Aristotle Onassis, a pioneer in the architecture of the global shipping firm

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On January 1, 2000, *Lloyd's List* published a leading article titled “Giants who changed the face of shipping;” not surprisingly, the biggest picture, in the middle of the photo spread, featured Aristotle Onassis. When Onassis died in 1975 he was within the ten largest tanker owners in the world. It was not, however, the size of his tanker fleet that made him a pioneer in world shipping. Onassis was a pioneer in the making the global shipping firm in the post-WWII period. He was instrumental in creating the global shipping business taking advantage of European maritime know-how, American finance and global sourcing that distinguished him from everybody else. He was one of the leaders in the re-invention of European maritime tradition and adjustment to the new post-World War II trends. Michael

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1 The paper is based on the Onassis Business Archive, used for the first time for academic research, and on chapter 9 of my last book *Creating Global Shipping: Aristotle Onassis, the Vaglano Brothers and the Business of Shipping, c.1820-1970*, Cambridge, Cambridge University Press, forthcoming 2019. The Onassis Business Archive is the first Archive of a Greek shipping company to be available to the public in a couple of years. The task of the organization and classification of the Onassis Business Archive runs from 2017 to 2020. It includes hundreds of boxes of documents of all Onassis companies. This is a project undertaken by a research team from the Institute for Mediterranean Studies of the Foundation of Research and Technology-Hellas and is financed by the Alexander S. Onassis Foundation. The team is led by the author with main collaborators Amalia Pappa, the Deputy Director of the General State Archives of Greece, and Dr Alexandra Papadopoulou as the main post-doctoral researcher.

Miller in his recent book has brought out Europe's maritime tradition and the continuation of its supremacy in world shipping in the twentieth century. He emphasizes the importance of new leaders in the shipping industry who became agents of change, the "world connectors" and "architects of transport" of the new oil transportation era. Miller stresses, the “movers and shakers in tankers were the Greeks”, among them Aristotle Onassis.\(^3\) Aristotle Onassis is a prime example of the leading part Greek shipowners have played in world shipping. In fact the history of modern bulk and tramp shipping –and ultimately of the global economy itself- simply cannot be written without the Greek example.

Onassis was a major figure in changing “the face” of the shipping company in the newly globalized era of shipping practices. His business was not attached to any nation, his was a business beyond borders. The companies that owned his ships were Panamanian, Liberian, American, Argentinean, Greek, Swedish and Norwegian. The flags hoisted on his vessels were Honduran, Panamanian, Liberian and American although he also had used Greek, Swedish, Norwegian and Saudi Arabian flags. Greek, German and Norwegian crews manned his vessels. Greek, American, English, German and Uruguayan managers ran his offices. His operating offices and agencies were in Argentina, Uruguay, United States, Norway, U.K, France, Monte Carlo, Greece and Saudi Arabia. The choices he made were much talked about, and often harshly criticized. He chose to build his global shipping empire around offshore companies and flags of convenience. His choices in the 1940s and 1950s were new and unusual, but today they have become common practice in the global shipping business.

This paper will reveal the architecture of his global shipping empire and indicate the model of the global shipping firm followed ever since. The creation of the model of ownership and management of the global shipping company included three basic components. The first one was the extensive use of the institution of the offshore company. The key became the multiple-holding offshore companies that rendered the owner of a ship practically invisible. The second one was the choice of the flags of convenience that today are called either open registries or international registries. The third one was the management of the business group from many locations.

The offshore companies and the multiple holdings

At the beginning of the 21st century an estimated 200 of the 500 top companies of the world, as published in Fortune, were using offshore services. It has been estimated that there are two million offshore international business companies and that 50% of all international bank lending are registered in these jurisdictions. Offshore companies today are domiciled in about sixty countries that are described as “tax havens”. Despite the fact that they are often accused of unaccountability and illegal practices, offshore companies are today clearly an integral part of state systems and the global economy. According to one definition “tax havens are jurisdictions that deliberately create legislation to ease transactions undertaken by people who are not resident in their domains, with a purpose of avoiding taxation and/or regulations, which they facilitate by providing a legally backed veil of secrecy to obscure the beneficiaries of those transactions”. What this definition does not take under consideration is that globalization and international competition, political conflicts, wars and state interventions can destroy international business. Offshore companies do not only provide “tax havens” and “veils of secrecy” but flexibility and means of survival.

Offshore companies developed as a necessity of business strategies, the result of high international competition. American, European and Asian multinationals created a highly competitive environment which has required globalisation or semi-globalisation for corporate strategies. These developments led various companies to offshoring, outsourcing or offshore outsourcing. Following some key definitions as they are understood today “offshoring” refers to the relocation of organisational activities (production, finance and accounting, back office and human resources, information technology) to a wholly owned subsidiary or an independent service provider in another

6 Ibid., 45.
country. By "sourcing" is meant the act through which work is contracted and delegated to an external and internal entity that could be physically located anywhere. By "outsourcing" is meant contracting with a third party supplier for the management and completion of a certain amount of work, for a specified length of time, cost and level of service.\(^8\) Aristotle Onassis was among those prime movers in global shipping that evolved and established the business strategy of offshoring, offshore outsourcing and sourcing.

Offshore companies became a prime manifestation of globalization during the second half of the twentieth century.\(^9\) The use of offshore companies nowadays is a common practice engaged in by most businesses and businessmen. Back in the 1940s and 1950s, in the nation-centred post-world War II world, the practice of using offshore companies was a novelty, considered even an anomaly by nation-states and state administrators. Offshore companies that sprang up during World War I started to be used on a small scale during the interwar period, and grew on a larger scale on the eve of World War II to reach unprecedented development since that time. They became a prime manifestation of globalisation during the second half of the twentieth century. Today, apart from shipping, banking and trade, other multinational corporations are routed in offshore companies and a large literature has grown to analyse them. However, the fact that offshore companies operate beyond state borders and have become somewhat anonymous structures, has and is still receiving great criticism. On the one hand, offshore companies for some are synonymous to money laundering and involvement in criminal and corrupt activities; this has drawn the attention of a fair amount of popular literature. On the other hand, they have become an indispensable institution for global activities. It has been the United States that have supported the "invention" of many an offshore companies, as is characteristically the case of Panamanian and Liberian ones.\(^10\) Following the United States, the offshore sector became the product of, and an integral part of, state systems.

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\(^8\) Ibid, 7-8.
Since 1916 there was a provision in Panamanian law opening domestic corporations to foreign control supplemented by provisions in the Commercial and Fiscal codes approved by the Panamanian assembly and enacted in 1925. The Panamanian laws allowed for the formation of Panamanian incorporations by foreign companies through a system of Panamanian consuls abroad and under a special tax regime. The shipping businesses were among the first to use the Panamanian registry as according the law "any shipowner, whether a natural or juridical person, and irrespective of its nationality or domicile, may register its vessels under the Panamanian flag". Large American steamship companies like the International Mercantile Marine, or American oil multinationals like ESSO and fruit companies like United Fruit Company have used Panamanian companies for their ships and the Panamanian flag since the late 1920s, along with some European shipping and oil companies, long before Onassis formed any Panamanian company. For example the Standard Oil of New Jersey (ESSO) transferred 25 vessels to the Panamanian flag in 1935; the leading Spanish shipping company Sota y Aznar transferred three of its vessels to Panama at about the same time; the leading Greek shipowner based in London Manuel Kulukundis between 1932 and 1935 had transferred five vessels to the Panamanian flag; and the leading Norwegian shipowner Erling Dekke Naess by 1940 had over 20 vessels under Panama flag; as did the major Norwegian shipowner, Wilhelm Wilhemsen, who transferred three of his vessels to the Panamanian flag.

Furthermore, in order to circumvent the 1939 American neutrality Act, American shipowners were allowed to transfer their vessels to Panamanian registry with the approval of the United States Maritime Commission. Apart from shipping companies, other companies also started to use Panamanian companies. For example, Nestle favored offshore corporate shelters like Panamanian companies due to the ambiguity of

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11 Carlisle, Sovereignty for Sale, 21.
12 Carlisle, Sovereignty for Sale, 2, 20.
16 Wilkins, The History of Foreign Investment, 451.
Switzerland's neutrality. From 1936 to 1941, forty-three Swiss-owned Panamanian companies had been formed, which had investments in the United States.\textsuperscript{17} By 1941 there were 110 Panamanian corporations that were found to have U.S. investments; the prospect of World War II resulted in a large number of these being European owned.\textsuperscript{18} Another example can be drawn from the first offshore operations established in the Bahamas, in the Caribbean, in 1936 by British and Canadian interests to provide investment management for wealthy international clients through a subsidiary of National Westminster Bank on the island.\textsuperscript{19}

Evidently, Onassis did not invent the Panamanian companies or the Panamanian maritime registry. Onassis created 164 Panamanian and 19 Liberian companies with which he ran his business group of companies (see Table 1). In creating the offshore companies after World War II, Onassis followed two rules. The first one was that for each ship a new offshore shipowning company should be formed. The second was that for each new shipowning company there would be multiple holding companies. The aim of this strategy was twofold, invisibility and flexibility both as defense mechanisms to react to economic, political and legal circumstances. The “defence” of each ship was secured from the financial or legal problems of the others. As a cosmopolitan businessman not attached to the interests of any country, acting in a global, highly competitive environment, having to deal with hostile host countries, offshore companies provided a secure refuge to defend his business through relative invisibility and flexibility of actions. In today's world of global business it is accepted that the emphasis of the benefits of offshoring are less on cost reduction and more on such benefits as flexibility and speed in delivering business solutions.\textsuperscript{20}

The Onassis fleet was not consolidated under one shipowning company, or even under one representative agency. If one looks at Lloyd's Register of Shipping, the world's most complete ship register, the Onassis fleet cannot be found altogether anywhere. For

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{17} Ibid, 476.
\item \textsuperscript{18} Ibid, 841.
\item \textsuperscript{20} Ramanathan, \textit{The Role of Organisational Change}, 16.
\end{itemize}
\end{footnotesize}
example, in 1970 the fleet of a certain shipping company can be traced in the "List of Owners and Shipowners" by its name; in this way the fleet of the Norwegian shipowning group, let us say, Wilhemsen is found under "Wilhemsen". The Onassis fleet in the same directory, in Lloyd's Register of Shipping of 1970, is not under Onassis name; in fact the Onassis name does not appear in the Register. Neither is his fleet registered under his agency Olympic Maritime S.A. in Monte Carlo or Springfield Panama S.A. in Piraeus. The 80 ships of the Onassis fleet that same year appear under the 80 different names of their shipowning Panamanian or Liberian companies. The aim here, apart from the "defence" of the ships was the “defence” of shipowner through invisibility. Therefore, if something happened to one ship, no harm would happen either to the other ships or to the owner.

In invisibility was achieved through the implementation of two important elements of shipping incorporated in the Panamanian and Liberian law. The first one was the anonymity of the shares of the Sociétés Anonymes whether they are listed or not listed in the Stock Exchange. The anonymity of a share is the essence of the public incorporations or Sociétés Anonymes that are listed in the stock exchange. Shares of listed companies are "anonymous", they belong to "the bearer". Under most European states' legal systems during this period - and for most to the present day- the shares of non-listed companies have to carry the names of the owners. Under the law of the countries like Panama or Liberia or others, however, the shares of the Sociétés Anonymes did not have to have names, whether listed or not; the "share was to the bearer". Shares of listed companies are anonymous—they belong to the bearer. Under most European states’ legal systems during this period—and for most to the present day—the shares of non-listed companies have to carry the names of the owners; not so, however, under Panamanian or Liberian law.

It is interesting to follow how Onassis built his offshore business edifice step by step, and according to the needs of his business. We will trace this evolution firstly through his first offshore company.

Aristotle Onassis formed his first Panamanian offshore company in 1939. This was Sociedad Armadora Miraflores Panama S.A., known as Miraflores for short. Miraflores, became the shipowning company of Onassis' two first ships, named after his parents: Socratis Onassis and Pinelopi Onassis. These two ships from 1932, when purchased, to 1938, were owned by a Greek company and carried the Greek flag. After a famous incident, a conflict
with a Greek port consul in Rotterdam, Onassis decided to change and the flags of his ships to Panamanian. The incident was that the Greek authorities in Rotterdam did not let Onassis' ship in Rotterdam set sail because of an illness of a cook; Onassis had to find a Greek cook to replace him. Furthermore, the Greek flag produced other problems for the Onassis fleet. As recounted in his own words:

In 1937 I asked to register under the Greek flag the newly built Ariston, a ship which till this day is the pride of the most advanced technologically tramp shipping of the world, the Swedish, let alone of the Greek one. What happened is well known. The Ministry of Shipping on the Rediadou str. refused to provide me with the permission to hire foreign engineers on diesel machines who left with bitterness and disappointment. In 1938 another silly stance of the port officer in Rotterdam forced me to ...transfer the ships to the Panamanian flag.21

Thus, the first reason given for choosing to transfer his ships to the Panamanian registry was flexibility. Of course, another reason could have been that Onassis realised the trend of the times and the upcoming war and the neutrality offshore companies would provide. The formation of Miraflores was completed on the 14th April 1939 in the Consulate General of the Republic of Panama in London. This first move was assisted by the shipping men of the Greek London office, who had introduced him to Greek shipping in the 1930s, Costas Gratsos and Pericles Dracoulis, from families with a long maritime tradition from the island of Ithaca. The members of Onassis’ first Panamanian company and shareholders appear as Constantine George Gratsos, Demetre George Gratsos, Panos George Gratsos, Constantine Pericles Dracoulis, and Aristotle Onassis. The amount of capital of the company was $100,000 (one hundred thousand dollars) divided into 2,000 (two thousand) shares of the par value of $50 (fifty dollars) each. The domicile of the corporation was located in Panama, Republic of Panama, and its registered agent and representative remained Mr Carlos Icaza Arosemena (1895-1979) to its closure.22 Ever since, the Icaza law office formed all his 164 Panamanian companies.

21 Aristotle Onassis, “Η ναυτιλία μας μετά τον πόλεμον και η δράση των Ελλήνων εφοπλιστών” [Our post-war shipping after the war and the the activities of the Greek shipowners], Memorandum to the president of the Greek shipowners in New York, M. Kulukundis in 1947, published in Ethnikos Kyrex (National Herald), 8/3/53.

22 Onassis Archive, Alexander S. Onassis Foundation, Corporate books, vol. 1, Sociedad Maritima Miraflores, Panama S.A.
Aristotle Onassis collaborated closely with two main Law offices that specialised in offshore companies. The first one was the Panamanian law office Icaza, González-Ruiz & Alemán, where Onassis collaborated with Carlos Icaza Arosemena and also with Francisco Gonzalez Ruis. This firm, commonly known as "Icaza Law", was first established as Lombardi e Icaza in 1920, before becoming Icaza, González-Ruiz & Alemán. The law firm, a family business, continues its activities to the present day and, with more than 150 lawyers; it is among the world's top offshore law firms, headquartered in Panama. Presently it has branch offices in Anguilla, Bahamas, Belize, British Virgin Islands, Cyprus, Luxembourg, Seychelles, Singapore, Switzerland, United Arab Emirates and Uruguay. It rightly boasts on its website today that "its founders are pioneers among those who contributed to the creation of the legal structure in our country". Onassis, certainly among the firm's most valuable clients, developed with them the technique of forming offshore shipping companies. When the company was formed, the Board of Directors was composed by the Icaza lawyers. In the first Board meeting of each one of the Onassis Panama companies, the directors changed to the Onassis people.

In 1940, the new Panamanian company *Miraflores* opened its bank account with the National City Bank of New York. Specifically, powers were granted to Aristotle Onassis by a "General Resolution" of *Miraflores* in a meeting held on the 23rd February 1940 "designating the National City Bank of New York, Head Office, in New York as the depositary of funds of *Miraflores* and authorizing him to make deposits, withdrawals or borrow moneys". The National City Bank of New York became and remained his main Bank until his death. By 1958 Onassis had received loans of $90.4 million from the National City Bank of New York for the purchase of 84 ships.

The first Board Meeting of *Miraflores* after World War II took place in Manhattan, New York on the 20th December 1946. Major issues were resolved as to the actual running

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24 Onassis Archive, Alexander S. Onassis Foundation, Corporate books, *Sociedad Armadora Aristotelis Panama S.A.*

of the companies, such as the Board of Directors, the proxies in the event of the absence of the Directors and the place of Board meetings. In the meeting of the Board of Directors, as the "terms of office of the Directors of the Corporation elected in 1939 had expired", new Directors were to be elected. Each of the directors were to hold office for five years. So the new Directors were "a) Aristoteles [sic] S. Onassis (President), Constantine Konialidis (Vice President and Treasurer) and Nicolas Konialidis (Secretary)". The latter two were his first cousins and close collaborators and featured in the Board of Directors of all companies.

It was only after his conflict with the United States government that Aristotle Onassis started to "disappear" from all the Board of Directors of all his companies. For example, on 31st December 1954, in a special meeting of the Board of Directors of one of his Panamanian companies owned by Miraflores, the Transatlantica Financiera Industrial S.A., composed by A.S. Onassis (Director), N. Konialidis (Vice-Director) and C. Konialidis (Treasurer), "the chairman stated that the first item to come before the meeting was to consider the resignation of Mr. Aristoteles Socrates Onassis as President of the Company to take effect at the close of the meeting and the election of the successor. The signed resignation was ordered and attached to the minutes of the meeting". It was the Uruguayan lawyer Eduardo Albanell Mac Coll who became the President of the Company.

At the 1946 Board Meeting of Miraflores amendments on the by-laws were decided, that "the By-Laws of the company have been amended to permit meetings to be held in Montevideo". All meetings of the Board of Directors of all the Onassis companies were to be held thereafter at the Misiones str., 1481 in Montevideo, Uruguay. The Onassis offices were in two of the floors of the building; in the other floors were the Greek Consulate and Costas Konialidis’ Greek-Uruguayan company.

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28 Ibid.
29 Onassis Archive, Alexander S. Onassis Foundation, Corporate Books Transatlantica Financiera Industrial, Panama, S.A.,
30 Interview with Ritsa Konialidis, 22 December 2016.
Coll was a Professor at the School of Law of the University of Uruguay and an expert on Commercial and Banking Law, with a rich publication record, and the founder of an important legal periodical that runs to the current date. Eduardo Albanell Mac Coll became a trusted man by Aristotle Onassis throughout his life. At the same address, the family legal office of the Albanells is run today by the third generation.  

Constantino Konialidis was based for a long time in Montevideo, running the Onassis and his own business from there. He, or Eduardo Albanell, were either the proxies at the Board of Directors or the bearers of the stock of the capital of other Onassis companies, authorised by Onassis either by a letter or a telegraph, as is evident from corporate books of Onassis companies at the Onassis Archive. From 1946 to 1975, there was a handful of trusted men who were appointed in the Board of Directors of all companies and also became proxies of one another if they were not present.

The foundation of the architecture of Aristotle business, however, was the multiple holding companies that provided not only invisibility but also flexibility of action. The first move to that direction can be identified at the very first meeting of the Board of Directors of Miraflores in December 1946. In the December 1946 meeting, it was decided that Miraflores became the holding company of Sociedad Armadora Aristomenis Panama, S.A., formed with the amount of 2,000 shares of par value $50. Therefore, Miraflores became the holding company of Aristomenis, and Aristomenis became eventually the holding company of almost all Panamanian and Liberian companies that owned the Onassis ships. All companies for outsiders were seen to operate separately. They were separately incorporated, filed separate tax returns, maintained a separate payroll and bank accounts through which they paid their employees, and separately paid all their operating expenses.

The Onassis model of company organisation is presented in Table 1. The model has two parts, which reveals the multi-holding companies of his business. The first part concerns the ownership and management of the vessels. As it is indicated every vessel was

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owned by a C-company, the so-called "daughter". The C-company would be owned by a
B-company, called the "mother". The B-company would be owned by an A-company, the
"grandmother", which would be the main holding company. The naming of the companies
"daughter", "mother" and "grandmother" was commonly used in the inter-office
correspondence between Montevideo and Monte Carlo. The second part of the model
calnsers the operation of the companies, the shipbuilding, the purchases, the contracting
of loan agreements with the Banks and the chartering, which was carried out by a different
set of companies. These were the D-companies, which I have named the "aunts". These
were formed in order to receive the loans from the banks or charter the ships. They were
the intermediaries of the C-companies, the shipowning companies to handle the business
with institutions such as the Banks or the shippers. The E-companies, which I have named
the "cousins", were the main agencies, which carried out the daily operations.

Table 1. The model of company organisation of the Onassis business

<table>
<thead>
<tr>
<th>1. Ownership and management</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - Company - the A-company owns the shares of the B-company. This was the &quot;grandmother&quot;</td>
</tr>
<tr>
<td>B - Company - the B-company, owns the stock of all the C-Companies, it is the stockholding company of all the C-Companies. This was the &quot;mother&quot;</td>
</tr>
<tr>
<td>C - Company - Every ship is owned by a different Panamanian or Liberian company. This was a C-company, or otherwise called &quot;the daughter&quot;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Operation:</th>
</tr>
</thead>
<tbody>
<tr>
<td>D - Companies - the D-companies were delegated by the C-companies to purchase, order the shipbuilding, charter or finance the ships owned by C-companies. These were the &quot;aunts&quot;</td>
</tr>
<tr>
<td>E - Companies - the E companies were the window to the world. They were the agencies, delegated by the C-companies to carry out the businesses of the vessels. These were the &quot;cousins&quot;</td>
</tr>
</tbody>
</table>

An example of how this structure worked is provided in Table 2. As the Table indicates, the tanker Olympic Flame was owned by at least three different companies of the A-, B- and C-type; it was managed by another three companies of the D-type and it was operated by five companies of the E-type. So for each single ship of the Onassis fleet there were at least 11 different companies involved, located in different countries and continents.
More specifically, the A-company (which ultimately owned the tanker *Olympic Flame*) or "grandmother" *Sociedad Armadora Miraflores Panama S.A.* owned the shares of the B-Company or "mother" *Sociedad Armadora Aristomenis Panama S.A.*. The B-Company or "mother" *Sociedad Armadora Aristomenis Panama S.A.*, in turn owned the stock of the C-Company or “daughter” *Seaford Marine, Panama, S.A.* established in 1957, which was the owner of the tanker *Olympic Flame*.32 Between 1949 and 1957 *Olympic Flame* was owned by an intermediary D-Company or “aunt” called *Olympic Oil Lines, Panama S.A.* that was the temporary owner of the vessel; it was this company that ordered the building of *Olympic Flame* in the U.S. Bethlehem Shipyards in 1949. This company was also owned by *Aristomenis*, which was owned by *Miraflores*. It was another “aunt” or D-company that contracted the loan for payment of the vessel from the New City Bank of New York, the *Olympic Trading Corporation*, a US company also owned by *Aristomenis*, which was owned by *Miraflores*. The vessels was chartered by yet another “aunt” or D-company *ASO Limited, Panama SA* (also owned by *Aristomenis* and *Miraflores*), to the *Gulf Oil Corporation*.33 After the loan was repaid and the time charter ended, *Olympic Flame*, was transferred in 1957 to the “daughter” C-company *Seaford Marine, Panama, S.A.*. In the meantime the vessel was operated by the “cousins”, the five E-companies that were the agencies of the Onassis group of companies.

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Onassis business, as presented in Table 3, was composed by 227 companies, of which 72 percent were Panamanian, 13 percent were Liberian and the rest were American, Greek, Swedish, and one Saudi Arabian. The companies that dealt with the shipping business are distinguished in the first part of Table 3 and counted 118 companies, more...
than half of the total. The rest were either companies that owned his other business, Olympic Airways, other investments in banks, shipyards or refineries and real estate.

Table 3. Nationality of Onassis shipping companies formed between 1939 and 1975

<table>
<thead>
<tr>
<th>Type of company</th>
<th>Panamanian</th>
<th>Liberian</th>
<th>Other*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>For shipping</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A -Company</td>
<td>3</td>
<td></td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>B -Company</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>C-Company</td>
<td>74</td>
<td>11</td>
<td>10</td>
<td>95</td>
</tr>
<tr>
<td>D-Companies</td>
<td>6</td>
<td>1</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>E- Companies</td>
<td>6</td>
<td></td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>Total for shipping</td>
<td>94</td>
<td>12</td>
<td>11</td>
<td>117</td>
</tr>
<tr>
<td>For other business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A -Company</td>
<td>(3)</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>B -Company</td>
<td>2 (+3)</td>
<td></td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>C-Company</td>
<td>63</td>
<td>7</td>
<td>6</td>
<td>76</td>
</tr>
<tr>
<td>D-Company</td>
<td>5</td>
<td></td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Total for other business</td>
<td>70</td>
<td>7</td>
<td>6</td>
<td>83</td>
</tr>
<tr>
<td>Grand total</td>
<td>164</td>
<td>19</td>
<td>17</td>
<td>200</td>
</tr>
</tbody>
</table>

* It includes 8 American, 1 Saudi Arabian, 2 Swedish and 6 Greek companies

**Sources:** Onassis Archive, Alexander S. Onassis Foundation, Corporate books; Results of all companies as of 31.12.1975

The architecture of the edifice of his business is presented in Table 4. There were three A-companies or "grandmothers". This was the afore-mentioned *Miraflores*, and another two Panamanian companies formed during 1946-1947: these were *Sociedad Industrial Maritima Financiera Ariona Panama S.A.* (*Ariona* for short) and *Sociedad Armadora Aristotelis Panama S.A.* (*Aristotelis* for short). The two A-companies that owned and controlled his shipping business were *Miraflores* and *Ariona*, all other business was undertaken by *Aristotelis*. 
Miraflores and Ariona were the two main "grandmothers" that owned about 90 percent of all the shipowning C-companies. Miraflores, owner of most of the ships purchased, by 1970 had eventually become the central shipowning company as is indicated in Table 4. Miraflores, the main A-company owned Aristomenis, the main stockholding B-company. Aristomenis, B-company owned the stock of 62 "daughters", the C- shipowning companies that owned the ships. The second most important A-company was Ariona. Ariona, was initially formed to be the minority owning company of 49 percent of Onassis' American companies. After 1957, it became the second most important "grandmother". It owned the stock of the four B-companies, the Alexander S. Onassis Corp., Liberia S.A., Benmore Panama S.A., Oceanic Transport Corp. and Silverton Panama S.A., which in their turn were the "mothers" of 24 "daughter" shipowning companies.

Table 4. The architecture of Onassis shipping business in 1970

<table>
<thead>
<tr>
<th>1. Ownership</th>
<th>2. Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-Companies Grandmothers</td>
<td>B-Companies Mothers</td>
</tr>
<tr>
<td>Sociedad Armadora Miraflores Panama S.A. (1939)</td>
<td>- Sociedad Armadora Aristomenis Panama S.A. (1946)</td>
</tr>
<tr>
<td>Sociedad Industrial Maritima Financiera Ariona Panama SA</td>
<td>- Alexander S. Onassis Corp, Liberia</td>
</tr>
<tr>
<td></td>
<td>- Benmore Panama S.A.</td>
</tr>
<tr>
<td></td>
<td>- Oceanic Transport Co</td>
</tr>
<tr>
<td></td>
<td>- Silverton</td>
</tr>
</tbody>
</table>

2. Management

<table>
<thead>
<tr>
<th>D- Companies</th>
<th>E- companies cousins</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 shipping companies</td>
<td>5 agencies</td>
</tr>
<tr>
<td></td>
<td>- Olympic Maritime SA, Monte Carlo</td>
</tr>
<tr>
<td></td>
<td>- Olympic Maritime SA, Paris,</td>
</tr>
<tr>
<td></td>
<td>- Olympic Maritime SA, London</td>
</tr>
<tr>
<td></td>
<td>- Holding Olympic Agencies (Montevideo)</td>
</tr>
<tr>
<td></td>
<td>- Springfield, Piraeus</td>
</tr>
<tr>
<td></td>
<td>- Central American Agency (New York)</td>
</tr>
</tbody>
</table>

Sources: Onassis Archive, Alexander S. Onassis Foundation, Corporate books

The other A-company Aristotelis owned the rest of the non-shipping business of Onassis. More particularly, it became the main A-Company, the "grandmother" of the
companies of Olympic Airways and other investments in banks, shipyards or refineries.\textsuperscript{34} This meant that practically all the accountancy and control took place through these three "grandmothers", \textit{Miraflores}, \textit{Ariona} and \textit{Aristotelis}.

It might be noteworthy to mention that the private fortune and personal expenses of Onassis were also managed in the A-, B-, and C- company model. It was the "grandmother" \textit{Aristotelis} that owned all such companies; the \textit{A.S. Onassis Panama S.A.} and \textit{Sociedad Armadora Aristidis Panama S.A.} were the main B-companies owned by \textit{Aristotelis}. These B-companies owned in turn the \textit{Ashland Shipping Panama S.A.} formed in 1956, which owned his apartment in Avenue Foche street in Paris, his Greek C-companies \textit{Anonimos Ktimatiki kai Emboriki Etaireia Agamemnon} and \textit{Anonimos Ktimatiki kai Emboriki Etaireia Mykinai} that owned the group of islands of Skorpios, his houses in Glyfada and Lagonisi that were owned by the C-company \textit{Rawson Panama S.A.}, and his yacht \textit{Christina} that was owned by the C-company \textit{Jancourt Marine Panama, S.A.}, etc.\textsuperscript{35}

The other group of the D- and E-companies were used to operate the business and some were the "windows" to the world. The D-companies, the "aunts", were the companies that purchased, sold, chartered, took finance from the banks or ordered ships from the shipyards. In order to take action, they had to be given authority by \textit{Miraflores}. For example, the D-company \textit{Panamerican Marine Corp.} in a Board Meeting of \textit{Miraflores} on the 24th September 1949, was authorised to time-charter the tankers \textit{Ariston}, \textit{Aristophanes} and \textit{Omiros} to the Anglo-Saxon Petroleum company.\textsuperscript{36} Equally, the D-companies \textit{Olympic Oil Lines} and the \textit{Olympic Trading} had to be authorised. In the meeting of \textit{Miraflores} on the 7\textsuperscript{th} December 1950 there was, "Approval and consent and ratification of all the actions taken or authorized by the Board of Directors of \textit{Olympic Oil Lines, Panama}"; the \textit{Olympic Lines} were to time charter to \textit{Texas Oil Company} the tankers \textit{Olympic Flame}, \textit{Olympic

\textsuperscript{34} But it was not only \textit{Aristotelis} that dealt with his other business. \textit{Miraflores} was also owner of aircrafts.


\textsuperscript{36} Onassis Business Archive, Alexander S. Onassis Foundation, Corporate Books, \textit{Sociedad Maritima Miraflores, Ltd.}
Thunder, Olympic Star and Olympic Laurel. In the same meeting, "there was approval and consent of borrowing by Olympic Oil Lines a sum of $2,000,000 from Olympic Trading Corporation". Olympic Trading, a U.S. company had borrowed this money from the National City Bank of New York.37 Olympic Trading was owned by Aristotle Onassis' trusted men, Nicolas Cokkinis and Creon Broun who were American citizens. It was incorporated in Delaware on the 1st April 1948, for the purpose of obtaining bridge loans from New Jersey lending institutions for financing the construction of tankers from American shipyards. After the last order in the American shipyards it remained inactive for almost 30 years. It was dissolved on the 6th April 1989.38

The company Olympic Lines, Panama S.A. apart from chartering, also acted as an intermediary to order, and own temporarily, ships from American shipyards in the late 1940s and early 1950s. Among others, the company ordered Olympic Thunder, a tanker of 17,791 grt, (28,385 dwt), built in 1950 in Bethlehem-Sparrows Point Shipyard at Sparrows Point in the United States on finance secured by the company Olympic Trading from the National City Bank with collateral from Metropolitan Life. The company Olympic Lines, Panama S.A appeared as the owner of the tanker Olympic Thunder until its debt to the Bank was repaid. Its stock was transferred to a new shipowning company Transmarine Panama S.A., a C-company. The stock of the Transmarine was then transferred to Sociedad Armadora Aristomenis Panama S.A. and then in turn to the Sociedad Armadora Miraflores Panama S.A.

All the E-companies were agencies that operated the vessels from various locations. The main operating agency of Onassis, Olympic Maritime S.A., (OMSA for short), was founded in 1952 in Paris and moved in 1954 in Monte Carlo; the Olympic Maritime remained in Paris as a sub-agent. It was Olympic Maritime S.A. and its sub-agencies that was the main agency of the group. It was given the authority to handle each ship by the decision of the Board of Directors of the holding companies. For example the "grandmother" Miraflores would give the authority to "mother" Aristomenis which in turn

37 Ibid.
would give authority to the "daughter" Somerset Navigation Company Panama S.A., owner of the tanker Olympic Pegasus to carry out transactions with OMSA. There was a meeting on the 31st July 1965 of the Directors of the Somerset Navigation Company Panama S.A. in order to "appoint an operating agent [OMSA] of the m/v Olympic Pegasus, presently owned by the Company, which authorise them to act in name and on behalf of the company for the signing of the Agreement with N.A.T. (The Greek Seamen's Pension Fund) with regards to aforementioned vessel."  

Apart from his own agencies, Onassis outsourced his operations to major British agents like Lambert Brothers, Simpson & Young, or Furness Withy. In the Corporate books of the shipowning "daughter" company, Southern Shipping Panama S.A., it stated, "Furness Withy & co of Halifax Nova Scotia, are assigned to sign all appropriate documents for the change of flag and name of the Panamanian flag tanker Socrates to the Liberian flag Southern Albatross. And the Lambert brothers undertake to sign on behalf of the corporation the sale contract of the ship."  

The complexity of the above structure and the anonymity of the shares of his Panamanian companies brought great confusion to the U.S. administrators in the 1950s and certainly proved a defence mechanism during the case of US vs Aristotle Onassis. In the hearing before the special subcommittee of the committee of the U.S. on Merchant Marine in 1958, there are many interesting discussions. The problem was firstly whether Onassis was the owner of the company Ariona that had shares in many American flag ships. In the hearings of 1958 Ariona is described as "a Panamanian company called Ariona, which the Department of Justice has always believed was controlled by Mr. Onassis". But they were not sure because there was no name on Onassis' shares or in the Board of Directors of Ariona. In the Hearing before the special subcommittee in the summer of 1958 there is an

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39 Onassis Business Archive, Alexander S. Onassis Foundation, Corporate books of Somerset Navigation Company, Panama S.A.
40 Onassis Business Archive, Alexander S. Onassis Foundation, Corporate books of Southern Shipping Panama S.A.
interesting discussion between the American Democratic Congressman Herbert Zelenko and Aristotle Onassis:

_Zelenko._ Give us your exact interests in Ariona, how much you own, what company it is.

_Onassis._ I can't tell you exact, sir, but very close to exact. Ariona is a Panamanian corporation, and I think at the moment I own about 85 percent of the stock.

_Zelenko._ In your own name?

_Onassis._ No. Name of another corporation which end up with me.

_Zelenko._ In what corporation's name do you have your interest in Ariona?

_Onassis._ You are asking quite technical things. There are 70-some corporations. I can't remember exactly.

_Zelenko._ Do you have an interest in your own name in Ariona?

_Onassis._ I don't remember.

_Zelenko._ Do you know where the books of Ariona are?

_Onassis._ I have to look into records.

_Zelenko._ Where are the records?

_Onassis._ Down in South America, sir.

_Zelenko._ In whose custody?

_Onassis._ In the office we have there.

_Zelenko._ Can you get us those records?

_Onassis._ I can. They are here, the records. Aren't they? They are in the Maritime Commission. They are in the Justice Department, except that it is not specified who the stockholder is - there is nothing new about Ariona.

_Zelenko._ I want to know, Mr Onassis, whether you have any stock or interest in Ariona in your own name. That is the basis of the chairman's ruling.

_Onassis._ I have more than the majority stock. I said almost 85 or 90 percent.

_Zelenko._ In your name?

_Onassis._ Whether it is in my own name or through another corporation whose stock is in my own name that is a detail which I cannot answer because I do not know.

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42 Ibid, 197-199.
And here the Chairman of the Committee Herbert C. Bonner, intervened not understanding very well what Aristotle Onassis meant:

**Chairman.** How would you own it if it were not in your own name?

**Onassis.** I am saying, Mr Chairman, that beneficially I own it. In other words, it might be to the bearer, the certificates; it might be in the hands of my custody; it might belong to another corporation which corporation I own myself and whose stock is in my name. I don't know the detail.

Aristotle Onassis knew very well how and what he owned and he totally spoke the truth. The problem with the US authorities was that his truth was his edifice of offshore companies, that was not quite understood. The anonymity of the shares of the companies Onassis owned provided by Panamanian law and the multiple holdings of his companies, provided a complexity to his business edifice that, after all, proved an excellent defence mechanism to the American Justice whose motives to sue foreign shipowners were largely political.43

**The flags of convenience**

If the institution of the offshore companies provided invisibility and flexibility through the multiple holdings as described in the previous section, flexibility and speed of action was further reinforced by the choice of the flags of these offshore companies. A ship owned by a Panamanian company could change its flag anytime. For example the Liberty Aristotelis, purchased in 1946 owned by Columbia Marine S.A.(C-company) which was owned by Aristomenis (B-company), owned by Miraflores (A-company), hoisted the Honduran flag from 1946 to 1958; it changed to the Greek flag from 1960 to 196544 and then again to the Liberian flag from 1965 until it was eventually scrapped in Japan in 1969.

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43 Carlisle, *Sovereignty for Sale*; Harlaftis, “The Onassis global shipping business”.

44 According to the article 13 of the Greek Legislative Decree 2687 of 1953, "concerning the investment and protection of foreign capital", vessels belonging to foreign Greek-owned firms were allowed to sail under the Greek flag: if conditions in Greece were found to be unsatisfactory, the vessels could revert to a foreign flag without prior state permission. In order to prevent foreigners from registering their ships in Greece, a provision was made that foreign shipping firms had to be at least 50 per cent owned by Greek citizens. This legislation incorporated in the Constitution of Greece, institutionalized the absence of state intervention in the activities of Greek shipowners. See Gelina Harlaftis, *Greek Shipowners and Greece. From Separate Development to Mutual Interdependence, 1945-1975* (London: Athlone, 1993), 130-131.
A change of flag could be due to the trades it served. Most of the Aristotle Onassis ships were owned by Panamanian companies but also flew various flags, mainly Liberian, Honduras, Panamanian and Greek.

A question that might arise here is: if the idea was to make himself invisible through offshore companies and many flags, why did then Onassis name his ships and agencies with the prefix “Olympic” which made them easily identifiable? Aristotle Onassis had no problem with visibility. From the early 1950s to his death he was more visible and had his life so exposed to the press that he had no problem of “visibility”. Why then did he choose the offshore companies and the flags of convenience for his ships? The shipowners that chose Panamanian offshore companies and flags of convenience at the time were accused by the American and European Maritime Unions of tax evasion, substandard old ships, and undermanned vessels. Onassis' ships under the flags of Panama or Liberia paid the same taxes and fees as defined in Panama law as the fleets of respected American oil companies or American shipowners like Daniel Ludwig. His ships were brand new and his vessels were certainly not undermanned. The number of his crews in a random sample of eight vessels in 1975 are indicative of the large sizes of his crews. Low cost operation was not his first aim; his crews were among the best paid in the Greek-owned fleet as the payrolls indicate.45

Flags of convenience provided flexibility to the shipowner, and defense to vessels that sailed in international waters. The choice of flag depended usually on the political situation around the world at the time. During the Cold War era, Liberian and Panamanian flags were identified with the United States, and were unwelcome in the socialist countries. Thus, the Onassis tankers that served western developed countries hoisted almost exclusively the Liberian flag. Cargo vessels like the Liberty Aristotelis, which, incidentally, was the only Liberty vessel that he kept after the early 1950s, if they were chartered by the Chinese or the Soviets, for example, had to change to the Greek flag. The complete

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procedure of changing flag took (and still takes) approximately one day and could be carried out in any consulate, and completed while the ship was afloat.46

There were three very important provisions introduced into the Panama Registry in 1925 that rendered it the first and one of the most successful open registries to the present day. These provisions were further refined and tailored to US corporate companies in the Liberian flag, which was devised by American oil companies in 1949.47 Firstly, in the Panama ship registry, as it was the case in all countries that opened their registries, "any shipowner and irrespective of its nationality or domicile may register its vessels under the Panamanian flag". Thus, not only Panama citizens but citizens of all countries could hoist the Panama flag on their ships. The second very important provision was that the shipowner of an open registry vessel could hire crews of any nationality: "the shipowners may hire personnel of any nationality under labor laws that had been adapted to the international practices and customs of navigation at sea". The third important provision was that the ship was not taxed according to the revenues, but paid taxes and fees according to fixed tonnage.48

Open, or international registries as they are called today, were called, in a derogatory manner, flags of convenience during the early postwar era. Flags of convenience were very much fought against by the Traditional Maritime Nations of Northern Europe from the 1940s to the 1980s. However, the choices Aristotle Onassis made back in 1939 and followed in the decades after, were fully justified. In 2018, more than half the world's fleet sailed under open registries and the Panamanian and Liberian flags figure at the top of this fleet. Greek shipowners who followed the path of the new global era opened by the group of new shipping men like Aristotle Onassis, are found at the top of beneficial ownership to the present day (see Table 5).

47 Carlisle, Sovereignty for Sale, xvi.
Table 5. The top shipping fleets of the world according to registry and beneficial ownership, 2015 (in deadweight tonnage, above 1,000 dwt)

<table>
<thead>
<tr>
<th>Registry</th>
<th>Number of vessels</th>
<th>Deadweight tonnage (thousands of tons)</th>
<th>Share of world total deadweight tonnage (percentage)</th>
<th>Beneficial Ownerships</th>
<th>Number of vessels</th>
<th>Deadweight tonnage (thousands of tons)</th>
<th>Share of world total deadweight tonnage (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>7 914</td>
<td>335 888</td>
<td>17.46</td>
<td>Greece</td>
<td>4 371</td>
<td>330 176</td>
<td>17%</td>
</tr>
<tr>
<td>Marshall Islands</td>
<td>3 419</td>
<td>237 826</td>
<td>12.36</td>
<td>Japan</td>
<td>3 841</td>
<td>223 615</td>
<td>12%</td>
</tr>
<tr>
<td>Liberia</td>
<td>3 321</td>
<td>223 668</td>
<td>11.63</td>
<td>China</td>
<td>5 512</td>
<td>183 094</td>
<td>10%</td>
</tr>
<tr>
<td>Hong Kong (China)</td>
<td>2 615</td>
<td>181 488</td>
<td>9.43</td>
<td>Germany</td>
<td>2 869</td>
<td>107 119</td>
<td>6%</td>
</tr>
<tr>
<td>Singapore</td>
<td>3 526</td>
<td>127 880</td>
<td>6.65</td>
<td>Singapore</td>
<td>2 629</td>
<td>103 583</td>
<td>5%</td>
</tr>
<tr>
<td>Malta</td>
<td>2 205</td>
<td>108 759</td>
<td>5.65</td>
<td>Hong Kong (China)</td>
<td>1 592</td>
<td>97 806</td>
<td>5%</td>
</tr>
<tr>
<td>China</td>
<td>4 608</td>
<td>84 184</td>
<td>4.38</td>
<td>Republic of Korea</td>
<td>1 626</td>
<td>77 277</td>
<td>4%</td>
</tr>
<tr>
<td>Bahamas</td>
<td>1 418</td>
<td>76 659</td>
<td>3.98</td>
<td>United States</td>
<td>2 071</td>
<td>68 930</td>
<td>4%</td>
</tr>
<tr>
<td>Greece</td>
<td>1 343</td>
<td>72 345</td>
<td>3.76</td>
<td>Norway</td>
<td>1 982</td>
<td>59 380</td>
<td>3%</td>
</tr>
<tr>
<td>Japan</td>
<td>5 299</td>
<td>37 536</td>
<td>1.95</td>
<td>Bermuda</td>
<td>494</td>
<td>54 252</td>
<td>3%</td>
</tr>
<tr>
<td>World Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50 732</td>
<td>1 910 012</td>
<td></td>
</tr>
</tbody>
</table>


Despite the repetitive embargoes by developed countries in the 1950s and 1960s, combined with that of socialist countries during the Cold War, the trend of the extensive use of the flags of convenience proved unstoppable. Apart from the PanHoLi (Panamanian-Honduras-Liberian) fleet in the 1950s, more developing countries joined the group of open registries that today exceeds 25. As Table 5 indicates, among world's 15 largest maritime nations, according to the ship registry, Panama, Marshall Islands and Liberia figure first, second and third followed by Singapore, Malta and Bahamas. Indeed, 7 out of the 15 largest fleets belong to flags of convenience or open registries.

What the offshore companies and the flags of convenience introduced was the abolition of the "genuine link" between ownership and operation, and the creation of global shipping in a globalising world. The problem that took several decades to understand - and is still not understood by the political milieus, who only see the world within national
boundaries- is the difficulties of the "genuine link" between citizenship, ownership and the operation of a vessel. Shipping, particularly cross trading tramp shipping, cannot survive within the restrictive framework of a national economy. This was understood by American businessmen, but not by American politicians. The official United States merchant policy, for example, took for granted that a nation’s fleet is the one under its own flag; in the official political rhetoric adopted by policy-makers it was stated that there should be a genuine link between nationality of the owner and that of the flag of a ship even as recently as 2000.\textsuperscript{49} U.S. businessmen and shipowners had a different view to the official one. However, the U.S. under flags of convenience fleet accounted for more than three quarters of the total U.S-owned fleet. For example, in 1984 there were ships about 20 million dwt hoisting the U.S. flag. However, in the same year, there were ships of at least 50 million dwt owned by U.S. citizens flying open registry flags.\textsuperscript{50} This continues to the present day as, according to Table 4, the United States-owned fleet (meaning US flag and ships owned by US citizens) ranks 8\textsuperscript{th} place in the world fleet; only 19\% of the US-owned fleet sails under the American flag.\textsuperscript{51}

During the Cold War era, and in the aftermath of World War II, offshore companies and flags of convenience were featured on the front pages of newspapers as "unpatriotic", with concerns raised concerning national defence and labour conflicts, intermingled with "shadow business practices" like smuggling, tax evasion, environmental pollution and energy crises, forming an inimical American public conscience on these issues. The system of the use of the flags of convenience, however, grew uninterrupted. In his classic work \textit{Sovereignty for Sale}, Rodney Carlisle pointed out that:

Public ignorance of the system's evolution was matched by the ignorance of policy makers. Each generation of leaders had to learn again the logic that allowed American ships, by an act of documentation and registry, to be transformed for legal purposes into foreign ships, yet to continue to earn money for their American owners.

\textsuperscript{51} \textit{Review of Maritime Transport} (New York and Geneva: UNCTAD, U.N., 2018), Table 2.3.
The Liberian system of offshore companies and maritime registry introduced in 1949 by American businessmen and political leaders was made to serve American shipping businesses.\textsuperscript{52} Onassis was able to take advantage of the opportunities given by the new state of things in the immediate post-war era, particularly concerning the choice of the nationality of companies and the flags of his ships. From 1946 to 1974, 90 percent of the Onassis fleet operated under open registries using mainly the Liberian flag. He, and the other leading members of the Greek and international shipping community, like P. Goulandris' sons, Stavros Niarchos, Erling Dekke Naess or Daniel Ludwig, set the pace for the rest.

*Management from two continents and six countries*

The management of the Onassis group of companies was highly complex. The fleet was enormous, it ranged between 60-80 vessels that sailed around the globe, involving about 3,500-5,000 employees at sea and in office and 200 companies operated from six countries in two continents. For the management of its resources, a shipping company develops systems that have to do with the capital, the people, and the information.\textsuperscript{53} To that end the operations of a shipping company and the departments involved should include 1) selection and acquisition of ships 2) employment of ships (chartering) 3) ship operation (constant communication between ship and office) 4) technical administration 5) Support of the ship operation (supplies) 6) manning of ship and office (crewing) 7) insurance 8) administration of information and communication 9) financial administration 10) communication with client-charterers and the rest of social and business partners 11) insurance, quality and education.\textsuperscript{54} Table 9 reflects the system of management of the Onassis shipping business from 1954 to 1975. Its mainstay was the mobility and the constant control by Onassis at all levels. It is said that he never stayed in the same place more than 15 days. A group of trusted managers in key positions, and a large number of staunch and loyal employees in his six agencies run the daily business.

\textsuperscript{52} Carlisle, *Sovereignty for Sale*, xvi.
\textsuperscript{53} Ioannis Theotokas, *Οργάνωση και Διοίκηση Ναυτιλιακών Επιχειρήσεων* [*Organisation and Administration of shipping companies*] (Athens: Alexandria publications, 2011), 118.
\textsuperscript{54} Theotokas, *Organisation and Administration*, 116-153.
Table 6. The geographic location of Onassis shipping operation and management 1954-1975

<table>
<thead>
<tr>
<th>WHERE BASED</th>
<th>NAME OF AGENCIES</th>
<th>DEPARTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monte Carlo</td>
<td>Olympic Maritime, S.A. (1951)</td>
<td>➢ General Directorship</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Accounting Dpt</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Legal Dpt</td>
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<tr>
<td></td>
<td></td>
<td>➢ Operation of ships Dpt</td>
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<td>➢ Chartering Dpt</td>
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<td></td>
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<td>➢ Sales and Purchase Dpt</td>
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<td>➢ Technical Dept</td>
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<td>➢ Supplies Dpt</td>
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<td></td>
<td></td>
<td>➢ Insurance Dpt</td>
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<tr>
<td></td>
<td></td>
<td>➢ Crewing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Computer Dpt</td>
</tr>
<tr>
<td>Montevideo</td>
<td>Holding Olympic Maritime Agencies (1940s)</td>
<td></td>
</tr>
<tr>
<td>Piraeus</td>
<td>Springfield, (1961), sub-agency</td>
<td></td>
</tr>
<tr>
<td>London</td>
<td>Olympic Maritime Agency, sub-agency</td>
<td></td>
</tr>
<tr>
<td>Paris</td>
<td>Olympic Maritime, S.A., sub-agency, (1952)</td>
<td></td>
</tr>
</tbody>
</table>

* Dates stated when known


From 1946 to 1975 the operation of the vessels took place from his agencies established in Monte Carlo, New York, Montevideo, London, Paris and Piraeus. What is highly interesting in the management of the Onassis business is that although the headquarters were considered Olympic Maritime S.A. in Monte Carlo, the sub-agencies co-operated most of the Departments from the six port-cities as from one “virtual” office.

From 1946 to 1954 the central offices of the Onassis shipping group were divided between New York and Montevideo. The Montevideo office was and remained the back office, where all filing remained. All the corporate books, the accounting books were in Montevideo, and the invoices from ship operation first went to Montevideo to be registered in the Accounting books. Until 1954 more than half of Onassis' ships were under American flag. The operation of the vessels during this period took place mainly through the Central American Agency. His trusted men there were Nicholas Cokkinis and Costas Gratsos.55

The job of a shipping agency is colourfully described by Onassis to the American authorities:

My Central American Steamship Agency is an agency of service, like is customary. It's owned mainly by Mr Cokkinis and some other executives. I don't know anything about that. They service. The services they arrange is a variety of services from the moment the ship comes in, from painting the vessel or drydocking it to the lipstick of the captain's wife. That is all kinds of services, and we pay them a fee.56

In 1954, year when Onassis was sued by the American government, Olympic Maritime S.A. became the principal agency in Monte Carlo and Central American acted as a sub-agency. He appointed Nicholas Cokkinis as Director of Olympic Maritime S.A. in Monte Carlo and Costas Gratsos remained to head the Central American Agency in New York. The Central American Agency now acted as a sub-agency of the Onassis group of companies, but was also the agency of his American company Victory Carriers Inc., established in New York in the neighbouring offices. This was the holding company of the American flag vessels of the Onassis fleet as things were formulated after the settlement agreement of December 1954 between the US Government and Onassis.57

Montevideo, however, continued its central position in the management of the business. Head of the office there, that sometime in the 1950s was named Holding Olympic Maritime agencies, was Costantino Konialidis, Onassis’ first cousin and most trusted man. Costantino Konialidis was sent to Montevideo by Onassis in 1934 on the purchase of the ship Maria Onassi from the Uruguayan government and to follow her repairs. He remained there permanently until 1956 and run the agency of the Onassis business in the post-World War II period. He remained, at least nominally, the head of the office there until 1975. I am saying "nominally" because Constantino Konialidis after 1956 moved to Athens, and travelled once a year for a couple of months to Montevideo.58 He was appointed by Onassis as the Director of Olympic Airways S.A. based in Athens. Heading the office in the absence of Konialidis

58 Interview with Ritsa Konialidi, 22 December 2016. According the wife of Constatino Konialidis, they kept a house in Montevideo and also had a plantantion of coffee in the North of the country.
was the Uruguayan Guillermo McClew, and responsible for keeping the corporate books in order was the Uruguayan lawyer Eduardo Albanell Mac Coll. Therefore, one can safely assume that the "directorship" of Constantine Konialidis was only nominal and because he was a Uruguayan citizen; but all the work was carried out by the members of the office there.

The Montevideo office kept all the filing of the business, the books. It is worth noting that offshore companies are not obliged to publish any annual reports, or financial statements or to have their books available for inspection or to be audited. They just need to pay certain fees to the government of the country of incorporation which in a way replaces the tax obligation. If an offshore company carries out business on the territory of a foreign country, it must abide by the laws of that state and file all necessary reports with the local authorities if it is needed. Uruguay provided the necessary non-interventionist environment for Onassis’ offshore companies. The Montevideo office ran unofficially two extremely important departments of the Onassis business: the Legal Department and the main Accounting Department. The legal department kept all the legal procedure of the labyrinth of the companies and multiple holdings. The Minutes of all Onassis companies, form today a corpus of about 1,000 volumes that are written in the same style and bound in the same way, meaning that they were written by the same people in the same office from 1946 to 1975. In reality, it seems that Onassis outsourced this part of his business to the law firm of Eduardo Albanell Mac Coll, established in 1940 and which today is called Estudio Jurídico Albanell. The Albanell law firm to the present day is established at the same address of Onassis' Montevideo office, on 1481 Missiones Str.

The other extremely important job that the Montevideo office did was that it functioned as the main accounting office of the Onassis business, keeping the ledgers and accounts of the shipping group. According to Thanos Krassaris all invoices and accounting documents were sent to Montevideo. "It was all done in Montevideo. The books were all

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60 After this office closed in 1987, all corporate books were moved to Switzerland, and after that to the head office of Olympic Maritime and Management in P. Phalero in Athens. Interview with Paul Ioannidis. 11/4/2016.
kept in Montevideo". This is verified by the Onassis Archives, which includes more than 50 books of the monthly transactions of Onassis' business in large ledgers written in Spanish and named "Libro Diario". They are the accounting books of Miraflores, of Ariona, of Aristoteles, and of the Olympic Maritime. The accounting data, collected and typed by the Montevideo office, was then sent to Monte Carlo to be computerised in order to be able to have aggregate results of all companies. Remarkable is the fact that the Onassis business pioneered in computerisation since 1963, while most of the shipping businesses of Piraeus only started to become computerised after the 1980s. The first computerised detailed accounts we found at the Onassis Archive are those of Aristotelis Company in 1963. Communication between the Accounting Office in Montevideo and Monte Carlo is clearly indicated in a letter and long report headed "Inter-Office Correspondence", to Monte Carlo, on the 20th October 1976 entitled "Accounting Entries Related to Directors and Stockholders Meetings of 9/6/1976". Attached to this letter is the document described as “Strictly confidential. Finance serial no.1277, 19 July 1976, A.Z. P.N., 'Trial Balances and consolidated as of December 31st 1975'". It was sent by Guillermo McClew to the headquarters in Monte Carlo and it read:

Following your request, I attach a few statements no1 and no 9, cumulating with the overall balance of the Group’s excess profits over losses, as of December 31st 1975 and amounting to US dollars 512,713,226.13. As agreed upon, the results of each individual company were transferred to the mother company, the latter’s to the grandmother and so on, until they reached the ultimate stockholders...

The first European office that Onassis established was Olympic Maritime Panama S.A. in Paris in 1952; the company was formed and incorporated in 1951. But it was in 1954, after he moved Olympic Maritime S.A., to Monte Carlo that the company became the main agency, the "window to the world" and head offices of his shipping conglomerate until his death. The departments operated in Olympic Maritime S.A., were the chartering, sales and purchases, finance, operation, the technical department, the supplies. General

62 Interview of Thanos Krassaris, 30/3/2016.
64 Onassis Archive, Alexander S. Onassis Foundation, "Aristotelis Financial Results, 1963".
65 Onassis Archive, Alexander S. Onassis Foundation, "Balance sheets of 1975, final results".
66 Ibid.
Manager of the Monte Carlo office, and hence of the whole shipping group from 1954 to 1965, was N. Cokkinis; from 1965 to 1971 Nikos Konialidis; from 1971 to 1977 Stelios Papadimitriou.

In Piraeus, the Onassis agency Springfield Shipping Co was established in 1962-1963 and was used as a sub-agency of Olympic Maritime for crew recruiting and port captains. It was formed and incorporated in Panama in 1961. Until 1973 its director was Captain Dimitri Vlismas. In Piraeus there were also the company's port captains who were sent around the world to inspect the ships. The port captains, supervised by Springfield, were responsible for inspecting the deck and bridge areas of vessels to ensure they were in proper operational condition, to resolve personnel problems among the crew, assist the ships' captains and oversee Springfield's purchase of deck supplies, cabin supplies and victuals.

There were various other offices around the world. In Paris, Olympic Maritime's first office in Europe in 1952 was kept to serve Onassis when he visited his home in Paris. In London, Onassis kept an office, Olympic Agents, in Bond Street, in a building that also housed the offices of Olympic Airways. Until the early 1960s, the group's business was also outsourced there to the British shipbrokers Lambert Brothers and Simpson Spence Young. In Antwerp Onassis collaborated with Teddy Callinicos, who opened his own agency there. In Rotterdam, Europe's most important port, the warehouses of the Onassis group of companies were kept by Kimon Onassis, who was responsible for the warehouse operations and supervised by Michalis Dologlou in Monte Carlo. In Hamburg Onassis had purchased offices and kept from 1951 to 1959 for the building of his ships in the German shipyards. Head of the office there was the German K.W. Reiter.

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68 Ibid.
69 In the meeting of Sociedad Maritima Miraflores on 19 August 1959, "the Chairman then stated that as the sale of the real estate situated at 13 Harvestehuderweg, Hamburg that was owned by the Company had been now concluded, it was necessary to appoint an Attorney in Fact to act on behalf of the Company to settle tax matters with the German tax authorities." Onassis Archive, Alexander S. Onassis Foundation, Corporate Books, Sociedad Maritima Miraflores.
Jeddah, where the Saudi Arabian company, *Saudi Arabian Tankers* was formed, an Onassis office was established, which was run from 1954 to 1960 by Onassis’ cousin Michalis Dologlou and by the young lawyer Stelios Papadimitriou who became his right hand after 1971.

It is estimated that about 4,500 people were working for the Onassis shipping business in 1970. There were 230 people working in the Onassis offices around the world. There were about 15-20 people in the Central American Agency and 20 in Victory Carriers in New York; about 120 employees in Monte Carlo and 65 in Springfield in Piraeus; 12 in Montevideo and about 10 in London and Paris. That same year in his 80 ships worked at least 4,000 seamen.

**Epilogue**

"Onassis saw the future, not the present day, but the day after. He had great business intuition" said one of his close collaborators. 70 Maybe it was not a coincidence that Onassis was one of those who helped found the global shipping business. When he arrived in Buenos Aires he had no country. He started his business career when he was still in a refugee status without a state to protect him. It was in the third decade of his business career, only after he had become a worldwide known shipping tycoon, that the Greek government sought his support and collaboration. His global edifice was constructed among the many countries he travelled and resided.

After his confrontation with the American government in the 1950s, his main concern became to construct a business that was not dependent on any nation, and to protect it from possible “attacks” from the various states he collaborated with. Conflict with host countries and their particular politics is an embedded ingredient of international business. It is indicative of how national interests try to restrict global economic activities, using foreign businessmen as scapegoats for their internal political and economic problems. The use of offshore companies has become the ultimate tool to provide the flexibility and adaptability

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necessary for international shipping companies to survive competition and the protectionist measures of national governments.

Onassis pioneered the modern model of the global shipping company, which had three components. First, he used multiple offshore companies, mainly Panamanian and Liberian, to render the owner of a ship practically invisible. Second, his ships usually sailed under flags of convenience (or open registries) that provided flexibility. Third, he managed the shipping group from many locations, which meant that there was not an abode in only one particular country, but businesses run by agencies in different locations. These practices, which were very much frowned upon at the time, have been consolidated and are today considered the proper and common way of organizing and running shipping companies around the world. Although the above practices were not invented by Onassis, he was the first worldwide in the shipping business, to put them all together and by combining European maritime expertise and American finance and institutions to “draw” the model of global shipping business and lead the way for the re-invention of the European maritime tradition.