acute ability to identify good opportunities, resourceful and particularly gifted with the talent to solve any problem that could interfere with the

conclusion of a good business deal; always capable of delivering what they have contractually agreed to and with a remarkable instinct to change their course of action when something is not going quite the way it should. In the case of Dr Frangistas, all of the latter was combined with a very charming manner and stylish presence. He was always dressed in well-tailored suits, silk ties and white thread shirts –that somehow constantly appeared freshly ironed– with the initials AF embroidered in black.

One area where Dr Frangistas differed from most Greek ship owners was that he appeared not very skilful with regard to a ship's technical management nor was he interested in this aspect of the shipping business. Actually, I do not recall him ever having started or encouraging any conversation around a vessel's technical management.

Pride In Good Performance

As our relations with Frangistas were growing, we were also gradually enhancing our links with the shipping world. Other Greek ship owners were increasingly affiliating with Cuflet. Among them, one Greek ship owner who developed a particularly strong relation with Cuflet was N. D. Papalios and his company Aegis Shipping.

For many years, we used to have many of his ships on time-charter, mainly the multipurpose SD-14 that he had built in Sunderland, UK. and Skaramanga, Greece (*Aegis Banner, Aegis Fame, Degedo, Venturer, George Papalios, Mimis Papalios*, etc.) Cuflet also chartered from them the largest ships we had operated so far, the bulk carriers *Aegis Thunder* and *Aegis Storm* each about 34 000 dwt, to carry bulk sugar from Cuba to Japan. It is worth noting that at that time we were shipping about one million tons of sugar to Japan annually, and we were very keen to increase the size of the vessels, so that we could employ less ships and reduce the cost per ton. One case I best remember was a tanker of about 18 000 dwt -*Captain Papalios*- that we chartered to carry molasses from Cuba to UK. This is a clear example of the creativity and boldness of the Greek Masters. On one occasion, this tanker completed its discharge on one of its trips to the UK, from where we had to load a huge shipment of aluminium irrigation pipes and there was no dry cargo ship available to carry the cargo. We proposed to *Captain Papalios'* Master to cover the deck with a wooden floor and to load as many crates of pipes as possible. Without hesitation, the Master immediately accepted and the vessel was loaded with so many crates of long pipes that it looked like a modern container ship instead of a tanker. News reporters took photos of her when leaving London and when arriving in Havana. The operation was

managed smoothly with neither the ship nor the cargo suffering any damage. I am certain that not many Masters would have accepted to cross the Atlantic with a tanker loaded with dry cargo in such a way. I do regret that I do not recollect the name of such a skilful and bold Greek Master.

Papalios was by all means the nemesis of Frangistas. He was involved in all details of the day to day activity of his company. At Cuflet, we considered him to be obsessed with “micro-management”. He closely supervised the simplest tasks of running his business and every decision was subject to his personal approval. He did not give the impression to be too interested in developing personal relations as a means of progressing his business. Ostensibly, he was the type of person who believed in obtaining results with hard work rather than in the benefits of a good business relationship. Maybe he was not wrong, but he took this view in a very absolute way.

Contrary to Frangistas, Papalios was usually occupied with matters related to the technical management of his ships. He was proud of their good performance and would become infuriated in instances like the case of *Dorine Papalios* for example, which was frequently breaking down, causing serious headaches to Cuflet’s Operations Department and initiating the classic off-hire disputes.

During our dealings with Papalios, we were exposed to another interesting experience: how to relate to a Greek shipping family. N.D. Papalios had two sons, George and Dimitris. Out of the two, only the latter (at the time they called him “Mimis”) was actually more involved in shipping. He travelled frequently to Cuba and we had many opportunities to exchange views with him. Mimis was a very friendly and interesting counterpart. We quickly realized that his views on how to run the business differed from his father’s. This sometimes caused confusion and anguish within Cuflet, as we had to adjust our approach in our relations with the Papalios family and at times, these differing views brought conflict to our normal day to day business activities with Aegis Shipping.

In any case, we had remarked that the success of Greek ship owners was based not only on their individual capabilities and strength of spirit but largely on their collective approach to business that results from several members of the family coordinating their efforts and contributing with their material and spiritual resources toward a common target. We realized that this was not only important for purely economic reasons but it was a question of honour and prestige for the whole family. Notably, about 90% of Greek ship-owners are descendants of shipping families.

This is an area of the Greek shipping world that cannot be underestimated and it is surely one that can bring many complications to the Greek ship owner. It may be simple for two young brothers to start a business with scarce resources, committing all their savings and working day and night to progress their business venture. But as it happens, nothing in life is static. The brothers marry, they have children; the children become adults all too quickly; the future becomes the present and suddenly the collaboration and consensus that used to be rather easy, turn out to be more complicated. Eventually everyone agrees that the best solution is to divide the business and take different roads. Clearly, it is not only important to be able to coordinate a positive collaboration and operate a family business efficiently for years. It is also critical to know when the time has come to break the business bond and start afresh.

M/V SD-14 Dora Papalios – Aegis Shipping – N.D. Papalios



The Greek Ship Owners In London: My First Experience

During the late 1960's, I was assigned to London. Right from the start, I found London a unique place to be doing business, despite its horrible weather –quite unbearable really for someone coming from the sunny Caribbean. The impressive buildings of Lombard Street; the history of Lloyds and the Baltic Exchange; the big banks, the business experience of the people I dealt with during my day to day activities in the City of London, made me realize that I was very lucky, in my early twenties, to have the opportunity to work in such a global and extremely professional market.

London was also at the time – and I believe still is – the city in the world outside Greece with the largest and most important presence of Greek ship owners. I noticed that no other business community knows how to take from London everything that London can offer, better than the Greek ship owner community. Greek ship owners carried themselves there “like fish in the water”. Being in London, it was possible for me to closely observe “London Greeks” as the City's bankers used to call Greek ship owners established in London. During this time, I noticed the striking ability of Greek ship owners to obtain finance from the London market. This was largely due to the fact that UK bankers were truly convinced that the Greeks were capable of succeeding in the most difficult times, relating to the dramatic ups and downs of the freight market. I often heard the word “resilient”, when referring to Greek ship owners.

I was particularly in awe at how so many different personalities and backgrounds, such as a London businessman, a banker, a broker, an

insurance agent and a Greek ship owner – could collaborate so well and carryout such complicated and successful business deals. Of course, it was something I came to realize very quickly: they were the perfect complement to one another and this 'differentiation' was as it turns out, the prerequisite for any successful business venture. At certain stages, which they themselves could not even foresee, they would desperately come to need one another.

Of particular interest was the relationship between the Greek ship-owner who operates companies in London and his British shipbrokers -it is quite a lesson on how to conduct a proper and professional relationship between a businessman and his associates. I was especially impressed by how Greek ship owners – so accustomed to being involved in many important decisions on their day to day business activity themselves – usually did not interfere with the chartering negotiations of their brokers and allowed them to do their job with great autonomy.

The Seventies: Unconventional and Friendly Ship Owners

Back in Cuba at the end of the sixties, I was appointed Traffic and Operations Manager of Cuflet and later on, Deputy Managing Director. Our business relations with Greek ship owners grew very quickly since our foreign trade was also growing and we needed a larger fleet that only Greeks could provide.

During the seventies some of the shipowners with who we already had ships on charter increased their business with us and new ship owners were starting to enter the market. I have very interesting memories of those years, as I used to deal with many different small and medium sized Greek ship owners of very different personalities and business practices, but all of them always had a distinct talent to get things done and to progress their businesses even in the most adverse situations. There are many that I recall distinctly, but so as not to make this text too long, I will only mention two of them, that I remember as very friendly and unconventional ship owners.

E.K. Athanassiou of Olistim Navigation, had very particular business practices in so far as he never asked for loans to buy new ships, did not insure his fleet, personally inspected the ships he was interested to buy, did not employ brokers to charter his ships and was personally involved in every minor detail of his vessel's technical management. He would give his ships very similar names (*Alba, Alda, Alma, Alpa*, etc) which created a lot of confusion in Cuflet's Operations Department and filing systems!

Mr Athanassiou was so overconfident about his abilities that one time when I was trying to obtain a contract to carry all oil imports of Costa Rica's oil refinery company (RECOPE), he assured me that he could do it with just one ship. When I asked: *What if the ship breaks down while performing the contract?* He replied without a second's hesitation: *My ships do not breakdown!* The most important point in this recollection worth noting is that there wasn't the slightest hint of bluff in his words. He definitely believed what he was saying. For someone of another culture, it may seem that such an assurance could be the product of arrogance or an inability to touch base with reality. This is far from the truth. The fact is that Greek ship owners have been accustomed to dealing with the risks of facing unpredictable situations such as a natural disaster at sea for centuries. They are so certain of their officers on board, their technical team ashore and their own personal experience and skills, that they are truly confident that they can cope with any unexpected problem that may arise during the ships' operations. In this particular case, the contract with Costa Rica was not carried out, but I have to admit that Athanassiou's ships in general did run very smoothly and they broke down only on rare occasions and usually for short periods of time.

John Pateras, of Pateras Brothers, who based his business philosophy on the effective combination of his natural ability for good personal relations and an extraordinary wisdom he had to predict the requirements of charterers. In the case of our company, Cuflet, Pateras would aim to adapt to our methods so as to keep us pleased via the smooth performance of our mutual contractual agreements and the cultivation of plenty of goodwill for when a conflicting situation would arise.

Sometimes, as part of his good relations policy, when we would contract one of his ships in a long period time-charter, he would rename her after a Cuban location, like *Alamar*, *Valle de Picadura* and others. Without a doubt, he knew that Cuflet's team did enjoy this kind of gesture. One thing I remember that made an impression on me was his sense of humour –even

in the most complicated of situations. At one point, there was a crisis in the freight market together with an appreciation of the Japanese yen that made contracts signed for new buildings in Japan unaffordable. It then happened that banks took possession of many ships that had been mortgaged as collateral for the loans needed to buy the new buildings. Pateras was one of the Greeks ship owners seriously hurt by this situation as the banks took control of many of his ships. Under these circumstances, during a visit I made to Piraeus, Pateras welcomed me in his office in his usual friendly way and handed to me a freshly printed business card reading: "John Pateras – Bank's Employee"! He laughed out loud and explained to me that he was now dedicating a lot of his time to operate ships that were legally under the control of the banks. He managed to handle the situation so effectively that a short time later he was operating and had the full control of his fleet again.

Another interesting point worth noting is that whenever there was a rigid position in a negotiation, Pateras would put his brother Diamandis in the forefront. He did so while showing a lot of respect for his brother and by trying to convince me about the reasons why the best "we" could do was to accept Diamandis' "final word". "*Diamandis is adamant on this*" he used to say with very sincere and serious concern.

M/V Alma – Olistim Navigation – E.K. Athanassiou



Back in London: A Light from Above

By the late seventies I was back in London, as Managing Director of Anglo Caribbean Shipping, a company acting as chartering agents for Cuflet. This time around, I spent more than 4 years in London and I had a new opportunity to have a deeper and wider relation with “London Greeks”. I would also visit them at their offices in Greece more frequently. This gave me the opportunity to have long conversations with them and enabled me to learn more about their business culture. I was particularly interested to understand the basis of their relationships with banks and how London Greek ship owners managed to regularly obtain the financial support to acquire new building and second hand tonnage. Undoubtedly, I am sure they saw a possible threat to their business interests in my intentions, since in so far as I could be able to obtain loans from banks to buy ships, this would inevitably mean fewer ships Cuflet would charter from London Greek ship owners. But as is so often the case, they saw every situation as an opportunity rather than a threat. Greek ship owners acted very pragmatically and soon began “flooding” me with offers to create joint ventures. They would provide the finance arrangements with the banks and the ship operating experience, whereas we would furnish a medium to long term charter to serve as a guarantee to the loans that would eventually be obtained. In the end, no joint ventures were effected. But I succeeded in establishing our own relationship with the UK banks and the contacts I made with London Greek ship owners were ultimately useful for the attainment of my goals.

During this period, no ship owner made a greater impact on me than Michael Peratikos who ran Pegasus Ocean Services together with his brother

Takis. His company operated a number of ships among which were the versatile multipurpose IHI Freedoms built in Japan. A number of these ships were regularly chartered by Cuflet and we developed a very close business relationship that turned into a personal friendship based on mutual respect.

When I met Mr Peratikos, he was in his early sixties and I was in my late thirties – so the age difference was large as were our individual experiences at the time. These are the kind of differences that sometimes make the older person behave in a paternalistic way and remind you that you are there to listen and to learn and he is there to talk and to teach. Not at all the case with Mr Peratikos. I must say he was one of the humblest business men I have ever met.

In the brief summary of his biography that appears in the Greek Shipping Hall of Fame, it is stated that according to his own words, Michael C. Peratikos enjoyed adventures, that he remained excited about the job of being a shipowner throughout his career and that he combined his private business activities with decades of leadership on matters of common interest to the Greek shipping community. I feel that this description reflects precisely the impression I had when talking to Mr. Peratikos. It was ostensible that he loved his work and he liked to relate to the people his company had a business association with on a much more personal level than one would expect of a normal business chat.

Always willing to hear what you had to say with real interest, Mr Peratikos left you to choose the subject of conversation and took part in it, participating on an equal basis and giving you his utmost attention. Every time he began a conversation with you, you realized that you were in the presence of a man with a rare intelligence and a rich life experience which he had converted into wisdom and good judgment. He had one of the most powerful and sometimes exceptional characteristics of a businessman: the power of persuasion. A business meal for example, may entail that different

approaches are used, to bring business affairs to the table. Mr Peratikos' approach was not to take the initiative to bring a business matter into the conversation during a meal, although he had the power and ability to follow it politely if you had decided to bring a business matter to the social venue.

One concept that captured my attention at the time was how Greek ship owners decided when to buy and when to sell ships. I knew of no other culture in the shipping industry who had a greater sense of accuracy in terms of when to invest or when to sell ships. In an industry like shipping, where the "ups and downs" are so unexpected and dramatic, to have such a proactive predictive ability has an extremely high value. I posed the same question to many ship owners: *When do you decide to invest?* I heard many interesting responses, but no one quite like the one Mr Peratikos gave to me: *"When I receive a light from above"* he said. Certainly, he was not referring to any religious or supernatural notion. It was obvious to me. What he meant was that for complicated and important decisions, he examined all the information available at a given moment and then acted according to his instincts. Indeed, these were not just anyone's instincts. These were the instincts of an extremely talented person with profound experience in business matters and with the ability to decide without allowing emotions to influence his determination. The success of Mr Peratikos' business career is evidence of the reason in his approach. Nonetheless, even the most talented men are prone to make mistakes. As it happened to Mr Peratikos himself, in 1992 he purchased Elefsis Shipyards from the Greek government with the vision of converting it into a modern and efficient shipyard. For many reasons, this decision proved to be a great disaster. I read that in his usual humble way, Mr Peratikos admitted his mistake and referred to it as *"the worst decision of my life"*.

During my time in London, there were other "London Greeks" that I met regularly. There was one in particular with whom I had very thought provoking conversations. I will not mention his name since I do not know

whether he would like his words being quoted and at present, I do not have any means of contacting him. During an after-dinner conversation, I found myself talking extensively with this rather young and well educated Greek ship owner about our personal lives. At one point he asked me directly why I worked for the Government –given that I surely could make a lot more money if I had my own private shipping business. I explained my reasons and afterwards, I felt free to ask a question about the life of a millionaire, something I thought about frequently and always wondered: *If you are so rich that you could spent the rest of your life and probably that of your children and grandchildren living very well without earning any new money, why do you live a life of risks, tension and anxieties about your business with the only goal to have a bank's clerk at the end of the month writing in your bank account a higher figure than the month before?*

He replied very calmly, like someone who has not been caught by surprise– that there were three reasons for him to live his life the way he did. The first was that he had been educated to compete since he was a child. He felt good competing and one of the ways he measured his success was precisely by examining his bank account at month's end and to see with pleasure that the figure was higher than the month before. The second reason was a lesson his father had taught him: He recalled that his father, who started the family business had to entertain for lunch/dinners or otherwise develop personal relations with people he did not like, since they were very important for his business. Then being substantially richer than his father, he could afford to cultivate personal relations only with people he liked and he did not care so much to lose a particular deal if he did not entertain people whose company he did not enjoy. The third reason he revealed to me was that in a capitalist system, one is more independent if he has more money, and he always wanted to be as independent as possible. I have summarized what he said which in reality was definitely more lucid and elaborate, but I reflected on the substance of his words, as for me they had great value since I considered him to be very honest and open in his reply.

Many years later, I read a book entitled *The Audacity of Hope* written by the President of the United States, Barack Obama, when he was a Senator, in which he expressed some ideas about the role of money in the United States political system. He said: *"Money is important to keep status and power; its important to scare those who want to take your post and to fight fear. Money cannot guarantee success (....) but without money (....) failure is almost guaranteed."* (*The Audacity of Hope*, 2007, page 117). It is very interesting to see that the ideas of a prominent United States politician are very close to the reply that my Greek ship owner friend gave me about 25 years earlier.

It turns out that the wish to continuously increase the size of their fleets is part of the passion for competition to which this young ship owner referred to, but has also been the cause for failure for a number of Greek ship owners. Although they are extremely clever at deciding when to acquire new ships, sometimes they "push their luck" and insist on increasing their tonnage at the wrong time of the market, which in some cases has put them out of business.

Other Greek ship owners who made a great impact on me during this period were:

Thanassis Martinos: With his low profile but highly effective business practices, Thanassis Martinos always looked like a person with whom you could discuss the most delicate or awkward problem in a very civilized manner; so much so, that he created a feeling inside you that inhibited you from making any proposition which was not worth his attention and his very polite and constructive manners. A lesson that could be extremely useful for many so called "tough negotiators".

Nick Moundreas: At the time, Nick Moundreas was leading one of the fastest growing shipping companies in Greece; with his perfect image of a successful life, his athletic body, his very active social network, and the aggressiveness with which he pursued his goals, he sometimes seemed to

take impetuous actions and split second decisions. Once, he offered to sell us a ship which we were interested to buy instantly during a business lunch, and he warned me: *"Be careful of your reply because I can take this decision without moving a muscle of my face."* A phrase that I found a little arrogant, but to be honest I have to accept that I did think that he could certainly keep his end of the bargain so I had better not bring any bluffing into our conversation.

Nicholas D. Efthymiou: Efthymiou had several of his ships chartered to Cuba (I recall some of their names - *Efdim Junior*, *Prosphatia* and *Fotini*). He had his office in Ibex House, the same building where my company, Anglo Caribbean, was located, so we met frequently on a personal level and spoke over the phone several times a week. I remember the high quality operation standards of Mr Efthymiou's ships at the time, his friendly attitude and his distinct sense of humor which helped keep a fluent communication going, even during those stressful days where conflicts arose –as it is inevitable in any long standing business relationship. After my return to Cuba, I lost touch with Nicholas Efthymiou. I later read in the press that he went back to Greece in 1981 and ran the family business from there; He joined the board of the Union of Greek Ship Owners, eventually serving as Vice President and in 2003, was elected President of the Union of Greek Ship Owners, serving the maximum of two terms at three years each.

M/V Efdim Junior – Efthymiou Shipping – Nicholas D. Efthymiou



Kardamyla: Finally Understanding Greek Shipping

After more than 4 years in London, I came back to Cuba and I was appointed Chief Executive Officer of Acemex, a financial and shipping group of companies, which allowed me to keep my relations with Greek ship owners. However during this new period, we were occupied with more complicated business transactions that involved the creation of joint ventures between Acemex and some important Greek shipping firms.

During this period, I developed very interesting relations with new Greek ship owners and I had the chance to deepen my connections with others I had known for years. There is one particular Greek ship owner however who I would like to focus on, for two reasons: He is one of the most extraordinary personalities that I have met in my business career and he was also the person who introduced me to some areas of the Greek shipping world that were unknown to me until then: Captain Panagiotis Nicolaos Tsakos.

I first heard of Captain Tsakos when I was a clerk in Cuflet in the early sixties. At the time, Greek Masters of ships we had on charter were very important people to us, in so far as we needed their cooperation to carry the most diverse cargoes. As already explained, shipping lines were no longer calling to Cuba and Cuflet's chartered fleet had to serve the diverse Cuban foreign trade. This sometimes involved carrying partial liquid cargoes in

the deep tanks of dry-cargo ships, loading a huge shipment of irrigation tubes on the deck of a tanker ship, handling very difficult and heavy pieces of equipment, arranging complicated stowage plans to accommodate merchandise of different characteristics in the same hold, quickly preparing the ship to load cargo of a very different nature than the previous one, etc. We were quite fortunate that Greek Masters were so cooperative and proud professionals –there was almost no problem that they were unable to solve.

This does not mean that they did not create any problems. But it was another aspect of the relationship they had with their owners – they tried to protect their owners' interest as best they could, sometimes creating unnecessary discussions and disputes, as it is usual in any long lasting and at times, complex relationship.

In those early days, Captain Tsakos was without a doubt, the most prominent Master of the fleet we had on Charter and his name was mentioned with respect and admiration not only in the Operations Department but also by top management, to such an extent that the Managing Director of Cuflet, Manuel Novoa, became a personal friend of Captain Tsakos and this friendship was one that lasted a lifetime.

After those early times, the name of Captain Tsakos disappeared for some years. The next time that I heard about him again was from Dimitris Papalios, who enthusiastically recommended that we should try to renew our business relations with him, as he had founded his own shipping company and was doing very well. However, Captain Tsakos' company was mainly operating tankers and until the late eighties almost all liquid cargo for Cuba was carried by Soviet flag ships, so there was not very much room for cooperation with his company.

But it so happens that the Soviet Union collapsed, and we found ourselves in a very similar situation as in 1959: Soviet ships that were

already carrying more than 80 % of Cuban foreign trade cargo, completely disappeared from the scene and we had to find alternatives to carry oil and derivative products from the new supply countries to Cuban ports. It was then that we turned once again to Greek ship owners.

I do not exactly recall how we organized our first contact with Captain Tsakos, but I do remember that when it happened, I found myself in front of a man who kept the charm of his younger years but was now a person with whom you could begin a conversation and could be exchanging very interesting views for a long time. It was evident that his great success in business had made him a self-assured person but he showed such quality in a very natural way, without the slightest sign of arrogance or any elitist attitude. On the contrary, he made you feel that you were a very important person for him and that he would take seriously any idea or proposition that you put forward.

Considering his old connections with Cuba and the common interests we shared to promote joint ventures for acquiring tankers to transport cargo to Cuba, we soon concluded our first deal. One of Captain Tsakos' tankers was sold to a joint venture company that belonged 50% to Acemex and 50% to Tsakos Group, and was renamed Athamas, after a Liberty ship chartered by Cuflet in the early sixties, which had then been under the command of Captain Tsakos. This was the basis for further development of our personal relationship and it was the perfect opportunity for me to enhance my knowledge of the complex world of Greek shipping, and I took advantage of it.

I would say that usually our conversations were related to our mutual business about 20 % of the time. The remainder was focused on subjects related to the way Greek ship owners operate, the role of the family and their link with the community, especially with the particular islands and villages where Greek ship owners have their roots.

Captain Tsakos insisted that I visit his home town, Kardamyla on Chios Island. I finally did in the early nineties and I was pleased I did so, since it was only then that I was able to understand the thought process behind Greek ship owners' philosophy and their unique way of operating their companies.

I only stayed in Kardamyla for two days but it was a very intense journey: I participated in a mass related to the Holy Cross Celebration and a social event that took place following the mass; I walked through the streets of Kardamyla accompanied by Captain Tsakos' beloved daughter Maria; We had some food and drinks with Captain Tsakos by a table outside a popular coffee house while people already sitting in the café joined our talks; I attended a reception that Captain Tsakos gave in his home for the Kardamyla authorities and I visited the home of Captain Tsakos' mother, also named Maria. During this visit, I was amazed to see that when I was introduced to her – she must have been about 80 years old at that time – she instantly remarked “Yes, he is the one we sold 50 % of the *Yaya Maria* to” (This was the vessel acquired from Tsakos fleet to operate under the joint venture agreement between Tsakos and Acemex). It was a very

M/T Yaya Maria renamed Athamas (after the Liberty ship chartered by Cuflet in the sixties which was under the command of Captain Tsakos) and operated during the Cuban trade in joint venture between Acemex and Tsakos Group, in the early nineties.



impressive detail that made me realize to what extent the family follows the course of the business of any of its members.

In those two days, I had the opportunity to pose many questions, to witness the relationship between Captain Tsakos and the Kardamyla's people and to study the way they talked to each other, including their body language -that sometimes speaks louder than the verbal language.

The first thing I understood as a result of this short stay in Kardamyla, is that there is probably no other example in shipping or even in the business world, of such an integration between a business and the community from which its owners come from. This was evident in everything that I saw. It is a very solid integration, as it is founded on a mutual moral obligation that no one dares to break- but more importantly, no one wishes to break.

For the international press, Captain Tsakos is a "Greek shipping tycoon" but for the authorities and the people of Kardamyla he is a Master who managed to develop an important shipping business, but that *belongs* to them.

This relationship has some tangible aspects. For example, Captain Tsakos creates schools, constructs social buildings, and helps officers of his ships who have their origin in Kardamyla when they are out of work or they have some important family event. From their side, Kardamyla officers of Tsakos' fleet serve the company with their utmost efficiency and devotion, and they certainly avoid any action that could hurt the interest of their employer.

But far beyond any material relationship between Captain Tsakos and the Kardamyla people, I could see that their very strong ties are based on mutual respect. The people of Kardamyla respect and admire Captain Tsakos because they see in him one of their sons who with his great intelligence,

climbed to the highest altitudes of success by working extremely hard. Families in Kardamyla do not envy him. They just dream with great pride that their children will follow Captain Tsakos example and will reach as high as he has. From his side, Captain Tsakos respects the town where he comes from and its people, as he believes that he owes a great part of his success to them; their continuous encouragement is part of the emotional support that he needs in order to face the very difficult conflicts that a person with the burden of such responsibilities, must confront almost every day. It is like a non-written contract by which each party feels morally obliged to reciprocate the benefits that he receives from the other.

There are many examples I saw that reflect this strong moral bond. I always remember the case of an officer of a Tsakos' ship who died as a result of an accident when he was trying to paint a perfect "T" on the funnel of the vessel. She was approaching a port under rough sea conditions, where a Tsakos ship was calling for the first time and he wanted his ship to make the best impression. I recall how obligated Captain Tsakos felt towards the family of such a devoted officer and servant.

As a consequence of these "invisible ties", I am convinced that if some Kardamylan officer of a Tsakos' vessel would act in bad faith against the owner, he would face the strongest censure from his family and the community. The same would happen to Captain Tsakos if he were to treat a Kardamylan officer in an unjust manner. This kind of moral commitment between an employer and his employee is definitely more effective and stronger than any written document, be it a legal document, a labor regulation or an employment contract.

For several years, I had the opportunity to observe Captain Tsakos' style of management. We visited each other's offices, I accompanied him on board his ships, I was a guest for dinner at his daughter's home, I traveled with him to Kardamyla and I watched how he interacted with his

subordinates, his family and the community. I must confess that I found his business practices the result of a very complex and at times enigmatic combination of a mastery of shipping, a capacity to communicate based on his great patience to listen and to transmit his ideas in a direct but always respectful way, a strong leadership ability that made his people trust him, an open minded but prudential attitude towards risk taking, and most of all, his rare skill to be in command –never let things get out of control– and to have a very accurate and opportune sense about exactly when to proceed and how to achieve a certain goal, as though he could not take a decision too early or too late.

I have already said that family plays a very important role in the Greek shipping environment. In this respect, I have seen many different ways in which the family ties have an impact on the Greek shipping business. In the case of Captain Tsakos, he has the capability to integrate his family into the business and let them exercise their skills and attributes to the best of their ability for the good of the business. An example of this, is the involvement of Nicolas Tsakos, Captain Tsakos' son, on listing part of Tsakos' company on the stock exchange. This was a transaction which entailed combining the conventional knowledge of shipping with the mastery of modern and sophisticated financial markets, something that evidently Nicolas has achieved. I believe this was one of the most important contributions of Captain Tsakos to the Greek Shipping World, since I do not know of many Greek Shipowners who had previously managed to link their knowledge of shipping with the potential of globalized financial markets the way Tsakos Group has achieved.

The other member of the Tsakos family who we dealt with most of the time was his daughter Maria Tsakos. Besides Captain Tsakos, she was the person we usually had our daily contact with, taking important decisions and solving the conflicts that arose in the joint venture business between Tsakos and Acemex. Her distinctive characteristic and the one I appreciated most, was that she never

adopted a defensive position, she avoided imposing a one-sided decision and always strived to find reasonable solutions. She accomplished all this with such a sincere courtesy that made it easy to conduct a constructive debate about the best course of action and to arrive to a sensible and evenhanded solution. Perhaps she was not aware that by being the open and sincere way she was, she was able to develop the same sincere feeling in her counterpart. At Acemex, the road was paved to find a compromise solution for which both parties made concessions and where both parties were satisfied. And with this I mean that due to Maria's qualities, we never arrived at a misguided and dangerous solution where there is a "winner" and a "loser" –a state which is like poison for a constructive long term relationship. In all fairness, it should be stressed that the success of the joint venture between Tsakos and Acemex was to a great extent due to Maria's personal approach and her way of dealing with conflicts, problems and misunderstandings. To the many attributes of Captain Tsakos, I have to add the way he was able to integrate his children in the family business in such a way that he was able to make them happy and to obtain their greatest contribution to his company's success.

Photo on board the MT Yaya Maria. Maria Tsakos is depicted, who was the driving force behind the success of the joint venture between Acemex and Tsakos Group, and effected the operation of this ship during the Cuban trade under the name Athamas.



An important final remark: All of what I mention is what I have seen as a result of observing Captain Tsakos over the period of many years and over our long conversations, but I fully realize – as it is normal for any human being – Captain Tsakos could have made mistakes and taken wrong decisions along the way; Whatever these may have been, to me they do not diminish the remarkable human being behind the man and his professional qualities that I have described.

Maria Tsakos, in the company of the author of this book (first from left to right) as they walk through the streets of Kardamyla, during their visit to Captain Tsakos' birthplace in the early nineties.



Captain Tsakos (fourth from left to right) Maria Tsakos, and the author of this book (second from right to left) as they attend to a meeting in 1994, in the Havana Office of the recently inaugurated Netherlands Caribbean Bank (a joint venture between Acemex –the Group at which the author acted as President– and the ING Bank of Holland).



The Sea Gets Sick but Never Dies

In this work I have referred to a group of Greek shipowners that I personally met during my career in shipping, but I could not conclude my memoirs without mentioning others who also had a relevant participation in Cuban maritime transport. The names I remember are as follows and where I recall their ships chartered to Cuba, I have included same in brackets: Kyriakos Mouskas (*Zela M, Succesor*), Leon Lemos (*Elpidoforos*), Simon Palios (*P. S. Palios*), Stelios Kalamatousis (*Arcadia*) Spyros Karnessis, Constantine Comninou. Adam Polemis (*Mykonos*). There were others too, however I cannot recall their names while writing these notes.

Some of them I had the opportunity to meet personally and some not. Amongst the former, in May 2016, during his visit to Cuba with Mr George Tsaviris, I had the great fortune to meet Mr. Nicholas A. Pappadakis, a man I had heard about for many years. After two long conversations with him, I understood why he is such a recognized person in the Greek shipping community, to the point that he is one of the shipowners with more distinctions and international recognition that I have ever known.

Mr. Pappadakis is Past Chairman of the International Association of Dry Cargo Ship-owners; past chairman of the Hellenic Marine Environment Protection Association and until 2012 was a long-serving member of the board of the Union of Greek Ship-owners. He has also been president of the

U.S. Propeller Club International, Port of Piraeus and Vice President of the Hellenic Chinese Chamber of Commerce; President of the Malta International Shipping Council; Director of the Cayman Registry and has served on key committees of numerous classification societies. He was elected chairman of Intercargo –the International Association of Dry Cargo Ship-owners –at the association’s 25th anniversary meeting– and held this role from 2005 to 2012.

Mr. Pappadakis likes to repeat an old Greek saying that expresses his philosophical approach to shipping: *“the sea gets sick but never dies”*. This concept together with his opinion that every country’s richest asset is its young generation, make him one of the individuals who has summarized with the least amount of words, the basis that should be taken into consideration to ensure that Greece maintains its very important place in the shipping world.

I think that Mr. Pappadakis’ approach is of great value, especially at these times, where financial globalization has a tremendous influence on the views of young professionals, who often feel that the easiest way to succeed in business is by working and speculating on the global financial markets, without essentially contributing to the progress of the real economy.

It should be noted that at present, we are living in a global financial market which absorbs enormous financial resources and channels them to non-productive activities against the development of the real economy - which is necessary in order to employ people in the production of goods and services, destined to satisfy the growing needs of the community. Clearly, such preference for financial speculation has a high social cost, since it does not create any new material or spiritual wealth for the society. It has to be emphasized, as Mr. Pappadakis frequently mentions, that shipping is an activity with great impact on

the real economy –it creates jobs. Shipping is instrumental to the trade of goods and produces real wealth. Of course, it requires very hard work if you wish to be successful, but as a football technical director once said: *“the only place where the word **success** comes before the word **work** is in a dictionary.”*

M/V Elpidoforos - Efploia Navigation – Leon Lemos



Epilogue

In this text I have referred to Greek ship-owners of very different characters. But as I have already mentioned, there are some common features that make them a unique business community – one that you can easily identify. With over 100 centuries at sea, no one knows shipping better than them. They are very good at handling risk – both at sea and in the freight and financial markets; they are especially skillful at surviving the rough downward periods of trade; they have an ability to quickly adapt to sudden changes (very “resilient” in the view of London bankers); they are quick decision makers, with the finest sense for identifying good opportunities; resourceful and gifted with the talent to solve almost any problem that could interfere with the conclusion of a good business deal. They are experts in the art of getting things done and can proceed with their business even in the most adverse situations.

Furthermore, despite their traditions and their particular way of doing business, they are extremely good at playing in the global markets. Actually, globalization could be a new concept for a textiles producer, for a mining company director or even for a car factory manager, but it is the normal environment for a ship owner, since for a very long time *“they have been ploughing the sea to all corners of the world.”* (See: Foreword to: *100 Centuries at Sea*, Katerina Charitatos, Aegean Maritime Museum, 2003 page 15).

I have mentioned the personalities and the facts I remember that impressed me most during my collaboration with Greek ship-owners. But in no way do I mean that our relationship has always been ideal. In other

words, although we generally had good relations with collaboration and a real desire to accomplish our operational requirements – in the day to day business, we did face problems and conflicts, as it often happens in any business relationship and it took a lot of good will from both parties to try to find reasonable solutions. I must say that most of the time we found mutually acceptable alternatives to solve our problems.

Furthermore, as in any culture, I found amongst Greek ship owners good people and bad people and I also had negative experiences. I learned from both, but the ones I take pleasure in writing about, are those who left me with the best memories. The bad experiences are also there and I have learned a lot from them, but there is no point to elaborate on them, as they offer nothing – not from a historic nor from a humane point of view.

I must also clarify that Greek ship owners were not the only ones that have traded with Cuba despite the blockade. Throughout the years we have also relations with ship owners from other countries like Finland, France, Great Britain, Italy, Norway, Spain, and of course from the socialist countries, especially Soviet shipping companies – with their modern and efficient fleet, they carried all the cargo of the foreign trade between Cuba and the Soviet Union. But as far as our relations with western shipping companies is concerned, Cuflet's links with Greek ship owners were by far of the greatest importance, due among other reasons, to the size of the Greek merchant fleet and to the competitive and independent approach to business by Greek ship owners, to which I have already referred.

From a personal point of view, I feel very content to have had a relations for more than half a century with such an important business community of the world, as are the Greek shipowners. It should be noted that according information published by the Piraeus University in 2007, Greek owned fleets accounted for more than 3,600 ships, transporting capability being at 218 million DWT (ships over 1,000 gt), covering 16.5% of world transportation

needs. Greek ship owners owned 24.1% of the tanker fleet, 20.4% of the dry cargo fleet and 9.6% of the chemical tanker vessels. (I have not looked for more recent data but I am sure that they will not change the main content of this text).

The involvement of Greek shipowners in Cuban trade since the early sixties despite the United States blockade, is a most interesting example of conducting business of mutual benefit between people with different political views. As a matter of fact, most ship owners received very good incomes for chartering their vessels to Cuba and the medium term time charter contracts they usually signed with Cuflet were instrumental in guaranteeing the financial facilities they needed from the banks to acquire more ships. From our side, we received very valuable services that few companies were prepared to offer Cuba at the time. Undoubtedly, this is a positive experience that could be very useful to have in mind in such a complex and sometimes dangerous world as the one we are presently living.

Finally, I would only add that over the years I have heard many different opinions about Greek ship owners. One may like or not like doing business with them. But one thing is certain and no one dares deny – that international trade could not function as we know it and globalization would not be a fact – without the existence of the Greek merchant marine and the driving force behind the Greek shipping community, which is characterized best in a phrase that I recently read: *“the Greek Maritime Genius.”*

Appendix No. 1

Excerpts from Report by Cuba on the USA blockade,
June 2015:

“In spite of the announcement by the US Executive that an end should be put to the economic, commercial and financial blockade imposed against Cuba, this policy is still intact and continues to cause serious repercussions on the Cuban economy and limits the right to development of the Cuban people. The measures passed up to now by the White House have shown they are limited in scope and how much the US President can still do to substantially modify the application of the blockade by resorting to his executive prerogatives.

The economic damage on the Cuban people due to the application of the economic, commercial and financial blockade of the US against Cuba, considering the depreciation of the dollar in regards to the price of gold on the international market, amounts to 833.755 billion dollars, in spite of the reduced price of gold as compared to the previous period. At current prices, during all these years, the blockade has caused damages for over 121.192 billion dollars.

This figure can never show the pain and hardship that, in spite of all the efforts of the Cuban government, the blockade has caused for the Cuban people. At present, this unjust policy continues to adversely affect all areas of the economic, social and cultural life of the Cuban people, limiting the possibilities of the country to attain sustainable development.

It has been acknowledged that the blockade is not merely a bilateral issue. Its extraterritorial nature, as evidenced by sanctions applied to third parties even after the announcements of December 17, 2014, shows how this policy violates International Law with total impunity and in particular the principle of sovereign equality of States established in the Charter of the United Nations.

In the heart of the General Assembly of the United Nations, on 23 consecutive opportunities, an overwhelming majority of States has recognized that the blockade against Cuba is an absurd, illegal and morally unsustainable. Over five decades since its implementation, its nature, spirit and aims are being maintained intact, generating unnecessary hardships and suffering for the Cuban people.

President Obama himself has rightly acknowledged that the out-of-date approach of this policy against Cuba should end. Nonetheless, today with the same rigor it has had in the last few decades, the effects of the blockade restrict Cuba's economic possibilities and harm its right to raise the living standard of its people.

The President of the United States should make use of his will and his ample executive prerogatives to empty the blockade of its most substantial contents, being consistent with and respecting the outcry of the international community regarding this policy.

Once again, Cuba and its people trust that they will have the support of the international community in their legitimate claim to put an end to the economic, commercial and financial blockade imposed by the government of the United States" (Ministry of Foreign Relations of Cuba: **REPORT BY CUBA** on Resolution 69/5 of the United Nations General Assembly entitled "*Necessity of ending the economic, commercial and financial blockade imposed by the United States of America against Cuba*, June 2015).

Appendix No. 2

British and Greek firms continue to dominate Free World Shipping in the Cuban Trade (CIA Report May 1964 declassified 2006):

The dominance in the Cuban trade of ships controlled by British and Greek firms and registered under the British and Lebanese flags increased in the first quarter of 1964 and reached its highest point in March (see Table 1).

About 95 percent of Free World ships arriving in Cuba in March were controlled by either British or Greek firms, and about 87 percent were of British or Lebanese registry.

The difficulty in further reducing Free World shipping to Cuba lies in the organization of the shipping industry and the attitudes of the British and Greek governments toward control of domestic ship-owners. The UK is unwilling either to press British ship-owners to forego the Cuban trade or to place restrictions on the areas of navigation of British-registered ships. The Greek government has made it unlawful for Greek-registered ships to sail to Cuba but does not prevent Greek ship-owners from using their foreign-registered ships in the Cuban trade. Lebanon has no ship-owners who control shipping in the Cuban trade, hence cannot exert pressure effectively through control of shipping corporations. However, Lebanon has legislation pending (it will not become effective before the end of May 1964) that will enable the government to forbid Lebanese - registered ships from sailing to Cuba. Unfortunately, virtually all firms presently controlling Lebanese-flag

ships in the Cuban trade are incorporated in the UK or Greece, and if they find it profitable, these owners can transfer to the British flag any of their Lebanese -flag ships which they wish to continue in the Cuban trade.

The great reduction in the number of arrivals of Free World ships in Cuba in 1963 compared with 1962 (see Table 2) was achieved essentially by three measures, two of which were imposed by Western governments on their ship-owners. One of these measures, and the most effective, was the exertion of governmental pressure on domestic ship-owners;

Another was the establishment of legal restriction on voyages to or from Cuba, and was employed by Greece, West Germany, Panama and Liberia –except for a few ships that were time-chartered for the Cuban trade before the effective dates of the Greek legislation.

Greek legislation became effective rather late in 1963, and, therefore, the reduction in Greek-flag shipping to Cuba is apparent only since Oct. 1963.

Appendix No. 3

Excerpt of a Memorandum from the Assistant for National Security Affairs Henry Kissinger to President Richard Nixon suggesting to him “*talking points*” reference the question of Cyprus flag ships trading with Cuba to discuss during a meeting that was to be held with Archbishop Makarios in October 25th, 1970:

"I appreciate removal of Cypriot ships from trade with North Vietnam. Trade with Cuba remains a continuing concern of the United States and I hope that it may be possible for Cyprus to reduce its involvement in that commerce. These restrictions are both important to U.S. policy. [The U.S. has pressed persistently for the removal of ships flying the Cypriot flag from the North Vietnam trade (successfully) and from their growing involvement in the Cuban trade (65% of non-Communist shipping)]."

Appendix No. 4

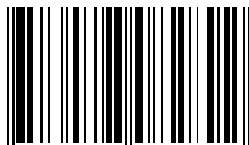
Greek ship owners mentioned in this work -
Listed in alphabetical order with page references
as their names appear:

Athanassiou E.K (29-30)
Comninos, Constantine (49)
Efthymiou Nicolas D. (38)
Frangistas, Achilles (19-22)
Kalamatousis, Stelios (49)
Karnessis, Spyros (49)
Lemos, Leon (49)
Niarchos, Stavros (9)
Martinos, Tanasis (37)
Moundreas, Nicolas (37)
Mouskas, Kyriakos (49)
Onassis, Aristotle (9)
Papalios N.D. and Dimitris, (23-24)
Pappadakis, Nicolas (49-50)
Pateras, John and Diamandis (30-31)
Palios, Simon D. (49)
Polemis, Adam (49)
Peratikos, Michael and Takis (33-35)
Tsakos, Panagiotis N., Nicolas and Maria (39-47)
Tsavliris, Alexander G., Nicholas A., George A. and Andreas A. (15-17, 49)

International trade would not exist as we know it today and globalization would not be a fact, without the existence of the Greek merchant marine which for centuries has been “ploughing the sea to all corners of the world.” The present book refers to one of the most interesting episodes of Greek shipping activity in modern times: its participation during the decades of the Cuban trade since the beginning of the Cuban Revolution in 1959, including historical events like the invasion of Bay of Pigs, the enforcement of the blockade of the United States, the Missiles Crisis, in the early sixties and the collapse of the Soviet Union in 1991.

The author – who held senior positions in shipping and finance in Cuba for almost five decades – describes in this book the personal experiences of his relations with Greek ship owners during those intense and complex times.

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